



# ***Business Report*** **2015**

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**Messe Berlin GmbH****INTRODUCTION**

Berlin as a location for trade fairs and congresses presents itself stronger than ever after a very successful 2015 financial year. Not only our leading international fairs have contributed to this success, but also a large number of conferences, guest events and other events. All those top events are taken care of by a team of professionals who get high quality events running and establish brands together with their partners from the industry. More than 800 employees of Messe Berlin Group have contributed to this success with their versatile and highly specialized know-how.

Not only does the successful event business of Messe Berlin contribute to the good business performance, it also stimulates substantially the city's economy. This can be seen, among other things, in the current statistics for 2015, prepared by the International Congress and Convention Association (ICCA). No other city in the world held more international association congresses in 2015 than Berlin. With 195 events, Berlin takes first position, followed by Paris (186) and Barcelona (180) and Vienna, Madrid and London. The various conferences in the CityCube Berlin account for a significant share in this success, in particular in the medical field. In the scientific discipline, Messe Berlin is still global market leader in the field of major congresses.

One major factor that is decisive for this success is the environment of Messe Berlin. We unite people and markets in the cosmopolitan city Berlin. Berlin is one of the most popular metropolises because it is a location for science, many associations and institutions have their headquarters in Berlin and the city has evolved to a global centre for creativity and digital economy. Berlin, as capital city and tourist destination, develops more and more appeal and attractiveness and is one of the most active media locations in the world. In 2015 alone, over 25,000 journalists from more than 150 countries have accredited themselves at events of Messe Berlin. Messe Berlin therefore is probably the biggest "medial ambassador" for the capital.

Event professionals of Messe Berlin ensure that Berlin as a trade fair and congress location remains its strong market position and is able to generate more growth with new trade fair concepts and styles as well as a continuously

growing engagement in international growing markets, which helps stabilize the flagship events in Berlin and the economic power of the company in the long term.

Sincerely

A handwritten signature in blue ink, appearing to read 'Peter Zühlsdorff'. The signature is fluid and cursive, written on a white background.

Peter Zühlsdorff  
Chairman of the Supervisory Board  
Messe Berlin GmbH

**Messe Berlin GmbH**

## **INTRODUCTION**



In 2015, more than 800 employees of Messe Berlin Group contributed significantly to the positive economic development of Berlin. The group has been growing in the 15th consecutive year and closes the 2015 financial year with a turnover of EUR 242 million. This is not only by far the best business performance in an odd-numbered year, it is also a leap in growth of 29 percent compared to 2013. If it has been possible to boost the volume of business by another 29 percent after a decade of continuous growth, this must have been a special year of which Messe Berlin is very proud of and which helps us to meet the challenges of the future.

More than two million visitors from around the world visited the 102 events of Messe Berlin in the 2015 financial year. More than 31,000 national

and international exhibiting companies from 180 countries covered more than two million square meters of exhibition area and presented a comprehensive market overview with regard to innovations and services from the most varied industries.

About 25,000 media representatives from Germany and abroad accredited themselves for a total of 70 trade fair and congress events at the Berlin ExpoCenter City and the Berlin ExpoCenter Airport. Messe Berlin not only provides content for reports worldwide about the actual events and industry events but also generates a tremendously promotional publicity for the capital city as a centre of business and academics as well as one of the most popular European tourist destination with a variety of cultural and leisure offerings.

The globally leading trade fairs of Messe Berlin such as the International Green Week Berlin, FRUIT LOGISTICA, ITB Berlin and IFA proofed themselves once again in 2015 as the most important performance shows of the industries and a globally leading platform for product innovations and technologies.

Further highlights of the city's trade fair calendar 2015 were a series of national and international trade fairs for specialists and the public as well as more than 50 guest trade fairs and congress events.

The trade fair calendar 2015 was rounded off by two very successful first-time events. The Stage|Set|Scenery, an international trade fair for specialists of stage and theatre technology and international congress started very successfully in June. The second premiere followed in October with MOTORWORLD Classics Berlin, which presented itself with lots of horsepower as a new and exclusive classic car trade fair in the historical halls of the Berlin ExpoCenter City.

The broad event portfolio of Messe Berlin in 2015 also included numerous specialized guest events at the Berlin fair grounds. The event spectrum ranges from major medical conferences, IT and corporate events to even a federal party conference. In particular industry events in the fields of medicine, science and research covered a major part of the guest events and satisfied the increasing demand for Berlin as a science and business location.

Messe Berlin still is the global market leader when it comes to organizing major medical congresses. The 50th annual conference of the German Diabetes Society, the traditional Capital City Congress for Medicine and Health, the congress of the German Society for Psychiatry, Psychotherapy and Psychosomatics (DGPPN), the 28th annual congress of the European Society of Intensive Care Medicine (ESICM) as well as the 27th congress of the perinatal medicine - numerous major medical congresses with up to 12,000 participants were held at the Berlin fair grounds.

In addition, leading companies of the IT and ITC industry exchanged their opinions at expert meetings such as the NetApp Insight 2015 or the Apps World Germany. Although mainly scientific topics were discussed, the glamour factor did not miss out either. After a pause of several years, the highest endowed cultural award of Germany, the DEUTSCHE FILMPREIS (German film award) has returned to the exhibition grounds. Stars of the national and international music business met for the 24th celebration of the ECHO 2015 again in the Palais am Funkturm.

Thus ended the event year 2015 of Messe Berlin not only with the best economic outcome in its business history in an odd-numbered and regularly weaker financial year, but also with a very strong event business.

A study by the Investitionsbank Berlin based on Messe Berlin as an example and published in December 2015 verified the economic importance of the event business. Thus, congresses and trade fairs are important economic drivers for Berlin. In 2014, exhibitors and visitors spent about EUR 1.4 billion in the city. According to the study, a trade fair and event turnover of EUR 1.00 triggers an additional purchase power of EUR 5.10. Visitors of Messe Berlin generate approximately EUR 65 million only on tax income per year.

Such results not only show the noticeable effect for the economy and the city's labour market, but also document for the first time a growth in tax income from which the Berlin budget benefits due to a flourishing trade fair and congress business. Therefore, Messe Berlin commits itself with pleasure to this work to ensure that this will remain the case also in the future.

Sincerely



Dr. Christian Göke  
Chief Executive Officer



Dirk Hoffmann  
Chief Financial Officer

**Key figures**

**2015**

In-house events	2015
Trade fairs and exhibitions	49
Overall area in m <sup>2</sup>	1,622,700
Exhibiting companies	27,344
Attendance / participants	1,734,350

Guest Events <sup>1)</sup>	2015
Guest Events	53
Overall area in m <sup>2</sup>	623,000
Exhibiting companies	3,900
Participants	278,400

Finances (in million €)	2015
Turnover (group)	242.0
Turnover (Messe Berlin GmbH)	159.3
Annual profits (group)	4.4
Annual profits (Messe Berlin GmbH)	4.8
Group EBT: Trade fairs and congresses	+49.8
Group EBT: Facility Management / Exhibition grounds	-44.8

Personnel <sup>2)</sup>	2015
Employees (group)	811
including Trainees	37
Employees (Messe Berlin GmbH)	425
including Trainees	19

<sup>1)</sup> Guest organizers of trade fairs, congresses, corporate events  
<sup>2)</sup> average annual figures

*Key figures for the  
Messe Berlin Group  
and the trade fair  
venues in Berlin*



**TRADE FAIRS**  
**GUEST EVENTS**  
**FINANCES**  
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**The group's business model**

Berlin is one of the world's most dynamic international metropolises. This unique location, innovative trade fair concepts, a successful congress business and a strong international orientation, allied to many years of expertise, professionalism and impressive service character make the Messe Berlin Group into one of the most successful and highest-turnover trade fair companies worldwide. Messe Berlin has been growing continuously for more than a decade and meanwhile belongs to the ten trade fair companies in the world with the highest turnover.

In light of the tremendous importance for the economic multiplier effects, Messe Berlin sees itself as the engine for Berlin. Visitors of trade fairs and congresses spend their money in the fields of accommodation, food and transport. After their visit of the trade fair events, they go shopping or visit the diverse leisure and cultural facilities of the city. These spendings lead to

**Fundamentals**

high sales in the most diverse economic areas, in particular beyond trade fair events. According to a study of Investitionsbank Berlin from December 2015, visitors to the various trade fairs and congresses of Messe Berlin in 2014 were responsible for consumption expenditures in Berlin in the amount of EUR 887 million. To this must be added the spendings of the about 28,700 exhibitors, who spent about EUR 490 million for forwarders, craftsmen and security companies in 2014. With a simulation model of the Investitionsbank Berlin it is possible to convert such additional sales effects into value added, jobs and public revenue. Hence an additional gross domestic product of Berlin in the amount of EUR 2.1 billion will be generated during the upcoming five years and in addition 6,500 new jobs will be created or respectively safeguarded. Public revenue will increase due to this additional value added effects by EUR 63 million.

#### Location

The exhibition grounds Berlin ExpoCenter City at Messe Berlin headquarters, located in the heart of Berlin, comprise about 170,000 square metres hall space, distributed over 26 trade fair halls plus the CityCube Berlin. Owner of this location is the federal state of Berlin, and operator is Messe Berlin. The exhibition grounds Berlin ExpoCenter Airport, also operated by Messe Berlin, are located next to Berlin Schönefeld airport. Lots of open areas, halls without columns and a large number of parking places provide space for unusual trade fair ideas and the maximum possible flexibility. In the light of an increasingly competitive international environment, the technical and structural standard of the buildings belonging to the federal state of Berlin, which are used for trade fairs, exhibitions and congresses as well as other events is particularly important. Messe Berlin bears most of the cost for the management of the exhibition grounds, amounting to an average of EUR 50 - 60 million p. a.

#### Products

The products of the operative business are divided into in-house events, which are organized by Messe Berlin or its subsidiaries in their own name, guest business (guest events, corporate events, congresses), event-related service business and the conference and congress business of the K.I.T. Group GmbH Group GmbH.

#### Organizational structure

The legal business between Messe Berlin and its main shareholder, the federal state of Berlin, is mainly based on two contracts: The basic agreement and the lease contract for the Berlin ExpoCenter City location. Both agree-

ments are characterized by the conflict between a loss-making property business and a profitable event business. Messe Berlin GmbH functions as a group parent company for in total 14 consolidated subsidiaries, held directly or indirectly, as well as a joint ventures. The Group structure is based on mainly operational necessities.

#### Objectives and strategies

As in the previous financial years, Messe Berlin's objective remains to continue last year's positive momentum by a further increased growth in sales and continuously improving profitability, despite an increasing competition, in order to exceed the growth of the last years once again and to gain further market shares. The company will implement its planned growth strategy by securing the top five leading trade fairs, creating concepts for and developing additional events and further expanding the congress business in Berlin.

#### Segments and Sales Markets

The five major international leading trade fairs International Green Week Berlin, ITB Berlin – THE WORLD'S LEADING TRAVEL TRADE SHOW®, IFA – Consumer Electronics Unlimited, InnoTrans – International Trade Fair for Transport Technology, Innovative Components – Vehicles – Systems, and FRUIT LOGISTICA – International trade fair for fruit and vegetable marketing, are the drivers of growth within the group, which have developed extremely well during the past decade. In addition, the event portfolio of Messe Berlin provides for numerous other highlights in the field of trade fairs and congresses showing a heterogeneous picture. Besides events on a good way to becoming the next leading trade fairs, such as IZB International Supplier Trade Fair, CMS Cleaning.Management.Services. and conhIT, all other trade fairs can be grouped in long-standing and consolidated trade fairs undergoing a conceptional change and smaller new events in the establishment phase. In total, more than 100 regional, national and international in-house and guest events of the group take place annually at the Berlin exhibition grounds, in Germany and worldwide.

#### New events at the trade fair venues in Berlin

In 2015, the new Stage|Set|Scenery and the classic cars trade fair MOTORWORLD Classics Berlin celebrated their successful premiere on the exhibition grounds of Berlin ExpoCenter City. Stage|Set|Scenery combines with its trade fair style all fields important for a successful film production: specialist planning, architecture, film, event services, technology for stage, light, sound, video and media as well as make-up, costume design and decoration work, acoustics and technology for studios, exhibitions and museums.



**Foreign business**

To safeguard the interests of Messe Berlin, also internationalization, in particular expanding activities in Asia, are being promoted. By developing new trade fairs abroad, Messe Berlin is supporting the request of exhibitors for an international expansion and at the same time strengthens the significance of leading trade fairs as well as the trade fair venues in Berlin. In addition, 85 representatives in more than 150 countries on all five continents promote the group's interests abroad and offer exhibitors and visitors a comprehensive service portfolio as well as professional and individual counselling.

The trade fair ITB Asia, organized by Messe Berlin (Singapore) Pte., a wholly owned subsidiary, recorded 10,300 visitors in October 2015 (previous year 9,650) and 15,000 square metres of overall floor space (same as previous year) were rented to 790 exhibiting companies (previous year 750) at the Marina Bay Sands Expo and Convention Center in Singapore.

Every year in September, Global Produce GmbH organizes ASIA FRUIT LOGISTICA – International Trade Fair for Fruit and Vegetable Marketing. This fair focuses on vegetables, storage technology, nuts, fruits and organic products. At this fair, 21,220 square metres of overall floor space (previous year 15,600 square metres) was rented to 580 exhibitors (previous year 480). The event was attended by 9,200 visitors (previous year 8,100). These numbers show that we were able to continue the impressive growth of this event.

The existing foreign events with their continuous growth rate are models for further projects abroad. A careful consideration of risks and changes for each investment abroad is part of our strategy.

"CE China", an offshoot of IFA, will be launched in Shenzhen, Asia, in April 2016 for the first time. As a global IFA event, CE China complements the Messe Berlin portfolio for the Chinese market. The objective is to transfer the successful concept of IFA to the new event and to expand China's leading trade fair for consumer electronics and home appliances. In order to be able to organize the trade fair, the wholly-owned subsidiary Berlin Exhibition (Guangzhou) Co., Ltd. was founded in Guangzhou in 2015.

**Guest events**

The guest events sector is characterized by extremely heterogeneous markets. A main factor for the positive development of the Conventions sector

is CityCube Berlin as a modern and multifunctional location. This is complemented by positive framework conditions in Berlin such as hotels, the overall value for money, a variety of scientific facilities, in particular in the congress-relevant field of medicine, science, IT, and environment and sustainability, which lead in combination with the innovations of a lively start-up scene to an extremely positive image as an event location. ESICM LIVES 28th annual Congress of the Society of Intensive Care Medicine, German Congress for Orthopaedics and Trauma Surgery – DKOU, NetApp Insight Berlin, DGPPN congress – German Association for Psychiatry, Psychotherapy and Psychosomatics and the 27th German congress for Perinatal Medicine were the highlights of 2015.

The market for guest trade fairs is more difficult. German exhibition companies have a strong competition. Therefore, the guest event business is mainly shaped by its regular customers, for instance in 2015, these included the trade fairs Numismata, Mineralis and Hochzeitswelt.

**K.I.T.**

K.I.T. Group GmbH, of which Messe Berlin GmbH owns 75%, is a professional conference organizer (PCO). Its core area of business consists of planning and organizing particular medical conferences, meetings and trade fairs with about 35 events per year and about 75,000 participants, 13,000 square metres of exhibition space and about 150,000 room reservations. Riding on the wave of a growing market with more than 15,000 conferences (thereof 54% in Europe), the company has been able to expand its business activities tremendously within the past ten years and to strengthen its position among the world's three leading PCO's. The basis for its business are multiple long-term contracts with major customers, in particular in the medical sector. For more than 81% of physicians, conferences are the most important source of information.

Also K.I.T. expands abroad. In 2015, K.I.T. Group GmbH acquired 75% of the shares of K.I.T. Group France S.à.r.l. (previously BGV DEVELOPPEMENT S.à.r.l.) with its headquarters in Boulogne-Billancourt, France. For more than 10 years, K.I.T. Group France S.à.r.l. has been organizing on behalf of Société Française de Radiologie et d'Imagerie Médicale (SFR) the largest industry exhibition in Paris, namely "Journées Françaises de Radiologie" (JFR). The congress of radiologists takes place at the "Palais des Congrès de Paris" once a year in October and counts more than 17,000 participants. The acquisition of a French company now enables the K.I.T. Group to gain a foothold in the French or respectively Parisian congress market.

This transaction helps Messe Berlin to enhance and consolidate its entry in the PCO business internationally.

#### **E.G.E.**

E.G.E European Green Exhibitions GmbH, a joint venture of Messe Berlin and Deutscher Bauernverlag, has been continuously growing since 2012, also by means of acquisitions. Its core area of business consists mainly of agricultural regional products and services for over 43,000 trade visitors and multipliers every year. The annual highlight of its subsidiary MAZ Messe- und Ausstellungenzentrum Mühlengiez GmbH is MeLa, a trade fair for agriculture and food, fishing industry, forestry, hunting and horticulture with 70,000 trade visitors.

#### **Service subsidiaries**

As a subsidiary of Messe Berlin, Capital Catering GmbH (CCG) serves food and beverages to the guests and employees of Messe Berlin as well as to third-party customers. CCG's businesses focuses on the Berlin ExpoCenter City and the ExpoCenter Airport. At these venues, CCG provides catering for conferences, seminars, congresses and exhibitions. In addition, CCG operates the Berlin Radio Tower and the Radio Tower Restaurant. In addition to serving visitors and employees, CCG provides outside catering for events and professionally organizes major events through its newly established Prime Catering brand. In the 2015 financial year, Prime Catering was, among other things, responsible for the catering of a gala evening at Loewe-Saal (600 guests), of the German Business Founder Award Ceremony (250 guests) and the gfu Media Night 2015 (370 guests).

MB Capital Services GmbH (CSG) is a service company and responsible for organizing and implementing concepts for the participation in international events, trade fairs, congresses and other events worldwide.

The primary object of business of Capital Facility GmbH (CFG) is to offer technical and infrastructure services for the properties and trade fair business of Messe Berlin and all related activities.

#### **ExpoCenter Airport Berlin Brandenburg GmbH**

ExpoCenter Airport Berlin Brandenburg GmbH (ECA), a joint venture between ZAB ZukunftsAgentur Brandenburg GmbH and Messe Berlin GmbH, manages the ExpoCenter Airport venue, established in Selchow in 2012. The development of ECA's business largely depends on how well the

grounds are marketed by Messe Berlin. The operating contract with Messe Berlin stipulates that ECA receives a fixed rent and a turnover-based rent. However, the fact that Berlin Airport (BER) still hasn't opened and that, accordingly, the planned connection of infrastructure and public transport systems has not yet taken place, has had a negative impact on the operation of the grounds.

#### **Economic environment**

##### **German economy**

Despite global economic turmoil, German economy is still experiencing a moderate upswing. After an initially deteriorating industrial economy in 2015, an upswing in incoming orders indicate a stimulation of the export business, supported by a favorable exchange rate. In contrast, rather domestically oriented services area continue with a clear upward trend. A basis for the robust domestic economy is the job market and, in reliance thereon, the increase in household purchasing power, supported by a decline in oil prices and low interest rates.

After a negative development of the global business climate indicators, there will be no major improvement at the end of 2015. The industrialized countries contribute to a stabilization with their robust economic growth. The gross domestic product continuous its slight but steady upward trend since 2013 with an increase of 1.8% in 2015.

An increase in employment and real wage increase have kept private consumption on a high level. In combination with a moderate price increase and a labour demand, expatiations to private consumption remain positive.

##### **Trade fair industry**

The Association of the German Trade Fair Industry (AUMA) recorded in 2015 for Germany as a trade fair venue a stronger growth than in the previous year. Compared to previous events there was an increase of 1.5% in exhibitors (in the previous year also 1.5%). The number of international exhibitors grew above average of almost 4%. The size of the rented exhibition area grew also by 1.5% (+0.3% in 2014), while the number of visitors grew by 2% in average compared to previous events (+0.3% in 2014). Investments in trade fair companies as well as the number of recruited employees are

expected to increase slightly in 2016. The industry faces the year 2016 with cautious optimism.

#### ***Trends in international competition***

This is a global competition, and the development of the worldwide trade fair market follows the worldwide economic growth. The worldwide trade fair market has been growing annually by 3.6% since 2010, whereby companies without exhibition grounds record a stronger annual average growth. The trade fair position within the marketing mix remains stable: When it comes to assessing the significance, trade fairs are in second position compared to a website, field service, direct mailing, specialized press advertisement and events.

#### **Business progress**

At the end of 2015, Messe Berlin had been able to increase turnover and profit every other year with sometimes stronger, sometimes weaker event years for more than a decade. The 2015 financial year was extremely well. The group had a record turnover ever achieved in an odd-numbered year of EUR 242.0 million (previous year 269.4 million). The same applies to the consolidated annual net profit of EUR 4.4 million (previous year EUR 5.5 million), which is the highest net profit ever generated in an odd-numbered year with fewer events.

More than 24,900 companies (24,230 in the reference year 2013) from Germany and abroad exhibited their products and services at the Berlin trade fair venues. A total of 1.515 million visitors (1.404 million in the reference year 2013) attended our 17 in-house events (14 in the reference year 2013) and 53 guest events (44 in the reference year 2013) at the Berlin ExpoCenter City and the Berlin ExpoCenter Airport. Moreover, 32 additional events (28 in the reference year 2013) took place at locations outside Berlin. In the 2015 financial year, we rented 2,245,700 square metres overall (1,750,440 in the reference year 2013) to 31,244 exhibiting companies (30,290 in the reference year 2013). We counted a total of 2,012,750 visitors (1,932,230 in the reference year 2013) from Germany and abroad.

#### ***Fashion trade fair PANORAMA continuing on course of growth***

In July 2014, The PANORAMA fashion trade fair moved from Berlin ExpoCenter Airport to Berlin ExpoCenter City and is still on its growing path. For its event in July 2015, after 33,000 square metres in July 2014 and almost 37,000 square

metres in January 2015, it was possible to rent out for an exhibition area of more than 40,000 square metres the first time.

#### ***CityCube Berlin very well accepted***

After ICC Berlin had been closed mid 2014 and due to the public ICC discussion which had great influence on the booking situation during the closing months it was not only possible to satisfy the demand for events in 2014 with the newly opened CityCube Berlin but also to exceed the previous business volume. This is both proof for the functionality of CityCube Berlin which meets the market requirement and is an indicator for a strongly increasing congress market in Berlin. CityCube Berlin is not only being used to host congresses but also offers space to Messe Berlin to address the rising demand in in-house events.

#### ***Closure of ICC Berlin finalized***

It was possible to finalize the planned decommissioning work of ICC Berlin in 2015 within the set time frame and by complying with the budget.

#### ***Accommodation of refugees***

Messe Berlin supports the federal state of Berlin in its huge challenge to cope with the mass influx of refugees. In the last quarter of 2015, exhibition hall no. 26 was prepared to serve refugees as an accommodation. In order to not jeopardize the international trade fairs in spring 2016, exhibition hall no. 26 was vacated mid December. It is planned to use the hall again for refugees after the trade fairs in spring. Since mid December 2015, also the ICC Berlin has been reactivated to provide space for the refugees.

#### ***Future of ILA Berlin Air Show***

In the 2015 financial year, Messe Berlin together with the German Aerospace Industries Association (BDLI), the federal states of Berlin and Brandenburg as well as the Flughafen Berlin Brandenburg GmbH concentrated on the future of ILA. Reason for this was, besides the profit situation, the fundamentally changing infrastructure which influences the flight programme significantly. The BDLI is currently preparing a new concept with regard to the ILA 2018 and the following years. Changes have been implemented already for the ILA in 2016, in particular a reduction of the operating time and adjustments to the flight programme.

#### ***Construction of passageways between halls at the Berlin ExpoCenter City***

In order to optimize the usage of the exhibition grounds Berlin ExpoCenter City and in particular to further develop of FRUIT LOGISTICA,

permanent and weather-proof passageways between halls 7.1c and 6.1 as well as between halls 7.1a and 2.1 were built and finalized for usage at the beginning of 2015.

#### **Master Plan Berlin ExpoCenter City**

Berlin ExpoCenter City is a highly attractive location. Additional space for exhibitions, congresses and events is required in the short to medium term due to the enhancement of the trade fair business. As a result of location restriction, expansion and optimization potential are, however, limited. Messe Berlin prepares based on its company strategic goals a master plan for the preservation and future development of the location, covering the following 15 years. In a first step, the need for restructuring was determined and rough cost estimate was prepared. In a second step, space development possibilities were examined based on the current and future needs in a growing trade fair and congress business.

#### **Financial performance indicators**

##### **Situation of the group and of Messe Berlin GmbH**

We consider the group's business situation to be continuously positive. As in the previous years, the 2015 financial year was completed extremely successfully. Compared to the reference year 2013, it was possible to achieve a growth in turnover of 29%. We have thus surpassed our objectives significantly. After a consolidated turnover of EUR 187.6 million in 2013, we achieved EUR 242 million in 2015. Messe Berlin compares the profit of even-numbered or odd-numbered years with each other, because some of the trade fairs are only held every two years. In the even-numbered financial years, the company organizes, among other things, bautec – International Trade Fair for Building and Construction Technology, the ILA Berlin Air Show – International Aerospace Exhibition and Conferences as well as the railway technology and mobility trade show InnoTrans – International Trade Fair for Transport Technology: Innovative Components – Vehicles – Systems.

In 2015, the group's operating result (EBIT) increased by EUR 4.9 million compared to the reference year 2013. The earnings margin (EBIT/turnover) increased from 2.5% to 4.0%. The forecast turnover for 2015 (EUR 224.8 million) was surpassed by EUR 17.2 million (7.7%), while the forecast (negative) operating result (EBIT) was surpassed by EUR 10.9 million.

#### **Multi-year comparison**

<b>Messe Berlin Group</b>	2015 EUR million	2014 EUR million	2013 EUR million	2012 EUR million	2011 EUR million
Turnover	242.0	269.4	187.6	246.8	182.1
Changes in inventory - work in progress	0.1	- 0.2	0.1	0.0	- 0.1
Other operating income	11.4	7.0	6.8	6.5	6.2
Material costs	- 156.4	- 175.4	- 118.3	- 158.8	- 115.3
Personnel costs	- 51.9	- 53.2	- 46.3	- 46.6	- 45.0
Other operating costs	- 26.2	- 28.7	- 19.3	- 33.6	- 19.2
Income from investments	0.1	0.1	0.0	0.0	0.0
<b>EBITDA</b>	<b>19.1</b>	<b>19.0</b>	<b>10.6</b>	<b>14.3</b>	<b>8.7</b>
<b>EBITDA %</b>	<b>7.9%</b>	<b>7.1%</b>	<b>5.7%</b>	<b>5.8%</b>	<b>4.8%</b>
Write-downs of fixed assets	-9.5	-8.2	-5.9	-4.8	-6.0
<b>EBIT</b>	<b>9.6</b>	<b>10.8</b>	<b>4.7</b>	<b>9.5</b>	<b>2.7</b>
<b>EBIT %</b>	<b>4.0%</b>	<b>4.0%</b>	<b>2.5%</b>	<b>3.8%</b>	<b>1.5%</b>
Interest income	-3.2	-2.3	-2.1	-1.3	-0.5
Taxes	-1.9	-2.9	-1.3	-2.2	-1.1
Minority shareholders' share of the profit	-1.1	-0.8	-0.5	-0.6	-0.7
<b>Annual result</b>	<b>3.4</b>	<b>4.8</b>	<b>0.8</b>	<b>5.4</b>	<b>0.4</b>

#### **Operating results**

The group's turnover is 10.2% lower than in the previous year, which had more events. The increase in other operating income is mainly due to reversal of provisions. The material costs decreased in the same proportion as the turnover. Personnel costs decreased due to special effects. Other operating costs could be slightly reduced.

The investments in the expansion of the exhibition grounds capacity caused depreciation to increase by EUR 1.3 million and the negative interest income to rise by EUR 0.9 million.

For the external financing of the CityCube Berlin, the company took out an interest rate hedge in order to take advantage of the currently low interest rates.

Messe Berlin Group	2015	2014	Comparison of changes on previous year	
	EUR million	EUR million	EUR million	%
Turnover	242.0	269.4	- 27.4	- 10.2
Changes in inventory - work in progress	0.1	- 0.2	0.3	> 100.0
Other operating income	11.4	7.0	4.4	62.9
Material costs	- 156.4	- 175.4	19.0	- 10.8
Personnel costs	- 51.9	- 53.2	1.3	- 2.4
Other operating costs	- 26.2	- 28.7	2.5	- 8.7
Income from investments	0.1	0.1	0.0	0.0
<b>EBITDA</b>	<b>19.1</b>	<b>19.0</b>	<b>0.1</b>	<b>0.5</b>
Write-downs of fixed assets	- 9.5	- 8.2	- 1.3	15.9
<b>EBIT</b>	<b>9.6</b>	<b>10.8</b>	<b>- 1.2</b>	<b>- 11.1</b>
Interest income	- 3.2	- 2.3	- 0.9	39.1
Taxes	- 1.9	- 2.9	1.0	- 34.5
Minority shareholders' share of the profit	- 1.1	- 0.8	- 0.3	37.5
<b>Annual result</b>	<b>3.4</b>	<b>4.8</b>	<b>- 1.4</b>	<b>- 29.2</b>

The parent company, Messe Berlin GmbH, generated a turnover of EUR 159.3 million and an operating result before interest and taxes of EUR 7.9 million (previous year EUR 8.6 million). Compared to the reference year 2013, turnover rose by EUR 26.3 million (19.8%). The turnover of Messe Berlin GmbH exceeded that of its 2015 business plan by EUR 8.9 million. This result highlights the positive development of Messe Berlin's internationally leading fairs.

Messe Berlin GmbH	2015	2014	Comparison of changes on previous year	
	EUR million	EUR million	EUR million	%
Turnover	159.3	187.3	- 28.0	- 14.9
Other operating income	13.7	9.7	4.0	41.2
Material costs	- 112.6	- 131.6	19.0	- 14.4
Personnel costs	- 30.7	- 32.1	1.4	- 4.4
Other operating costs	- 25.1	- 29.4	4.3	- 14.6
Income from investments	10.7	10.9	- 0.2	- 1.8
<b>EBITDA</b>	<b>15.3</b>	<b>14.8</b>	<b>0.5</b>	<b>3.4</b>
Write-downs of fixed assets	- 7.4	- 6.2	- 1.2	19.4
<b>EBIT</b>	<b>7.9</b>	<b>8.6</b>	<b>- 0.7</b>	<b>- 8.1</b>
Interest income	- 2.3	- 1.6	- 0.7	43.8
Taxes	- 0.8	- 1.3	0.5	- 38.5
<b>Annual result</b>	<b>4.8</b>	<b>5.7</b>	<b>- 0.9</b>	<b>- 15.8</b>

#### In-house events

The group turnover in the in-house events segment amounted to EUR 107.6 million (previous year EUR 134.4 million). Compared to the reference year of 2013, turnover increased by EUR 16.2 million.

#### Congresses and guest events

In the guest events, congress and events segment, the group's turnover amounted to EUR 62.2 million (previous year 58.2 million) in 2015. Compared to the reference year of 2013, turnover in this segment increased by EUR 24.7 million.

#### Subsidiary companies in Germany and abroad

In 2015, K.I.T. Group GmbH, of which Messe Berlin GmbH owns 75%, and its three subsidiaries, gained a turnover of EUR 45 million (previous year EUR 41.3 million). The acquisition of 75% of the shares of the French company K.I.T. Group France S.à.r.l. (previously BGV DEVELOPPEMENT S.à.r.l.) by K.I.T. Group increased the turnover of the group by EUR 2.9 million.



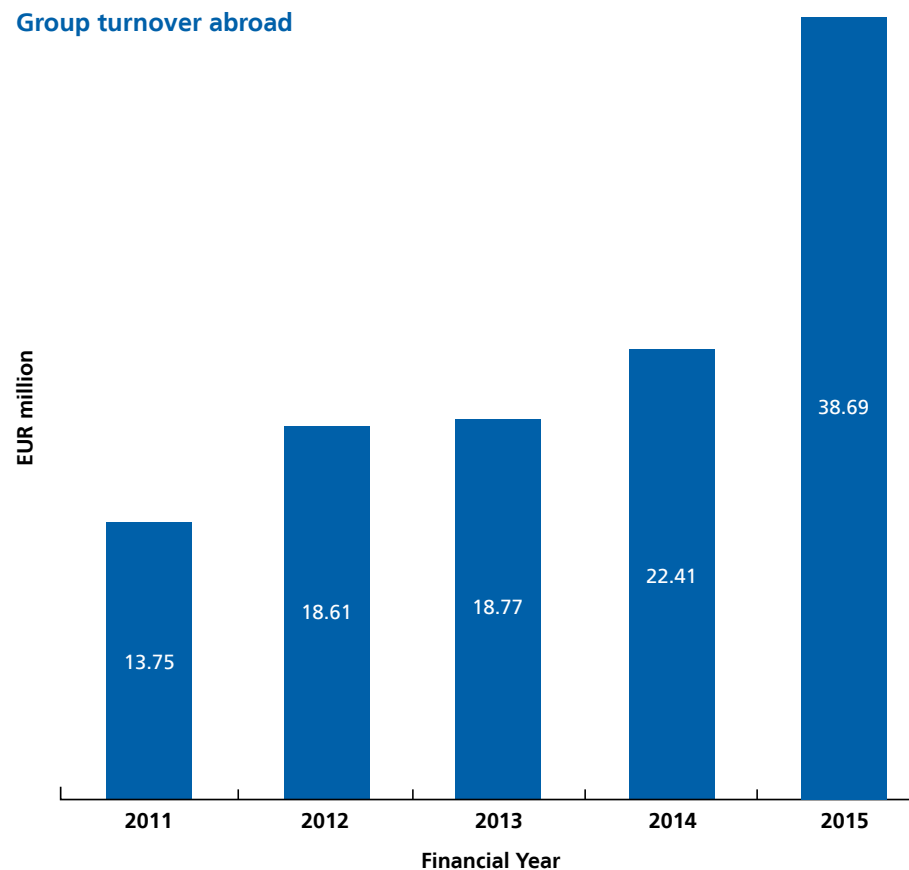
In 2015, Messe Berlin (Singapore) Pte. Ltd. generated a turnover of EUR 3.7 million (previous year EUR 2.9 million) with its ITB Asia event in Singapore.

In the 2015 financial year, Global Produce Events GmbH gained a turnover of EUR 3.9 million (previous year EUR 2.5 million) with its ASIA FRUIT LOGISTICA – International Trade Fair for Fruit and Vegetable Marketing event in Hong Kong.

E.G.E European Green Exhibitions GmbH and its subsidiary MAZ achieved a turnover of EUR 6.2 million (previous year EUR 4.3 million).

In total, the turnover abroad of the Messe Berlin Group could be significantly increased to EUR 38.7 million (previous year EUR 22.4 million). In the financial year 2015, the percentage of turnover generated abroad was thus 16.0% (previous year 8.3%).

**Group turnover abroad**



**Service companies**

In 2015, the turnover of the subsidiary Capital Catering GmbH (CCG) amounted to EUR 13.6 million (previous year EUR 13.6 million and EUR 10.8 million in the reference year 2013). This includes services of EUR 1.3 million for the catering of refugees in exhibition hall no. 26.

MB Capital Services GmbH (CSG) and its subsidiaries recorded a turnover of EUR 24.2 million (previous year EUR 27.2 million and EUR 21.1 million in the reference year 2013). Of this amount, EUR 7.0 million of turnover (previous year EUR 8.2 million) was transferred to Messe Berlin. A successful development of the leading trade fairs and the growth of the congress business led to a good turnover for the CSG in 2015 in the business segments stand construction and advertising space rental.

Also the subsidiary Capital Facility GmbH (CFG) experienced a positive 2015 financial year. The turnover based on the management service agreement with Messe Berlin for facility management is within the budget.

ECA closed the financial year with a turnover of EUR 1.3 million (previous year EUR 1.9 million) and an annual deficit of EUR 1.0 million (previous year EUR 0.4 million). The joint venture's result flows proportionately into the consolidated financial statement.

In light of the continuous difficult marketing conditions of the ECA location in Selchow due to the fact that BER still has not been opened, the ECA shareholders' meeting on 17 July 2015 has intensively discussed the future of the company. A mutual understanding was achieved that, beside the verification of alternative future scenarios, the main focus shall lie on the continuation of the ECA and the Selchow location by increasing in marketing activities.

**Financial and net assets position<sup>1</sup>**

The positive cash flow from ongoing operations amounted to EUR 21.4 million (previous year EUR 19.7 million) in 2015. This improvement was due to an annual group surplus before minority interests of EUR 4.4 million, the non-cash write-downs of EUR 9.5 million that are contained in the results, the increase in received advance payments due to the trade fair cycle and other equities and liabilities which cannot be allocated to investments or financing activities of EUR 3.9 million, interest paid of EUR 3.2 million included in the result and EUR 0.2 million increase in reserves.

<sup>1</sup> Due to the first-time application of GAS 21 in the fiscal year and in order to ensure comparability, the values of the previous years have been adjusted on the basis of GAS 21.

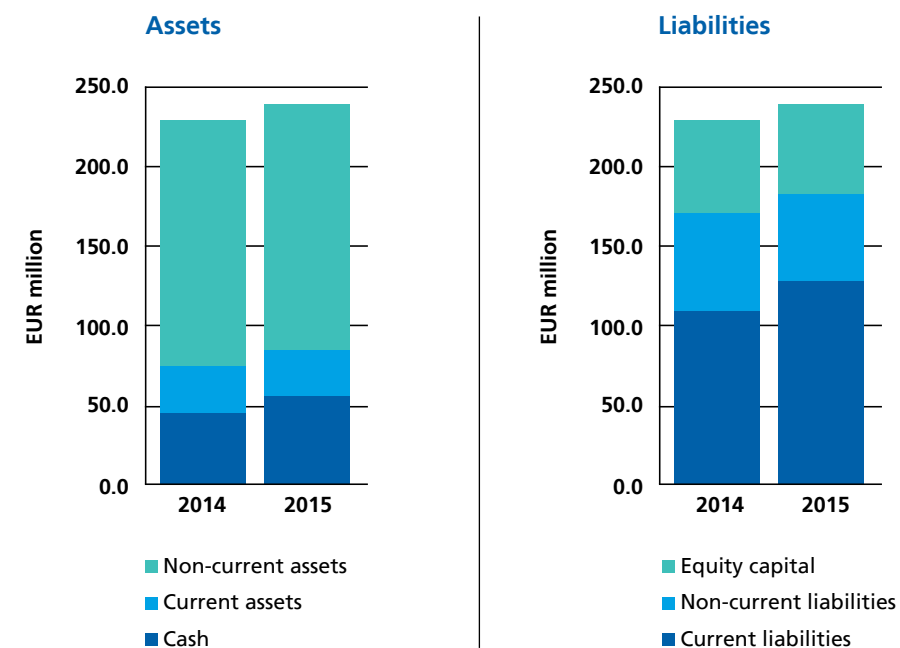
<b>Consolidated statement of cash flow (summary)</b>	2015 EUR million	2014 EUR million
Cash flow from current business activities	21.4	19.7
Cash flow from investment activities	-8.4	-39.8
Cash flow from financing activities	-2.7	-1.1
<b>Changes in financial resources</b>	<b>10.3</b>	<b>-21.2</b>
Changes in financial resources due to exchange rates and consolidation	0.0	0.1
<b>Financial resources as per 1 January</b>	<b>44.8</b>	<b>65.9</b>
<b>Financial resources as per 31 December</b>	<b>55.1</b>	<b>44.8</b>

The negative cash flow from investment activities amounted to EUR 8.4 million (previous year EUR 39.8 million). While the previous year was mainly characterized by investments in the CityCube Berlin, the main drivers in 2015 were further investments in fixed assets in the amount of EUR 7.1 million, intangible assets in the amount of EUR 0.8 million as well as the acquisition of consolidated companies in the amount of EUR 0.8 million. The cash flow from financing activities showed a negative amount of EUR 2.7 million (previous year EUR 1.1 million negative) and included the repayment of loans (EUR 3.4 million), payment of interests (EUR 1.3 million) and dividends paid to minority shareholders (EUR 1.0 million). A positive influence had the last payment-in from investment subsidies (EUR 3.0 million) for the construction of CityCube Berlin.

For Messe Berlin, the statement of cash flow is as follows:

<b>Messe Berlin GmbH statement of cash flow (summary)</b>	2015 EUR million	2014 EUR million
Cash flow from current business activities	17.5	19.2
Cash flow from investment activities	-6.4	-37.6
Cash flow from financing activities	-0.9	-0.5
<b>Changes in financial resources</b>	<b>10.2</b>	<b>-18.9</b>
<b>Financial resources as per 1 January</b>	<b>26.9</b>	<b>45.8</b>
<b>Financial resources as per 31 December</b>	<b>37.1</b>	<b>26.9</b>

On the reporting date, the group's balance sheet total amounted to EUR 240.4 million compared to EUR 228.5 million in the previous year. The balance sheet structure is as follows:



Long-term assets are fixed assets and other assets that are expected to be realised more than five years after the reporting date.

Fixed assets declined slightly from EUR 154.6 million in the previous year to EUR 153.9 million. The proportion of fixed assets in the balance sheet total declined from 67.6% to 64.0%.

Current assets consist mainly of credit institute balances, trade receivables and other assets and increased compared to the previous year by EUR 12.4 million. This is in particular due to the increase in liquid assets by EUR 10.3 million and an increase in receivables and other assets by EUR 1.9 million.

The good result of the financial year has significantly improved our financial structure. Equity capital rose by EUR 3.5 million and the equity ratio increased from 25.3% to 25.5%.

Then non-current liabilities consist chiefly of loan liabilities with a residual time to maturity of more than five years, which amount to EUR 23.2 million (previous year EUR 37.1 million). The decrease was mainly the result of the reclassification of loans in current liabilities due to the declining residual time to maturity to below five years. Furthermore, the special item for investment subsidies (EUR 2.4 million increase as compared to previous year) and pension provisions as non-current liabilities. The historically low interest rates led to a further decline in the discount rate and hence to an increase in the pension liabilities of EUR 0.7 million.

The short-term liabilities consist of other provisions and tax provisions amounting to EUR 50.2 million (previous year EUR 48.6 million), advance payments received (EUR 31.5 million; previous year: EUR 25.2 million), short-term share of the liabilities to credit institutes (EUR 30.7 million; previous year: EUR 20.2 million), trade payables (EUR 8.4 million; previous year: EUR 8.1 million), other liabilities (EUR 5.7 million; previous year: EUR 5.1 million) and deferred income (EUR 1.1 million; previous year: EUR 1.3 million). Short-term liabilities rose by a total of EUR 19.4 million during the year under review. The main reason, beside the reclassification, is an increase in advance payments received due to the cycles of the trade fairs.

Messe Berlin Group	2015	2014	Comparison of changes on previous year	
	EUR million	EUR million	EUR million	%
Non-current assets	154.1	154.6	- 0.5	- 0.3
Current assets	86.3	73.9	12.4	16.8
<b>Assets</b>	<b>240.4</b>	<b>228.5</b>	<b>11.9</b>	<b>5.2</b>
Equity capital	61.3	57.8	3.5	6.1
Non-current liabilities	51.2	62.2	- 11.0	- 17.7
Current liabilities	127.9	108.5	19.4	17.9
<b>Liabilities</b>	<b>240.4</b>	<b>228.5</b>	<b>11.9</b>	<b>5.2</b>

For Messe Berlin, the asset and capital structure is as follows:

Messe Berlin GmbH	2015	2014	Comparison of changes on previous year	
	EUR million	EUR million	EUR million	%
Non-current assets	154.4	153.2	1.2	0.8
Current assets	67.6	55.0	12.6	22.9
<b>Assets</b>	<b>222.0</b>	<b>208.2</b>	<b>13.8</b>	<b>6.6</b>
Equity capital	63.2	58.5	4.7	8.0
Non-current liabilities	41.4	52.1	- 10.7	- 20.5
Current liabilities	117.4	97.6	19.8	20.3
<b>Liabilities</b>	<b>222.0</b>	<b>208.2</b>	<b>13.8</b>	<b>6.6</b>

The balance sheet total for Messe Berlin GmbH rose by EUR 13.8 million. It amounts to EUR 222.0 million, EUR 154.4 million (69.5%) of which consist of fixed assets. Financial assets comprise EUR 14.0 million. The equity ratio for Messe Berlin GmbH is 28.5% (previous year 28.1%). The non-current liabilities consist of the long-term share of the liabilities to credit institutes, pension provisions and special items for contributions to fixed assets.

#### Overall conclusion

The assessment of the business development, the financial and net assets position as well as the operating results of Messe Berlin GmbH and the Group is positive overall. The company fulfilled its financial obligations at all times.

#### Workforce

Messe Berlin has well-trained, highly capable and motivated employees. To ensure that this situation continues in the future, Messe Berlin considers it important to offer its employees interesting and challenging tasks and flexible working time models as well as a fair remuneration and attractive

*Non-financial  
performance  
indicators*

additional benefits and at the same time invest in their constant qualification assurance.

Messe Berlin GmbH pays its employees according to the German Collective Agreement for Public Service Employees (TVöD). As a result of the wage negotiations already in 2014 and with a term of 24 months, wages were increased by 2.4% effective 1 March 2015. The remuneration for trainees was increased by EUR 20 effective 1 March 2015. The uniform vacation time permitted to all employees has been 30 days since 2014, and the vacation time for trainees 28 days. The good 2014 annual result allowed a special bonus paid in May 2015 for all employees at group level and under the legal wage agreement.

The company pension scheme, which safeguards a good standard of living after retirement, is very important to our employees. In the case of all employees bound by the legal wage agreement, Messe Berlin pays 6.45% of their gross wages into a supplementary pension scheme (VBL). In the case of employees not bound by the wage agreement, a sum varying between 4.5% and 6.9% of their gross wages is paid into the insurance scheme. In addition, the legal framework also enables employees to pay part of their wages into two alternative insurance schemes with no tax or social security obligations.

In anticipation of a legislative change by the Ministry for Employment & Social Affairs with regard to the regulations for personnel leasing, Messe Berlin has decided to terminate the practice of long-term personnel secondment within the group. All employees affected by this regulation will be offered a new employment contract as of 1 January 2016 (taking into consideration the protection of vested rights) from the company they are currently working for.

To help its employees find a better balance between work and family responsibilities, Messe Berlin offers a flexible working time model and a range of part-time work models that are matched as closely as possible to individual needs. To support work-life balance in particular of young parents, this offer also includes "mobile working", which is currently tested by 60 employees, or the "parent-child" office for sudden care needs.

Our training program is another important pillar of our sustainability-oriented human resources policy. At the end of the year, the group had 32 trainees (previous year 30) preparing for careers as office clerks or event sales representatives or working to gain Bachelor of Arts (B.A.) degrees in trade fair, congress and event management. This program of dual study in

business management with a focus on trade fairs and congresses is offered by Messe Berlin GmbH in cooperation with the Ravensburg University of Cooperative Education in Baden-Württemberg. The special efforts of Messe Berlin were in particular honored by an award of the Chamber of Industry and Commerce for "Excellent training quality from 2015 through 2017". Furthermore, our best trainee was honored by the award as the "Best event sales representative 2015 of the state". The best reward for a successfully completed training is, however, for most of the participants the offer of an employment contract with a term of at least one year.

Messe Berlin regularly offers in-house continuing education courses and also enables its employees to take external qualification courses that are tailored to the needs of the company and the employees. Also the offer of educational leave is used quite frequently.

The company also sets great store by a good workplace culture and regards the overall mood of its workforce as an important indicator of the status of this culture. It conducts workforce surveys at regular intervals with the support of the Great Place to Work (GpW) research and consulting institute. As part of a company-specific diversity concept, Messe Berlin also strives to enhance its profile as an employer that appreciates and promotes the uniqueness of each one of its employees. The main aspects of this diversity concept are implemented by the diversity groups, which focus respectively on gender, internationality/cultural diversity, handicapped workers, aging and sexual identity. In order to send a signal, Messe Berlin joined in 2015 the Diversity Charter.

Also employees send a signal by their personal engagement in society. They participate in honorary roles for examination committees and courts, they are engaged in blood donation campaigns or are active in various ways for the migrants in our city. The company encourages such engagement and provides support by temporarily excuse employees from their work.

#### **Employees**

As of 31 December 2015, the group employed 791 persons (excluding trainees, interns or employees passive phase of semi-retirement). By comparison with 31 December 2014, the number of employees had increased by 23 persons. Messe Berlin GmbH employed 409 persons as of 31 December 2015, a figure that represents an increase of ten persons.

The group's average number of employees in a year increased from 753 to 780, as compared to the previous year.

**Percentage of women in management positions**

Due to the law of equal participation of women and men in leading positions within the private and public sector of 24 April 2015, which came into effect on 1 May 2015, Messe Berlin is obliged according to the German One-third Employee Participation Act to determine target figures of at least 30% for the increase of the female portion in the supervisory board, the management as well as in the top two management levels below the management board. Therefore, the management stipulated a female portion for the unit head level, the department head level or respectively the project managers of at least 35% by 30 June 2017, of at least 42% by 2020 and of at least 50% by 2025. The Supervisory Board concluded to set the target figure for the female portion of the Berlin Messe GmbH management to 50%. The shareholders of Berlin Messe have also determined a target figure of 50% as the female portion for the Supervisory Board of Messe Berlin.

**Supplementary report**

After the end of the 2015 financial year, there were no events of special significance that would have had a major effect on the assets, financial situation or operating results of Messe Berlin GmbH or Messe Berlin GmbH Group.

**Risk management****Risk strategy**

We define risks as possible negative deviations from planned performance in the course of our company's development, while opportunities stand for positive deviations. The business activities of Messe Berlin inevitably involve risks that despite great care cannot be entirely avoided. The topmost priority of Messe Berlin's risk policy is to exploit existing opportunities and to undertake only business risks that can be considered reasonable and that open up new opportunities for earnings.

**Risk management system**

Messe Berlin employs a risk management system to identify, evaluate and document business risks within the group. This system is regularly re-examined to ensure its suitability and effectiveness.

The basic principles of the risk management system are laid down in an organizational directive. All of the main risks are classified at divisional and subsidiary levels. The findings obtained during the classification process form the basis for estimating current and future risk situations within the group. Risk management is an ongoing process. In addition to the regular

monthly reports, which always include an estimate of the key year-end business figures for all levels of the group, special individual risks are communicated to the management and the Supervisory Board in a corporate risk report at predefined regular intervals, depending on their importance.

The development of risks is monitored within the group using early warning indicators. Economic fluctuations are shown as risk factors affecting business development. In the course of the annual business planning process, the various opportunities and risks associated with all future business activities are assessed and any changes in the market or in the competitive situation are taken into consideration. Entrepreneurial risks incurred in the course of the expansion of business activities and new projects are only entered into if an entrepreneurial assessment regards the opportunities and risks to be adequately controllable.

**Risk areas**

Typical risks faced by a trade fair company include exhibitor and visitor numbers that fail to meet expectations, pricing pressure at guest events and the loss of trade fairs to other venues. For Messe Berlin, risks associated with the exhibition grounds and with construction work are an additional concern. There are currently no high-probability risks which could jeopardise the existence of the company, nor can any be expected to occur in financial year 2016.

**Compliance**

Already in 2010, Messe Berlin decided to set up a Compliance Management System (CMS). The system was administered by external lawyers. In February 2014, the Compliance, Organization, Risk Management and Revision departments were combined into the Corporate Governance division and reorganized. They cooperate closely and form an integrated Corporate Governance Management System.

The group's management is responsible for ensuring that the statutory regulations and the company's internal directives are complied with. An in-house compliance officer of Messe Berlin GmbH cooperates with the "risk owners" to register and assess the compliance risks of the corporate group. An external ombudsperson also registers any compliance risks that are brought to his or her attention. As part of a system for reporting tips, the ombudsperson is the contact for whistle-blowers. The aim of the system is to expose irregularities within the group and to counter compliance risks early on.



**Prospects,  
opportunities and  
risks associated  
with future  
developments**

As essential challenges of the future, Messe Berlin sees the continuous enhancement of its employees with regard to the requirements that arise from the integration of new businesses, technologies and business partners, identification of growth areas beyond the existing exhibition grounds, the strengthening of the role of the trade fair as multi-service provider for the federal state of Berlin as well as the financing of necessary development of our exhibition grounds.

**Employees**

In order to be and become attractive for top performers, Messe Berlin invests in medium-term measures such as strategic succession planning, employer branding, continuous improvement processes, automatic application management, strong positioning of Messe Berlin as an innovative and popular employer, efficient capacity management and uniform standards within the group.

**Development areas**

The group's major development areas are still the expansion of the value chain with regard to content by new products as well as geographic expansion. Messe Berlin sees itself as a multi service provider, also for the federal state of Berlin. It offers platforms to the stakeholders in Berlin for exchange and networking.

**Master Plan Berlin ExpoCenter City**

Having finalized the initial step (step 1) and prepared a status review, basic framework parameters as well as chances and limitations for the master plan, in 2016 a coordination with the federal state of Berlin as the owner will be the focus concerning the financing of the measures. At the same time, within the framework of step 2 of the master plan, a step-by-step expansion of the exhibition grounds to 20,000 square metres will be reviewed. Here, the main focus is on areas that can be used flexibly for congresses and trade fairs.

**New basic agreement with the federal state of Berlin**

In 2016, negotiations will be held with the federal state of Berlin for a new basic agreement which shall enter into force as of 2018. Essential payment flows stipulated therein will have a crucial impact on the growth of Messe Berlin. It not only covers the expenses for catering but also the necessary investments in the exhibition grounds within the framework of the master plan.

**Future of the ExpoCenter Airport Berlin Brandenburg GmbH**

The postponement of the opening of the Berlin Brandenburg BER airport to the second half of 2017 poses risks to the joint venture ExpoCenter Airport Berlin Brandenburg GmbH. Because of the unfavorable marketing situation resulting from the postponement of the airport's opening, the joint venture will be facing a liquidity gap starting at the end of 2016. At the end of 2015, committee resolutions were achieved which are the bases for the required shareholder loan. Meanwhile, a loan agreement of EUR 1.0 million has been concluded between ECA and ZAB ZukunftsAgentur Brandenburg GmbH, Potsdam.

**New orientation for the ILA Berlin Air Show**

The continuing massive financial losses of the ILA in recent years, as well as thoughts about an alternative interim use of the ExpoCenter Airport grounds, have led the management to consider fundamentally reorganizing the event. For example, alternative scenarios were already designed and calculated during the past financial year in coordination with BDLI. The main reasons for the continuing high financial losses are the flight programme, the expensive temporary halls and the temporary paths and parking spaces. In addition, the demand for stand spaces has stagnated for several years now because of the generally difficult market situation for aircraft manufacturers in Europe. Because of the opening date of the BER, it must be assumed that a flight programme for the ILA 2018 can no longer be implemented.

**Conditions of use of ICC Berlin still open**

A final decision by the federal state of Berlin regarding the ultimate use of the ICC Berlin is still pending. Messe Berlin has included a total of EUR 12.3 million in downtime maintenance costs in its financial planning for the period from 2016 to 2020, in addition to the one-time decommissioning costs of EUR 3.0 million that were mostly paid out in financial year 2014/2015. EUR 2.3 million of the EUR 12.3 million are earmarked for 2016. Any costs beyond this planned amount pose a risk to Messe Berlin. Due to a potential continuous usage as an accommodation for refugees, new considerations for partial commissioning are required.

**New events**

"CE China", an offshoot of IFA, will be launched in Shenzhen, Asia, in April 2016 for the first time. The concept of the Chinese IFA will be based on the model of Messe Berlin, including the segments for electronic devices

and household appliances. The Groups Alibaba and Gome as well as other retailers have signalled their support. As a global IFA event, CE China complements the Messe Berlin portfolio for the Chinese market. The objective is to transfer the successful concept of IFA to the new event and to expand China's leading trade fair for consumer electronics and home appliances.

After a successful preview in November 2015, the exchange of expert and knowledge transfer will experience its premier at the micro photonics from 11 through 13 October 2016. The trade fair micro photonics a globally unique platform for the development, manufacture and application of miniaturized optical components. The trade fair and the comprehensive congress programme will offer extensive opportunities to find customers and partners in the growing markets like micro/nano photonics and biophotonics. The micro photonics will present the entire value chain which includes application oriented research, production engineering as well as complete systems and terminals.

In order to be able to launch yet another offshoot of ITB in China starting in 2017, in addition to ITB Asia in Singapore, Messe Berlin plans to establish another subsidiary in Shanghai. On 15 February 2016, MB Exhibitions (Shanghai) Co., Ltd. was founded.

#### **Basis for planning the expected business development**

The future development of the operating results, financial and net assets position is being planned on the basis of assumptions that currently appear plausible and sufficiently probable, even though the economic background is still marked by a degree of uncertainty. Consequently, actual developments may differ significantly from previous assumptions and from the resulting plans and trend forecasts.

#### **Expected economic environment**

According to the forecast of various sources, the gross domestic product 2016 will continue its upward trend of 1.7%. In contrast, the International Monetary Fund (IMF) rather predicts a downward trend for the 2016 global economic growth (+ 3.4%, 2017 + 3.6%) with 0.2 percent point less compared to October 2015. The most major risk to economic growth are currently seen in China's growth slowdown (+ 6.9% 2015, 6.3% 2016, 6.0% 2017), monetary tightening measures in the USA combined with a strong US dollar and a potential escalation of the existing geopolitical uncertainties. For the euro area, the IMF is slightly more optimistic. For 2016, economists adjusted the expected growth upward by 0.1% to 1.7%. For 2017, the IMF expects to see the same growth rate.

According to information from the Association of the German Trade Fair Industry (AUMA) in Berlin and based on a survey conducted by TNS Emnid, exhibiting companies plan to invest 4.6% more money in trade fair participations in 2016 and 2017 as compared to 2014/2015. Almost every other company would like to participate in one or two trade fairs in 2016 and 2017, which equals slightly less than one stand per foreign trade fair. The number of trade fair participations in Germany for the next two years will be at 4.8 and abroad at 3.5.

#### **Expected development of business and profits**

Turnover for the group in 2016 is planned in the amount of EUR 282.6 million. The budgeted increase is at EUR 13.2 million or respectively + 4.9% as compared to the reference year 2014. The budgeted annual result before taxes (EBT) 2016 will be at EUR + 8.7 million (reference year 2014 EUR + 7.6 million).

In 2016, 29 in-house events of the group amount to a planned total turnover increase of about EUR 12 million compared to 2014, whereas trade fairs with the strongest turnover are IFA, InnoTrans, ITB Berlin, FRUIT LOGISTICA, IGW and PANORAMA January/July and contribute to the planned group turnover with EUR 167 million (59%).

In 2016, the planned turnover at group level for congresses at CityCube Berlin will remain constant compared to 2014.

Planned guest events in 2016 are slightly below the turnover of 2014, which is mainly due to the one-time special event in 2014, the Child and Youth Assistance day.

The first quarter of 2016 with a large number of events is successful. The event program 2016 started traditionally with the International Green Week Berlin on the exhibition grounds. With 1,660 exhibiting companies for 65 countries, this event was stable compared to the previous years and moreover allowed due to a new hall concept a further expansion for the fashion trade fair PANORAMA, which took place at the same time.

For the first time, PANORAMA took place in hall 9 and presented 712 collections on more than 42,500 square metres in total. Halls for new segments such as Shoes & Accessoires, "young fashion" and the NOVA CONCEPT, a trend laboratory for female and male collections, increased the trade fairs attractiveness for more than 50,000 visitors significantly.

FRUIT LOGISTICA also increased its occupied area compared to the previous with in total 2,891 exhibiting companies from 84 countries. A record of more than 70,000 trade visitors were counted.

bautec - International Trade Fair for Construction and Building Technology, was able to stabilise in 2016 with a slight growth as compared to the previous events. About 35,000 visitors gathered information at 500 exhibitors from 17 countries about innovative products and services as well as in terms of current topics in the sector.

In the segment guest events, Germany hosted for the first time the CISCO Live 2016 from 15 - 19 February 2016. For CISCO Live's 25 anniversary, about 12,000 visitors were counted. This event will be continued in Berlin in 2017.

#### **Expected financial and net assets position**

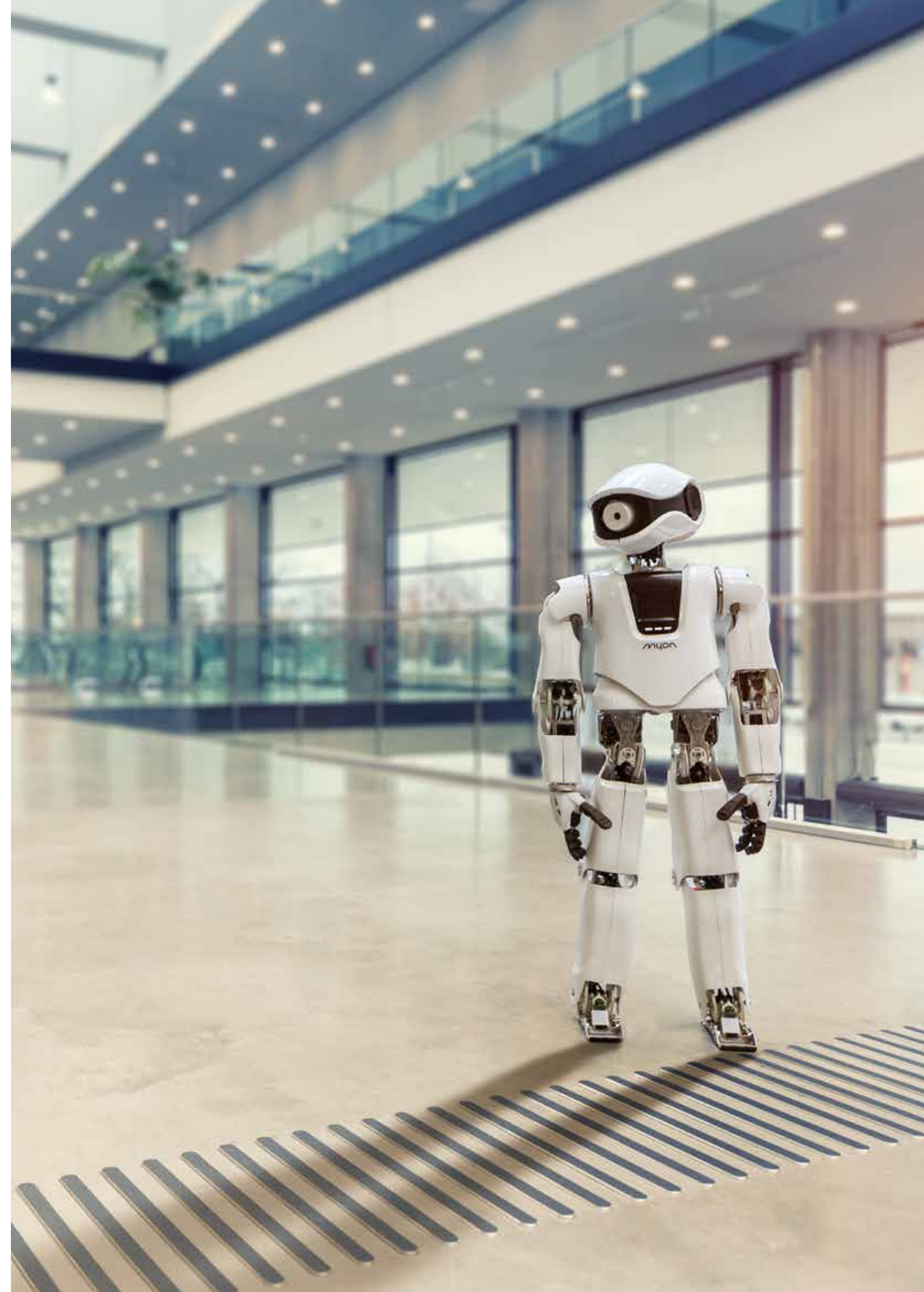
The 2016 financial year will show a cash flow from operating activities of the Messe Berlin Group in the amount of EUR 8.5 million, a negative cash flow from investment activities of about EUR 8.9 million and a negative cash flow from financing activities of about EUR 4.0 million. The group's total liquidity is expected to decrease by about EUR 4.3 million to EUR 50.8 million. A corresponding development is planned for Messe Berlin GmbH.

From today's perspective, Messe Berlin GmbH and the group will have enough liquidity available in the 2016 financial year if the current framework conditions remain unchanged.

29 February 2016

Dr. Christian Göke

Dirk Hoffmann



## Group balance sheet

2015

Consolidated financial  
statement and  
annual financial  
statement as per  
31 December

Assets	31/12/2015		31/12/2014	
	EUR'000	EUR'000	EUR'000	EUR'000
<b>A. Fixed assets</b>				
I. Intangible assets				
1. Rights and licences acquired against payment	1,545		1,819	
2. Advance payments	755	2,300	238	2,057
II. Tangible fixed assets				
1. Land, titles to land and buildings incl. buildings on other premises	138,429		138,515	
2. Technical installations and machinery	6,676		4,496	
3. Operating and business equipment	5,004		4,861	
4. Advance payments and assets under construction	802	150,911	3,981	151,853
III. Financial assets				
1. Shares in affiliated companies	80		80	
2. Shareholdings	26		26	
3. Loans to companies in which shares are held	500		500	
4. Non-current securities	43	649	43	649
		<b>153,860</b>		<b>154,559</b>
<b>B. Current Assets</b>				
I. Inventories				
1. Raw materials, consumables and supplies	151		175	
2. Work in progress	654		557	
3. Goods	141		158	
4. Advance payments	842	1,788	726	1,616
II. Receivables and other assets				
1. Trade receivables	17,311		16,541	
2. Receivables from affiliated companies	0		20	
3. Other assets	12,037	29,348	10,852	27,413
III. Current securities				
Other securities		12		71
IV. Cash-in-hand and bank balances		55,132		44,780
		<b>86,280</b>		<b>73,880</b>
<b>C. Accruals and deferrals</b>		<b>109</b>		<b>57</b>
<b>D. Active difference from capital account</b>		<b>123</b>		<b>38</b>
		<b>240,372</b>		<b>228,534</b>

Liabilities	31/12/2015		31/12/2014	
	EUR'000	EUR'000	EUR'000	EUR'000
<b>A. Equity capital</b>				
I. Subscribed capital	20,708		20,708	
II. Capital reserves	12,578		12,578	
III. Other retained earnings	109		109	
IV. Net group profit	25,399		22,047	
V. Differences in equity capital resulting from currency conversion	132		83	
VI. Adjustment items for shares held by other shareholders	2,383		2,315	
		<b>61,309</b>		<b>57,840</b>
<b>B. Special items for contributions to fixed assets</b>		<b>12,099</b>		<b>9,655</b>
<b>C. Provisions</b>				
1. Provisions for pension or similar obligations	15,916		15,195	
2. Provisions for taxes	2,468		2,349	
3. Other provisions	47,695		46,254	
		<b>66,079</b>		<b>63,798</b>
<b>D. Liabilities</b>				
1. Liabilities to banks	53,952		57,300	
2. Advance payments received on orders	31,533		25,162	
3. Trade payables	8,362		8,127	
4. Other liabilities of which from taxes EUR 3,088 thousand (previous year EUR 2,268 thousand) of which for social security EUR 41 thousand (previous year EUR 30 thousand)	5,728		5,099	
		<b>99,575</b>		<b>95,688</b>
<b>F. Accruals and deferrals</b>		<b>1,310</b>		<b>1,536</b>
<b>G. Deferred tax liabilities</b>		<b>0</b>		<b>17</b>
		<b>240,372</b>		<b>228,534</b>



## Consolidated statement of profit and loss

# 2015

Consolidated statement  
of profit or loss for the  
period from 1 January  
to 31 December

	2015		2014	
	EUR'000	EUR'000	EUR'000	EUR'000
1. Turnover		241,965		269,423
2. Increase (in previous year decrease) in inventory of work in progress		97		- 154
3. Other operating income of which income from currency conversion EUR 371 thousand (previous year EUR 351 thousand)		11,407		6,961
4. Material costs				
a) Cost of raw materials, consumables and supplies and purchased goods	- 13,584		- 15,269	
b) Cost of purchased services	- 142,846	- 156,430	- 160,145	- 175,414
5. Personnel costs				
a) Wages and salaries	- 42,634		- 43,455	
b) Social security contributions and costs for pensions and benefits of which, for pensions EUR 1,914 thousand (previous year EUR 2,692 thousand)	- 9,339	- 51,973	- 9,746	- 53,201
6. Write-downs of intangible assets and tangible fixed assets	- 9,469		- 8,203	
7. Other operating expenses of which expenses from currency conversion EUR 558 thousand (previous year EUR 247 thousand)	- 26,190		- 28,719	
8. Income from investments of which from affiliated companies EUR 91 thousand (previous year EUR 83 thousand)		91		83
9. Other interest and similar income		54		98
10. Interest and similar expenses of which expenses from discounting provisions EUR 1,927 thousand (previous year EUR 964 thousand)	- 3,275		- 2,427	
<b>11. Profit or loss from ordinary activities</b>		<b>6,277</b>		<b>8,447</b>
12. Taxes on income and profit	- 1,696		- 2,778	
13. Other taxes	- 157		- 125	
<b>14. Consolidated net loss/profit for the financial year</b>		<b>4,424</b>		<b>5,544</b>
15. Profits share of other shareholders	- 1,072		- 760	
<b>16. Group profit</b>		<b>3,352</b>		<b>4,784</b>
17. Profit carried over from the previous year		22,047		17,263
<b>18. Net group profit</b>		<b>25,399</b>		<b>22,047</b>

## Consolidated statement of cash flow

# 2015

Consolidated  
statement of cash  
flow for the  
2015 financial year

	2015		2014	
	EUR'000	EUR'000	EUR'000	EUR'000
Consolidated net loss/profit for the financial year	4,424		5,544	
Write-downs of fixed assets	9,469		8,203	
Increase in provisions	192		7,068	
Other non-cash income	- 567		- 411	
Losses from disposal of tangible fixed assets	1		4	
Decrease (in previous year increase) in inventories, receivables and other assets not classified as investments or financing activities	704		- 4,878	
Increase in payables and other liabilities not classified as investments or financing activities	3,904		654	
Interest expenses, net of interest income	3,220		2,329	
Other income from investments	- 91		- 83	
Income-based tax expense	1,696		2,778	
Income-based tax payments	- 1,538		- 1,507	
<b>Cash flow from current business activities</b>	<b>21,414</b>		<b>19,701</b>	
Cash inflow from disposals of tangible fixed assets	2		6	
Cash outflow for investments in tangible fixed assets	- 7,083		- 38,658	
Cash outflow for investments in intangible fixed assets	- 770		- 562	
Cash outflow for investments in financial assets	0		- 500	
Cash outflow for acquisition of consolidated companies less liquid assets	- 750		- 249	
Received interest	54		98	
Received dividends	91		83	
<b>Cash flow from investment activities</b>	<b>- 8,456</b>		<b>- 39,782</b>	
Cash inflow from loans raised	23		0	
Cash outflow from the repayment of loans	- 3,372		- 2,400	
Cash inflow from received grants	3,011		2,971	
Cash outflow to minority shareholders	- 1,004		- 255	
Paid interest	- 1,348		- 1,463	
<b>Cash flow from financing activities</b>	<b>- 2,690</b>		<b>- 1,147</b>	
Changes in financial resources	10,268		- 21,228	
Exchange rate changes and changes in financial resources due to consolidated entity	84		129	
Opening balance of financial resources	44,780		65,879	
<b>Closing balance of financial resources</b>	<b>55,132</b>		<b>44,780</b>	



**Statement of changes in consolidated equity****2015**

*Group of changes  
in consolidated  
equity for the  
2015 financial year*

	Subscribed capital EUR'000	Capital reserves EUR'000	Realized Group equity capital EUR'000	Currency conversion EUR'000	Equity capital of Messe Berlin GmbH EUR'000	Equity capital of the minority shareholders EUR'000	Group equity capital EUR'000
<b>1/1/2014</b>	<b>20,708</b>	<b>12,578</b>	<b>17,372</b>	<b>-46</b>	<b>50,612</b>	<b>1,810</b>	<b>52,422</b>
Consolidated net loss/profit for the financial year	0	0	4,784	0	4,784	760	5,544
Other income	0	0	0	129	129	0	129
Profit distribution	0	0	0	0	0	- 255	- 255
<b>31/12/2014</b>	<b>20,708</b>	<b>12,578</b>	<b>22,156</b>	<b>83</b>	<b>55,525</b>	<b>2,315</b>	<b>57,840</b>
Consolidated net loss/profit for the financial year	0	0	3,352	0	3,352	1,072	4,424
Other income	0	0	0	49	49	0	49
Profit distribution	0	0	0	0	0	- 1,004	- 1,004
<b>31/12/2015</b>	<b>20,708</b>	<b>12,578</b>	<b>25,508</b>	<b>132</b>	<b>58,926</b>	<b>2,383</b>	<b>61,309</b>

## Balance sheet

# 2015

Balance sheet  
Messe Berlin GmbH  
annual financial  
statement as per  
31 December

Assets	31/12/2015		31/12/2014	
	EUR'000	EUR'000	EUR'000	EUR'000
<b>A. Fixed assets</b>				
I. Intangible assets				
1. Rights and licences acquired against payment	638		885	
2. Advance payments	755	1,393	238	1,123
II. Tangible fixed assets				
1. Buildings on other premises	129,672		129,278	
2. Technical installations and machinery	3,934		1,587	
3. Operating and business equipment	4,698		4,556	
4. Advance payments and assets under construction	750	139,054	3,962	139,383
III. Financial assets				
1. Shares in affiliated companies	8,793		7,559	
2. Shareholdings	4,169		4,169	
3. Loans to companies in which shares are held	1,000	13,962	1,000	12,728
		<b>154,409</b>		<b>153,234</b>
<b>B. Current Assets</b>				
I. Inventories				
Raw materials, consumables and supplies		38		44
II. Receivables and other assets				
1. Trade receivables	13,426		13,963	
2. Receivables from affiliated companies	7,184		5,002	
3. Other assets	9,762	30,372	8,997	27,962
III. Cash-in-hand and bank balances		37,064		26,922
		<b>67,474</b>		<b>54,928</b>
<b>C. Accruals and deferrals</b>		<b>0</b>		<b>9</b>
<b>D. Active difference from capital account</b>		<b>123</b>		<b>38</b>
		<b>222,006</b>		<b>208,209</b>

Liabilities	31/12/2015		31/12/2014	
	EUR'000	EUR'000	EUR'000	EUR'000
<b>A. Equity capital</b>				
I. Subscribed capital	20,708		20,708	
II. Capital reserves	12,578		12,578	
III. Other retained earnings	109		109	
IV. Profit carried forward	25,077		19,419	
V. Net profit for the financial year	4,758		5,658	
		<b>63,230</b>		<b>58,472</b>
<b>B. Special items for contributions to fixed assets</b>		<b>12,099</b>		<b>9,655</b>
<b>C. Provisions</b>				
1. Provisions for pensions	11,088		10,587	
2. Provisions for taxes	928		522	
3. Other provisions	42,469		42,719	
		<b>54,485</b>		<b>53,828</b>
<b>D. Liabilities</b>				
1. Liabilities to banks	45,929		48,800	
2. Advance payments received on orders	27,245		22,485	
3. Trade payables	7,270		6,958	
4. Liabilities to affiliated companies	6,560		2,854	
5. Liabilities to companies in which shares are held	28		443	
6. Other liabilities of which from taxes EUR 2,349 thousand (previous year EUR 1,860 thousand)	3,850		3,178	
		<b>90,882</b>		<b>84,718</b>
<b>F. Accruals and deferrals</b>		<b>1,310</b>		<b>1,536</b>
		<b>222,006</b>		<b>208,209</b>

**Consolidated statement of profit and loss**  
**2015**

*Statement of profit or loss Messe Berlin GmbH for the period from 1 January to 31 December*

	2015		2014	
	EUR'000	EUR'000	EUR'000	EUR'000
1. Turnover		159,252		187,298
2. Other operating income of which income from currency conversion EUR 25 thousand (previous year EUR 2 thousand)		13,681		9,697
3. Material costs				
a) Cost of raw materials, consumables and supplies		- 9,602		- 10,725
b) Cost of purchased services		- 102,973	- 112,575	- 120,898 - 131,623
4. Personnel costs				
a) Wages and salaries		- 24,678		- 25,601
b) Social security contributions and costs for pensions and benefits of which, for pensions EUR 1,693 thousand (previous year EUR 2,463 thousand)		- 6,057	- 30,735	- 6,481 - 32,082
5. Depreciation of intangible assets and tangible fixed assets		- 7,422		- 6,169
6. Other operating expenses of which expenses from currency conversion EUR 12 thousand (previous year EUR 5 thousand)		- 25,146		- 29,421
7. Income from investments of which from affiliated companies EUR 2,148 thousand (previous year EUR 1,656 thousand)		2,148		1,656
8. Income from profit transfer agreements		8,612		9,254
9. Income from loans of financial assets of which from affiliated companies EUR 20 thousand (previous year EUR 0 thousand)		20		0
10. Other interest and similar income of which from affiliated companies EUR 3 thousand (previous year EUR 7 thousand)		38		72
11. Expenses due to assumption of losses		- 22		0
12. Interest and similar expenses of which expenses from discounting provisions EUR 1,299 thousand (previous year EUR 529 thousand) of which for affiliated companies EUR 9 thousand (previous year EUR 2 thousand)		- 2,318		- 1,641
<b>13. Profit or loss on ordinary activities</b>		<b>5,533</b>		<b>7,041</b>
14. Taxes on income and profit		- 624		- 1,310
15. Other taxes		- 151		- 73
<b>16. Net profit for the financial year</b>		<b>4,758</b>		<b>5,658</b>





**Notes****2015****Notes to the consolidated financial statement and notes 2015****General details**

1. Preliminary remarks
2. Consolidated entity
3. Consolidation principles

**Accounting and measurement principles**

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7. Active difference from capital account
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13. Receivables and other assets
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29. Financial profit or loss
30. Revenues/expenses from profit transfer agreements
31. Taxes

**Explanations with regard to the statement of cash flow and joint ventures****Other explanations**

32. Management and Supervisory Board
33. Exceptions pursuant to Sec. 264 para. 3 HGB [German Commercial Code]
34. Total auditor's fee

**1. Preliminary remarks**

The annual financial statement of Messe Berlin GmbH and the consolidated financial statement are both explained below. Unless stated otherwise, the explanations pertain to both financial statements. The presentation currency is the euro (EUR). Unless stated otherwise, all amounts in this report are shown in euros thousand (EUR'000).

The financial statements have been prepared in accordance with commercial law as it applies to large incorporated companies and with the supplementary regulations of the regulating limited companies, as well as taking into consideration the principles of correct book-keeping and group accounting. The statements of profit or loss have been prepared based on the income by nature format.

The annual financial statement and the consolidated financial statement prepared by Messe Berlin as well as the management report of the company and the group have been submitted to the operator of the electronic Bundesanzeiger (Federal Gazette) and have been published in the Bundesanzeiger.

The purpose of Messe Berlin GmbH is to organize, stage and provide support for trade fairs, exhibitions, congresses and conferences, sporting and entertainment events in order to strengthen Berlin's position in Germany and abroad as a venue for trade fairs and similar events, and participation in events of this kind and all the activities associated with such business.

**2. Consolidated entity**

Along with Messe Berlin GmbH, the consolidated entity (the group) also includes eleven domestic and three foreign subsidiaries (previous year: eleven domestic and one foreign subsidiary), on which Messe Berlin GmbH has the power to exert a direct or indirect controlling influence. As part of the process of full consolidation, the following companies are included in the consolidated financial statement:

Capital Catering GmbH, Berlin  
 MB Capital Services GmbH, Berlin  
 CSG-Team GmbH, Berlin  
 Capital Facility GmbH, Berlin

**General details**

MW Messe-, Ausstellungs- und Dienstleistungsgesellschaft Wolfsburg mbH, Wolfsburg  
 E.G.E. European Green Exhibitions GmbH, Berlin  
 MAZ Messe- und Ausstellungszentrum Mühlengiez GmbH, Mühlengiez  
 Global Produce Events GmbH, Berlin  
 K.I.T. Group GmbH, Berlin  
 Festival Technical Event Management GmbH, Berlin  
 K.I.T. Group GmbH Dresden, Dresden  
 Messe Berlin (Singapore) Pte. Ltd., Singapore  
 Berlin Exhibition (Guangzhou) Co., Ltd., Guangzhou, China  
 K.I.T. Group France S.à.r.l. (previously BGV DEVELOPPEMENT S.à.r.l.), Boulogne-Billancourt, France

Berlin Exhibition (Guangzhou) Co., Ltd., Guangzhou, China and K.I.T. Group France S.à.r.l., Boulogne-Billancourt, France, have been included in the consolidation for the first time.

Messe Berlin holds a 50% stake in ExpoCenter Airport Berlin Brandenburg GmbH, Schönefeld. The company is included proportionately in the consolidated financial statement.

K.I.T. Swiss AG, CH-Laufenburg, of which K.I.T. Group GmbH holds 100% of the shares, was not included in the consolidated financial statement under the option according to Section 296 para. 2 HGB as it is of secondary importance as far as presenting the group's financial and net assets position and operating results is concerned.

A breakdown of share ownership in subsidiaries of Messe Berlin GmbH is included in the notes.

### 3. Consolidation principles

The group reporting date for the consolidated financial statement and all the companies included in the consolidated financial statement is 31 December 2015. The initial consolidation must take place at the time at which the possibility for control of the assets and of the financial and operational actions of the acquired company passes to the group.

The statements of financial positions of the companies for consolidation have been put together uniformly in accordance with the accounting and measurement principles determined by the parent company.

Capital consolidation takes place in accordance with the revaluation method. This involves offsetting the stated amounts of the shares held by the respective parent company against the time values of the subsidiary companies' assets and liabilities, which are to be included in the consolidated financial statement. The difference remaining after offsetting, if it comprises assets, is shown as goodwill, and is written off over the anticipated period of use or at fair value on the reporting date. Negative balances are recognized as income in a scheduled procedure, provided that expected losses or expenses do not mitigate against liquidation.

For companies first consolidated before 1 January 2009, the book value method is retained for the capital consolidation (Section 301 Para. 1 S. 2 No. 1 old version HGB).

Receivables, liabilities, expenses and revenue between the companies involved are offset against one another. Intercompany profits and losses — insofar as they are significant — are eliminated.

With the exception of equity capital, a statement in a foreign currency is converted into euros at the exchange rate in force on the reporting date. The foreign companies' equity capital (subscribed capital, reserves, profit or loss carried forward) is converted at the historic rate at the time of first inclusion of the subsidiary in the consolidated financial statement. The statement of profit or loss items are converted into euros at the mean exchange rate. In the conversion of equity capital, differences arising from changes in the exchange rate since the previous year are listed separately, recognized directly in equity under the item 'Differences in equity capital resulting from currency conversion'.

### 4. Fundamentals

The annual financial statements for the companies included in the consolidated financial statement have been put together uniformly in accordance with the accounting and measurement principles of Messe Berlin GmbH, while taking going concern into account. The accounting and measurement principles applied in previous years have remained unchanged.

### 5. Fixed assets

Intangible assets acquired by payment and tangible assets are recognized at their initial cost. If a long-term reduction in value is anticipated, then a lower value will be entered on the reporting date. Depreciable assets



are normally written down linearly over their expected period of use. Accruals are written down on a pro rata temporis basis.

A fixed value is set for small catering items of Messe Berlin GmbH which are regularly replaced and are of secondary importance compared with the overall value.

The principles defined by Sec. 6 Para. 2 EStG [Income Tax Act], respectively Sec. 6 Para. 2a EStG are applied to low-value assets. Depreciable goods and chattels with initial costs not exceeding EUR 410 are written down in full in the year of acquisition. Low-value assets with initial costs of between EUR 150 and EUR 1,000, which from 2008 to 2010 were included as a compound item, are written down over a period of five years.

Financial assets are recognized at initial cost or at a lower fair value, and loans are always recognized at their nominal value.

#### **6. Current Assets**

Raw materials, consumables and supplies as well as goods are measured at their initial cost or lower fair value on the reporting date and work in progress is measured at manufacturing cost. Manufacturing cost for future events comprise quantifiable, directly allocable individual costs (material and individual manufacturing costs) as well as reasonable manufacturing overhead costs. General costs not related to production are not capitalized.

Receivables and other assets are recognized at nominal value or initial cost or at a lower fair value on the reporting date. Individual risks are taken into account by means of reasonable adjustments in value.

Securities are recognized with their initial cost or at lower fair value. Provided securities are not accessible to all other creditors and serve only to cover debts from pension liabilities or similar long-term liabilities, then these are offset against the corresponding liabilities.

Financial resources encompass cash holdings, bank balances and cheques and are recognized either at a nominal value or at lower fair value on the reporting date.

#### **7. Active difference from capital account**

Credit surpluses from offsetting assets against corresponding liabilities are recognized. The assets are not accessible to all other creditors and are measured at fair value. Accruing income and costs are also offset accordingly.

#### **8. Special items**

Public investment subsidies, intended for the purchase of tangible fixed assets, are recognized. The special items are written off as recognized income over the period of use of the subsidised assets.

#### **9. Provisions and liabilities**

Provisions for pensions and similar liabilities are measured on the basis of actuarial calculations in accordance with the projected-unit credit method, taking into account future remuneration and pension adjustments. Tax provisions and other provisions equivalent to the settlement amount required in accordance with the principles of a rational commercial assessment are made in accordance with the principles of a rational commercial assessment for uncertain liabilities and the threat of losses from pending businesses (taking into account future price and cost increases). All foreseeable risks and uncertain liabilities are taken into account. Liabilities with a residual time to maturity of more than one year are discounted for the time remaining until maturity at the average market rate of interest. Liabilities are shown as such at the amount of their fulfilment.

#### **10. Deferred taxes**

Deferred taxes are determined using the temporary differences between the estimates in the balance sheet and the fiscal valuation and losses brought forward. Deferred tax assets and liabilities are offset as a sum total; a resulting deferred tax asset surplus is not recognized. This also applies to deferred tax assets in the consolidated financial statement.

#### **11. Foreign currency conversion**

Assets and liabilities shown in foreign currencies are converted at the mean exchange rate in effect on the reporting date. In accordance with Section 256a HGB, for a residual time to maturity of one year or less, the initial cost principle and the realisation principle are not applied.

*Explanations with regard to the balance sheets*

**12. Fixed assets**

A breakdown of the asset items and their development in 2015, as summarized in the Messe Berlin balance sheet and the consolidated balance sheet, is shown in the respective statement of changes in fixed assets. A list showing share ownership as of 31 December 2015 is included in the notes.

Accruals to the financial assets of Messe Berlin GmbH consist mainly of a contractually variable purchase-price adjustment payment of EUR 819 thousand for the purchase of shares of K.I.T. Group GmbH, Berlin, as well as a payment-in of EUR 415 thousand share capital for the subsidiary Berlin Exhibition (Guang-zhou) Co., Ltd., Guangzhou, China, founded in the financial year. In the balance sheet item for loans to companies in which it has shares, Messe Berlin GmbH also shows a loan of EUR 1,000 thousand that it granted to ExpoCenter Airport Berlin Brandenburg GmbH during the 2014 financial year.

The additions in terms of buildings on foreign premises in the amount of EUR 3,362 thousand are accounted for two connecting buildings to the CityCube Berlin, the finishing of three passageways at Berlin ExpoCenter City as well as the subsequent manufacturing cost for CityCube Berlin at Messe Berlin GmbH, which are shown under the balance sheet item land, titles to land and buildings incl. buildings on other premises.

The additions in the balance sheet item technical installations and machinery in the amount of EUR 1,438 thousand concern, inter alia, the capitalization of the kitchen at CityCube Berlin and a cooling system of CityCube Berlin optimized for trade fair events.

Additions in the items advance payments and assets under construction in the amount of EUR 665 thousand concern existing projects at Berlin ExpoCenter City, such as expansion of the passive infrastructure to enhance WLAN provision.

**13. Receivables and other assets**

Receivables and other assets of Messe Berlin (EUR 30,372 thousand; previous year: EUR 27,962 thousand) all have, just like in the previous year, a residual time to maturity of less than one year. Within the group (EUR 29,348 thousand; previous year: EUR 27,413 thousand) are shown EUR 185 thousand (previous year: EUR 64 thousand) of other assets with a residual time to maturity of more than one year.

Receivables from affiliated companies of Messe Berlin GmbH amounting to EUR 7,184 thousand (previous year: EUR 5,002 thousand) result mainly from the transfer of subsidiaries' earnings (EUR 6,182 thousand). Furthermore, trade receivables in the amount of EUR 506 thousand as well as other receivables are included.

As was the case in previous years, the other assets of Messe Berlin GmbH (EUR 9,762 thousand; previous year: EUR 8,997 thousand) mainly include advance payments (EUR 7,247 thousand; previous year: EUR 6,760 thousand) and receivables from tax offices (EUR 1,001 thousand; previous year: EUR 1,502 thousand).

**14. Deferred expenses**

Deferred expenses in the group (EUR 109 thousand; previous year: EUR 57 thousand) consist exclusively of the payments for expenses for a specific period following the reporting date.

**15. Active difference from capital account**

This item shows an active positive value (EUR 123 thousand; previous year: EUR 38 thousand) which results from offsetting assets of the cover funds of Messe Berlin GmbH with a time value of EUR 556 thousand (previous year: EUR 564 thousand), which is not accessible to any other creditors and which have been offset against part-time allowances for older employees of EUR 433 thousand (previous year: EUR 526 thousand).

**16. Equity capital**

The changes to the group's equity capital including the shares held by other partners are shown in the statement of changes in consolidated equity. The cumulative, earned capital shows the profit and loss of the companies included in the consolidated financial statement, unless these have been distributed.

The shares held by other partners (EUR 2,383 thousand; previous year: EUR 2,315 thousand) refer to the original share capital and the shares of the profits held by minority shareholders in E.G.E. European Green Exhibition GmbH, Global Produce Events GmbH and K.I.T. Group GmbH.

Foreign currency conversion of the equity capital in Singapore dollars in the financial statement of Messe Berlin (Singapore) Pte. Ltd. as well as Chinese renminbi in the financial statement of Berlin Exhibition (Guangzhou) Co., Ltd., Guangzhou, reveal a difference amounting to EUR 132 thousand

(previous year: EUR 83 thousand). The difference, which does not affect net income, is shown under 'Equity capital'.

#### 17. Special items for investment subsidies

Public financing assistance as part of the regional economic development scheme for investment projects is shown here. The special item is liquidated linearly over the period of use of the investment and applies to its full extent to Messe Berlin GmbH.

In the financial year under review 'Special items' includes GRW funding provided by the investment bank amounting to EUR 3,011 thousand. The sum was allocated for construction of the CityCube Berlin.

#### 18. Provisions

The provisions shown in the group for pensions EUR 15,916 thousand (previous year EUR 15,195 thousand) were created to meet liabilities arising from rights to future pensions and to current benefits payable to former and active employees of Messe Berlin GmbH and Capital Facility GmbH as well as their surviving dependants.

These liabilities are based on individual and collective agreements. The measurement of the pension liabilities was obtained using the projected-unit credit method. The reserves were calculated on the basis of an actuarial interest of 3.94% p.a. (previous year: 4.58% p.a.) and an upward trend in pensions and wages of 2% p.a. and 3% p.a. (previous year: 2% p.a. and 3% p.a.). The life expectancy was obtained according to the actuarial tables 2005 G prepared by Dr. Klaus Heubeck.

Interest components from pensions amounting to EUR 1,232 thousand (previous year: EUR 868 thousand) for the unconsolidated statement and EUR 1,830 thousand (previous year: EUR 1,272 thousand) for the group are shown as interest expenditures in the statement of profit or loss, before being offset with the corresponding income of EUR 42 thousand (previous year: EUR 44 thousand) from the cover funds. Since the 2015 financial year, the option to show the changes in interest in the interest expenditures (EUR 722 thousand) is executed. In the previous year, this was shown in the item personnel costs (EUR 336 thousand).

The tax provisions shown in the consolidated financial statement amounting to EUR 2,159 thousand (previous year: EUR 2,206 thousand) result mainly from corporation tax and trade tax. In addition, tax provisions were created for e.g. foreign income taxes EUR 99 (previous year: EUR 30 thousand) as well as for property taxes in the amount of EUR 202 thousand (previous year: EUR 110 thousand).

The other provisions take into account all identifiable legal and de facto obligations to third parties, which are likely to be met and for which the amounts can be reliably estimated. In particular, they include the maintenance obligations arising from the lease agreement with the federal state of Berlin (EUR 23,796 thousand for Messe Berlin GmbH), provisions for the threat of losses (EUR 8,703 thousand for Messe Berlin GmbH, EUR 9,229 thousand for the group), provisions for outstanding suppliers' invoices (EUR 5,030 thousand for Messe Berlin GmbH, EUR 7,198 thousand for the group), provisions for holiday and leisure time due (EUR 2,093 thousand for Messe Berlin GmbH, EUR 2,633 thousand for the group), provisions to cover part-time allowances for older employees (EUR 0 thousand for Messe Berlin GmbH, EUR 163 thousand for the group) and provisions for bonuses (EUR 1,821 thousand for Messe Berlin GmbH, EUR 2,670 thousand for the group).

The calculation of the provisions to cover part-time allowances for older employees was in accordance with Sec. 253 Para. 2 S. 1 HGB and was based on a discount interest rate of 2.40% p.a. (previous year: 3.13% p. a.). Future wage increases estimated at 3.0% p.a. were also taken into account. Using the projected unit credit method, the provision for long-term deposits (accounts for hours worked) was calculated in the group with a discount interest rate of 3.94% p. a. (previous year: 4.58% p. a.) with future wage increases estimated at 3.0% p. a.

In the unconsolidated financial statement of Messe Berlin GmbH long-term personnel obligations were offset against assets amounting to EUR 4,419 thousand (EUR 961 thousand for pension liabilities and EUR 3,458 thousand for other provisions). In the consolidated financial statement of Messe Berlin GmbH long-term personnel obligations were offset against assets amounting to EUR 4,859 thousand (EUR 961 thousand for pension liabilities and EUR 3,898 thousand for other provisions).

Allocated amounts for off-setting according to Sec. 246 Para. 2 S. 2 HGB:	Group		Messe Berlin	
	2015 in EUR'000	2014 in EUR'000	2015 in EUR'000	2014 in EUR'000
<b>Amounts allocated for liabilities</b>				
Pension liabilities	16,877	16,199	12,049	11,591
Long-term accounts for worked hours	3,451	3,080	3,114	2,769
Early retirement scheme liabilities	736	917	433	526
<b>Initial cost of assets</b>				
Pension liabilities	919	960	919	960
Long-term accounts for worked hours	3,243	2,846	2,944	2,547
Early retirement scheme liabilities	679	641	538	500
<b>Fair value of assets</b>				
Pension liabilities	961	1,004	961	1,004
Long-term accounts for worked hours	3,324	2,900	3,025	2,600
Early retirement scheme liabilities	697	705	556	564
<b>Allocated expenses</b>				
Pension liabilities <sup>1</sup>	1,834	1,273	1,235	868
Long-term accounts for worked hours	149	112	135	99
Early retirement scheme liabilities <sup>1</sup>	96	130	81	112
<b>Allocated income</b>				
Pension liabilities	42	44	42	44
Long-term accounts for worked hours	81	54	81	53
Early retirement scheme liabilities	18	64	18	64

<sup>1</sup> Figures of previous year have been adjusted to the 2015 statement for better comparison

The fair value corresponds to the asset value of reinsurance or in the case of stock market funds their market value as of 31 December 2015.

## 19. Liabilities

Within the group, the liabilities to financial institutions amount to EUR 53,952 thousand (previous year: EUR 57,300 thousand).

In order to finance the development and construction of the exhibition grounds at Selchow (ExpoCenter Airport), ExpoCenter Airport Berlin Brandenburg GmbH took out two loans of EUR 8,500 thousand each in 2011 (totalling EUR 17,000 thousand). ExpoCenter Airport Berlin Brandenburg GmbH is shown in the consolidated financial statement with a share of 50%. In order to finance the construction of display halls on the exhibition grounds at Selchow, Messe Berlin GmbH also took out a loan of EUR 8,000 thousand in 2011.

In order to finance the CityCube Berlin, Messe Berlin GmbH took out four loans totalling to EUR 45,000 thousand in the 2013 financial year.

EUR 3,372 thousand (previous year: EUR 3,371 thousand) of the group's total liabilities to credit institutes have a residual time to maturity of a maximum of one year, EUR 27,374 thousand (previous year: EUR 16,855 thousand) have a residual time to maturity of between one and five years and EUR 23,206 thousand (previous year: EUR 37,074 thousand) have a residual time to maturity of more than five years.

EUR 2,871 thousand (previous year: EUR 2,871 thousand) of Messe Berlin's total liabilities to credit institutes have a residual time to maturity of a maximum of one year, EUR 24,853 thousand (previous year: EUR 14,355 thousand) have a residual time to maturity of between one and five years and EUR 18,206 thousand (previous year: EUR 31,574 thousand) have a residual time to maturity of more than five years.

In addition, EUR 27,245 thousand (previous year: EUR 22,485 thousand) of advance payments received are shown for Messe Berlin GmbH and correspondingly EUR 31,533 thousand (previous year: EUR 25,162 thousand) for the group. EUR 27,048 thousand (previous year: EUR 22,485 thousand) of Messe Berlin's total advance payments received have a residual time to maturity of a maximum of one year and EUR 197 thousand (previous year: EUR 0 thousand) have a residual time to maturity of between one and five years. EUR 31,533 thousand (previous year: EUR 25,162 thousand) of the group's advance payments received have a residual time to maturity of a maximum of one year and EUR 197 thousand (previous year: EUR 0 thousand) have a residual time to maturity of between one and five years.

The group's liabilities trade payables amount to EUR 8,362 thousand (previous year: EUR 8,127 thousand) and those of Messe Berlin GmbH to EUR 7,270 thou-

sand (previous year: EUR 6,958 thousand). In each case, as in the previous year, the residual time to maturity of these liabilities is a maximum of one year.

Of the other liabilities amounting to EUR 3,850 thousand (previous year: EUR 3,178 thousand) in the unconsolidated financial statement and EUR 5,728 thousand (previous year: EUR 5,099 thousand) in the consolidated financial statement, Messe Berlin's tax liabilities amount to EUR 2,349 thousand (previous year: EUR 1,860 thousand) and group tax liabilities amount to EUR 3,088 thousand (previous year: EUR 2,268 thousand), while Messe Berlin social security liabilities amount to EUR 0 thousand (previous year: EUR 0 thousand) and group social security liabilities amount to EUR 41 thousand (previous year: EUR 30 thousand). As in the previous year, all other liabilities of Messe Berlin GmbH have a residual time to maturity of a maximum of one year. For the group other liabilities amount to TEUR 25 (previous year: TEUR 25), with a residual time to maturity of between one and five years.

Concerning the liabilities to affiliated companies, those of Messe Berlin GmbH amount to EUR 6,560 thousand (previous year: EUR 2,854 thousand) and those of the group to EUR 0 thousand (previous year: EUR 0 thousand). Such liabilities are allocated to trade payables in the amount of EUR 4,778 thousand and to other liabilities in the amount of EUR 1,782 thousand. The balance sheet of Messe Berlin GmbH also shows liabilities to companies in which it has shares amounting to EUR 28 thousand (previous year: EUR 443 thousand). As in the previous year, all liabilities with regard to the group and affiliated companies have a residual time to maturity of a maximum of one year.

## 20. Valuation unit to hedge interest rate risks

The bonded loan, which was taken out in 2013 with a term of ten years and which is subject to interest change risk, is hedged in one valuation unit by means of an interest rate derivative (here interest rate swap signed on 2 December 2015 with a constant nominal volume of EUR 10,500 thousand until 28 February 2023). The interest rate swap recognized in this micro valuation unit shows a market value of EUR 62 thousand as of 31 December 2015. The fair value was determined in the framework of a mark-to-market measurement. The interest rate of this financial liability is based on the 6-month-EURIBOR, which was hedged with a flexible interest rate by the interest swap transaction.

Any opposing value changes and payments from the interest swap transactions and the loan agreements will probably set off against each other, because the hedging transaction is adjusted in terms of maturity, term and measurement basis. In order to measure the effectiveness of the hedging relationship, the critical terms match method is applied. For capitalization,

the net hedge presentation method is applied, where compensating changes in value resulting from the hedged risk are not recognized, i.e. compensating positive and negative changes in value are recognized in the statement of profit or loss without any changes made to them.

## 21. Deferred taxes

For Messe Berlin GmbH, deferred tax assets as of 31 December 2015 resulted from temporary differences between the financial and tax statements and differences between tax losses carried forward.

Messe Berlin GmbH	31/12/2015		31/12/2014	
	Deferred tax assets <sup>1</sup> EUR'000	Deferred tax liabilities <sup>1</sup> EUR'000	Deferred tax assets <sup>1</sup> EUR'000	Deferred tax liabilities <sup>1</sup> EUR'000
Non-current assets	0	0	1	0
Current assets	22	52	0	0
Non-current liabilities	1,498	0	1,224	0
Current liabilities	2,765	12	3,049	19
Losses carried forward	8,891	0	4,902	0
<b>Subtotal</b>	<b>13,176</b>	<b>64</b>	<b>9,176</b>	<b>19</b>
Balance	64	- 64	19	- 19
<b>Total</b>	<b>13,112</b>	<b>0</b>	<b>9,157</b>	<b>0</b>

<sup>1</sup> Tax rates corporation tax/solidarity surcharge: 15.83%; trade tax: 14.35%

In making the calculation only losses carried forward, for which there is sufficient certainty that they can be utilized, are taken into consideration (forecast period 5 years). Companies based in Germany with the legal form of an incorporated company are subject to corporation tax of 15% and a solidarity surcharge of 5.5% on any corporation tax owed. In addition, such companies are subject to trade tax, the rate being determined in accordance with the local rate of assessment (rate in Berlin 2015: 410%). These rates are used as the basis for the calculation.

For Messe Berlin GmbH, temporary differences between the book values in the financial and tax statements exist, amounting to EUR 13,990 thousand (previous year: EUR 14,101 thousand) as well as tax losses carried forward amounting to around EUR 48 million (previous year: EUR 50 million) for the corporation tax and around EUR 42 million (previous year: EUR 46 million) for the trade tax.



For the group, the temporary differences amount to EUR 13,993 thousand (previous year: EUR 14,176 thousand).

Group	31/12/2015		31/12/2014	
	Deferred tax assets <sup>1</sup>	Deferred tax liabilities <sup>1</sup>	Deferred tax assets <sup>1</sup>	Deferred tax liabilities <sup>1</sup>
	EUR'000	EUR'000	EUR'000	EUR'000
Non-current assets	0	0	1	17
Current assets	22	52	0	0
Non-current liabilities	1,498	0	1,224	0
Current liabilities	2,766	12	3,055	19
Losses carried forward	8,891	0	4,940	0
<b>Subtotal</b>	<b>13,177</b>	<b>64</b>	<b>9,220</b>	<b>36</b>
Balance	64	-64	19	-19
<b>Total</b>	<b>13,113</b>	<b>0</b>	<b>9,201</b>	<b>17</b>

<sup>1</sup> Tax rates corporation tax/solidarity surcharge: 15.83%; trade tax: 14.35%; income tax Singapore: 17%

Differences resulting from consolidation measures amount to a liability surplus of EUR 10 thousand.

Capitalization of surplus in both the individual and consolidated financial statements is dispensed with in accordance with Sec. 274 Para. 1 S. 2, Sec. 300 Para. 2 S. 2 HGB.

## 22. Business not included in the balance sheet, contingencies and other financial liabilities

Messe Berlin GmbH is jointly and severally liable for the afore-mentioned loans of ExpoCenter Airport Berlin Brandenburg GmbH, which each amount to EUR 8,500 thousand. As of the reporting date, the risk of incurring this liability is regarded as minimal based on the planning for 2016 and 2017.

Utilizing the right of choice in accordance with Art. 28 Para. 1 S. 2 EGHGB [Introductory Act on the German Commercial Code], pension obligations are shown neither in the group nor in the unconsolidated statement of financial position.

Messe Berlin staff who receive their remuneration in accordance with TVöD are insured through the Versorgungsanstalt des Bundes und der Länder (VBL). The purpose of the VBL is to provide employees of the participating employers with an additional old-age pension through an insurance scheme operated under private law. The VBL is financed with contributions under the partial reserve pay-as-you-go system and additionally, from January 2004, for VBL Ost through the capital cover system.

In the year under review, the contribution rate for the VBL was 7.86% (previous year: 7.86%). For 508 insured persons this resulted in a contribution of EUR 1,451 thousand, of which Messe Berlin provided 6.45% (previous year: 6.45%). The employees' own contribution amounts to 1.41% of their income (previous year: 1.41%).

The contribution rates in 2016 remain unchanged for employers and employees. The capitalization payment rate in 2016 is 0.01%, according to the VBL. Because the resulting indirect pension obligation cannot be reliably determined, no amount is shown.

In 2016, there were no other financial liabilities of any importance that were not connected to ongoing business operations. Events held in the first quarter caused financial liabilities that are within the usual scope and that were taken into account during planning. These liabilities consist of a large number of small amounts.

During the financial year under review, no other significant business activities took place that are not included in the balance sheet.

## 23. Business conducted with affiliated companies and persons

In the year under review, no significant business took place with affiliated companies or persons that was not conducted under normal market conditions.

**Explanations  
concerning the  
statements of  
profit and loss**

**24. Turnover**

Turnover in the unconsolidated and consolidated financial statements are as follows:

	Group		Messe Berlin GmbH	
	2015 EUR'000	2014 EUR'000	2015 EUR'000	2014 EUR'000
In-house events	107,595	134,401	94,428	120,937
Guest events, congresses and events	62,151	58,159	18,854	17,861
Services	39,345	41,177	21,822	21,181
Catering services	9,260	8,928	0	0
Portfolio and facility services	12,114	12,150	15,985	16,371
Other turnover	11,500	14,608	8,163	10,948
<b>Total</b>	<b>241,965</b>	<b>269,423</b>	<b>159,252</b>	<b>187,298</b>

The difference in revenues of the financial year compared to the previous year are due mainly to the cycle of events, 2015 being an odd-numbered year in which traditionally fewer events take place as compared to the previous year.

Turnover from portfolio and facility services amounting to EUR 10,000 thousand (previous year: EUR 10,000 thousand) result from payments made by the federal state of Berlin for ongoing maintenance and repairs.

	Group turnover abroad	
	2015 EUR'000	2014 EUR'000
In-house events	7,465	5,239
Congresses and events	28,852	14,685
Services	1,773	1,721
Other turnover	599	764
<b>Total</b>	<b>38,689</b>	<b>22,409</b>

Compared to 2014, the group turnover abroad increased by EUR 16,280 thousand. As in the previous year, the congresses abroad organized by K.I.T. Group GmbH were a significant factor in this development. In addition, the congress in France organized by K.I.T. Group France S.à.r.l., which was acquired in the 2015 financial year, also contributes to this increase with EUR 2,870 thousand.

**25. Other operating income**

Other operating income of the group show income unrelated to the accounting period from the release of provisions and of value adjustments on receivables totalling EUR 6,781 thousand (EUR 5,990 thousand for Messe Berlin).

	Group		Messe Berlin GmbH	
	2015 EUR'000	2014 EUR'000	2015 EUR'000	2014 EUR'000
Income from release of provisions (not specific to the accounting period)	6,232	2,584	5,566	2,256
Income from release of value adjustments on receivables (not specific to the accounting period)	545	607	424	434
Income from release of special items for contributions	567	411	567	411
Income from disposal of fixed assets and attribution of financial assets	1	77	0	577
Remaining operating income	4,062	3,282	7,124	6,019
<b>Total</b>	<b>11,407</b>	<b>6,961</b>	<b>13,681</b>	<b>9,697</b>

**26. Employees**

The average numbers of employees and trainees were as follows during the year under review:

	Group		Messe Berlin GmbH	
	2015	2014	2015	2014
Employees	780	753	406	390
Trainees	31	30	19	18
<b>Total</b>	<b>811</b>	<b>783</b>	<b>425</b>	<b>408</b>

Temporary staff were also employed as required.

**27. Depreciation**

In the financial year under review, depreciation for Messe Berlin GmbH amounted to EUR 7,422 thousand (previous year: EUR 6,169 thousand). The increase is due mainly to the capitalized building projects of Berlin Expo-Center City and the initially and fully due depreciation for CityCube Berlin.

Depreciation accordingly increased for the group to EUR 9,469 thousand (previous year: EUR 8,203 thousand). During the year under review, depreciations on goodwill in the amount of EUR 819 thousand (previous year: EUR 920 thousand) have been realized, of which EUR 819 thousand (previous year: EUR 249 thousand) are due to payments for purchase price adjustments for the acquisition of K.I.T. Group GmbH.

**28. Other operating costs**

Other operating costs in the group decreased as compared to the previous year by EUR 2,529 thousand (for Messe Berlin by EUR 4,275 thousand). This decrease resulted primarily from allocations to the provisions for onerous contracts at Messe Berlin. Neither the group nor Messe Berlin show any appreciable expenses that are not specific to the accounting period.

**29. Financial profit or loss**

During the financial year, interest payments amounting to EUR 1,008 thousand (previous year: EUR 1,106 thousand) were made for the aforementioned loans taken out by Messe Berlin GmbH.

**30. Revenues/expenses from profit transfer agreements**

Messe Berlin concluded a control and profit and loss transfer agreement with K.I.T. Group GmbH, Berlin in the financial year. The resulting profit transfer of K.I.T. Group GmbH as well as the compensation payment to the minority shareholders are netted for Messe Berlin in the item 'Income from profit transfer agreements'.

**31. Taxes**

Income-based tax expense of the group amounts to in total EUR 1,696 thousand (previous year EUR 2,778 thousand). This amount is mainly due to the profit taxation of Messe Berlin GmbH (EUR 572 thousand), Global Produce Events GmbH (EUR 507 thousand), of K.I.T. subgroup (EUR 278 thousand) as well as Messe Berlin (Singapore) Pte. Ltd. (EUR 201 thousand).

As in the previous year, the financial resources consist of short-term bank balances as well as cash and cheques amounting to EUR 55,132 thousand (previous year: EUR 44,780 thousand). Value adjustments to the financial resources resulting from fluctuating exchange rates are included in the amount of EUR 84 thousand. EUR 234 thousand concern the financial resources of the company on a proportionately consolidated basis (previous year: EUR 548 thousand).

Dividends paid to minority shareholders amounted to EUR 1,004 thousand (previous year: EUR 255 thousand).

Within the group, shares in the joint venture ExpoCenter Airport Berlin Brandenburg GmbH generated current assets amounting to EUR 421 thousand (previous year: EUR 662 thousand), non-current assets amounting to EUR 12,037 thousand (previous year: EUR 12,729 thousand), current liabilities amounting to EUR 548 thousand (previous year: EUR 684 thousand) and non-current liabilities amounting to EUR 7,500 thousand (previous year: EUR 8,000 thousand). Expenses amounted to EUR 1,064 thousand (previous year: EUR 1,068 thousand).

**32. Management and Supervisory Board**

During the financial year Messe Berlin GmbH consisted of the following bodies:

**Management:**

Dr. Christian Göke  
Chairman of the Management, Chief Executive Officer

Dirk Hoffmann (as of 15 September 2015)  
Chief Financial Officer

**Supervisory Board:**

Peter Zühlsdorff  
Shareholder  
Deutsche Industrie Holding GmbH, Berlin  
Chairman

Cornelia Yzer  
Senator  
Senate Department for Economics, Technology and Research, Berlin  
First deputy chair

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*Other  
explanations*

Thomas Jaegler  
Sous-chef  
Capital Catering GmbH, Berlin  
Employees' representative  
Second deputy chair

Ulrike Brabant  
Head of Customer Services  
MB Capital Services GmbH, Berlin  
Employees' representative

Jan Eder  
Chief Executive Officer  
Berlin Chamber of Industry and Commerce, Berlin

Thomas Ellerbeck  
Member of the TUI AG Management Board  
Group Director Corporate & External Affairs  
TUI AG, Hannover / Berlin

Klaus Feiler  
State secretary  
Senate Department for Finance, Berlin

Ellen Funk-Fritz  
Chair of the works council  
Messe Berlin GmbH, Berlin  
Employees' representative

Ulrike Niggemann  
Chief Operating Officer  
Fruitnet Media International GmbH / Fruchthandel Magazin, Düsseldorf

Dr. Alexander Pett  
Managing Director  
gfu Consumer & Home Electronics GmbH, Frankfurt/Main

Joachim Rukwied  
President  
German Farmers' Association, Berlin

Dirk Schade  
Project Manager IFA Public Media / Events  
Messe Berlin GmbH, Berlin  
Employees' representative

Georg Walkenbach  
Managing Partner  
Beurer GmbH, Ulm

Wolf-Dieter Wolf  
Managing Partner  
Grundkonzept Financial Services Wirtschaftsberatungs- und  
Beteiligungsgesellschaft mbH, Berlin

Norbert Zeglin  
Head of procurement  
Messe Berlin GmbH, Berlin  
Employees' representative

Taking all declarable amounts into consideration, the earnings of the active members of the management are made up as follows:

	Dr. Christian Göke EUR'000	Dirk Hoffmann <sup>1</sup> EUR'000
Fixed remuneration	346	81
Royalties	125	0
Non-pecuniary and other remuneration	33	8
<b>Total</b>	<b>504</b>	<b>89</b>

<sup>1</sup> Chief Financial Officer as of 15 September 2015

Former managers and their dependants received EUR 873 thousand (previous year: EUR 978 thousand) in pensions and benefits. For the groups of persons referred to, pension provisions were made as of 31 December 2015 totalling EUR 10,912 thousand (previous year: EUR 10,635 thousand) before offsetting with the actuarial reserve (EUR 961 thousand).

The Supervisory Board received remuneration amounting to EUR 110 thousand (previous year: EUR 88 thousand), which is made up as follows:

in EUR'000 <sup>1</sup>	2015
Peter Zühlsdorff	10.0
Cornelia Yzer	7.5
Thomas Jaegler	7.5
Ulrike Brabant	6.0
Jan Eder	8.0
Thomas Ellerbeck	6.0
Klaus Feiler	8.0
Ellen Funk-Fritz	8.0
Ulrike Niggemann	6.0
Dr. Alexander Pett	6.0
Joachim Rukwied	8.0
Dirk Schade	6.0
Georg Walkenbach	6.0
Wolf-Dieter Wolf	8.5
Norbert Zeglin	8.0
<b>Total<sup>2</sup></b>	<b>109.5</b>

<sup>1</sup> Individual values, rounded

<sup>2</sup> The total amount corresponds to the sum of the amounts without rounding

As an unlisted company, Messe Berlin GmbH applies the Berlin Corporate Governance Code. The declaration by the Management and Supervisory Board of conformity with the Berlin Corporate Governance Code was submitted to a vote by the Supervisory Board on 14 December 2015 and received its approval. The declaration of conformity has been made available on the company's website.

### 33. Exceptions pursuant to Sec. 264 para. 3 HGB [German Commercial Code]

On 28 July 2015, as sole shareholder Messe Berlin GmbH adopted the resolution MW Messe-, Ausstellungs- und Dienstleistungsgesellschaft Wolfsburg mbH, on 29 July 2015 for Capital Facility GmbH and on 30 July 2015 die Capital Catering GmbH und MB Capital Services GmbH that use be made of the exceptions according to Section 264 Paragraph 3 HGB for the financial year 2015. The respective companies are exempted from the preparation of an annual financial statement including the management report and from the auditing and reporting of the annual financial statement for the financial year 2015.

### 34. Total auditor's fee

The total auditor's fee for the financial year is composed of final audit fees (EUR 105 thousand), fees for other certification services (EUR 43 thousand) and fees for other consulting services (EUR 9 thousand). The final audit fees cover the auditing of the annual financial statements of Messe Berlin GmbH and the other subsidiaries and the auditing of the consolidated financial statement.

Berlin, 29 February 2016

Dr. Christian Göke

Dirk Hoffmann

## Annex 1: Consolidated fixed assets

2015

## Development of fixed assets of Messe Berlin GmbH for the 2015 financial year

	Initial cost				Initial cost 31/12/2015 EUR'000	Depreciation				Book values	
	Initial cost 1/1/2015 EUR'000	Additions EUR'000	Transfers EUR'000	Disposals EUR'000		Depreciations 1/1/2015 EUR'000	Additions EUR'000	Disposals EUR'000	Depreciations 31/12/2015 EUR'000	Book value 31/12/2015 EUR'000	Book value 31/12/2014 EUR'000
<b>I. Intangible assets</b>											
Rights and licences acquired against payment	15,033	462	42	0	15,537	13,214	778	0	13,992	1,545	1,819
Goodwill	3,638	819	0	0	4,457	3,638	819	0	4,457	0	0
Advance payments	238	559	- 42	0	755	0	0	0	0	755	238
	<b>18,909</b>	<b>1,840</b>	<b>0</b>	<b>0</b>	<b>20,749</b>	<b>16,852</b>	<b>1,597</b>	<b>0</b>	<b>18,449</b>	<b>2,300</b>	<b>2,057</b>
<b>II. Tangible fixed assets</b>											
Land, titles to land and buildings incl. buildings on other premises	162,283	3,362	2,665	-150	168,160	23,768	5,963	0	29,731	138,429	138,515
Technical installations and machinery	6,502	1,438	1,179	0	9,119	2,006	437	0	2,443	6,676	4,496
Operating and business equipment	23,269	1,615	0	- 522	24,362	18,408	1,472	- 522	19,358	5,004	4,861
Advance payments and assets under construction	3,981	665	- 3,844	0	802	0	0	0	0	802	3,981
	<b>196,035</b>	<b>7,080</b>	<b>0</b>	<b>- 672</b>	<b>202,443</b>	<b>44,182</b>	<b>7,872</b>	<b>- 522</b>	<b>51,532</b>	<b>150,911</b>	<b>151,853</b>
<b>III. Financial assets</b>											
Shares in affiliated companies	80	0	0	0	80	0	0	0	0	80	80
Shareholdings	26	0	0	0	26	0	0	0	0	26	26
Loans to companies in which shares are held	500	0	0	0	500	0	0	0	0	500	500
Non-current securities	43	0	0	0	43	0	0	0	0	43	43
	<b>649</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>649</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>649</b>	<b>649</b>
	<b>215,593</b>	<b>8,920</b>	<b>0</b>	<b>- 672</b>	<b>223,841</b>	<b>61,034</b>	<b>9,469</b>	<b>- 522</b>	<b>69,981</b>	<b>153,860</b>	<b>154,559</b>



## Annex 2: Fixed assets Messe Berlin GmbH

2015

Development of  
fixed assets of Messe  
Berlin GmbH for the  
2015 financial year

	Initial cost				Initial cost 31/12/2015 EUR'000	Depreciation				Depreciations 31/12/2015 EUR'000	Book values	
	Initial cost 1/1/2015 EUR'000	Additions EUR'000	Transfers EUR'000	Disposals EUR'000		Depreciations 1/1/2015 EUR'000	Additions EUR'000	Disposals EUR'000	Additions		Book value 31/12/2015 EUR'000	Book value 31/12/2014 EUR'000
<b>I. Intangible assets</b>												
Rights and licences acquired against payment	11,255	81	42	0	11,378	10,370	370	0	0	10,740	638	885
Advance payments	238	559	- 42	0	755	0	0	0	0	0	755	238
	<b>11,493</b>	<b>640</b>	<b>0</b>	<b>0</b>	<b>12,133</b>	<b>10,370</b>	<b>370</b>	<b>0</b>	<b>0</b>	<b>10,740</b>	<b>1,393</b>	<b>1,123</b>
<b>II. Tangible fixed assets</b>												
Buildings on other premises	152,101	3,266	2,692	0	158,059	22,823	5,564	0	0	28,387	129,672	129,278
Technical installations and machinery	3,155	1,438	1,179	0	5,772	1,568	270	0	0	1,838	3,934	1,587
Operating and business equipment	21,910	1,361	0	- 384	22,887	17,354	1,218	- 383	0	18,189	4,698	4,556
Advance payments and assets under construction	3,962	659	-3,871	0	750	0	0	0	0	0	750	3,962
	<b>181,128</b>	<b>6,724</b>	<b>0</b>	<b>- 384</b>	<b>187,468</b>	<b>41,745</b>	<b>7,052</b>	<b>- 383</b>	<b>0</b>	<b>48,414</b>	<b>139,054</b>	<b>139,383</b>
<b>III. Financial assets</b>												
Shares in affiliated companies	7,559	1,234	0	0	8,793	0	0	0	0	0	8,793	7,559
Shareholdings	5,038	0	0	0	5,038	869	0	0	0	869	4,169	4,169
Loans to companies in which shares are held	1,000	0	0	0	1,000	0	0	0	0	0	1,000	1,000
	<b>13,597</b>	<b>1,234</b>	<b>0</b>	<b>0</b>	<b>14,831</b>	<b>869</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>869</b>	<b>13,962</b>	<b>12,728</b>
	<b>206,218</b>	<b>8,598</b>	<b>0</b>	<b>- 384</b>	<b>214,432</b>	<b>52,984</b>	<b>7,422</b>	<b>- 383</b>	<b>0</b>	<b>60,023</b>	<b>154,409</b>	<b>153,234</b>



## Annex 3: Breakdown of share ownership

# 2015

### Breakdown of share ownership

	Share of nominal capital %	Equity capital EUR'000	Result EUR'000
<b>Affiliated companies (direct)</b>			
<b>Messe Berlin GmbH, Berlin</b>			
Capital Catering GmbH, Berlin <sup>1,2</sup>	100	60	0
MB Capital Services GmbH, Berlin <sup>1,2</sup>	100	400	0
Capital Facility GmbH, Berlin <sup>1,2</sup>	100	182	0
MW Messe-, Ausstellungs- und Dienstleistungsgesellschaft Wolfsburg mbH, Wolfsburg <sup>1,2</sup>	100	626	0
Messe Berlin (Singapore) PTE. LTD., Singapore <sup>2,3</sup>	100	2,458	1,437
Berlin Exhibition (Guangzhou) Co., Ltd., Guangzhou, China <sup>2,4</sup>	100	418	0
K.I.T. Group GmbH, Berlin <sup>2</sup>	75	25	0
Global Produce Events GmbH, Berlin <sup>2</sup>	70	1,145	1,120
E.G.E. European Green Exhibitions GmbH, Berlin <sup>2</sup>	50	2,170	413
<b>Shareholdings</b>			
ExpoCenter Airport Berlin Brandenburg GmbH, Selchow <sup>5</sup>	50	7,850	- 1,006
<b>Affiliated companies (indirect)</b>			
<b>MB Capital Services GmbH, Berlin</b>			
CSG-Team GmbH, Berlin <sup>2</sup>	100	226	2
<b>E.G.E. European Green Exhibitions GmbH, Berlin</b>			
MAZ Messe- und Ausstellungszentrum Mühlengiez GmbH, Mühlengiez <sup>1,2</sup>	100	27	0
<b>K.I.T. Group GmbH, Berlin</b>			
Festival Technical Event Management GmbH, Berlin <sup>2</sup>	50.10	449	287
K.I.T. Group GmbH Dresden, Dresden <sup>2</sup>	55.08	178	136
K.I.T. Swiss AG, Laufenburg, Switzerland <sup>6,7</sup>	100	191	21
K.I.T. Group France S.à.r.l. (previously BGV DEVELOPPEMENT S.à.r.l.), Boulogne-Billancourt, France <sup>2</sup>	75	107	96

<sup>1</sup> Control and profit-and-loss agreement with the parent company

<sup>2</sup> fully consolidated

<sup>3</sup> share capital: 100,000 SGD

<sup>4</sup> share capital: CNY 2,950,744.50

<sup>5</sup> proportionally consolidated

<sup>6</sup> according to Sec. 296 Para.2 HGB, and/or Sec. 311 Para. 2 HGB of lesser importance and therefore not included in the consolidated financial statement

<sup>7</sup> Share capital: CHF 100,000





## Audit 2015

### Audit certificate

We have examined the annual financial statement, consisting of the balance sheet, statement of profit or loss and notes which was combined with the group's notes, including the book-keeping of Messe Berlin GmbH, Berlin, as well as the consolidated financial statement consisting of the balance sheet, statement of profit or loss, statement of cash flow, statement of changes in equity and consolidated notes and the management report of the company and the group for the financial year from 1 January to 31 December 2015. The preparation of these documents in accordance with the regulations of German commercial law are the responsibility of the company's management. Our task, on the basis of the examination that we have conducted, is to evaluate the annual financial statement, including the book-keeping and the consolidated financial statement together with its management report of the company and the group.

We have examined the annual and consolidated financial statement in accordance with Sec. 317 HGB, having due regard to the German principles of correct financial auditing as laid down by the auditing institute – Institut der Wirtschaftsprüfer (IDW). These specify that the audit should be planned and carried out in such a way as to identify with sufficient certainty any inaccuracies and irregularities that would have a significant impact on the situation as shown in the annual financial statement and the consolidated financial statement and in the management report of the company and the group, with regard to financial and net assets position and operating results taking into consideration the principles of correct book-keeping. In determining the actions to be carried out in the audit attention is paid to knowledge about the commercial activities and about the economic and legal situation of the company and the group, as well as the expectations of any possible errors. Within the scope of the audit an appraisal is made, predominantly on the basis of random tests, of the accounting-related internal control systems and of the evidence underlying the statements in the book-keeping, in the annual financial statement and consolidated financial statement, and in the management report of the company and the group. The examination encompassed an appraisal of the annual financial statements of the companies included in the consolidated financial statement, of the differentiation of the consolidated entity, the principles applied to accounting and consolidation and significant assessments by the legally appointed representatives and an evaluation of the overall presentation of the annual financial statement and consolidated financial statement and of the management report of the company and the group. In our opinion our examination provides a sufficiently secure basis for our appraisal.

Our examination produced no objections.

In our assessment, on the basis of the findings revealed by the examination, the annual financial statement and the consolidated financial statement comply with statutory regulations and, observing the principles of correct book-keeping, they provide a picture of the situation regarding financial and net assets position and operating results of the company and the group that reflects the actual circumstances. The management report of the company and the group is consistent with the annual financial statement and the consolidated financial statement and, in its entirety, provides an accurate picture of the position of the company and the group, and accurately presents the opportunities and risks of future development.

Berlin, 7 March 2016

Ernst & Young GmbH  
Auditing company



Seidel  
Auditor



Pilawa  
Auditor

## Corporate governance report 2015

### Corporate governance report for the 2015 financial year

As an unlisted company Messe Berlin GmbH applies the Berlin Corporate Governance Code ('Codex') on the basis of the participation guidelines issued by the federal state of Berlin, which the Senate Department for Finance requires Messe Berlin to observe, being a company in which the federal state of Berlin holds a stake greater than 50%.

In the corresponding application of Section 161 AktG [German Stock Act], the Management and Supervisory Board of Messe Berlin GmbH state that, as shown below and with the exception of the divergences that are also shown, Messe Berlin GmbH has and will continue to comply with the recommendations of the Berlin Corporate Governance Code in the version dated 17 February 2009. If any of the following statements apply both to the statement period 2015 and to future statement periods, these are shown in the present tense.

#### 1. Cooperation between the Management and the Supervisory Board

The management and the Supervisory Board work together closely in an atmosphere of mutual trust for the benefit of the company. Details of all company affairs and knowledge about the company are revealed by the Management as part of its reporting obligations. Personnel of the Management and the Supervisory Board have an obligation to maintain secrecy.

As a matter of principle the Management always participates in the meetings of the Supervisory Board.

Strategic corporate planning is coordinated with the Supervisory Board. The Management regularly reports on the progress achieved in implementing these plans.

In addition to the rules in the company agreement concerning the obligation to provide information and maintain secrecy, the Supervisory Board has imposed rules of procedure to be observed by the Management, regulating the rights of consent of the Supervisory Board.

The Management shall acquaint the Supervisory Board about all business of fundamental importance and shall obtain the latter's approval in all matters that require such approval.

The Management shall meet its obligations, regularly and in written form, to provide information and reports for all issues concerning planning, business development, the risk situation, risk management and compliance that are relevant to the company; sufficient time shall be given to receive documents before convening for meetings and management decisions. Target/perfor-

mance comparisons shall be made. Any divergence from the plan shall be shown in a plausible and understandable way and any necessary counter-measures that are proposed shall be an implementable form.

In meeting their obligations, the Management and the Supervisory Board shall comply with correct business management practice; they shall observe the obligation to exercise due care required for the correct and conscientious performance of the tasks of the Management and the Supervisory Board. D&O insurance cover without an excess has been arranged for the management and the Supervisory Board. The agreements with the Management state that Messe Berlin – in particular in the event of a change in the stake held by the federal state of Berlin – is entitled to amend the D&O insurance cover for the Management, even without the consent of the chief executive officer. Furthermore, under the terms the chief executive officers agree that the D&O third party insurance shall be entitled to demand excess, amounting to 10% of the damage incurred, being at maximum equal to 1.5 times the fixed amount of the chief executive officers' annual remuneration. Until now, the terms regarding excess have not been included in the current insurance policies as corresponding amendments to the agreement would result in higher insurance costs.

Each year in the business report, the Management and the Supervisory Board shall submit a report on the corporate governance of the company (corporate governance report), which is included on the Messe Berlin GmbH website. This also includes explanations about any divergences from the recommendations of the Berlin Corporate Governance Code.

#### 2. Management

The Management shall bear responsibility for managing the company and shall work exclusively on behalf of the company's interests and to increase the long-term value of the company. No activities that are detrimental to the company shall be carried out. The Management is responsible for ensuring that the statutory regulations and the company's internal directives are complied with. The Management shall work towards their observance by the companies within the group (compliance). The company has at its disposal an effective system of risk management and risk monitoring.

As of 15 September 2015, the Management consists of two managers. As Ms Ingrid Maaß left the company effective 27 November 2014, from this date until 14 September 2015, the Management consisted of the Chairman of the Management, Dr. Christian Göke. The rules of procedure regulate the tasks of the management, the responsibility of individual board members for specific departments (in connection with the organizational plan), the tasks

reserved for the management as a whole and the majority of votes required for management decisions.

The chief operating officers' remuneration comprises a fixed amount and also a variable remuneration. The variable remuneration is made on the basis of an agreement on objectives, which is agreed with the Chairman of the Supervisory Board and based on a ruling by the Personnel and Presidential Committee. It consists of a profit-sharing arrangement based on the target result and on other structural objectives. The target agreement includes specifications intended to provide long-term incentives and a ceiling is set on the amount involved.

The remuneration of management members is listed individually in the notes to the annual financial statement. The annual financial statement is available on the Messe Berlin GmbH website as part of the business report.

Due to the preservation of vested rights, and due to the fact that the agreement runs for three years, the agreements with the chief executive officers have not been designed in such a way that payments to the management members in the event of premature termination of their management activities without good reason, and including fringe benefits, do not exceed the value of two years' remuneration (severance package cap) and do not provide remuneration for a period exceeding the remaining term of the agreement.

### 3. Supervisory Board

The Supervisory Board discharges its duties for the Management in accordance with the terms of the company agreement and the procedural rules. It is involved in decisions of fundamental importance for the company and does not hitherto see any need for additional regulation. The frequency of meetings and time allotments correspond to the requirements of the company. Procedural rules have been laid down for the Supervisory Board. It has no other business linked to its approval.

The Chairman of the Supervisory Board coordinates the work in the Supervisory Board, oversees its meetings and represents the interests of the Supervisory Board externally. There is regular contact between the Chairman of the Supervisory Board and the Management. This contact includes regular consultations about strategy, business development and risk management. The Chairman of the Management advises the Chairman of the Supervisory Board without delay about any important events which are of fundamental importance in assessing the situation and ongoing development and also for the management of the company. For his part, when necessary, the Chairman

of the Supervisory Board briefs the Supervisory Board. The Supervisory Board held no extraordinary meeting in the 2015 financial year.

The Supervisory Board also includes a Personnel and Presidential Committee. The chairman of this committee is the Chairman of the Supervisory Board. The signing and termination of employment and pension contracts and the authority to determine royalties for the management members are assigned to the Personnel and Presidential Committee of the Supervisory Board for consultation and decision-making.

Furthermore, the Personnel and Presidential Committee is authorized to conduct legal transactions of any kind with members of the Supervisory Board and members of the management. The chairman of the committee informs the plenary assembly of the Supervisory Board about the content and outcome of the consultations.

With its resolution of 7 July 2014 the Supervisory Board has continued to assign to the Personnel and Presidential Committee the tasks and authority to act as an audit committee until the end of the current term of office.

The Personnel and Presidential Committee therefore also deals with issues involving accounting, and with risk management and compliance, the necessary independence of the auditor, the awarding of the auditing contract to the auditor, the definition of the priorities of the audit and the agreement about fees.

The Supervisory Board has appointed a member of this committee who is neither the Chairman of the Supervisory Board nor the Chairman of the Personnel and Presidential Committee to chair the meetings that address auditing issues.

The Personnel and Presidential Committee held no extraordinary meeting in the 2015 financial year.

The Supervisory Board also has an Investment Committee. Its task is to advise the Supervisory Board about real investments and financial investments of major significance, on the basis of the company's general strategy.

The Supervisory Board has not assigned any further decision-making authority to any committees.



The Supervisory Board has not specified an age limit for the management members. It is not the practice for a management member to take over the chairmanship of the Supervisory Board or one of its committees.

In submitting proposals for the membership of the Supervisory Board it is important to ensure at all times that the members of the Supervisory Board have the knowledge, skills and professional experience required in order to correctly perform their tasks. The Supervisory Board considers that it includes a sufficient number of independent members. No member of the Supervisory Board reaches the limit of membership of 5 or 10 supervisory boards. The members of the Supervisory Board have not held posts as bodies of competing companies or acted as their consultants.

The election of employee representatives is conducted in accordance with the rules laid down in DrittelbG [German One-third Employee Participation Act]. The shareholder representatives are not elected individually by the shareholders' meeting.

The remuneration received by members of the Supervisory Board is determined as the result of a resolution by the shareholders' meeting and takes into account the responsibility and scope of activities of the members of the Supervisory Board, the economic situation and the success of the company as well as the chairmanship and deputy chairmanship. The remuneration consists of a fixed amount. Remuneration is not provided on the basis of results or special services. The total remuneration is shown in the notes to the annual financial statement. The individual remuneration paid to each member is shown.

No member of the Supervisory Board participated in less than half of the meetings in the 2015 financial year.

The Supervisory Board regularly examines the efficiency of its activities. It has established that nothing occurred to restrict its efficiency.

#### 4. Conflicts of interest

The Management observes the rules of restraint on competition. They neither solicit benefits or advantages from third parties nor do they accept them for themselves or for others. They do not grant unjustified advantages to third parties. The management is not aware of any cases in which advantages have been accepted or granted by employees of the company.

Members of the Management as well as of the Supervisory Board safeguard the interests of the company, do not pursue any personal interests and do not make use of the company's business opportunities for their own benefit.

No member of the Management or of the Supervisory Board was subject to any conflict of interest.

Every member of the Management and of the Supervisory Board shall disclose conflicts of interest to the Supervisory Board without delay and inform the other members of the Management.

No business transactions have been concluded with the company by members of the Management, by persons associated with them, or by companies with whom they are closely associated and consequently have not been submitted to the Supervisory Board for its approval. No consultancy contract, service contract, work-for-hire contract or other contract between members of the Supervisory Board and the company has been submitted to the Supervisory Board for its approval. Due to legal regulations, no uniform regulation has been made by the group to disclose to or inform the Supervisory Board should such business arrangements arise.

The Supervisory Board has not enacted any procedural rules for business with the company with reference to individual cases.

In 2015, the Chairman of the Management, Dr Christian Göke, was

- a member of the Board of the Association of the German Trade Fair Industry (AUMA),
- a member of the Supervisory Board of Berlin Tourismus & Kongress GmbH ("visitBerlin"),
- a member of the Board of the Association of Major German Exhibition Centres (GDG),
- a member of the Board of Directors of the Union of International Fairs (UFI),
- a member of the Supervisory Board of Hertha BSC Berlin GmbH & Co. KGaA,
- a member of the Supervisory Board of E.G.E. European Green Exhibitions GmbH,
- a member of the Supervisory Board of Kick-Media AG,
- a member of the Administrative Council of the German National Tourism Board (DZT),
- a member of the World Travel and Tourism Council (WTTC),
- Chairman of the Supervisory Board of ExpoCenter Airport Berlin Brandenburg GmbH (from 1 January 2015)

In 2015, the Chief Financial Officer Dirk Hoffmann was  
- for Messe Berlin GmbH no member of a committee nor did have an  
official function.

The management members did not perform any other work outside the  
company. Details of any outside work are submitted to the Chairman  
of the Personnel and Presidential Committee for approval.

No loans have been granted to members of the management or to members  
of the Supervisory Board or to relatives or dependants of the members of  
these bodies.

#### 5. Transparency

The Supervisory Board was informed about the following topics: ILA 2016  
can be executed only in connection with high losses. For future events  
starting 2018, BDLI will develop a new and self-sustaining event concept.

According to a resolution by the senate, the ICC Berlin shall be restructured,  
whereby a main part shall be used as a modern congress centre with flexibly  
usable congress areas and which shall be operated by Messe Berlin.  
The federal state of Berlin therefore provides EUR 200 million.

Messe Berlin's business development will be positive in the course of the year.  
In the 2014 financial year, Messe Berlin is among the ten trade fair companies  
with the best turnover globally. The decisive factors for a continuation of this  
positive development are mainly the network management, innovation  
strength and further investments.

Within this context, the master plan has been discussed, which is the basis  
for maintaining and further develop the area in connection with the  
company's strategies objectives.

The main strategic objectives of Messe Berlin are securing and expanding  
major events in Berlin, the continuous increase of return and return of  
the city as well as the expansion of services for Berlin in terms of an  
even stronger interlinking of the portfolio with urban society.

To some extent, information about the company is also published on the  
Internet. The latest corporate governance report is made available at the  
company's website.

#### 6. Accounting

The annual financial statement and the consolidated financial statement  
have been compiled in accordance with recognized national accounting  
principles and have been submitted to the shareholders within the intended  
deadline following the corresponding resolution by the Supervisory Board.

In addition to the annual financial statement and the consolidated financial  
statement, the federal state of Berlin as main shareholder and the Chairman  
of the Supervisory Board will be kept informed during the current financial  
year by means of quarterly reports in accordance with the specifications laid  
down by the Subsidiary Controlling department of the federal state of  
Berlin and will discuss the interim reports with the Management. Reports  
to the Supervisory Board on the financial situation will be submitted at  
the meetings of the Supervisory Board, which are held at least quarterly.

#### 7. Audit of annual accounts

The Supervisory Board has received a statement from the auditors confirming  
that no commercial, financial, personal or other liabilities exist – also with  
regard to the auditors' organizations – or with regard to the company/  
members of its bodies. There are no doubts about the independence of the  
auditor, its bodies or the person in charge of the audit. If any reasons for  
possible bias exist, the auditor is required to notify the Chairman of the  
Supervisory Board without delay. The auditor has not presented any  
reasons for bias.

The Supervisory Board has commissioned the auditor to carry out the audit  
and has agreed a fee with him.

The auditor has not informed the Supervisory Board about any findings or  
occurrences in the course of the audit. The auditor is not aware of any facts  
that would compromise the accuracy of the statement given according to  
the Berlin Corporate Governance Code.

The auditor will take part in the consultations of the Supervisory Board  
concerning the annual financial statement and the consolidated financial  
statement and will report on any substantial findings resulting from  
his investigations.

## Report of the Supervisory Board

# 2015

### Report of the Supervisory Board

#### Cooperation between the Supervisory Board and Management

In 2015, the Supervisory Board once again discharged its tasks as a supervisory body as stipulated by law and the company articles and continuously monitored the company's management. The Supervisory Board supported the management in a consultative capacity and was involved in all decisions that were of fundamental importance to the company. This applies in particular with regard to corporate planning and to the main projects and investments. Matters which, in accordance with the law and the company agreement, require the approval of the Supervisory Board, were submitted for a ruling. This applies in particular to the economic and finance plan.

The Chairman of the Management kept the Chairman of the Supervisory Board regularly informed (verbally and in writing) about all important business occurrences and about the economic development of the company. Between meetings, the Chairman of the Supervisory Board regularly shared information and ideas with the Management.

The members of the Supervisory Board always had sufficient time to critically examine the presented reports and the draft resolutions from the Management, and to discuss them with the latter. Operational topics were presented to the Supervisory Board in a meticulous manner on the basis of an analysis of the value potential and of the opportunities and risks. The Supervisory Board has given its approval to individual business transactions.

At each meeting, the participants receive information about ongoing business operations as well as the current key data reports of Messe Berlin Group. At each meeting, reports are given about the meetings of the Personnel and Presidential Committee and the Investment Committee. Other focal topics are mentioned below.

#### Supervisory Board meetings

In the 2015 financial year, the Supervisory Board of Messe Berlin GmbH convened in four regular meetings.

The Supervisory Board has been regularly informed about the economic and financial position of Messe Berlin: In the 2015 financial year, Messe Berlin was able to achieve significant increases in turnover, both in the trade fair and congress sector. Messe Berlin therefore reports the best profit in its company history in an odd-numbered year, which is regularly a year with fewer events. The number of international exhibiting companies on the Berlin exhibiting grounds increased also in 2015 and has achieved a share

of more than 50%. In term of major medical congresses, Messe Berlin is the leading company also in the year 2015. Internationalization of other trade fairs is part of the company's strategy.

At the first ordinary meeting on 15 April 2015, the Supervisory Board focused on the annual and consolidated financial statements for 2014. At the recommendation of the Personnel and Presidential Committee and after discussing the matter with the attending auditors, the Supervisory Board approved the use of the earnings and adopted the annual financial statement 2014 for presentation at the shareholders' meeting. Furthermore, the Management reported on the usage and marketing of Berlin ExpoCenter Airport and the ILA Berlin Air Show 2016 (see page 90 for this item).

At its second ordinary meeting on 2 July 2015, representatives of the federal state of Berlin informed the Supervisory Board about the verification of the future usage of the decommissioned ICC Berlin. No decision was made in 2015 thereto. The Supervisory Board approved the stepwise acquisition of the French congress company by its subsidiary K.I.T. Group GmbH. The Supervisory Board was further informed in course of the report concerning development of the current financial year about the completion of the building of the two additional passageways.

In its meeting on 2 July 2015 as well as at the third ordinary meeting of the Supervisory Board on 14 September 2015, the main focus was the company strategy of Messe Berlin. The major focus was in the master plan for the area, the development of trade fairs abroad and the Marketing of Berlin ExpoCenter Airport.

On 14 December 2015, the Supervisory Board held its fourth and last ordinary quarterly meeting of the year. The Management explained in detail the economic and financial plan for 2016 as well as the medium-term planning for 2016 - 2020. In accordance with the company articles, the Supervisory Board approved the business and finance plan after extensive discussions. At this meeting, the Supervisory Board also gave a declaration in accordance with the Berlin Corporate Governance Code (more about this in the "Corporate Governance" section). Following a comprehensive discussion, the Supervisory Board declared its consent to the founding of a company in Shanghai in form of a WFOE (Wholly Foreign Owned Enterprise). It also agreed to the corporate loan for Berlin ExpoCenter Airport Berlin, subject to the agreement of the shareholder. The IT strategy of Messe Berlin was also discussed during the last meeting in 2015.

The Supervisory Board also extensively deliberated in 2015 the financing and conception of the ILA2016 et seqq: At its first ordinary meeting on 15 April 2015, the Supervisory Board was informed about the financial burden for Messe Berlin due to the execution of ILA 2016 based on the same concept as in 2014, i.e. with flight programme. After the meeting in the third quarter on 14 September 2015, Messe Berlin and BDLI concluded an agreement concerning the execution of ILA 2016. ILA 2018 will be carried out based on a new concept which will be set up by BDLI.

The Supervisory Board took note of the reports on the ongoing business as well as regarding the company's strategy. No member of the Supervisory Board participated in less than half of the meetings in the 2015 financial year.

#### **Reports on the work of the committees**

During 2015, the Personnel and Presidential Committee held five regular meetings.

In its meetings, the Personnel and Presidential Committee addressed human resources issues at the management and turned the Supervisory Board's decisions into recommendations for the ordinary shareholders' meeting.

In accordance with a decision by the Supervisory Board on 7 July 2014, the Personnel and Presidential Committee also deals with issues involving accounting and risk management, compliance, the necessary independence of the auditor, the awarding of the auditing contract to the auditor, the definition of the auditing priorities and the agreement about fees. At this meeting, the Supervisory Board also assigned to the Personnel and Presidential Committee the tasks and authority of an audit committee until the end of the current term of office.

During financial year 2015, the Investment Committee held four meetings at which it was concerned with subjects such as the preparation of the master plan Berlin ExpoCenter City.

#### **Corporate Governance**

On the basis of a decision by the Supervisory Board on 30 September 2004, Messe Berlin GmbH applies the Berlin Corporate Governance Code. The Corporate Governance Report 2015 and the corresponding declaration according to Section 161 AktG [Stock Corporation Act] by the Management and the Supervisory Board are published on the Messe Berlin website, including in the Business Report.

#### **Audit of the annual financial statement**

The annual financial statement and consolidated financial statement provided by the Management, together with the management report and group management report for the 2015 financial year have been examined by the auditors appointed by the shareholders of Messe Berlin GmbH, Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, and have been awarded the unconditional audit certificate.

At meetings on 14 March and 22 April 2016, the auditors informed the Personnel and Presidential Committee and the Supervisory Board respectively about the contents of the annual financial statement and the consolidated financial statement for 2015 and answered all the questions raised by the members.

The Supervisory Board has examined and approved the annual financial statement and the management report and has also recommended their findings to the shareholders' meeting and in addition has acknowledged the consolidated financial statement and the group management report. It has acknowledged and approved the findings of the examination conducted by the auditors.

The Supervisory Board has approved the proposal by the Management to apply the findings.

The Supervisory Board examined the efficiency of its activities during the year under review.

#### **Personnel changes to the Supervisory Board and the Management**

Mr. Dirk Hoffmann was appointed as a member of the Management for three years based on the resolution of the Supervisory Board of 2 July 2015. He has commenced his work as Chief Financial Officer for Messe Berlin GmbH on 15 September 2015. On 14 September 2015, the Supervisory Board agreed to extend the contract of Dr. Christian Göke, Chairman of the Management, for further three years, effective as of 1 July 2016 and re-appointed him as Chairman of the Management Board.

Berlin, 22 April 2016

The Supervisory Board  
Peter Zühlsdorff  
Chairman

