

2016

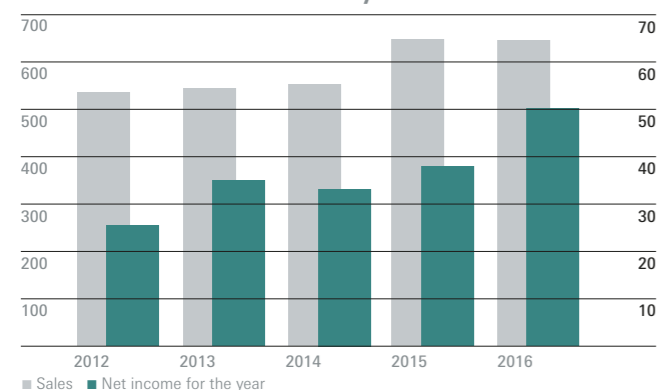
Annual Report



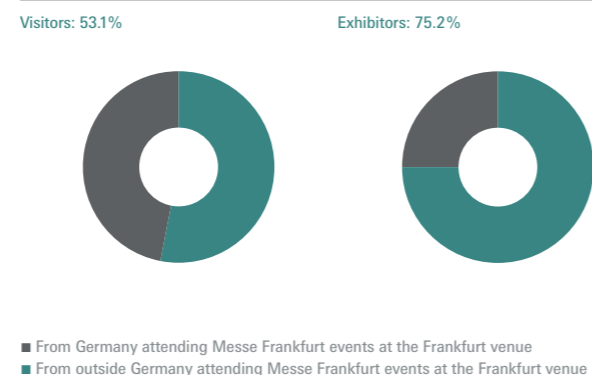
Touchpoints

At a glance

Sales and net income for the year in € m



Level of internationality



The Messe Frankfurt corporate group conceives, plans and hosts trade fairs and exhibitions in Germany and abroad. The parent company and its subsidiaries offer a well-coordinated service package for national and international customers, exhibitors and visitors.

Corporate group

in € m *	2012	2013	2014	2015	2016
Sales	537	545	554	648	647
Personnel expenses	120	123	131	146	152
Depreciation, amortisation and write-downs	61	56	52	56	52
Earnings before taxes	40	53	51	56	74
Pre-tax return on sales in %	8	10	9	9	11
Net income for the year	25	35	33	38	50
EBITDA	102	108	102	109	124
Additions to fixed assets	27	48	56	45	102
Equity	412	427	453	475	506
Total assets	834	820	863	888	888
Active employees (at 31.12. respectively)	1,833	1,999	2,130	2,244	2,307

* Except employees and return on sales

Shareholders: City of Frankfurt (60%), State of Hesse (40%)

Subscribed capital: City of Frankfurt €108 million, State of Hesse €72 million

Basic data	2012	2013	2014	2015	2016
Total space (m ²)	578,000	578,000	592,127	592,127	592,127
Available hall space (m ²)	355,678	355,678	366,637	366,637	366,637
Available open space (m ²)	96,078	96,078	96,078	96,078	96,078
Number of halls	10	10	10	10	10
Events in Germany					
Number of trade fairs and exhibitions	41	43	44	47	50
Exhibitors	44,066	40,786	41,828	42,167	42,659
Net space (m ²)	1,444,758	1,480,779	1,314,277	1,492,035	1,372,728
Visitors	1,634,205	2,268,884	1,557,581	2,440,666	1,565,383
Events outside Germany					
Number of trade fairs	68	70	77	86	84
Exhibitors	34,431	38,793	42,880	48,605	48,219
Net space (m ²)	791,785	935,148	1,060,630	1,240,629	1,267,096
Visitors	1,173,757	1,381,032	1,526,372	1,730,153	1,966,492
Total					
Number of trade fairs	109	113	121	133	134
Exhibitors	78,497	79,579	84,708	90,772	90,878
Net space (m ²)	2,236,543	2,415,927	2,374,907	2,732,664	2,639,824
Visitors	2,807,962	3,649,916	3,083,953	4,170,819	3,531,875

Touchpoints

Messe Frankfurt creates points of contact between supply and demand, business partners and customers, trends and markets.

The products and concepts of Messe Frankfurt's customers are the visible expression of these touchpoints, serving as a barometer for what moves the economy, people and different cultures. Taken together, they represent the innovative strength and inventiveness that drive today's world and shape change.

At the events organised by Messe Frankfurt, globally networked markets merge together to create a unique picture that oscillates between close-up and bird's-eye view, individual product and overall strategy, concrete solutions and overarching themes.

Touchpoints – these are events made by Messe Frankfurt. In 2016, the Messe Frankfurt Group generated 417 trade fairs, congresses and events for its customers.

The portfolio of our customers includes millions of products and is unique in its diversity. For each and every one of those products, Messe Frankfurt offers the ideal presentation platform – all over the world and with an international audience. As a result, our events are a continuous indicator for the level of innovation in business and technology.



Wolfgang Marzin
President and Chief Executive Officer

“Messe Frankfurt’s events are the world’s leading innovation platforms for their sectors and time and again set benchmarks for the future. The organisation is part of the international business community and leverages its expertise to anticipate and meet its customers’ needs.

We are therefore continuing to build our portfolio in the Technology & Production business segment, for example with a new trade fair for building technology. With the acquisition by our Indian subsidiary of the International Elevator and Escalator Expo (IEE Expo) in Mumbai, Messe Frankfurt is gaining a foothold in this market and will be able to strengthen its position in the field of smart building technology. India is the world’s second largest elevator and escalator market.

The performance indicators testify to the huge success of our broad-based event portfolio: in the financial year 2016, the corporate group generated sales revenue to the tune of 647 million euros and realised earnings before tax of 74 million euros.

Messe Frankfurt’s growth is a direct result of the excellent teamwork demonstrated by its employees and the close cooperation with its shareholders.”

“In 2016, 134 trade fairs and exhibitions which drew some 91,000 exhibitors and 3.5 million visitors were held under the roof of Messe Frankfurt worldwide. Messe Frankfurt invests continuously in the quality assurance of its core value drivers: its brands.

We orient ourselves towards the topics that will move our customers in the future and with our events accompany the changes taking place in their sectors, which are being driven at a rapid pace by digitalisation. As a reliable cooperation partner, Messe Frankfurt addresses challenges with new impulses and innovative event solutions. For example, as part of a new conceptual design, Musikmesse for the first time opened its doors to a wider public in 2016. At the same time, we are extending our advisory services for our customers.

In 2017, Hypermotion is closing a gap in the international trade fair market as the first independent platform for the overarching topic of digital transformation in the transport sector.”



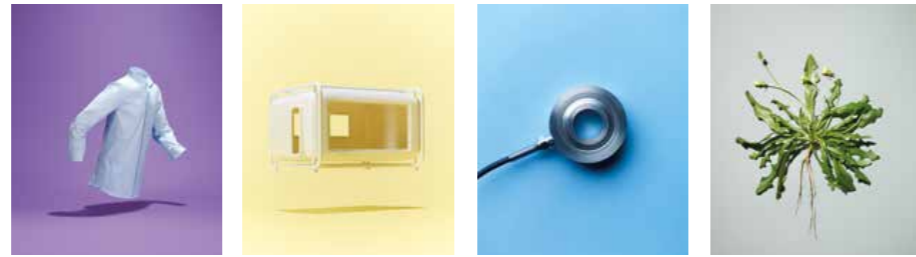
Detlef Braun
Member of the Executive Board

“Like trade fairs, congresses are one of the most effective communication platforms for personal encounters. With 163 congress formats and 26 guest shows, utilisation of capacities at Messe Frankfurt’s exhibition grounds was excellent in 2016. Particularly encouraging is the development of Formnext powered by TCT, a trade fair organised by our Mesago Messe Frankfurt GmbH subsidiary. The second edition of this event already elevated Formnext to the status of leading international trade fair for additive manufacturing and the next generation of industrial production. In response to the growing capacity utilisation of the exhibition grounds, Messe Frankfurt is investing substantially in the modernisation of its home venue. The ceremonial laying of the foundation stone for the new Hall 12 in October 2016 was an important milestone here. Another aspect is optimising traffic management within the exhibition grounds. The Frankfurt exhibition complex is ideally located at the heart of an international traffic hub. To address the challenges this entails, Messe Frankfurt has implemented one of the most advanced traffic management systems in the trade fair industry.”



Uwe Behm
Member of the Executive Board

Touchpoints



6 Scanned instead of measured



7 Mobile hospital



8 Weighing elevators



9 Tyres from dandelion leaves



10 Intelligent pillow



11 Light from morning to night



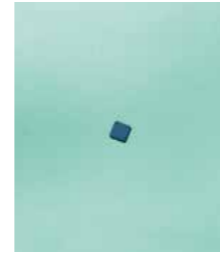
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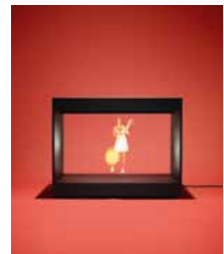
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14 More relaxed driving



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17 Home sweet stool



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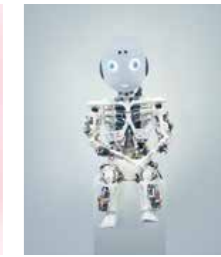
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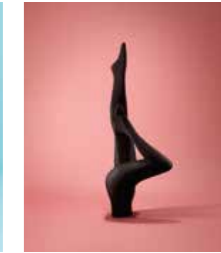
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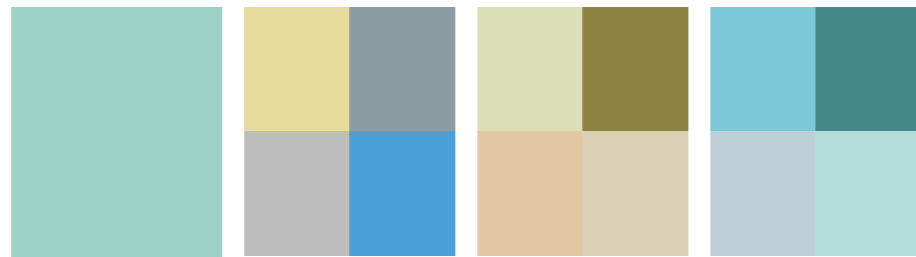


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33 Tights in the cycle of nature

Overall activities 2016

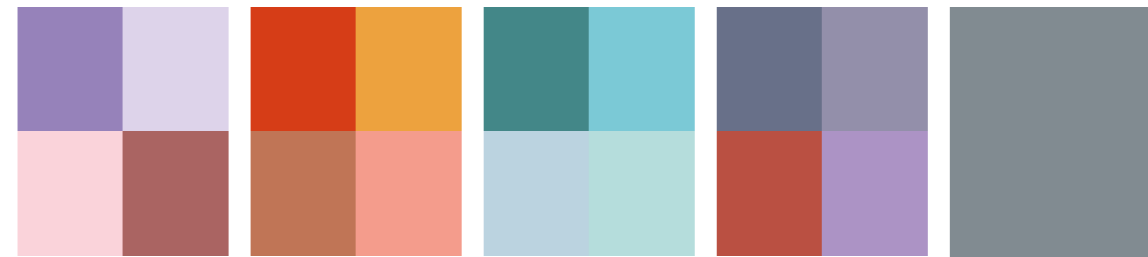


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Human Solutions GmbH ◦ Size NorthAmerica ◦ Texprocess Americas

Average body measurements can differ widely from country to country and may change considerably over the generations. This makes standardised sizings like S, M or L rather elastic terms. Classification of newly determined body sizes is the new chapter for online retailers and globally operating brands. In order to obtain a reliable data set, the company Human Solutions has initiated the 'Size NorthAmerica' project, the first representative serial measurement program in the USA and Canada which uses 3D body scanning technology. The scanner systematically measures some 18,000 men, women and children. Over 100 measurements per person are captured in a matter of seconds and subsequently made available in digital form for analysis. The results are useful not only in the textiles industry but, for example, for car manufacturers, too.



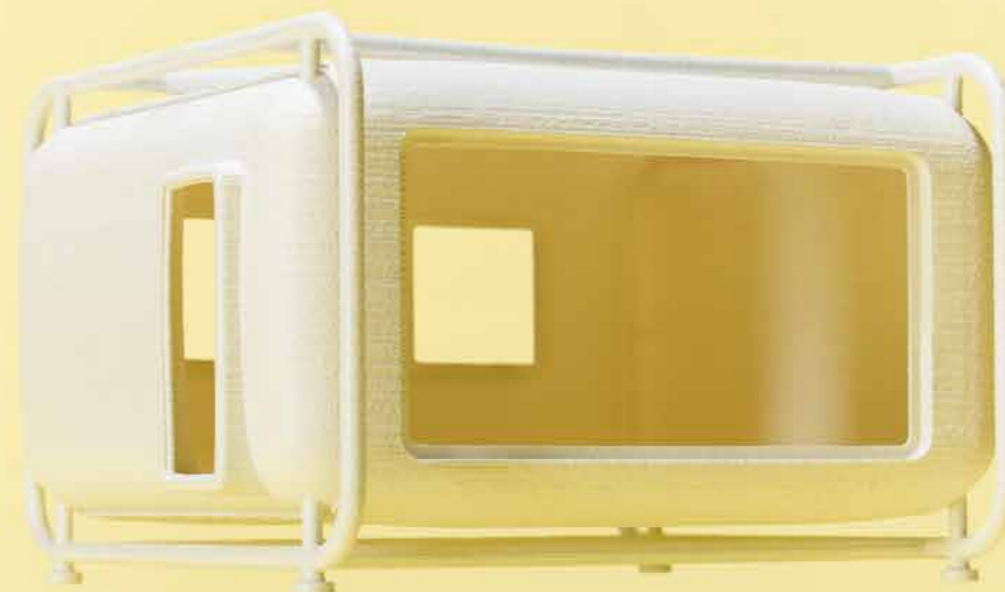
texprocess
AMERICAS

Individualisation is one of the big mega trends in the textiles industry which is driven by advancing digitalisation. In recent years, a whole arsenal of machines has become available that allow personalised products to be manufactured on an industrial scale. 3D printers or CNC milling machines are, in the meantime, even to be had at an affordable price for private users. Via digital interfaces, consumers also have the possibility to directly access industrial

production lines and influence the manufacture of their individual product. At Texprocess Americas, the leading trade fair for the garment and textile processing industry in North America, enterprises showcase the possibilities presented by Industry 4.0 – from the latest machines, equipment and processes, through to services for the manufacture of textile and flexible materials.

A.I.T. Adriatic Institute of Technology S.P.A. ◦ Shellbe ◦ Cleanzone

Cleanrooms reduce particles or microorganisms suspended in the air to a minimum. Since being introduced in 1960, cleanroom technology has been successfully implemented the world over and is nowadays used principally in the manufacture of computer chips and in the field of medicine. The A.I.T. in Ancona has now developed Shellbe, an innovative module cleanroom system. The basic module is not much bigger than a minibus. This could prove a practical solution for meeting specific hygienic requirements, especially in the world's underdeveloped regions and under extreme climatic conditions. The modular system can be set up by three people in a matter of just a few hours, defies all climatic conditions, is easy to transport, has a self-sufficient energy supply and stands squarely on any type of ground. From micro-laboratory and operating theatres to a fully-fledged hospital, the modules consisting of just a few components can be combined and extended to form almost any configuration.



As microchips become ever smaller and more capable, the number of cleanrooms – whether in microtechnology or the life sciences – is continuously growing. At the same time, research projects and products from the high-tech and medical sectors manufactured at many locations around the world are becoming increasingly complex. This places higher demands on the production conditions and the number of cleanrooms – both in microtechnology and the

life sciences. Boasting a high number of international visitors and a broad range of user industries, Cleanzone is the only international and interdisciplinary trade fair for cleanroom technology. The attractive combination of a trade fair, congress, presentation platform and workshops presents the perfect opportunity for operators and manufacturers to obtain information and engage in an exchange regarding the possibilities in the field of cleanroom technology.

cleanzone

MICELECT SL ◦ HPS sensor ◦ International Elevator and Escalator Expo

What happens in an elevator when too many people enter and the permissible maximum weight in the cabin is exceeded? Nothing. The elevator doesn't move and a friendly message asks the surplus passengers to leave. A precondition for this is that the elevator knows how heavy it is. The MICELECT HPS sensor permits such measurements in a very simple, inexpensive and above all extremely accurate manner: instead of the weight, it measures the diameter of the suspension ropes, which deform and become thinner when people enter the lift.



With the International Elevator and Escalator Expo in Mumbai, Messe Frankfurt is expanding its portfolio on the Indian subcontinent. Especially in the emerging economies, the trend towards urbanisation is generating substantial investments in building infrastructure. However, in the industrialised nations, too, demographic change and government regulations regarding accessibility are leading to

growth in the market for elevator, conveying and storage equipment. The addition of the IEE Expo increases the number of Messe Frankfurt events in the technology segment to 70 and offers exhibitors and visitors access to a dynamic market for which an average growth rate in India of almost 15 percent is being predicted.

Continental AG ◦ Car tyres made from dandelion rubber ◦ Automechanika

The south-east of Kazakhstan is the habitat of a particular species of dandelion whose root contains a high proportion of rubber. Known as Taraxagum, this raw material is a natural and environmentally-friendly alternative to conventional natural rubber. Tyre manufacturer Continental will use it in future to manufacture tyres. In a joint research project between Continental and the Fraunhofer Institute for Molecular Biology and Applied Ecology (IME), the Julius Kühn Institute and the ESKUSA plant breeding experts, the plant has been further cultivated for use in the production of an innovative car tyre. Traditionally, natural rubber is obtained from the latex sap of the rubber tree, which only grows in the Tropics. So-called 'Russian dandelion' on the other hand, also grows in temperate climate zones. This contributes to the sustainable use of existing resources and also shortens the transportation routes to the European production sites.



At Automechanika, the world's leading trade fair for the automotive industry, vehicle manufacturers, suppliers and start-ups showcase forward-pointing products and solutions from the segments Connectivity, Alternative Drive Systems, Automated Driving, Mobility Services and Smart Data Analytics. A special highlight is the Green Award, conferred this year for the first time at Automechanika Frankfurt, which

was awarded to Continental for its Taraxagum product development. Messe Frankfurt has also initiated another forward-looking cooperation with Messe Essen: from 2018, in response to the increasing networking between the automotive aftermarket and the tyre industry, the traditional REIFEN leading fair and Automechanika Frankfurt are pooling their resources and coming together in a parallel show format.

automechanika

ADVANSA GmbH ◦ iX21 Smart Pillow ◦ Heimtextil

Sleep well? According to a study conducted by the Robert Koch Institute, 70 percent of Germans answer this question with a no. And yet over the long term, sleep deprivation leads to health problems and has negative economic consequences. The ADVANSA iX21 Smart Pillow not only records and analyses the individual quality of regeneration during the night, but also acts as a personal sleep coach. To this end, the pillow is equipped with an electronic sensor in the size of a postage stamp which records movements and uses the data to produce sleep patterns that can be analysed through an app. This helps to identify sleep disorders, so that the pillow becomes your secret to a good night's sleep.



heimtextil

As the world's largest showcase for home and contract textiles, Heimtextil functions as a trend barometer for quality textiles featuring design and innovative functionality. To this end, each year the experts of the international Trendtable meet to develop a theme park which reflects innovative implementations of current market trends. In 2016, under the heading 'Well-being 4.0' the theme park focused on how technology and science, in combination with design and

textile materials, can help to improve people's quality of life. In five different pavilions, visitors were able to draw inspiration from materials, artistic performances and new design concepts and get behind-the-scenes information about how the trends behind Well-being 4.0 can influence the craft, hospitality, sustainability, technology and retail market segments.

Zentralverband Elektrotechnik- und Elektronikindustrie e.V. (ZVEI) ◦ Human-centric lighting ◦ Light + Building

With the beginning of the age of electrification at the end of the 19th century, the benefits of artificial light became accessible to everyone in the western industrialised nations. Until then, people had lived in the rhythm of nature, which left lasting traces in our evolution. For example, we have photosensitive receptors on our retina that are not used for seeing, but for setting our internal body clock. This is because natural light changes its character in the course of the day. Morning light is brighter and cooler, becoming warmer and weaker towards afternoon. The receptors react to this and release hormones that control our biorhythm. The lighting industry is now drawing on these findings to offer lighting solutions adapted to people's individual needs, for example by positively influencing tiredness and exhaustion or supporting phases of concentration when carrying out safety-relevant activities. Light can also help to create a relaxed or a communicative atmosphere. Combined with connected building technology, it is also possible to lower energy consumption. The special show 'Spend the Day with Smart Lighting' devised by the German Electrical and Electronic Manufacturers' Association (ZVEI) for Light + Building 2016 highlighted the latest possibilities.



Light is everywhere – in our homes, in public places, in industrial plants, offices, hospitals, museums or schools. Light is also becoming increasingly 'smarter' and is capable nowadays of doing much more than just shining. Modern lighting technology combines with other aspects of building technology such as climate control and safety and security technology to create today's smart homes, smart buildings – even whole smart cities. Every two years, Light + Building, the world's leading trade fair for lighting and building

services technology, presents the world's largest stage for the lighting and smart home and building automation market. The top theme in 2016, Smart Technologies, reflects how building services technology can be controlled via a smartphone in a needs-oriented and coordinated manner. Sensors and dynamic control systems link up the building to a smart grid, the intelligent energy supply structure of tomorrow, in which every home not only consumes energy, but can also supply it.

light+building

Warwick Music Ltd ◦ pBone ◦ Music China

Musical instruments are sensitive. Take a brass trombone, for example: a light blow or a drop on the floor is all it takes for it to become dented and distort the sound. For children keen to learn a musical instrument, however, constantly being told by a parent to be careful isn't particularly motivating. Music should first and foremost be fun. To reach a point in a musical career when you are rewarded for bashing your guitar to pieces on stage, you first have to put in a lot of hard work. With this in mind, the British company Warwick Music has developed a trombone made from plastic that costs just a fraction of the genuine article, and is also lightweight and less cumbersome, as well as being virtually indestructible. pBone and pBone mini thus also make it possible for families on lower incomes to introduce their children to the world of music.



music
CHINA

Shanghai is China's most cosmopolitan and culturally diverse city. Once a year, thousands of musicians, dealers and agents from all over the world gather here and for four days turn the city into the nerve centre of the Asian entertainment and music industry. Music China is not just Asia's biggest trade fair for the music industry, however; it is also a meeting place

for young talents and experienced masters. Organised jointly by the Chinese Music Conservatory and the Shanghai Music Conservatory, the Music China Educational Programme offers professionals, ambitious hobby musicians and talented young players a stage for sharing their passion for music in open sessions and master classes.

Moleskine SpA ◦ Smart Writing Set ◦ Paperworld

The invention of the computer has divided the world into two camps: some celebrate digitalisation as a major advance, have no qualms about networking, join crowdfunding platforms as microinvestors, book holiday apartments online and have long since transferred all their data to the cloud. In others, this development arouses feelings of nostalgia and a yearning for the days when we were not constantly reachable and things were not automatically connected to the Internet, but were just simply things. Italo Calvino predicted 30 years ago that the new capability to send ideas around the world in mere fractions of a second would spark off a revolution – and that's precisely what happened. Nevertheless, writing by hand still holds a very special appeal today. The Moleskine Smart Writing Set therefore combines the best of both worlds: every note and every sketch entered by hand on the pages of the book is digitalised in real time, making them quicker and easier to translate and process or share with others anywhere in the world.



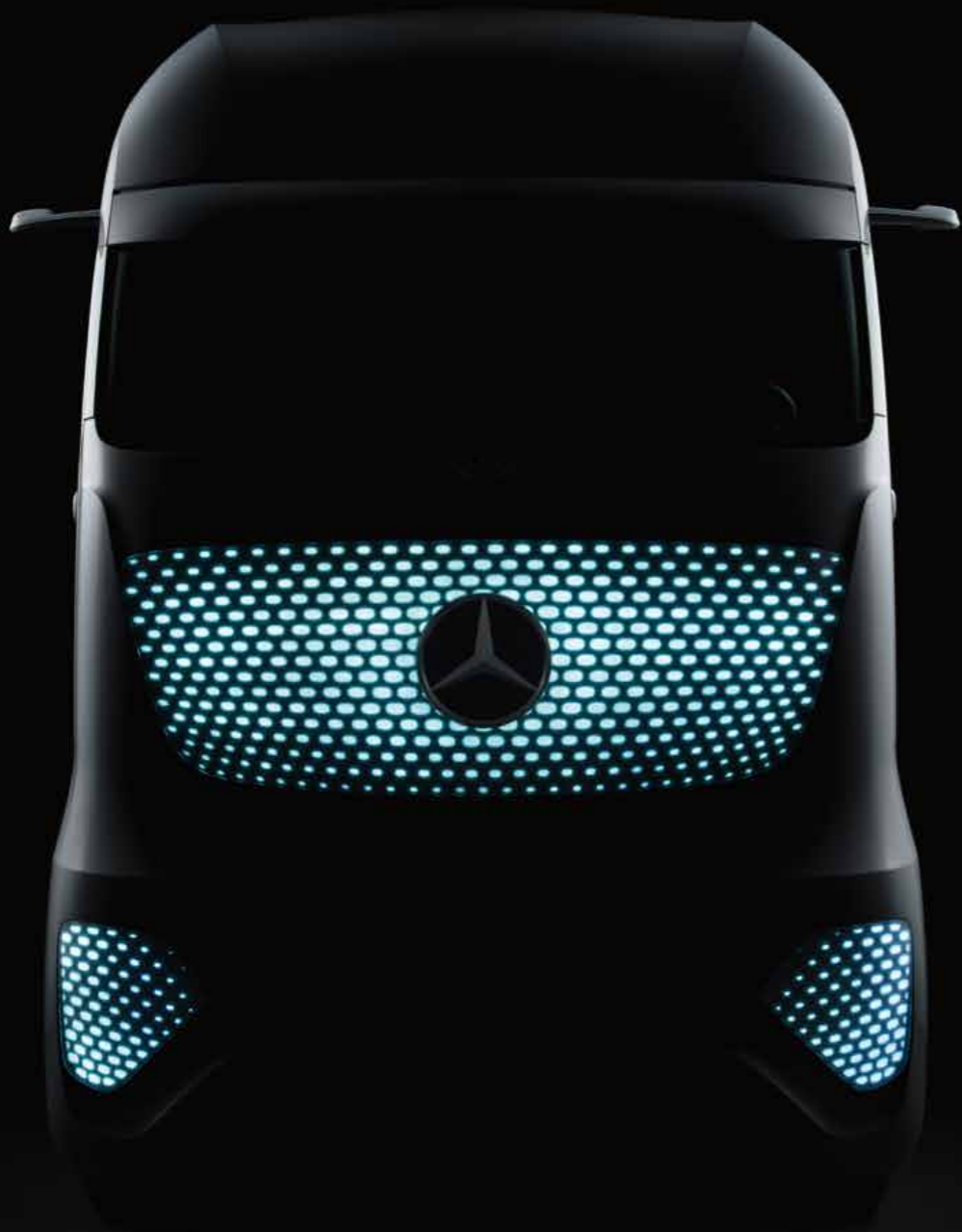
The office of tomorrow is paperless – this vision from the early days of digitalisation has proved to be wrong. One of the reasons for the success of the Smart Writing Set from Moleskine is that it combines the haptic experience with the immaterial world of the cloud. So how will we work in the future? And what tools will we need? Demographic change, increased connectivity and new demands on work are reshaping the office environment. Workstations no

longer have a fixed place, new communication channels speed up the way we exchange information, and at the same time, we want the office to be somewhere we feel at home and can identify with. The Future Office theme area at Paperworld, the world's leading international trade fair for stationery, office supplies and writing instruments, examines these questions and with the help of concrete examples and product concepts illuminates the changing working world.

paperworld

Daimler AG ○ Mercedes-Benz Future Truck 2025 ○ Comtrans

Relaxed motorway driving at a speed of up to 80 km/h – not a problem for the self-driving Mercedes-Benz Future Truck 2025. Back in 2014, Daimler’s concept vehicle heralded a new era for the transport industry. The truck reacts autonomously to traffic in the lane it is travelling in. The brain of the operation is the Highway Pilot, which employs a network of driver-assistance systems – supported by state-of-the-art radar sensors, images from a stereo camera and active steering. Controlled operation and intelligent communication with the surrounding terrain also help maximise fuel efficiency and save time. The driver can relax and when travelling in autonomous mode perform other tasks behind the wheel. The first series-built truck featuring the system, the Mercedes-Benz Actros, was approved for testing on German motorways in 2015. In 2016, Daimler presented the next development stage of the Highway Pilot – Highway Pilot Connect, which allows networking between vehicles in a platoon.



comtrans

“I am convinced that in the coming decade the first mayor of a larger city will say: If you want to drive into the city centre, you can only do so with a clean vehicle that drives autonomously,” says Maroš Šefčovič, the EU Commission’s Vice-President for Energy Union. A new EU Regulation provides that by 2030, CO₂-free deliveries to the inner cities will be the norm Europe-wide. Against this background, the Truck Competence exhibition zone at Automechanika positions itself as the engine for cutting-edge solutions and trends.

However, before the vision of driverless, emission-free freight traffic can become a reality, a number of technical issues still have to be resolved. Comtrans, Russia’s leading commercial vehicle auto show and the world’s second largest truck show, is an ideal platform for this. Shared experience and competition among manufacturers over the most innovative solutions with respect to range, costs and common standards are prerequisites for achieving these ambitious goals.

International Electrotechnical Commission (IEC) ○ 80th IEC General Meeting ○ Congress Frankfurt

The IEC sets standards. The non-profit organisation based in Geneva has been responsible for standardisation activities in the electrotechnical sector since 1906. The very first decision taken by the IEC 110 years ago was already revolutionary: extending the metric system, which until then had comprised metres, kilograms and seconds, to include the ampere as the fourth unit and basis for electrification and digitalisation. Subsequently, the microchip became the smallest common denominator in our world, which without the work of the IEC would sink into chaos. Today, more than 10,000 experts from industry, government authorities and universities work to create reliable points of reference for the development of new technologies. At the 80th IEC General Meeting, no fewer than 15 overriding topics were focused – from Industry 4.0 and the Internet of Things, to IT Security and new forms of Online Collaboration across distances and time zones, made possible by digital networks. So it is only logical that this mega-conference in Frankfurt was held in parallel at seven different conference venues. The Kap Europa formed the centre of the event. Other locations included the Congress Center and the Festhalle. For five days, Frankfurt became an interconnected IEC campus with innovative event formats, a central exhibition area, live streams and an app, over which 3,500 participants from 80 different countries communicated with one another.



Germany is the most popular venue in Europe for conferences and congresses and number two worldwide after the USA. More than 3 million events drawing in the region of 400 million participants are held here annually. At the heart of this business lies Frankfurt, connected to one of Europe’s biggest traffic hubs. The event buildings on the exhibition grounds – Congress Center, Forum, Festhalle – and the Kap Europa hosted a total of 259 guest events in 2016, including

163 congresses and conferences as well as 70 events and concerts. Among these were major international congresses such as the IEC Congress and the 49th Annual Conference of the Asian Development Bank (ADB) with 4,000 participants, industry meeting places like the ISC High Performance – International Supercomputing Conference and the Deutsche Immobilienstag (German Real Estate Day) or the general meetings of major DAX-listed companies.

congressfrankfurt

Eye Systems 3D-Labor GmbH ○ HoloVision ○ Prolight + Sound

At the latest since Michael Jackson appeared as a hologram at the Billboard Music Awards 2014, five years after his tragic death, the imagination has known no bounds with regard to the potential applications for holograms. Like many other technologies, holograms can nowadays be produced with ever smaller devices and at an affordable cost. The HoloVision product series from the company Eye Systems, for example, can project holograms onto exhibition stands or even whole room installations. The smallest projection module is no bigger than a tablet computer. Accordingly, the next performance of the 'King of Pop' might not be happening at the MGM Grand Garden Arena in Las Vegas, but in your own living room.



prolight+sound

With its focus on technologies and services for entertainment, integrated systems and creation, Prolight + Sound is the parallel universe to Musikmesse. Consistent with this positioning, the two trade fairs were realigned in 2016 in an integrated concept, enabling the demands of the represented sectors to be optimally met – with great success. Exhibitors from all segments of the event industry informed more visitors than ever about the latest trends and innovations. The industry is booming and the optimised concept creates the

right conditions to meet its needs. Part of the new concept is the greater opening-up of Prolight + Sound to professional future talents and at the same time a stronger focus on priority fields with an extended conference and seminar programme. So the Prolight + Sound Forum Basic and Prolight + Sound Forum Advanced formats offered professional users the opportunity to acquire basic knowledge in new fields as well as broaden their expertise in the latest trends.

Philippi GmbH ○ Hamburger Hocker ○ Nordstil

When ships call at Hamburg on their long voyage across the seven seas, sailors throw heavy mooring ropes onto the quay wall. They are caught by waiting moorers, who place the 'eye' of the rope over a bollard. The ropes are then made taut on board with the help of a rope winch. The ship has tied up and is temporarily out of service, even if it is scheduled to leave the port again just a few hours later. For all landlubbers who find the oceans too wide, the sea air too salty and a seafarer's life too unsettled, designer Andreas Ostwald has come up with the 'Hamburger Hocker' stool for the Hamburg-based company Philippi: a piece of seating furniture that pays homage to the Hanseatic city, for mooring and relaxing in your own four walls.



In Hamburg, a 'Quittje' refers to someone not originally born and raised in Hamburg masquerading as a local – and there are reported to be quite a few of them in the Hanseatic city. In the eyes of its inhabitants, Hamburg is the most beautiful city in the world. You are a Hamburg citizen either by birth or by conviction. The regional trade fair Nordstil reflects the ties of the North Germans with their region. The trade fair

opens the door for local retailers to a broader public from the neighbouring regions and offers them an opportunity to position themselves in the region with tangible offerings in the dynamic and constantly growing online retail environment. Conversely, for Messe Frankfurt, Nordstil is an attractive addition to its portfolio.

nordstil

Tech90 Teks. ve Yaz. San.Tic.Ltd.Şti. [o Kevlar jeans](#) [o Motobike Istanbul](#)

The days when Jack Nicholson rode pillion behind Dennis Hopper on the motorcycle Captain America in the film Easy Rider wearing a white suit and a golden football helmet are over. Nowadays, for most bikers safety is the top priority. However, style often suffers as a result. High-tech functional motorcycling apparel with built-in protectors may provide optimum protection in the event of a spill or bad weather, but it doesn't exactly epitomise the born-to-be-wild look. The Turkish company Tech90 is therefore experimenting with synthetic Kevlar fibres, which are interwoven with conventional cotton to create special jeans for bikers. Even in the event of a crash at 80 kilometres an hour followed by a 30-metres slide over the tarmac, these jeans won't be any the worse for wear from friction or heat generation.



Istanbul is bigger than Mumbai and has more inhabitants than Rio de Janeiro. To ensure the 14 million or so inhabitants manage to navigate their way through the metropolis day for day, the city authorities are focusing on new traffic concepts and investing billions in infrastructure, whether on expanding public transport or building a tunnel under the Bosphorus. The daily traffic gridlock is threatening economic growth and the quality of life in Istanbul. No wonder

the number of registered motorbikes as an alternative to the car has soared in the city over the past few years. More and more people are turning enthusiastically to two wheels, which possibly explains the rush of visitors to Motobike Istanbul, the only trade fair in Turkey to combine motorbikes, bicycles and accessories such as safety gear and apparel. In order to cash in on this growth market, leading manufacturers have reinforced their presence in Turkey.

Zentoo [o DIY smiley](#) [o Floradecora/Christmasworld](#)

In December 1963, American commercial artist Harvey Ball had an idea. He drew two dots and a curved line inside a circle on yellow paper. He sold the design for 45 dollars to the State Mutual Life Assurance Company of America, which had the image reproduced on badges handed out to its employees. The smiley face was born. Ball's drawing was a success story around the world and today is the most well-known symbol for happiness. Arjan van der Voort, General Manager of the chrysanthemum nursery Zentoo, has also cottoned on to the fact that good cheer sells well. Packaged as a do-it-yourself set, the Dutch company offers presentation and decoration packages of cut flowers for florists and retailers.



For many people, their home is not just a place of retreat; it is also a stage for demonstrating their own individuality, a blank canvas waiting to be filled with ideas. Hospitality, family gatherings and celebrations with friends all call for an individual setting created with love. No wonder that at the last edition of Christmasworld, festive decorations, fresh flowers and pot plants were more popular than ever. In response to this trend, the world's leading trade fair for

seasonal decoration has now been complemented by the addition of Floradecora, a new ordering fair for fresh flowers and house plants. For retailers, Floradecora's innovative concept caters for several trends at once. The extended product range creates new sales potential, synergies and contacts. The bundling of offerings related to celebrating and decoration helps to retain customers and opens up diverse possibilities for the staging of complete worlds of experience.

floradecora
christmasworld

Messe Frankfurt GmbH [Development of the Frankfurt exhibition centre](#) [Groundbreaking ceremony Hall 12](#)

It's a centuries-old tradition at a groundbreaking ceremony to bury a time capsule – in the hope that later generations will discover it and learn something about our times. Laying the foundation stone for the new Hall 12 is the most recent highlight in the long history of the Messe Frankfurt exhibition centre. The new hall will constitute the keystone in the western section of the exhibition grounds and will open its doors to exhibitors and visitors for the first time for Automechanika 2018. We're not going to disclose details here of what the time capsule holds, but suggest you read our Annual Report for 2216, when all will be revealed ...



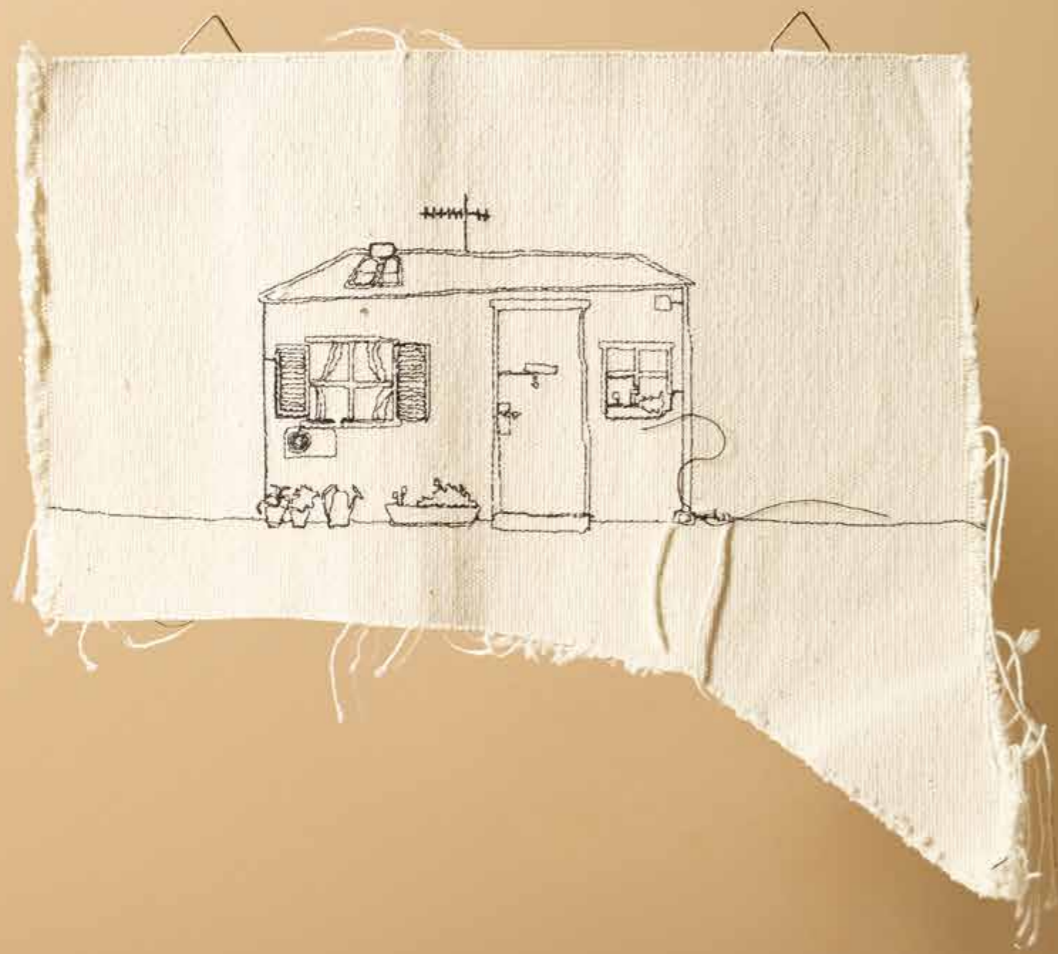
Waves Inc. [Nx Head Tracker](#) [Prolight+Sound Shanghai](#)

Just imagine that you could wander through the orchestra pit during a performance of the Berlin Philharmonic. You sneak past the strings over to the wind section when suddenly from behind you a thunderous drum-roll causes your whole body to vibrate – and all from the comfort of your own armchair. The Nx Head Tracker from Waves turns ordinary headphones into a 3D audio space that allows the sound to flow from all directions. Thanks to the plugin on the headphones, the system can track the listener's movements with the help of a virtual mix room and modify the sound accordingly. Users can zoom in on a sound source, amplifying it while other sounds fade into the background. As a supplement to virtual reality glasses, the Nx Head Tracker makes the experience in virtual worlds even more realistic and convincing.



Amnon Lipkin ◦ Sewn Sketches ◦ Tendence

Sewn Sketches by Israeli artist Amnon Lipkin are drawings made by a sewing machine on fabric or paper instead of with a pencil. Unlike with a conventional sketch, the needle acts as a pencil and the drawing is created by moving the canvas or paper rather than the drawing tool. The lines are fine and elegant, but never completely straight. The combination of machine and handcraft produces an innocent, simple stitched line that lives from the tactile feel and three-dimensionality of the material.



tendence

Tendence is the longest running of Messe Frankfurt's events. Its history as a consumer goods fair dates back to the 13th century. Continuing this tradition, Germany's largest and most international ordering platform in the second half of the year for the home, decoration and gift sectors provides a stage for top-class arts and crafts with wide coverage. Thus the 2016 Hessian State Prize for German Arts & Crafts was awarded at Tendence for the 66th time.

The Talents Area as a platform for select talents in the fields of arts and crafts and jewellery design, where Amnon Lipkin also caused a sensation with his exceptional Sewn Sketches, brings together creators, designers and vendors in the search for new ideas. For the more similar product concepts become and the higher the cost pressure gets due to global competition, the more important the role of design is in determining market success.


J. Walter Thompson Amsterdam ◦ The Next Rembrandt ◦ The Arts+ / Frankfurter Buchmesse

'The Next Rembrandt', a project of the advertising agency J. Walter Thompson Amsterdam for the Dutch ING Bank and with the technical support of Microsoft, uses artificial intelligence to create a painting by Rembrandt that the Baroque artist never painted – but theoretically could have done. To this end, a database was fed with visual information about Rembrandt's technique, expression, brushstrokes, use of colour, composition and treatment of light – based on an analysis of 300 well-known portraits painted by the master. With the help of this database, a new portrait has been created using a 3D printer, which layer for layer built up the application of colour typical for Rembrandt, in order to replicate the three-dimensional quality of an original Rembrandt painting. The project not only reveals new possibilities for the restoration, media dissemination and presentation of art, but also raises questions about the importance and meaning of originals and authorship in the digital world. This was also the central topic of The Arts+, an event for creative pioneers, held for the first time in 2016 in the context of the Frankfurt Book Fair.



One of the best-networked transportation hubs in Europe, the world's most important Internet crosspoint, internationality as a natural part of the lifestyle, yet still comfortably rooted in the region – Frankfurt is the world's biggest village. This culture of diversity and exchange beyond borders is just one of the reasons why for over 75 years the world's biggest book fair has felt at home in Frankfurt – just like IAA (Cars), IMEX – worldwide exhibition for incentive

travel, meetings and events, Achema – the world forum and leading show for the process industries and since 2016 the Health and Nutrition Week. As the world's largest exhibition corporation with its own exhibition grounds, Messe Frankfurt is an attractive partner for guest organisers, who benefit from the individual space planning, on-site service partners and trade fair infrastructure.

 messe frankfurt

Bizerba SE & Co. KG ◦ K-Class KH II 800 ◦ IFFA

If scales had a Facebook account, their relationship status would be “It’s complicated”. That’s because even if the Egyptians started using balance scales over 5,000 years ago, back then weighing was far from simple. While for the Sumerians 60 shekels were a mina and 60 minae were a talent, the Roman talent weighed 100 pounds, which in those days was lighter than a mina. In order to standardise trading processes at a local level, the major trading cities in the Middle Ages built their own scales, for the most part the size of a house. In today’s connected and globalised world, a kilo is a kilo – regardless of whether you’re in Amsterdam or Frankfurt. Nevertheless, the processing of information has not become simpler. What looks like a straightforward check-out terminal in the supermarket is in reality the end point of a logistics chain that can reach around the entire globe. Bizerba’s K-Class touchscreen scales not only reliably measure weight in any desired unit, but also report the sale directly to accounting, inform the warehouse of the current stock level and give customers recipe ideas for what to cook with the weighed goods.



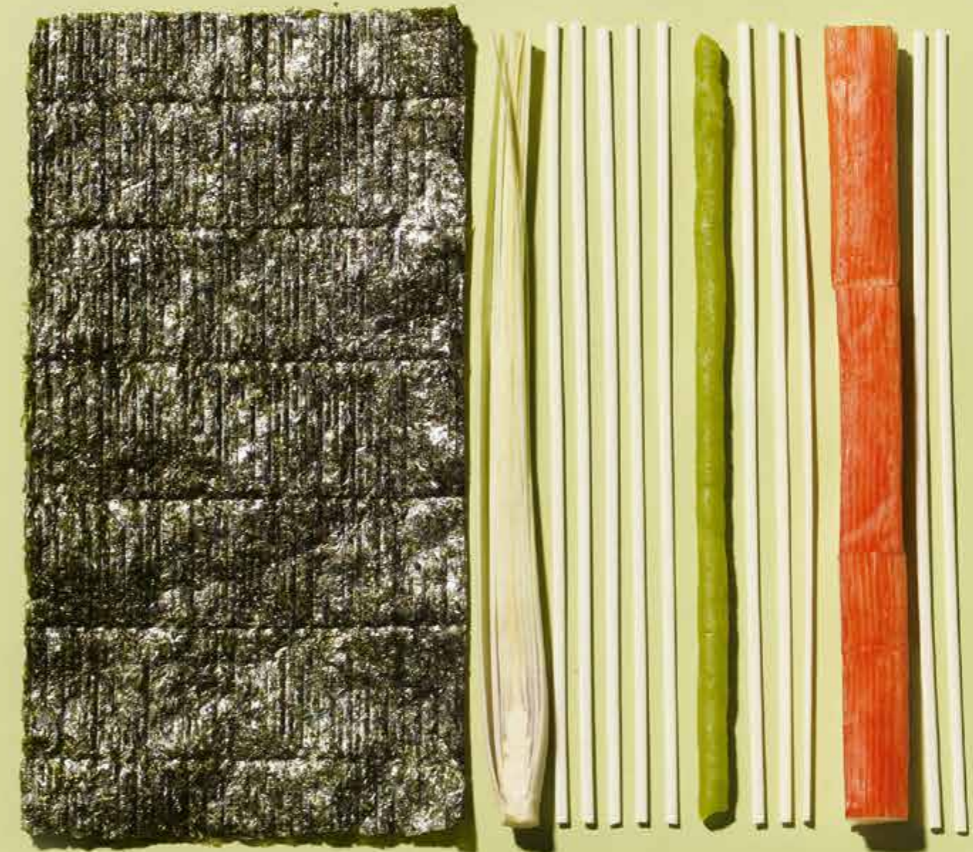
IFFA

The digitalisation and simplification of work processes are two of the major trends at IFFA, the leading international trade fair for processing, packaging and sales in the meat industry. It has been the international platform for the meat-processing industry and the world’s foremost forum for the butcher trade since 1949. The IFFA date determines the innovation rhythm of the industry, because this is where products celebrate their premiere in front of an international audience.

Since meat is a sensitive product and consumer demands have risen sharply in recent years, topics such as sustainability, animal welfare, transparency, safety and regional provenance play a key role in the solutions presented at the show. New data-based technologies combine communication and customer information with the desire for efficiency to enable good products to be brought to market at a fair price.

Accente Gastronomie Service GmbH ◦ Re-opening of the New Site restaurant ◦ ‘Aromatik-Bar’

“Eating”, French philosopher Roland Barthes wrote about the character of Japanese cuisine, “is not about following a menu or a given sequence of dishes, but about taking up a pinch of colour here or there with a deft flourish of the chopsticks, as if following an intuition.” Guests compose their meal themselves, rather like a painting or a musical composition. Inspired by this way of thinking, the newly opened New Site restaurant in Hall 6.2 offers Asian dishes based on egg noodles that are composed and prepared in front of the guests’ eyes. At the ‘Aromatik-Bar’, visitors can select from a palette of ingredients such as spice pastes, chili or marinated ginger and thus give their dishes a personal touch.



With 240 employees and over 3,000 temporary staff in 22 restaurants and over 50 café bars and bistros, Accente is Germany’s largest trade fair catering company. It’s easier to forge new contacts when you can enjoy food together. However, preferences and taste not only differ, they also change over time. Today, our guests are more aware of what they eat, and expect not only tasty dishes, but healthy

ingredients that are traded fairly and have been cultivated or reared organically and in an environmentally friendly manner, with animal welfare in mind. Accente therefore introduced its Green Catering programme back in 2013 to enable it to live up to this claim also at larger events. Another aspect in this concept is brain food, in which ingredients are combined that are said to boost mental fitness and keep your brain sharp.

accenteservices

ALINASCHUERFELD GmbH ○ Hazusa ladies' court shoes ○ Greenshowroom

At 66 million tonnes a year, the global production of farmed fish is higher than that of beef. This produces a huge amount of waste, including fish skins. From organically certified Irish salmon skins, Hamburg-based designer Alina Schürfeld manufactures shoes and handbags – an ecologically meaningful animal product as an alternative to exotic leather from endangered species. Sustainability, authenticity and handcraft, however, not only determine the choice of materials, but the entire production chain. For example the vegetable-tanned lining leather for the court shoes is produced in Tuscany and carries the quality seal 'Conciata al Vegetale in Toscana'.

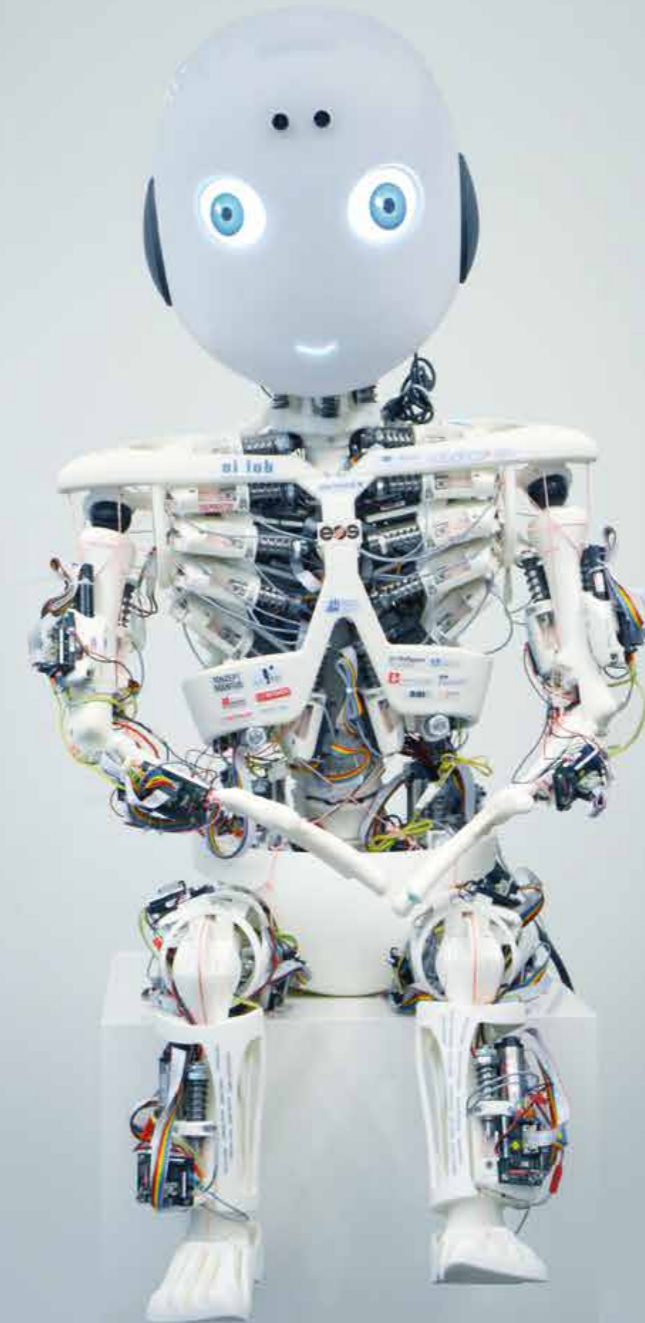


Upcycling, transforming apparently worthless materials or waste materials into new products, is just one of many concepts that find a platform at the Greenshowroom. Unique Europe-wide in terms of the number of exhibitors and quality of the products on show, the event has evolved into a major high-fashion platform where designers, manufacturers and retailers meet to exchange ideas for creative solutions in line with fair trade principles and sustainable

production in the apparel industry. At the traditional highlight, the Salon Show as part of the show calendar of the Berlin Fashion Week, another trend became clear: the growth in the market for responsible fashions is no longer only being driven by niche brands. Many designers presented self-confident creations that have long since shaken off the ecological fashions image.

Devanthro ○ Roboy ○ Formnext powered by TCT

Roboy is the world's first robot with skeleton parts manufactured entirely by an industrial 3D printer, with technological support from the company EOS. Not only is Roboy designed to move as a human being does, like his role model he also has the ability to learn and think. Roboy's components are connected by cable and moved with the help of motors, allowing movements of the human body with bones, muscles and tendons to be emulated. The robot is meant to practise and automate movement sequences so as to free up Roboy's brain for other tasks. Roboy is more than a technological prototype. The project team, made up of the Swiss society Devanthro and a development team at the Technical University in Munich, sees him as a research platform that can be used to help humans interact with robots. For example, Roboy appears as an actor in a theatre play and visits children in school.



Lighter, faster, more complex: additive manufacturing processes make it possible today to manufacture products that would not have been conceivable only a few years ago. The spectrum of products ranges from medical prostheses and tool components to at first glance apparently unremarkable objects such as spiral cooling elements, which, however, speed up production processes by as much as 20 percent. Formnext powered by TCT is the leading fair for additive manufacturing and the next generation of

intelligent industrial manufacturing solutions. It focuses on the efficient realisation of product ideas, from their design to serial production and like this drives important industry impetuses and innovations forward. With 50-percent exhibitor and visitor growth, Formnext has with its second edition already advanced to the leading platform for industrial companies, start-ups and young talents that are set to reinvent industrial production together.

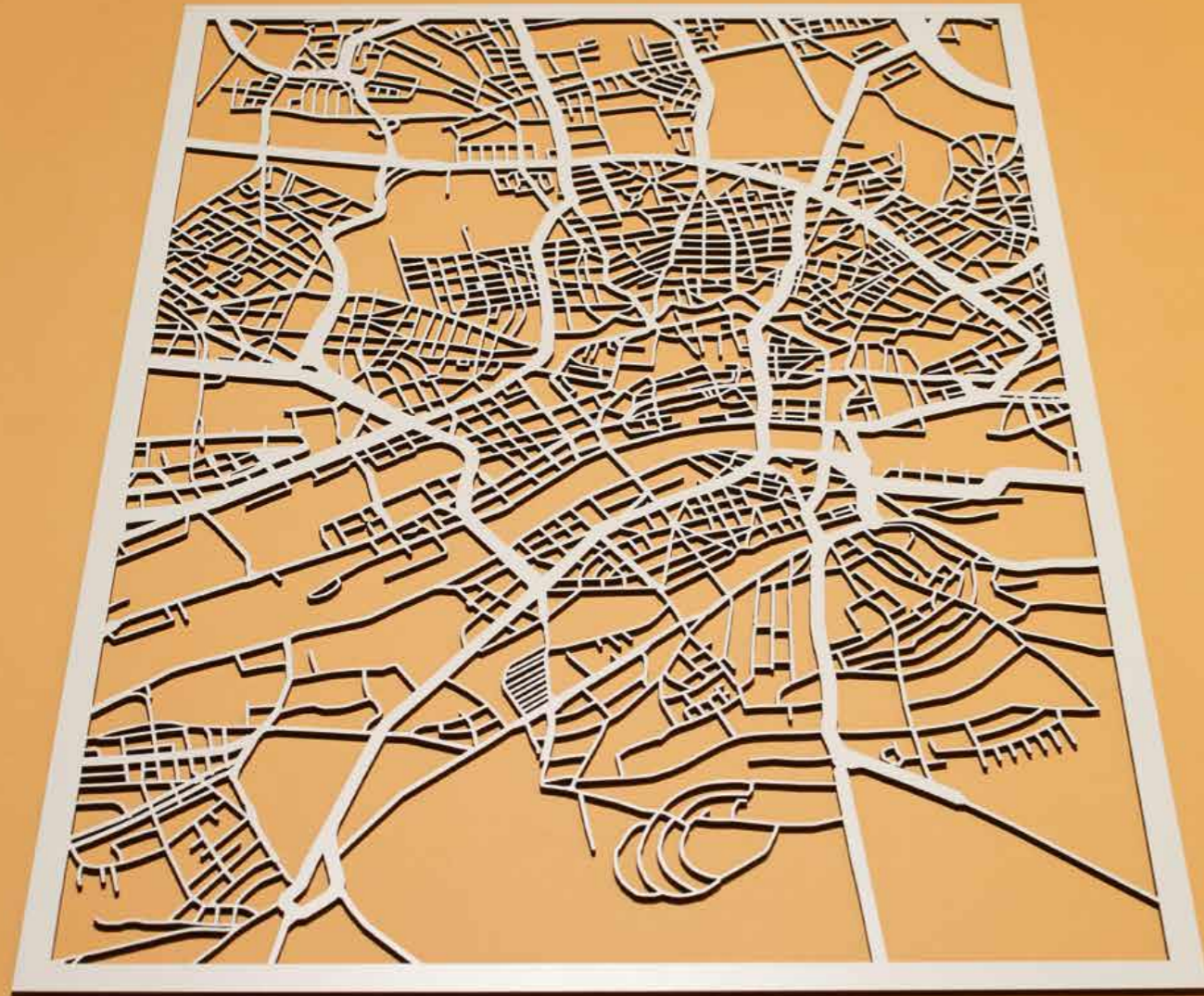
formnext

powered by:



Messe Frankfurt GmbH ◦ Digital traffic and logistics management

Over a thousand vehicle accesses during major trade fairs and a reduced logistics area due to the construction works for Hall 12 prompted Messe Frankfurt to review its own traffic management and implement one of the most advanced traffic management systems in the exhibition sector. The new, digital traffic management system celebrated its premiere at Automechanika 2016. The traffic and logistics management system provides an overview and constant monitoring of the traffic inside the exhibition grounds and en route from the logistics areas on the nearby Rebstock site. Drivers now know exactly what route to take and are granted access to the exhibition grounds when a suitable parking space is available. All this ensures quick and efficient stand erection and dismantling, which not only benefits Messe Frankfurt, but also and above all customers – in other words exhibitors, forwarders and stand construction companies.



The Messe Frankfurt exhibition centre is a city within the city. Roads, roundabouts, traffic signs and pedestrian crossings control the traffic. Trucks, cars and forklifts transport the exhibition items to their right places. The trade fair activity is noticeable all over Frankfurt. The next logical step in digitalising the flow of traffic is therefore the Integrated Traffic Guidance System Frankfurt West (IVLS), a joint project

of Messe Frankfurt, the City of Frankfurt and the state of Hesse. The project foresees equipping the traffic signs and display panels in the area surrounding the exhibition centre with digital information fields. These will allow better guidance to the various entry points for exhibitors and visitors also when more than one event is being held.

moovel Group GmbH ◦ moovel app ◦ Connected Mobility

In the past, if you wanted to get from A to B, you set off at A and with a bit of luck ended up at B. In the share economy, in which fewer and fewer people own a car, and instead on the way from A to B switch from train to car sharing, tram, walking, taxi and rental bike, it's all become rather more complicated. Because the more means of transport there are available, the more possibilities there are. The 'moovel' app helps city dwellers and visitors find the ideal route and best mode of transport for their individual journey. It also takes route deviations and traffic jams into account. For this, 'moovel' utilises users' GPS data and shows in real time where the bottlenecks are. After deciding on a route, 'moovel' users can book and pay for tickets directly in the app.



The market for connected vehicles is expected to grow by 45 percent by 2020 – that would be ten times the growth of the overall vehicle market. In five years' time, it is predicted that three quarters of all new cars will be network-enabled, and from 2025 autonomous driving should be possible even outside of protected environments. When, though, can we expect autonomous driving, artificial intelligence and the car as Digital Living Space to become a reality? And what about

the issues of data security and energy efficiency? These and other questions are the focus of the Connected Mobility road-show. On three continents – Europe, Asia, America – this platform showcases innovations in and related to the car through presentations and discussions. In Frankfurt, Shanghai and Austin, established industry players take advantage of the legendary South by Southwest festival to enter into contact with start-ups and innovators for some effective networking.

**connected
mobility**
conference

Mud Jeans International B.V. ○ Lease a jeans ○ Ethical Fashion Show

Using is the new owning. This goes above all for clothing, where the ecological footprint of a textile is primarily assessed on the basis of its durability. The longer a garment is worn, the better its ecological footprint assessment. How to do good for the environment while still looking fashionable and modern? The makers of Dutch fashion label Mud Jeans have come up with the answer to this question: instead of selling jeans, they lease them. When you're done wearing them, just take them back or return them by post and get a new pair for a reduced fee. The old jeans fabric is shredded, mixed with new organic cotton and turned into new jeans.



ethical fashion show

BERLIN

Vegan sweaters, organic jeans and recycled fabrics – customers have long got a glimpse behind the scenes of the fashion industry and are no longer just interested in how their clothes look, but also in what they are made from and the conditions under which they were produced. The two fashion trade fairs Ethical Fashion Show and Greenshowroom have therefore advanced to become permanent features of the Berlin Fashion Week, giving Berlin

a USP compared to other fashion venues such as Milan, New York or Paris. While Greenshowroom showcases high-end fashion and accessories, the Ethical Fashion Show focuses on streetwear and casual wear. The 166 labels from 19 countries demonstrate how fair-trade fashion is becoming an impulse generator setting its own topics and trends that are being taken up by the conventional fashion industry.

Udo Lindenberg ○ No Panic! tour 2016 ○ Festhalle

"No panic!" is his motto – which couldn't be more relevant to the present times – and at the same time the title of his current tour, with which Udo Lindenberg gave a guest performance in Frankfurt's Festhalle in 2016. Lindenberg and his rock family of more than 300 members, including such illustrious guests as Bryan Adams and German entertainers Otto Waalkes, Stefan Raab and Helge Schneider, were on the road for almost three months. Ultimately, in Frankfurt, the Panic Orchestra burst all limits and an extra concert was scheduled. In front of a gigantic LED wall, Udo celebrated his show, and after three hours was lifted from the stage against the backdrop of a rocket launch. For Udo Lindenberg, who celebrated his 70th birthday in 2016, age plays no role, and his fans seem to agree. Hardly any other German dyed-in-the-wool musician manages to rock grandchildren, parents and grandparents to the same beat.



What do Udo Lindenberg, Florian Silbereisen, Elton John, the German Chancellor Dr Angela Merkel and the fictional little green dragon Tabaluga have in common? Last year, they all rocked the Festhalle. The over 40-metre-high domed building, affectionately known to locals as Frankfurt's 'Gudd Stubb' (showpiece), is one of Germany's most versatile event locations. This is where the artists from the ice show classic Holiday on Ice do their turns, athletes cross

the finishing line of the Mainova Frankfurt Marathon, the world's equestrian sporting elite ride the course of the International Festhalle Riding Tournament and Justin Bieber breaks young female teenagers' hearts. The Festhalle also provides a stage for events with a direct link to Messe Frankfurt. Thus every year in the context of Musikmesse and Prolight+Sound, the PRG Live Entertainment Award (LEA) is conferred here.


festhalle

KAHLA/Thüringen Porzellan GmbH ◦ Cupit-to-go ◦ Ambiente

Each year, Germans throw away 2.8 billion coffee-to-go cups – that's 320,000 every hour. Producing these cups requires 1.5 billion litres of water and 64,000 tonnes of wood. To coat the cups and for the lids, 11,000 tonnes of plastic are needed. During production, 83,000 tonnes of CO₂ emissions are produced. Some cities have in the meantime banned the sale of disposable cups and introduced a deposit system for reusable cups. Even better and infinitely more stylish are the porcelain coffee mugs from KAHLA – dishwasher-proof, without tasting of plastic and with a riffled texture to prevent you from burning your fingers.



ambiente

Ecological, fair, socially responsible – sustainability is the buzzword of our times. And for many consumers, that is precisely the problem. What exactly does sustainable mean? Which products are produced in a manner that is verifiably more energy-efficient or environmentally friendly than comparable rival products? And which companies take social aspects of production into account? To bring greater transparency to this growing and complex market, Ambiente, the

leading international consumer goods fair, has developed the Ethical Style Guide. 179 exhibitors from 41 countries were selected for inclusion by an independent jury of experts in 2016. In categories such as choice of material, production or optimised life cycle, the Ethical Style Guide provides information about the different criteria for socially and environmentally relevant product concepts.

Wolford AG ◦ C2C tights ◦ Avantex

Cradle-to-cradle (C2C) is the brainchild of German chemist Michael Braungart and American architect William McDonough. Inspired by nature as a model, with its potentially infinite cycle of growth and decay, a production process is developed in which products leave no waste behind, but instead supply the raw materials for the next product. Just as a tree loses its leaves in autumn, the idea is that a clothing garment would be degraded or transformed in such a way that it can be returned to the natural cycle. This includes fabrics, dyes and other materials that are not harmful to the consumer or the environment, but pass from the cradle of the one product to the cradle of the next without leaving any traces behind. The new product line by Austrian fashion label Wolford, consisting of tights and lingerie, has been developed in line with this principle. Together with 15 suppliers from the Vorarlberg region, Wolford wants to make change in the textiles industry happen.



The mission of Avantex at Texworld in Paris is easily summed up: this is where you can see the innovations today that will reshape the textiles industry in the years to come. Intelligent fabrics, nanotechnologies and innovative finishes make it possible to develop new products that are capable of more than simply looking good and protecting you from the elements. A jury of experts decides on the exhibitors who

compete for a stand placement with new product concepts. The submitted textiles must demonstrate at least three functions that are either new or patented. The selection committee works closely together with the Taiwan Textile Federation, one of the world's leading centres of excellence for technology development in the field of textiles.

avantex
PARIS

Linde Material Handling GmbH ◦ FmX lift truck ◦ Materials Handling Saudi Arabia

Logistics chains in the globalised economy are becoming ever more complex. For example the value chain of a bar of chocolate, from harvesting the cocoa beans to the customer's mouth, consists of as many as 19 different stations. A small gain in time at a particular interface in the materials flow can add up to an enormous gain in efficiency. Idle times, on the other hand, lead to delays that can multiply along the entire chain. In the fight for every minute and hour, the counterbalanced lift trucks from Linde Material Handling are an important cogwheel in the logistics mechanism. Thus the autonomously operating lift trucks know exactly when a cocoa bean in the air conditioned intermediate warehouse is ripe enough to be withdrawn from the shelves and delivered just in time.



materials handling

SAUDI ARABIA

Saudi Arabia has for a number of years been pursuing the ambitious goal to become less dependent on its rich but finite deposits of natural resources. Developing other branches of industry is therefore a top priority for the Saudi government. As a consequence of this dynamic, logistics and warehousing are currently experiencing an enormous boom in the entire gulf region. Reason enough for Messe Frankfurt to expand its portfolio and for the first time hold

Materials Handling Middle East not only at its regular venue in Dubai, but also at the cosmopolitan port city of Jeddah on the Red Sea, with a focus on supply chain management and logistics. A two-day forum is dedicated to these two areas, bringing together leading industrial companies, academics and solution providers to discuss the challenges and opportunities presented by this rapidly growing market.

Best Acoustics Reinhardt GmbH ◦ Thermowood for guitars ◦ Musikmesse

When the CITES endangered species convention restricted global trade with tropical timbers, hectic times broke out for instrument makers around the world. This is because these timbers, which grow slowly under specific climatic conditions, play an important role in the construction of guitars, violins and woodwind instruments due to their special sound characteristics. Within the scope of a research project with Eberswalde University of Sustainable Development, Best Acoustics Reinhardt has succeeded in developing a process for making a complete guitar from thermo-optimised indigenous timber. For this, the wood is heated for a short time to over 180 °C – a method originally developed for use in building façades and terraces. The resulting sound is every bit as good as in instruments made from tropical wood.



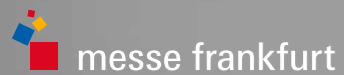
Musikmesse, the international trade fair for musical instruments, sheet music, music production and marketing, opened its doors in 2016 with a completely revised concept, and for the first time to final consumers from beginning to end. Featuring emotional show elements and special events tailored to different target groups, Musikmesse now reaches a wider and above all younger audience – the customers of tomorrow. In this context, the Drum Camp in Hall 11 celebrated a special premiere. Seven drummers

of world renown, including Mike Terrana, Brian Tichy, Robbie Williams drummer Karl Brazil and Mikkey Dee from Motörhead, showed the next generation how the pros do it. Due to the huge success, this was followed in 2017 by a guitar camp. Moreover, for the first time in 2016, the Musikmesse Festival took place with more than 50 concerts at various venues across Frankfurt. The star guest of the Festival was the jazz legend Al Jarreau, who died in February 2017.

musikmesse

Messe Frankfurt GmbH ○ Navigator app ○ Digital Business

"I don't search, I find." Confidence in his own intuition and an easy-going patience were, in his own words, the secret of Pablo Picasso's artistic success. However, when 3.5 million visitors are trying to find precisely the right product they are looking for from among around 90,900 exhibitors at 134 trade fairs, that's easier said than done. For that reason, we have completely revised Messe Frankfurt's navigator app – Picasso's motto as a download function as it were. Designed as a comprehensive all-inclusive package for trade fair visits, the app offers many new features, from a full exhibitor and product search and a within-range display for beacons, to maps of the exhibition grounds, reminder lists, information on getting to and from the fair, and much more besides.

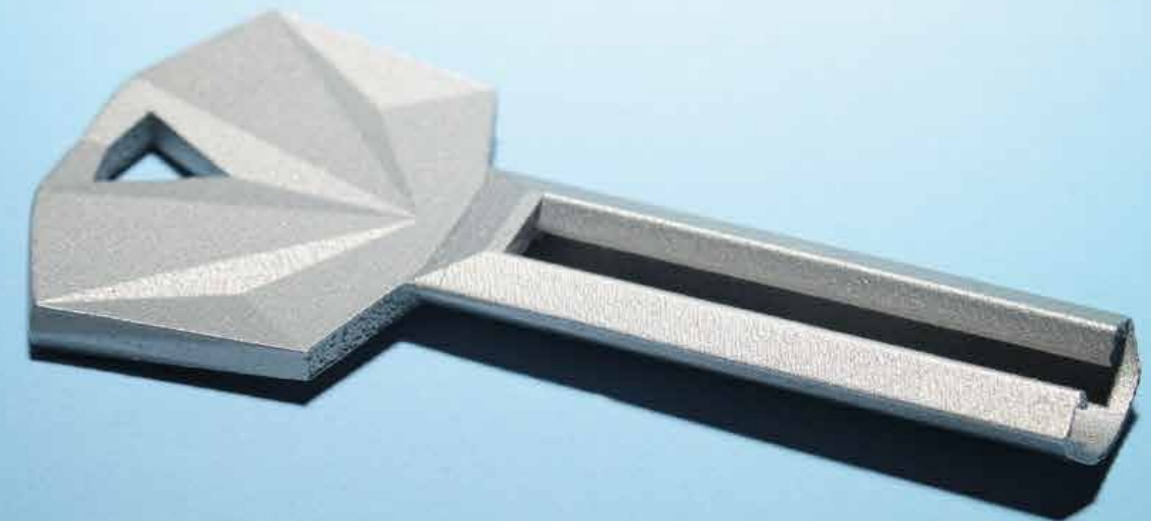


What will trade fairs of the future look like? Will we still meet up with each other in person, when we can just as easily exchange views via video conferencing or as holograms? Business transactions are built on trust. And that is why Messe Frankfurt firmly believes that digital formats are no substitute for direct contact with all of its subtle nuances. On the other hand, connected media offer enormous potential for making markets transparent, providing orientation

and bringing supply and demand together. Therefore, Messe Frankfurt consolidates its digital services such as the new navigation app or the new exhibitor search in a separate section on the messefrankfurt.com corporate website, combined with access to the complete exhibitor database and personalised recommendation management. The digital matchmaking leads to personal contacts and thus reinforces Messe Frankfurt's proven business platforms.

UrbanAlps AG ○ Stealth key ○ Intersec

With a reasonably sharp photo taken on a mobile phone and an inexpensive 3D printer, it's possible nowadays to duplicate any mechanical key in less than 30 minutes, literally opening the door wide to potential fraudsters and criminals. This prompted start-up company UrbanAlps to ask what a secure door lock should look like in the 21st century. The result is the stealth key. What is remarkable about this key, which is produced using a 3D metal printing process, is that most of the mechanical security information is concealed on the inside of a hollow cavity and is therefore safe from prying eyes.



With Intersec in Dubai, the leading international trade fair for safety, security and fire protection, Messe Frankfurt currently organises 11 events in its Safety. Security. Fire. portfolio. These take place in Asia, South America, Eastern Africa, Russia, Germany and the Middle East, each with a market-specific focus. This makes Messe Frankfurt the world's leading organiser of security trade fairs. The integration of previously separate segments in interconnected

buildings is the biggest cross-cutting theme in the industry. Higher security, greater comfort and energy efficiency can only be realised in smart buildings if the accompanying IT systems meet the growing requirements for data security. The Intersec Forum in Frankfurt am Main follows up these topical developments and issues and discusses them with experts for experts – under the title 'Security meets Smart Building'.

intersec

2016

Messe Frankfurt continues to grow and in 2016 recorded a rise in exhibitor and visitor figures, exhibition space and the number of events held at the home venue in Frankfurt, as well as at the approximately 50 other locations in Germany and around the world. Successful trade fairs were further developed and new formats have been added to enable trends, themes and developments to be identified and reflected as they emerge.

The overall activities of Messe Frankfurt present the business segments and the individual trade fairs, exhibitions, congresses, events and other activities in 2016.



trade fairs and exhibitions worldwide

~ 90,900

exhibitors

+ 30.3%

consolidated net income



2,307

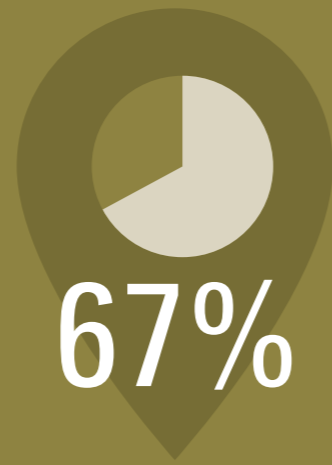
active workforce

The financial year 2016 went to plan for Messe Frankfurt. The event calendar closed on a lively and dynamic note and recorded performance figures above those of the previous years – setting new records across all business segments. Under the organisational umbrella of Messe Frankfurt, a total of 134 trade fairs and exhibitions took place worldwide, attracting in excess of 3.5 million visitors. After first surpassing the 90,000 exhibitor mark in 2015, the corporate group achieved a new all-time high in 2016. The trade fairs and exhibitions were complemented by 259 congresses, guest events and shows at the Frankfurt exhibition venue.

The performance indicators are also a testament to the importance of Messe Frankfurt's events as a factor for the international economy. These positive results allow us to continue building Messe Frankfurt's strong future, with investments in securing the future of the locations, in quality assurance and safeguarding our brands, as well as in new communication formats and digital projects.



companies represented at the international events of the Technology & Production business segment



visitors to IFFA from outside Germany



exhibitors at the international consumer goods fairs

+ 3,250

visitors to Christmasworld

216,610

visitors to Light + Building 2016

+ 49%

visitors to Formnext powered by TCT

+ 80

exhibitors at Ambiente family trade fairs outside Germany

33,666

visitors to the Nordstil trade fairs

Technology & Production

Sustainability, safety & security and digitalisation are the global challenges in light of finite resources and a rapidly growing world population. The 67* Messe Frankfurt technology events reach 21,000 exhibitors and 1.2 million visitors. The leading international industry and expert forums address fundamental issues shaping our technological future:

Building & Energy: 21 events worldwide, including the leading international trade fair brands ISH and Light + Building, offer platforms for efficient building management, digitalisation and intelligent networking, comfort, security and design.

Environmental Technology: Six events present the entire spectrum of state-of-the-art environmental technologies, from recycling and waste management, via water treatment and water supply, to air purification and energy generation.

Safety & Security: In the growing segment of civilian safety & security, Messe Frankfurt is one of the world's leading organisers, currently with 11 events – in Germany, Asia, the Middle East, Russia, South America and East Africa.

Production & Engineering: Automation of production flows and intelligent process optimisation in light of high demands on safety & security, hygiene, efficiency and agility are the themes of the 27 investment goods fairs worldwide.

Industry-oriented technology themes linking trade fairs and congresses are the domain of Mesago Messe Frankfurt. SPS IPC Drives (electrical automation), SMT Hybrid Packaging (system integration in micro-electronics), PCIM (power electronics, intelligent motion, energy management) and Formnext powered by TCT (additive manufacturing) represent the most important international forums in their fields.

Consumer Goods

Consumer goods are pure emotion. They accompany us through our lives and give us pleasure. Frankfurt has been a venue for the consumer goods industry for 777 years. It all began with the first trade fairs around the Römerberg, where metal and glassware, ceramics, textiles, gifts, stationery, living accessories and decorative objects were already offered for sale – products that have been very successfully traded at the Frankfurt exhibition grounds ever since.

Markets are in constant flux, however. Buzzwords like globalisation, digitalisation and Industry 4.0, or the Internet of Things, are shaping the future of whole sectors of industry, along with their global trading structures. With its internationally leading consumer goods trade fair formats, Messe Frankfurt offers the industry precisely the right business platforms from which to address the opportunities and challenges of the coming decades.

Besides the Ambiente global flagship fair for consumer goods each year in February, and Tendence as the leading novelty platform in Europe for the second half-year, four Ambiente brand events are also held in Tokyo, Shanghai and New Delhi each year. At Nordstil, held in Hamburg twice a year, Messe Frankfurt offers retailers in northern Germany a perfect regional ordering platform. Paperworld, Creativeworld and Christmasworld, the globally leading trade fairs in their respective sectors, bring together the international consumer goods market in Frankfurt or – like the leading cosmetics trade fair Beautyworld – offer successful trading platforms in the growth regions of Asia and the Middle East. New trading impulses are provided by the ordering fair Floradecora with a product offering of fresh flowers and plants.



companies represented at the international events of the Textiles & Textile Technologies business segment

2,864

exhibitors at Heimtextil in Frankfurt

154,921

visitors to the international Prolight + Sound events

+1

new Prolight + Sound event in Dubai

+29%

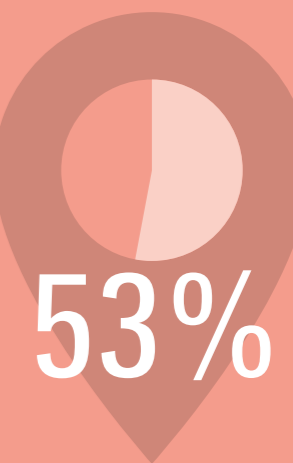
visitors to Texprocess Americas

+24%

net space for Greenshowroom / Ethical Fashion Show Spring and Autumn

3,000

exhibitor presentations at the international Musikmesse events



53%

of visitors to Prolight + Sound travelled to Frankfurt from outside Germany

Textiles & Textile Technologies

As international market leader in the organisation of textiles trade fairs, Messe Frankfurt consolidates the world's major events along the textiles value chain with its Texpertise Network. Over 50 events worldwide showcase what drives the industry. The latest topics, trends and contacts already attract in excess of 20,000 exhibitors and around 500,000 visitors from all over the world. Be it in Frankfurt, Paris, Shanghai, Moscow, Tokyo or New York – Messe Frankfurt provides global impulses for the textiles industry.

The themes are as varied as the textiles industry itself: starting with Apparel Fabrics & Fashion, offering platforms for the international apparel and fashion

industry, via Interior & Contract Textiles, the international network for home, contract and interior textiles, to Technical Textiles & Textile Processing, the advanced forum for technical textiles and textile processing.

The events in the Textiles & Textile Technologies segment position our exhibitors and visitors at the cutting edge of progress. This is where innovative ideas are born and presented – with global reach and a focus on the latest trends, most creative designs and most progressive functionalities. Our platforms draw business professionals from all segments of the industry.

Entertainment, Media & Creative Industries

For companies in the live entertainment, music, media and related industries, Messe Frankfurt offers business platforms that are both showcases for product innovations and places for sharing knowledge, networking and entertainment.

With Musikmesse in Frankfurt and Music China in Shanghai, the portfolio includes two of the three leading international trade fairs for music instruments and equipment, which are increasingly integrating topics such as music marketing, education and therapy. In the context of digitalisation, they offer specific attractions for B2B and B2C target groups.

Prolight + Sound is the largest international trade fair for event and media technologies, system integration, production and broadcasting, event installations and stage technology. With events in Frankfurt, Moscow, Shanghai, Guangzhou

and, since 2016, also in Dubai, it demonstrates the industry's high innovation rhythm in important growth regions.

Also part of the Entertainment, Media & Creative Industries business segment is the Media Expo in Mumbai and New Delhi. With a product mix ranging from indoor & outdoor advertising to signage concepts for digital advertising screens and visual merchandising, these are the largest trade fairs for advertising solutions in India.

Overall, Messe Frankfurt's Entertainment, Media & Creative Industries business segment facilitates encounters between more than 6,000 exhibitor presentations and in excess of 330,000 visitors.



~17,000

companies represented at the international events in the Mobility & Logistics business segment

+183

exhibitors at Automechanika Frankfurt

~500,000

visitors to events

259

guest events at the Frankfurt exhibition grounds

116,148

visitors to Motobike Istanbul

+42%

visitors to international events in the Mobility & Logistics business segment

163

congresses and conferences at the Frankfurt exhibition grounds not linked to trade fairs

70

music, sport, social and cultural events

Mobility & Logistics

The digital transformation is bringing a sea change in the world of mobility. Connected vehicles and the long-term goal of autonomous driving are keeping the automotive industry in top gear. To create a platform for discussing such disruptive changes, Messe Frankfurt has extended the Mobility & Logistics business segment with the addition of the Connected Mobility roadshow. This focuses on exciting innovations in the automotive sector and initiates dialogue between vehicle manufacturers, suppliers and first movers in digital business and start-ups. Taking place in November 2017, Hypermotion is a high-calibre series of cross-industry conferences accompanied by a trade exhibition. The presented technical solutions relate not only to cars, but to smart transport systems of the future by road, rail, air and water, to cloud-based transport and logistics solutions, to intelligent sensor technology for transport

and traffic, to real-time data monitoring or intelligent parking facility management via sensor technology and app. In addition to these new formats, Messe Frankfurt is continuing to expand its international Automechanika brand, as well as the portfolio in the area of commercial vehicles, motorbikes, logistics and automotive festivals.

Guest events, congresses and shows

Messe Frankfurt is a versatile host and reliable partner of numerous internationally renowned events. The portfolio of guest events ranges from large, traditional trade fairs and international congresses and conferences, to top-notch shows and concerts. With its distinctive architecture and the highly functional and flexible halls and conference facilities, Messe Frankfurt provides the ideal conditions for a wide range of event formats.

In 2016, these traditionally included the Frankfurt Book Fair, IMEX and Hi – Health ingredients Europe. Strong congresses, such as the 49th Annual Meeting of the Asian Development Bank (ADB) with 4,000 participants and the 80th General Meeting of the International Electrotechnical Commission (IEC) with 3,500 participants from over 80 countries, again turned the Congress Center and Kap Europa congress facility into top locations in the international congress

sector. The Festhalle excelled with a diversified show and event programme: top concert gigs with stars like Justin Bieber or David Garrett, the ice show classic Holiday on Ice or sporting highlights such as the Festhalle Riding Tournament once again in 2016 demonstrated the elegance and versatility of Frankfurt's Festhalle.

The 259 guest events (including 163 congresses and conferences and 70 shows and concerts) not only benefited from one of the world's largest and most modern exhibition centres with excellent infrastructure, but also from the broad range of services offered by Messe Frankfurt, from individual stand construction, to a high-quality and flexible choice of catering services and a high-impact marketing profile at the exhibition grounds for the guest.

Overall activities of Messe Frankfurt in 2016

	Exhibitors				Net space (in m ²) incl. special show space	Visitors		
	Number of events	Host country	Other countries	Total		Host country	Other countries	Total
Trade fairs and exhibitions at the Frankfurt exhibition venue	42	12,446	25,480	37,926	1,197,083	839,328	596,409	1,435,737
Trade fairs and exhibitions in Germany outside the Frankfurt exhibition venue	8	3,287	1,446	4,733	175,645	103,787	25,859	129,646
Events outside Germany	84	32,180	16,039	48,219	1,267,096	1,706,217	260,275	1,966,492
Congresses, conventions and other activities at the Frankfurt exhibition venue	247	–	–	–	–	624,020	–	624,020
Congresses in Germany outside the Frankfurt exhibition venue	2	–	–	–	–	110	–	110
Congresses, conventions and other activities outside Germany	34	–	–	–	–	4,338	–	4,338
	417	47,913	42,965	90,878	2,639,824	3,277,800	882,543	4,160,343

Trade fairs and exhibitions at the Frankfurt exhibition venue in 2016

	Exhibitors				Net space (in m ²) incl. special show space	Visitors		
	Number of events	Germany	Other countries	Total		Germany	Other countries	Total
■ Ambiente		908	3,478	4,386	181,335	63,673	72,315	135,988
■ Automechanika Frankfurt		734	4,109	4,843	178,307	52,776	80,168	132,944
■ Book Fair ¹		2,432	4,721	7,153	80,000	152,635	125,388	278,023
■ Christmasworld		203	750	953	56,698	15,837	23,561	39,398
■ Cleanzone		63	23	86	1,456	489	270	759
■ Creativeworld		72	223	295	12,462	4,215	4,451	8,666
■ EnEff – 22nd international trade fair and congress for heating, cooling and CHP		115	15	130	2,700	1,872	473	2,345
■ Formnext powered by TCT		154	153	307	10,586	7,568	5,816	13,384
■ Heimtextil		317	2,547	2,864	131,506	21,081	47,196	68,277
■ Hi – Health ingredients Europe ¹		66	345	411	9,214	2,054	4,048	6,102
■ IFFA		398	638	1,036	73,761	20,838	41,602	62,440
■ IMEX		447	2,991	3,438	20,394	3,679	5,253	8,932
■ Light + Building		851	1,775	2,626	149,317	110,561	106,049	216,610
■ Musikmesse		340	688	1,028	28,968	45,805	16,295	62,100
■ Optatec		251	319	570	8,146	3,812	1,795	5,607
■ Paperworld		261	1,346	1,607	40,881	10,782	23,251	34,033
■ Prolight + Sound		355	583	938	41,043	20,596	23,200	43,796
■ Tendence		609	334	943	45,168	18,604	4,138	22,742
■ Texcare International		103	216	319	21,370	6,790	8,858	15,648
■ Viscom		170	130	300	9,986	6,795	1,554	8,349
■ Zellcheming-Expo		96	59	155	2,517	1,446	455	1,901
International trade fairs	21	8,945	25,443	34,388	1,105,815	571,908	596,136	1,168,044

¹Messe Frankfurt estimate, unconfirmed figures provided by the organiser

■ International trade fairs ■ Trade exhibitions ■ Exhibitions open to the public

	Exhibitors			Net space (in m ²) incl. special show space	Visitors			
	Number of events	Germany	Other countries		Germany	Other countries	Total	
■ Cloud Expo ²		200	–	200	6,273	4,000	–	4,000
■ Cosmetica		198	28	226	6,315	8,350	110	8,460
■ FI-Forum		98	2	100	7,980	11,684	–	11,684
■ INServFM		112	7	119	3,420	4,074	163	4,237
■ Other trade exhibitions	4	645	–	645	12,900	4,450	–	4,450
Trade exhibitions	8	1,253	37	1,290	36,888	32,558	273	32,831
■ Sales marts and exhibitions	13	2,248	–	2,248	54,380	234,862	–	234,862
Exhibitions open to the public	13	2,248	–	2,248	54,380	234,862	–	234,862

Trade fairs and exhibitions at the Frankfurt exhibition venue in 2016

	Exhibitors			Net space (in m ²) incl. special show space	Visitors			
	Number of events	Germany	Other countries		Germany	Other countries	Total	
■ International trade fairs	21	8,945	25,443	34,388	1,105,815	571,908	596,136	1,168,044
■ Trade exhibitions	8	1,253	37	1,290	36,888	32,558	273	32,831
■ Exhibitions open to the public	13	2,248	–	2,248	54,380	234,862	–	234,862
	42	12,446	25,480	37,926	1,197,083	839,328	596,409	1,435,737

² Messe Frankfurt estimate, unconfirmed figures provided by the organiser

■ International trade fairs ■ Trade exhibitions ■ Exhibitions open to the public

Trade fairs and exhibitions in Germany outside the Frankfurt venue in 2016

	Exhibitors			Net space (in m ²) incl. special show space	Visitors			
	Number of events	Germany	Other countries		Germany	Other countries	Total	
■ EMV		65	42	107	1,629	2,308	989	3,297
■ Greenshowroom Ethical Fashion Show Berlin Autumn		81	87	168	1,539	1,710	454	2,164
■ Greenshowroom Ethical Fashion Show Berlin Spring		86	80	166	1,443	1,553	518	2,071
■ Nordstil (Summer Edition)		686	170	856	32,382	13,503	243	13,746
■ Nordstil (Winter Edition)		820	155	975	37,929	19,232	688	19,920
■ PCIM Europe (trade fair/congress)		206	230	436	12,460	6,736	3,317	10,053
■ SMT Hybrid Packaging		266	154	420	13,390	10,806	4,298	15,104
■ SPS IPC Drives		1,077	528	1,605	74,873	47,939	15,352	63,291
	8	3,287	1,446	4,733	175,645	103,787	25,859	129,646

Trade fairs and exhibitions in Germany in 2016

	Exhibitors			Net space (in m ²) incl. special show space	Visitors			
	Number of events	Germany	Other countries		Germany	Other countries	Total	
■ International trade fairs	25	10,559	26,397	36,956	1,208,167	639,697	620,092	1,259,789
■ Regional trade fairs	2	1,506	325	1,831	70,311	32,735	931	33,666
■ Trade exhibitions	10	1,420	204	1,624	39,870	35,821	1,245	37,066
■ Exhibitions open to the public	13	2,248	–	2,248	54,380	234,862	–	234,862
	50	15,733	26,926	42,659	1,372,728	943,115	622,268	1,565,383

Congresses, events and other activities in 2016

	Exhibitors			Net space (in m ²) incl. special show space	Visitors		
	Number of events	Germany	Other countries		Germany	Other countries	Total
Congresses and conferences at the exhibition centre not linked to trade fairs	163				132,250	–	132,250
Conventions (concerts, sporting, religious, political and other events)	70				491,770	–	491,770
German pavilions (planning and implementation of trade fair participations)	14				–	–	–
	247				624,020	–	624,020

■ International trade fairs ■ Regional trade fairs ■ Trade exhibitions ■ Exhibitions open to the public

Technology & Production	Exhibitors			Net space (in m ²) incl. special show space	Visitors			
	Number of events	Host country	Other countries		Total	Host country	Other countries	Total
Formnext								
Asiamold		218	10	228	4,418	21,964	1,053	23,017
	1	218	10	228	4,418	21,964	1,053	23,017
IFFA								
Modern Bakery		138	63	201	5,809	13,375	1,007	14,382
Tecno Fidta		159	12	171	5,281	9,942	728	10,670
	2	297	75	372	11,090	23,317	1,735	25,052
Intersec								
Intersec		217	1,063	1,280	29,769	15,560	15,701	31,261
Intersec Buenos Aires		127	23	150	4,825	12,751	442	13,193
Secutech		274	79	353	9,201	22,021	2,325	24,346
Secutech India		183	19	202	8,135	17,119	5,706	22,825
Secutech Vietnam		71	80	151	3,756	6,011	206	6,217
	5	872	1,264	2,136	55,686	73,462	24,380	97,842
ISH								
ISH China & CIHE		920	208	1,128	46,316	49,315	2,813	52,128
ISH Shanghai & CIHE		161	31	192	4,059	15,734	793	16,527
	2	1,081	239	1,320	50,375	65,049	3,606	68,655
Light + Building								
Electrical Building Technology India		27	1	28	654	-	-	-
Guangzhou International Lighting Exhibition		2,411	206	2,617	96,445	118,268	26,812	145,080
Interlight Moscow powered by Light + Building		261	185	446	9,785	27,924	2,231	30,155
International Elevator & Escalator Expo		134	11	145	6,644	10,153	-	10,153
LED Expo Delhi		181	91	272	4,580	10,397	-	10,397
LED Expo Mumbai		103	62	165	2,599	9,739	136	9,875
Light India		93	153	246	6,558	10,514	-	10,514
Light Middle East		43	66	109	5,448	4,726	1,916	6,642
Parking China ³		22	-	22	566	2,300	200	2,500
Shanghai Intelligent Building Technology		171	14	185	6,172	22,607	603	23,210
Shanghai International Lighting Fair		112	12	124	2,454	11,560	398	11,958
	11	3,558	801	4,359	141,905	228,188	32,296	260,484
SPS								
SIAF – SPS Industrial Automation Fair Guangzhou		509	12	521	12,233	42,207	1,700	43,907
SPS IPC Drives Italia		346	54	400	23,586	27,570	1,044	28,614
SPS Automation India		40	12	52	893	1,643	-	1,643
	3	895	78	973	36,712	71,420	2,744	74,164
Independent – Building & Energy								
Hardware + Tools Middle East		2	178	180	1,886	2,156	718	2,874
	1	2	178	180	1,886	2,156	718	2,874
Independent – Environment								
Eco Expo Asia		186	139	325	4,641	8,040	5,418	13,458
Waste & Recycling Expo Canada		119	69	188	4,267	1,464	105	1,569
Water Expo China		110	8	118	3,117	13,408	838	14,246
	3	415	216	631	12,025	22,912	6,361	29,273
Independent – Production Technology								
Wire & Cable Guangzhou		350	-	350	5,497	15,169	3,700	18,869
	1	350	-	350	5,497	15,169	3,700	18,869
Total Technology & Production	29	7,688	2,861	10,549	319,594	523,637	76,593	600,230

³ Messe Frankfurt estimate, unconfirmed figures provided by the organiser

Consumer Goods	Exhibitors			Net space (in m ²) incl. special show space	Visitors			
	Number of events	Host country	Other countries		Total	Host country	Other countries	Total
Ambiente								
Ambiente India ⁴		32	19	51	675	-	-	-
IFFT/Interior Lifestyle Living		380	70	450	9,136	19,602	821	20,423
Interior Lifestyle China		293	91	384	10,583	21,014	406	21,420
Interior Lifestyle Tokyo		627	195	822	11,631	29,167	1,001	30,168
	4	1,332	375	1,707	32,025	69,783	2,228	72,011
Beautyworld								
Beautyworld Japan		452	83	535	14,741	61,989	2,589	64,578
Beautyworld Japan Fukuoka		100	1	101	2,180	4,407	20	4,427
Beautyworld Japan West		246	18	264	5,870	19,228	516	19,744
Beautyworld Middle East		217	1,305	1,522	29,164	19,405	18,148	37,553
	4	1,015	1,407	2,422	51,955	105,029	21,273	126,302
Paperworld								
Hong Kong International Stationery Fair		32	206	238	1,875	9,714	10,805	20,519
Paperworld China		462	48	510	7,720	21,325	1,607	22,932
Paperworld Middle East		32	272	304	5,032	4,436	2,396	6,832
	3	526	526	1,052	14,627	35,475	14,808	50,283
Independent – Consumer Goods								
Toy & Hobby China		977	29	1,006	29,998	46,176	2,345	48,521
	1	977	29	1,006	29,998	46,176	2,345	48,521
Independent – Leisure & Entertainment								
Interpets Asia Pacific		293	66	359	5,421	27,014	566	27,580
	1	293	66	359	5,421	27,014	566	27,580
Total Consumer Goods	13	4,143	2,403	6,546	134,026	283,477	41,220	324,697

⁴ Ambiente India and Heimtextil India are held in parallel, therefore it is not possible to state how many visitors attended each fair.

Textiles & Textile Technologies	Exhibitors			Net space (in m ²) incl. special show space	Visitors		
	Number of events	Host country	Other countries		Total	Host country	Other countries
Apparel Sourcing							
Apparel Sourcing Paris (Autumn) ⁵	–		545	545	6,016	–	–
Apparel Sourcing Paris (Spring) ⁶	2		196	198	2,382	–	–
International Apparel Sourcing Show Autumn	4		219	223	2,295	663	98
International Apparel Sourcing Show Spring	2		106	108	1,218	479	87
	4	8	1,066	1,074	11,911	1,142	185
Heimtextil							
Heimtextil India ⁷		97	13	110	3,253	8,443	–
Heimtextil Russia		116	111	227	5,339	18,782	1,102
	2	213	124	337	8,592	27,225	1,102
Home Textiles Sourcing							
Home Textiles Sourcing Expo		4	122	126	1,381	432	75
	1	4	122	126	1,381	432	75
Intertextile (Apparel)							
Intertextile Shanghai Apparel Fabrics – Autumn Edition		3,706	847	4,553	104,772	59,492	14,435
Intertextile Shanghai Apparel Fabrics – Spring Edition		2,722	433	3,155	62,507	58,975	12,188
	2	6,428	1,280	7,708	167,279	118,467	26,623
Intertextile (Home)							
Intertextile Shanghai Home Textiles – Autumn Edition		985	173	1,158	74,655	33,847	3,932
	1	985	173	1,158	74,655	33,847	3,932
Techtextil							
Cinte Techtextil China		307	173	480	10,872	10,337	2,748
Techtextil North America Atlanta		182	169	351	5,030	3,162	1,028
Techtextil Russia		53	67	120	1,305	6,104	1,112
	3	542	409	951	17,207	19,603	4,888
Texprocess							
Emitex		162	67	229	4,757	9,683	254
Texprocess Americas		125	43	168	5,722	3,031	808
	2	287	110	397	10,479	12,714	1,062
Texworld							
Texworld Paris (Autumn) ⁵		2	1,004	1,006	17,162	2,432	10,991
Texworld Paris (Spring) ⁶		1	674	675	12,386	2,410	10,519
Texworld USA (Autumn)		19	455	474	5,721	3,501	455
Texworld USA (Spring)		10	204	214	2,640	2,283	249
	4	32	2,337	2,369	37,909	10,626	22,214
Yarn Expo							
Yarn Expo Autumn		215	105	320	6,223	9,493	2,339
Yarn Expo Spring		216	93	309	6,526	18,647	1,880
	2	431	198	629	12,749	28,140	4,219
Independent – Apparel Fabrics & Fashion							
Leatherworld Middle East		13	60	73	728	1,790	462
	1	13	60	73	728	1,790	462
Total Textiles & Textile Technologies	22	8,943	5,879	14,822	342,890	253,986	64,762

⁵ Texworld (Autumn) and Apparel Sourcing Paris (Autumn) are held in parallel, therefore it is not possible to state how many visitors attended each fair.

⁶ Texworld (Spring) and Apparel Sourcing Paris (Spring) are held in parallel, therefore it is not possible to state how many visitors attended each fair.

⁷ Ambiente India and Heimtextil India are held in parallel, therefore it is not possible to state how many visitors attended each fair.

Entertainment, Media & Creative Industries	Exhibitors			Net space (in m ²) incl. special show space	Visitors		
	Number of events	Host country	Other countries		Total	Host country	Other countries
Musikmesse							
Music China		1,548	361	1,909	53,903	85,954	4,171
NAMM Musikmesse Russia		49	14	63	1,416	16,548	357
	2	1,597	375	1,972	55,319	102,502	4,528
Prolight + Sound							
Prolight + Sound Guangzhou		1,194	38	1,232	69,550	64,441	4,000
Prolight + Sound Middle East		11	26	37	1,142	1,089	517
Prolight + Sound NAMM Russia		63	14	77	2,549	14,202	349
Prolight + Sound Shanghai		502	21	523	16,394	24,677	1,850
	4	1,770	99	1,869	89,635	104,409	6,716
Independent – Creative & Culture							
Media Expo Delhi		155	48	203	5,190	12,336	–
Media Expo Mumbai		98	7	105	2,921	10,091	–
	2	253	55	308	8,111	22,427	–
Total Entertainment, Media & Creative Industries	8	3,620	529	4,149	153,065	229,338	11,244

Mobility & Logistics	Exhibitors			Net space (in m ²) incl. special show space	Visitors		
	Number of events	Host country	Other countries		Total	Host country	Other countries
Automechanika							
Automechanika Buenos Aires		246	145	391	10,338	26,680	3,122
Automechanika Dubai		210	1,807	2,017	36,097	14,582	15,437
Automechanika Istanbul		750	532	1,282	38,174	33,369	9,412
Automechanika Jeddah		63	117	180	3,347	4,458	506
Automechanika Shanghai		5,060	696	5,756	147,254	90,501	30,170
INA PAACE Automechanika Mexico		129	323	452	11,404	19,028	388
MIMS powered by Automechanika Moscow		318	704	1,022	17,017	27,098	3,639
Motobike Istanbul (formerly Eurasia Moto Bike Expo)		143	13	156	15,955	112,737	3,411
	8	6,919	4,337	11,256	279,586	328,453	66,085
Independent Automotive							
Busworld Russia powered by Autotrans		41	8	49	2,460	3,230	228
CAPAS		724	22	746	14,300	15,813	143
Lifestyle Shows		62	–	62	7,428	5,631	–
South African Festival of Motoring		40	–	40	13,747	62,652	–
	4	867	30	897	37,935	87,326	371
Total Mobility & Logistics	12	7,786	4,367	12,153	317,521	415,779	66,456

2016 Group management report of Messe Frankfurt GmbH, Frankfurt am Main

I. Corporate profile

The core activities of the Messe Frankfurt Group consist in hosting trade fairs and exhibitions. Over 140 events made by Messe Frankfurt are held at some 50 venues around the world. These are staged in Germany and abroad by Messe Frankfurt Exhibition GmbH and its subsidiaries. Furthermore, via Messe Frankfurt Venue GmbH, the group also markets exhibition space to trade fair and congress organisers and, in addition to the related infrastructure, also provides numerous services. Both operating companies are organised under the shared corporate umbrella of the holding company, Messe Frankfurt GmbH, which in addition to group management provides administrative services above all for the companies at the Frankfurt am Main venue.

The focus of the group's activities is the international industry flagship shows held at the Frankfurt venue. By virtue of their size and internationality, these trade fairs often have a dominant character for the respective industry sector and within the trade fair industry. They bring together the relevant international range of goods and services on offer with the corresponding demand in Europe and worldwide. They are thus an ideal platform to present innovations, and are therefore deemed to be the leading showcase within their respective industry.

Building on its thematic core competences, Messe Frankfurt has succeeded over the past decades in expanding its trade fair themes on the world stage. In this, the company pursues the goal to be a reliable long-term partner to its customers in the international arena. To support it in achieving this goal, Messe Frankfurt can fall back on 21 foreign subsidiaries/joint ventures and six branch offices. Messe Frankfurt's powerful international sales network is managed by Messe Frankfurt Exhibition GmbH and, apart from the foreign subsidiaries, is made up of 55 sales partners, who serve and cover 178 countries.

Apart from a sales function for the group's own trade fairs, the operating activities of the foreign subsidiaries comprise holding trade fairs from the group's brand portfolio for own financial account. Additionally, as the economy becomes ever more internationally interdependent, the marketing of media and digital services is also gaining in importance.

No new companies were established or acquired in the 2016 reporting period. However, in summer 2016, Messe Frankfurt Exhibition GmbH acquired a further 22 percent of the shares in the subsidiary in South Africa, SAS Messe Frankfurt (Pty) Ltd., after two of the three co-shareholders withdrew.

Apart from Messe Frankfurt Exhibition GmbH, many guest and congress organisers take advantage of the Frankfurt exhibition grounds to stage their trade fairs, congresses and events. They appreciate the attractiveness and competitiveness of both the city and Messe Frankfurt thanks to the central location as well as the continuously improving infrastructure and accessibility.

II. Report on economic position

General economic trend

The general economic situation in Germany was characterised in 2016 by solid and steady economic growth. According to preliminary estimates of the Federal Statistical Office, the price-adjusted gross domestic product (GDP) was on an annual average 1.9 percent higher in 2016 than in the prior period. In the previous two years, the level of GDP growth was similar: in 2015, 1.7 percent and in 2014, 1.6 percent.¹ The momentum and main factors contributing to the current positive development are, however, markedly different to those of most earlier periods of recovery. Private consumption was in fact quite strong; however, this expansion was to a large extent accounted for by the sharp rise in the population in the past few years. Calculated per capita, growth in private consumption was weaker than in any of the recoveries of the past four decades. The rise in the population as a result of refugees is, on the other hand, seeing public-sector spending expand rapidly. One of the main reasons for the pace of macroeconomic development is the rise in exports of goods and services, which was lower than in any of the recovery periods of the past 40 years. Whereas in earlier cycles, important expansive stimuli for the German economy came from abroad and had a knock-on effect for the domestic economy through increased corporate investments and higher incomes, these global economic stimuli have so far been largely absent from the current upswing.²

The world economy expanded rather more strongly in the summer half-year of 2016 than at the beginning of the year. Global trade in goods also picked up in the third quarter after tending to stagnate during the first half of 2016. The advanced and emerging market economies contributed in roughly equal measure to the upturn in the global economy. In the USA, the inventory cycle and a sharp rise in export business in particular resulted in a marked acceleration of the expansion tempo in the third quarter of 2016. Japan benefited from the renewed postponement of fiscal consolidation and implementation of a new economic stimulus package. Finally, the moderate recovery in the euro zone continued. According to the Ifo Institute, total global economic output is estimated to have increased by 2.5 percent in 2016. Growth in world trade, an important benchmark for the international trade fair industry with export-oriented customers, increased according to Ifo Institute estimates by 2.8 percent (after 2.6 percent in 2015).³

Developments in the trade fair sector

Consistent with the solid economic growth, the international and national trade fairs in Germany posted exceptionally good overall results in 2016: the year's 186 fairs registered around 191,000 exhibitors who booked more than 7.5 million square metres of stand space. Thus the highest previous number of exhibitors (nearly 181,000 registered in 2012) and the greatest previous total stand space (7.1 million square metres, also in 2012) were both surpassed. The total number of visitors in 2016 – around 10.5 million – was the only figure previously exceeded, by the 2001 record of 10.7 million. These figures are the product of preliminary calculations from AUMA – the Association of the German Trade Fair Industry, Berlin. These results are due in part to the very strong programme in 2016, which had an unusually high number of major trade fairs that are held at three- or four-year intervals and only converge every 12 years. In addition, the individual fairs themselves have shown a nearly regular rate of growth in recent years compared to their respective previous event – despite strong competition from other marketing instruments and despite often uncertain international economic conditions.

This growth continued in 2016: the 186 exhibitions showed an average of around 1 percent more exhibitors and 0.5 percent more stand space compared to the respective previous events, with only the total visitor numbers declining slightly by around 0.5 percent. Foreign companies in particular are making greater use of German exhibitions as presentation platforms – especially in light of the fairs' appeal for visitors from a broad range of countries extending well beyond Europe.⁴

¹ Federal Statistical Office / Destatis: press release dated 12 January 2017 – 010/17 "German economy continues to grow in 2016"

² Ifo Institute: Ifo economic forecast for 2016–2018, Summary dated 16 December 2016

³ Ifo economic forecast for 2016–2018 in Ifo Schnelldienst (express service) 24/2016 dated 22 December 2016

⁴ AUMA: press release dated 25 January 2017 "Exhibitions in Germany: Strong programme in 2016 fuels record numbers"

Development of business

The Messe Frankfurt Group staged 134 trade fairs and exhibitions worldwide in the 2016 reporting year (previous year 133). Altogether, around 90,900 exhibitors (previous year 90,800) and 3.5 million visitors (previous year 4.2 million) were registered; the total net leased exhibition space was over 2.6 million square metres (previous year 2.7 million square metres). These were complemented by 233 congresses and events (previous year 208) at the Frankfurt am Main venue, which attracted around 624,000 visitors (previous year 561,000), as well as 14 German pavilions worldwide. Another 36 congresses were held at other venues in Germany and abroad with 4,000 registered participants in total. Thus, all Messe Frankfurt Group events taken together drew around 4.2 million attendees in the reporting period (previous year 4.7 million).

Performance ratios – trade fairs and exhibitions

	Number	Exhibitors	Net space* (in '000 m ²)	Visitors (in '000)
Trade fairs and exhibitions				
– at the Frankfurt am Main exhibition centre	42	37,926	1,197	1,436
– at other venues in Germany	8	4,733	176	130
Total Germany	50	42,659	1,373	1,566
Other countries	84	48,219	1,267	1,966
Total trade fairs and exhibitions	134	90,878	2,640	3,532
Other activities	283			628
Total activities	417	90,878	2,640	4,160

*including special show space

The group's exhibition centre in Frankfurt was the venue for 42 trade fairs and exhibitions in 2016, including 13 events organised by Messe Frankfurt Exhibition GmbH and three exhibitions organised by MESAGO Messe Frankfurt GmbH, Stuttgart. These 16 own group events in Frankfurt recorded around 22,500 exhibitors (previous year 18,400) and over 863,000 visitors (previous year 678,000). More than 978,800 square metres (previous year 786,300) of exhibition space was booked for these own group events in Frankfurt. From the perspective of Messe Frankfurt Exhibition GmbH, the main reason for this increase compared to the previous year is that even years tend to have a busier trade fair schedule due to the multi-year rotation of some events. The sum of the trade fair figures for the events with a multi-year rhythm held in 2016 (Automechanika and Light + Building) is higher than the sum of the key figures for ISH, Techtexil and Texprocess, which took place in 2015. Compared to the respective prior events, exhibitor figures, visitor figures and the amount of net leased space at the trade fairs organised by Messe Frankfurt Exhibition GmbH remained consistent.

Furthermore, despite the difficult market situation (new rival event in Stuttgart from spring 2016 and EuroMold in Munich), MESAGO Messe Frankfurt GmbH successfully consolidated the position of Formnext powered by TCT. This event targets the growing market for additive technologies – from prototyping and modern product development and manufacturing, to integration into tool making and mould making, and establishing 3D printing as an additional manufacturing technology. A total of 307 exhibitors (+51 percent) and 13,400 trade visitors (+49 percent) from around the world attended the second edition of the event. The 259 conference participants and numerous representatives from the national and international trade press further underscored the positive trend.

The quality of the group's own events was reflected in the level of internationality: 75.2 percent foreign participation among exhibitors and 53.1 percent among visitors at Messe Frankfurt's international own group events at its home venue are indicators of maximum market penetration. This guarantees a high level of customer benefit on both the supply and demand side. With these internationality values, Messe Frankfurt ranks first in the competitive environment. By way of comparison: AUMA puts the average internationality rates for Germany as a trade fair venue provisionally at 59 percent for exhibitors and 30 percent for visitors.

In terms of guest events, 2016 ranks among the weaker years, as neither of the major events IAA Cars and AACHEMA was scheduled. A total of 26 guest fairs (previous year 23), including eight trade exhibitions and 13 exhibitions open to the public, complemented the event portfolio at the Frankfurt venue. These events drew some 15,400 exhibitors (previous year 18,900) and around 573,000 visitors (previous year 1.6 million). Around 218,300 square metres of exhibition space (previous year 525,400) was leased. The annual Frankfurt Book Fair has a firm place on the Frankfurt event calendar. The new trade fair concept was reaffirmed by stable exhibitor participation and a slight increase in visitor numbers. Held in a two-year rhythm, Optatec recorded steady key figures, even achieving a significant increase in visitors. The annual COSMETICA Frankfurt and the multi-year events FI-Forum, Viscom and Hi – Health ingredients Europe rounded off the portfolio in 2016.

At other trade fair venues in Germany, eight events were hosted by Messe Frankfurt Exhibition GmbH and MESAGO Messe Frankfurt GmbH, Stuttgart. In spring and autumn, Messe Frankfurt Exhibition GmbH staged the Greenshowroom and the Ethical Fashion Show in Berlin; and in Hamburg, Nordstil was also held in spring and autumn. SPS IPC Drives, PCIM Europe, SMT Hybrid Packaging (all Nuremberg) and EMV (Düsseldorf) belong to the portfolio of MESAGO Messe Frankfurt GmbH. These events in Germany outside Frankfurt counted over 4,700 exhibitors and around 130,000 visitors. The total net leased space came to around 176,000 square metres. A large number of congresses were organised in conjunction with the individual trade fairs, as well as two independent congresses with 110 participants in total.

Foreign operations again contributed significantly to Messe Frankfurt's successful operating result in the 2016 reporting period: at 84 events (previous year 86), some 48,200 exhibitors (previous year 48,600) showcased their product and service portfolios to around 2.0 million visitors (previous year 1.7 million) on around 1,270,000 square metres of exhibition space (previous year 1,240,600). Thus the group's own trade fairs held outside Germany once again demonstrated their relevance in 2016. Asia remained the regional focus of overseas business with 45 events in the reporting year, 26 of which were held in China alone. Another attractive exhibition region for Messe Frankfurt was the EMEA (Europe, Middle East, Africa) economic area. 26 trade fairs were held in this region. On the American continent, the subsidiaries of Messe Frankfurt Exhibition GmbH organised 13 trade fairs in the year under review.

As part of the optimisation of its product spectrum, Messe Frankfurt Exhibition GmbH also expanded its portfolio outside Germany in the reporting year. A total of eight new events opened their doors for the first time in 2016: one each in Russia, South Africa, China and the US, as well as two other events in Dubai and India. The portfolio is rounded off by 34 congresses, conferences and other activities, which drew around 4,300 visitors overall.

In addition to designing and staging its own events, Messe Frankfurt organised 14 German pavilions at foreign trade fairs. These relate to trade fair participations organised and held on behalf of the Federal Ministry for Economic Affairs and Energy. In the respective country they facilitate entry into the market for small and medium-sized enterprises.

Congresses, conventions and Festhalle events

Apart from trade fairs and exhibitions, Messe Frankfurt Venue GmbH organised 163 congresses and meetings (previous year 150). With around 132,300 participants, the number of participants remained constant year-on-year (previous year 133,000). 102 (previous year 91) of these congresses and meetings with around 54,000 participants were held at the Kap Europa congress venue.

Around 492,000 guests were drawn to the 70 show events (previous year 58) held above all in the tradition-steeped Festhalle. These included concerts, sporting events, shows, as well as company events. Sporting attractions included the Mainova Frankfurt Marathon with the finishing line in the Festhalle and the International Festhalle Riding Tournament with accompanying exhibition. Musical highlights included concerts by international stars such as Udo Lindenberg, Sunrise Avenue, The Cure, Andreas Bourani, Justin Bieber, Jean Michel Jarre, A-ha, Revolverheld and Silbermond as well as the Night of the Proms. In the show segment, classic events such as the multi-day Holiday on Ice, Apassionata, Tabaluga and 'Feuerwerk der Turnkunst' (Fireworks of Gymnastics) topped the bill.

Development of the trade fair venue

As part of the implementation of the masterplan for the future development of the exhibition grounds and infrastructure, construction got under way in the reporting period on Hall 12. Following the laying of the foundation stone on 13 October 2016, the building is scheduled for completion by the New Hall 12 Consortium by mid-2018. The aim is to further increase the turnover rate of the exhibition grounds and create more flexible utilisation possibilities through parallel occupancy of the halls and outside areas in the eastern and western part of the exhibition grounds. Construction of Hall 12 also paves the way for the demolition and rebuilding of Hall 5 over the next few years. To ensure optimum visitor access to Hall 12, the Via Mobile moving walkway is being extended to allow visitors to move unimpeded through the western section of the grounds. The first step in this direction, extending the southern foyer of Hall 8 and widening the escalator leading down from the Torhaus to the western section of the exhibition grounds, was completed during the reporting period.

Medium-term plans furthermore encompass the New South Entrance on the Europaallee, as well as an office building and a hotel.

Service management

Further progress was made with modernising the personalised online offering for our customers. The service with the highest user frequency, online ticketing for visitors, has been placed on a new technical platform to ensure modern ease of use, especially for mobile users. Exhibitors now also have the possibility to manage their exhibitor passes and visitor invitations conveniently and efficiently online.

A marked increase in efficiency results from the new centralised traffic management system introduced in the autumn of 2016. Personalised registration of vehicles pre-journey makes it possible to manage vehicle access to the exhibition grounds during stand erection and dismantling times and synchronise it with available unloading spaces and equipment.

Organisational development

The reporting period saw the continuation of the efficiency programme. The objective is to successively analyse and optimise operating processes in all areas of Messe Frankfurt by reviewing the tasks, responsibilities and required capacities. The determined potential for flexibilisation can then be used for other tasks or in the development of new business segments. On the basis of a new process tool, work also began on surveying and optimising processes across all areas of the company.

Personnel

On 31 December 2016, the Messe Frankfurt Group employed 2,307 active members of staff worldwide, 63 more than at the end of 2015. In Germany, the headcount rose by 22 and outside Germany by 41.

The increase in the number of employees is primarily accounted for by the expansion of business at the subsidiaries in Dubai and China, as well as MESAGO Messe Frankfurt GmbH and Accente Gastronomie Service GmbH Frankfurt.

Initial and in-service training

So as to reinforce personnel development at Messe Frankfurt, the 'Learning & Development' department was established in the fourth quarter of 2016. Its remit is to ensure that every employee of Messe Frankfurt has the qualifications they need to enable them to assume their tasks, responsibilities and roles. Promoting cooperation and communication directed at further developing a positive corporate culture is another central aim of the new department. The department will also consolidate the organisational development and change management know-how in order to effectively support all structural and organisational changes.

Competence-based training management

In order to better manage resources, competences were defined for all functions across the Messe Frankfurt Group within the framework of the 'Competence-based training management' project and backed by a corresponding training programme. A pilot project focusing on the sales/marketing function was successfully initiated towards the end of the reporting period.

Thanks to all employees

Overall, the employees across the Messe Frankfurt Group succeeded admirably in keeping up with the increasing demands of growing business activity. Once again in 2016, they demonstrated exemplary flexibility and commitment, coupled with a high level of competence. The Executive Board would therefore like to thank all employees for their efforts and the positive results achieved.

III. Description of the position of the company

Results of operations

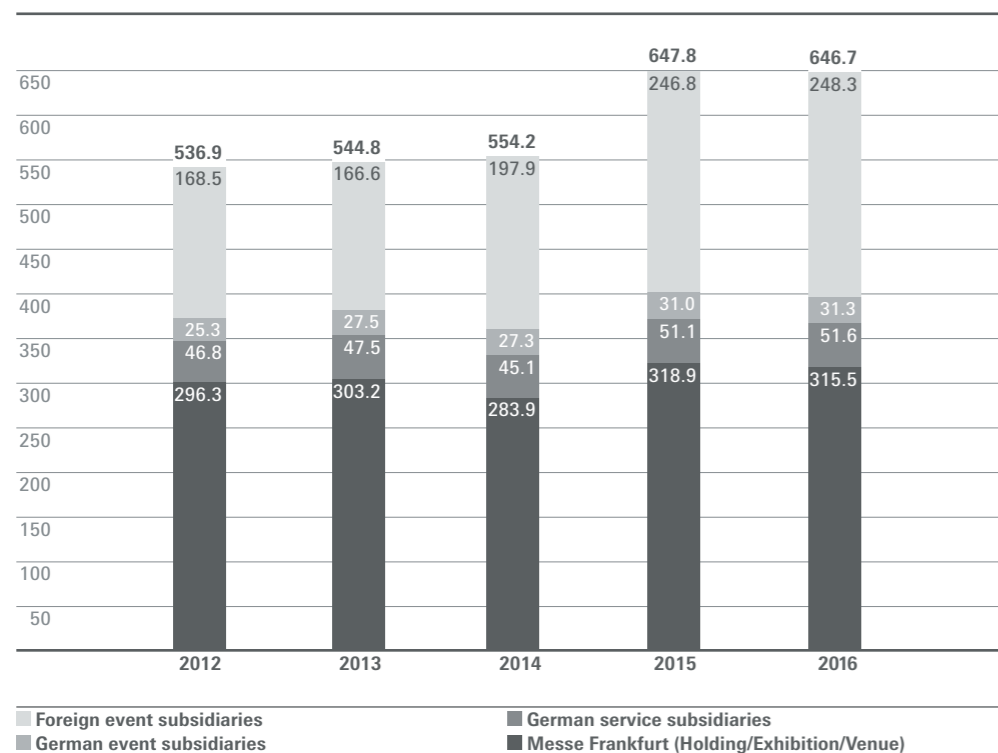
The positive business trend is also mirrored in the development of group sales. At €646.7 million, sales in 2016 reached their second-highest level, falling just short (€-1.1 million, or -0.2 percent) of the previous 2015 record year (€647.8 million).

On the domestic front, sales were down by €2.6 million, or 0.6 percent, to €398.4 million, accounting for 61.6 percent of group sales. Messe Frankfurt Venue GmbH with €81.4 million and Accente Gastronomie Service GmbH with €28.8 million impacted on this result, with sales down by €37.8 million and €3.0 million respectively due to the rotation of events. Increased earnings on the part of the other German subsidiaries were unable to compensate this. While Messe Frankfurt Exhibition GmbH posted a new record with €234.1 million, an increase of €34.4 million, Messe Frankfurt Medien und Service GmbH (€22.8 million) grew sales by €3.5 million. This development can be explained by the rotation of the flagship events with a multi-year rhythm held at the Frankfurt venue. Unlike in 2015, Messe Frankfurt Venue GmbH did not organise the two high sales- and earnings-generating guest events IAA Cars (two-year rhythm) and AACHEMA, which has a three-year rhythm, in 2016. By contrast, Messe Frankfurt Exhibition GmbH held the two-yearly events Automechanika and Light + Building as well as IFFA and Texcare International, which have a three- and four-year rhythm respectively.

Thus at the Frankfurt am Main venue, consolidated sales of €367.1 million were generated, which corresponds to around 56.8 percent of group sales (2015: €370.0 million; 2014: €329.0 million).

With sales of €31.3 million, MESAGO Messe Frankfurt GmbH in Stuttgart achieved a figure that was €0.3 million up on the previous year. This sales increase is accounted for by the continued positive development of SPS IPC Drives, International Exhibition & Conference for Electric Automation, and especially by Formnext powered by TCT, which in its second edition improved significantly in all performance indicators.

Group sales development in € million



The foreign subsidiaries made a consolidated contribution to sales of €248.3 million, a rise of €1.5 million, or 0.6 percent, and thus increased their share of group sales slightly from 38.1 percent in the previous year to 38.4 percent. This is explained in particular by the stronger sales of the subsidiaries in Asia (€+5.9 million), Dubai (€+2.7 million) and France (€+2.0 million). The other subsidiaries outside Germany – with the exception of Argentina and Russia – also contributed to the positive development with increasing or stable sales levels.

Measured against 2014, which has a more readily comparable national event structure, the picture is similar: sales revenue group-wide was up by €92.6 million, or 16.7 percent. Domestic sales increased by €42.1 million, or 11.8 percent, while sales outside Germany were as much as €50.5 million, or 25.5 percent, higher.

Group sales exceeded the target of €640.8 million forecast for the year by €5.9 million, or 0.9 percent. A number of positive developments were responsible for this. First, the euro was weaker than projected for the major currencies used across the group, which led to a positive currency effect of €5.9 million. Furthermore, increased sales in connection with own and guest events and improved congress and show events business contributed to the overall increase in sales revenue. Internationally, above all the subsidiaries in Argentina, Italy and France achieved higher sales than forecast. By contrast, sales in particular in Asia, Turkey and Russia were lower than projected after adjusting for currency effects. Additionally, the lump-sum sales revenue from acquisitions planned for 2016 were not recognised.

Group sales development (consolidated)

	2014 in € m	2015 in € m	2016 in € m	Change compared to 2015 in % ⁴	
Germany					
Messe Frankfurt Exhibition GmbH, Frankfurt	210.5	199.7	234.1	17.2	11.2
Messe Frankfurt Venue GmbH, Frankfurt	73.3	119.2	81.4	-31.7	11.1
MESAGO Messe Frankfurt GmbH, Stuttgart ¹	27.3	31.0	31.3	1.0	14.7
Messe Frankfurt Medien und Service GmbH, Frankfurt	19.3	19.3	22.8	18.1	18.1
Accente Gastronomie Service GmbH, Frankfurt	25.9	31.8	28.8	-9.4	11.2
Total Germany	356.3	401.0	398.4	-0.6	11.8
Other countries					
Messe Frankfurt France S.A.S., Paris	18.4	20.6	22.6	9.7	22.8
Messe Frankfurt Italia Srl., Milan	5.4	6.9	6.8	-1.4	25.9
Messe Frankfurt Istanbul L.S., Istanbul	1.9	2.4	2.8	16.7	47.4
O.O.O. Messe Frankfurt RUS, Moscow ²	8.2	8.1	6.9	-14.8	-15.9
Messe Frankfurt Middle East GmbH, Frankfurt/Dubai	22.5	33.7	36.4	8.0	61.8
Messe Frankfurt Asia Holding Ltd., Hong Kong ¹	123.9	149.0	154.9	4.0	25.0
Messe Frankfurt Inc., Atlanta ³	6.9	9.6	10.2	6.3	47.8
Messe Frankfurt México S.de R.L.de C.V., Mexico City	0.1	0.1	0.2	++	++
Indexport Messe Frankfurt S.A., Buenos Aires	9.9	15.1	5.9	-60.9	-40.4
South African Shows Messe Frankfurt (Pty) Ltd., Johannesburg	0.7	1.3	1.6	23.1	++
Total other countries	197.9	246.8	248.3	0.6	25.5
Group sales	554.2	647.8	646.7	-0.2	16.7

¹ Sub-group

² Incl. ITEM Expo A.O., Moscow

³ Incl. PAACE Automechanika Mexico LLC, Atlanta

⁴ Deviations of more than 100% are shown with ++ or --

Profits were also significantly higher than the previous year's figure for the group. With a figure of €73.6 million prior to taxes on income, earnings were up by €17.2 million, or 30.4 percent, on the previous year (€56.4 million). Compared to 2014, earnings were €22.5 million higher.

Profit development

	2014	2015	2016	Change compared to	
	in € '000	in € '000	in € '000	2015	2014
				in %	in %
Earnings before taxes on income	51,097	56,395	73,552	30.4	43.9
Taxes on income	13,927	13,599	19,465	43.1	39.8
Other taxes	3,764	4,566	4,283	-6.2	13.8
Consolidated net income for the financial year	33,406	38,230	49,804	30.3	49.1

Apart from operating income from the annual reversal of the equity-similar special reserve for subsidies or grants for the acquisition of fixed assets (€2.1 million), other operating income (€13.4 million; previous year €29.8 million) principally includes income arising from exchange rate fluctuations of €4.2 million (previous year €18.7 million), the reversal of provisions (€2.8 million; previous year €3.5 million) and income from impaired receivables (€1.0 million).

Income stands vis-à-vis operating expenses totalling €583.8 million (previous year €619.2 million), which is €35.4 million, or 5.7 percent, lower than in the prior period. Event-related expenses are the biggest expense item with €307.3 million, after €331.4 million in 2015. This corresponds to a cost/income ratio of 47.5 percent, after 51.2 percent in the prior period. Event-related expenses are in general variable costs and include all expenses directly related to events. Besides the costs for visitor advertising, press relations, sales commissions and marketing, they also include all costs for services (for example hostess services), as well as rental of external halls and maintenance of the Frankfurt am Main exhibition grounds. The latter showed a decrease of €3.6 million over the previous year.

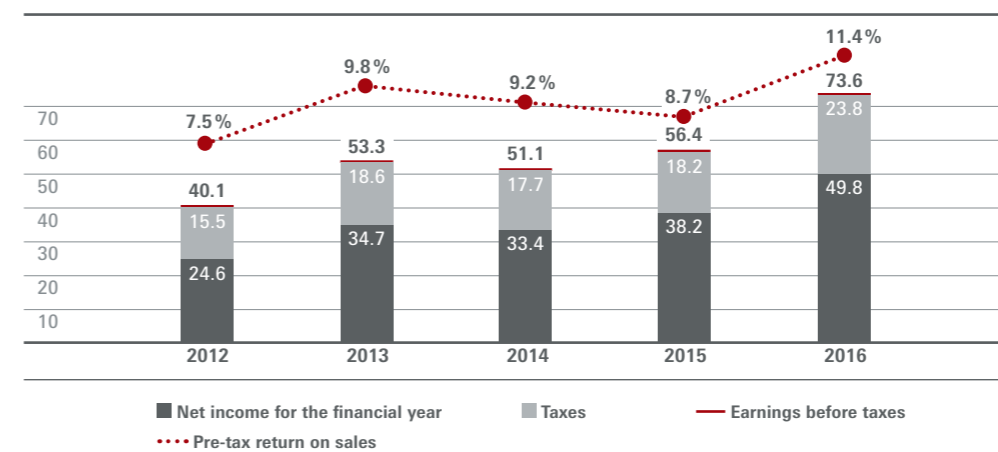
Personnel expenses totalled €152.4 million in 2016. The €5.9 million, or 4.1 percent, increase in personnel expenses was due to the rise in the average number of employees (+78), as well as to salary adjustments and the impacts of collectively agreed salary increases at the Frankfurt venue. Due to the future expansion of business, the personnel costs ratio increased from 22.6 percent in the previous year to 23.6 percent in the reporting year. Depreciation, amortisation and write-downs showed a decrease of €3.3 million to €52.2 million. Other operating expenses were recognised in the amount of €71.9 million, a decrease of €13.9 million year-on-year. This account includes all expenses that are not directly related to events, such as office expenses, interim agency staff, expenses related to exchange rate differences, as well as consulting and corporate marketing. The decrease results in particular from lower expenses related to exchange rate differences and disposals of fixed assets.

At €-3.0 million, the financial result/net interest income is below the previous year's level (€-1.9 million). While at €3.0 million, interest income showed an increase of €1.4 million and interest expenses for bank loans declined from €3.1 million to €2.6 million in line with scheduled repayments totalling €57.6 million, the interest cost of provisions for maintenance and building modernisations in particular led to interest expenses amounting to €5.9 million in total (previous year €3.5 million).

Net of taxes on income (€19.5 million) and other taxes (€4.3 million), the group recognised consolidated net income for the year of €49.8 million, which is a new record result in the company's history after 2015 (€38.2 million).

This led to a return on sales after taxes of 7.7 percent, after 5.9 percent in the previous year. In relation to equity at the beginning of the period (€475.5 million), this results in a return on equity of 10.5 percent (previous year 8.4 percent).

Consolidated earnings before taxes on income and pre-tax return on sales (in € million)



Earnings were also higher than forecast. The main reason for this was on the one hand the €5.9 million increase in sales above target. On the other hand, in addition to event-related expenses (€-5.6 million), other operating expenses (€-6.1 million) were also lower. The same applies to costs for plant maintenance at the Frankfurt venue and to depreciation, amortisation and write-downs, which were €2.2 million and €1.2 million respectively below plan. Conversely, personnel expenses were €0.8 million higher. Furthermore, it was also necessary to make greater provision to compensate for anticipated losses for events in the subsequent year (€+1.4 million). Lastly, impairment losses were recognised on event rights (€+0.9 million) and a negative balance arose from currency translation gains and losses (€-2.1 million). Net of the higher level of income tax (€+7.3 million) due to increased earnings, consolidated net income for the year was €10.0 million higher overall than originally targeted.

The development in the operating performance is mirrored in the EBITDA (Earnings before Interest, Taxes, Depreciation and Amortisation) earnings indicator. This was €124.5 million in the reporting period, after €109.3 million in the previous year, which is also a new all-time high for the group. As a percentage of sales, the EBITDA margin for the financial year is 19.2 percent (previous year 16.9 percent).

EBITDA development

	2014	2015	2016	Change compared to	
	in € '000	in € '000	in € '000	2015	2014
				in € '000	in € '000
Consolidated net income for the financial year	33,406	38,230	49,804	11,574	16,398
Taxes on income	13,927	13,599	19,465	5,866	5,538
plus financial result	2,373	1,926	2,978	1,052	605
Depreciation, amortisation and write-downs	52,034	55,516	52,215	-3,301	181
Group EBITDA	101,740	109,271	124,462	15,191	22,722
EBITDA margin	18.4%	16.9%	19.2%		

The following presents the results before consolidation of the companies and sub-groups included in the consolidated financial statements.

Messe Frankfurt GmbH, as parent, disclosed net income for the financial year of €46.9 million, after €26.8 million in the previous year. Despite lower other operating income (€−0.6 million), this development can for the most part be attributed to an improved financial result (€+26.2 million). €0.1 million higher material costs, personnel expenses up by €2.5 million and other operating expenses also up by €1.6 million are billed to the subsidiaries via the intercompany administrative charge, resulting in a slight increase in sales revenue to €53.4 million. The development of the financial result is explained on the one hand by the improved net interest income (€+1.1 million), as well as by higher profit transfers from the subsidiaries (€+25.1 million) under the profit and loss transfer agreements with Messe Frankfurt Exhibition GmbH and with Messe Frankfurt Venue GmbH. At €35.4 million (previous year €21.0 million), Messe Frankfurt Exhibition GmbH transferred €14.4 million more in profits in the 2016 financial year and Messe Frankfurt Venue GmbH, with €10.7 million (previous year €6.4 million), €4.3 million more to the parent. Accordingly, at €10.6 million (previous year €4.1 million), the income tax allocation in the reporting period was significantly higher.

Messe Frankfurt Exhibition GmbH reported earnings before taxes on income and profit transfer of €41.6 million (previous year €22.6 million). The increase compared to the previous year is mainly explained by the fact that in 2016 the sales-generating two-yearly events Automechanika and Light + Building, as well as IFFA and Texcare International, which have a three- and four-year rhythm respectively, were held. The multi-year events ISH, Techtextil and Texprocess (all in a two-year rhythm), which were not held in 2016, have a lower sales total. This led to sales before consolidation of €276.1 million, which is €39.0 million higher than the previous year's level and is the company's highest sales level yet.

Despite higher event-related expenses due to the rotation of events (€+21.7 million), as well as increases in personnel expenses (€+0.2 million) and other operating expenses (€+1.9 million) in conjunction with decreases in depreciation, amortisation and write-downs (€−0.4 million), the operating result improved substantially to €11.8 million (previous year €−3.0 million).

Standing at €29.9 million (previous year €25.6 million), the financial result improved by €4.3 million due to higher investment income from the subsidiaries in China, Dubai and Stuttgart. Furthermore, in addition to write-downs on financial assets totalling €1.0 million (previous year €1.6 million) on the equity holdings of the subsidiaries in South Africa, Mexico and Brazil, an addition in the amount of €0.9 million was recognised for Indexport Messe Frankfurt S.A. in Argentina.

For **Messe Frankfurt Venue GmbH**, the 2016 financial year was less profitable due to the rotation of events, since the major guest events IAA Cars and ACHEMA did not take place. Despite improved congress and show event business and higher sales – also determined by the event calendar – with the affiliated company Messe Frankfurt Exhibition GmbH, it was not possible to offset this decline in sales. In line with this trend, sales revenue before consolidation amounted to €195.5 million in the reporting period. After the record sales in 2015 (€210.8 million) and 2013 (€201.5 million), this is the third highest sales level in the company's history. Expenses came to €187.0 million, compared to €208.8 million in the previous year. This decrease (€−10.4 percent) was largely attributable to lower event-related expenses, which declined by €18.5 million to €94.2 million. In addition to the rotation of events, reduced provisions for maintenance and building modernisations also contributed to bringing down expenses. Personnel expenses on the other hand rose year-on-year by €0.6 million, or 2.8 percent, to €20.4 million as a result of collectively agreed wage and salary increases. Other operating expenses, which primarily include administrative charges of Messe Frankfurt GmbH, incidental office

space costs, as well as rental and lease expenses, with €39.1 million, declined by €2.6 million compared to the previous year. The reason for this – despite higher administrative charges and IT costs (€+0.8 million) – was primarily decreases in expenses from the disposal of fixed assets (€−2.6 million), as well as in legal and consultancy fees (€−0.7 million). Depreciation, amortisation and write-downs, standing at €33.4 million, were also slightly below the previous year's level (€34.7 million).

At €5.7 million, the financial result was €0.5 million lower than in the previous year. Two main factors were at work here: on the one hand, investment income of Messe Frankfurt Medien und Service GmbH and Accente Gastronomie Service GmbH improved by €1.6 million to €12.1 million compared to 2015, while on the other hand bottom-line net interest income stood at €−6.4 million after €−4.3 million in the previous year. Although interest expenses for bank and cash-pool liabilities declined by €1.0 million to €3.3 million, the interest cost for provisions for maintenance and building modernisations (€3.1 million) generated higher interest expenses of €2.1 million.

This leads to earnings before income taxes of €18.1 million, after €12.0 million in the previous year. Net of income taxes paid in the amount of €4.3 million and other taxes (€3.1 million) produces earnings before profit transfer of €10.7 million (previous year €6.4 million).

The operating results of the **German and foreign subsidiaries** of Messe Frankfurt Exhibition GmbH showed a differentiated development, which generated a bottom-line net retained profit before consolidation of €24.8 million in the reporting period, after €31.1 million in the previous year. The Asian subgroup contributed a major share of this, with €15.1 million, after €18.2 million in 2015. While the subsidiaries in Hong Kong and Japan showed a positive trend, this decrease year-on-year is explained by the lower earnings generated by Guangzhou Guangya Messe Frankfurt Co. Ltd. and Messe Frankfurt (Shanghai) Co. Ltd. in China. Other notable contributors to group profit were Messe Frankfurt Middle East GmbH with its branch office in Dubai with €4.9 million (previous year €6.0 million), as well as France with €2.5 million (previous year €2.0 million) and the subsidiary in Italy with €1.1 million (previous year €0.9 million). While Messe Frankfurt New Era in Hong Kong and the subsidiaries in South Africa, Mexico and Brazil posted net losses, all other event and marketing companies recognised positive results for the year.

The domestic subsidiary MESAGO Messe Frankfurt GmbH in Stuttgart, with earnings before income taxes and profit transfer of €6.7 million (previous year €5.9 million), was also an important contributor to group profit.

Net worth and financial position

The fixed assets of the Messe Frankfurt Group are made up primarily of land and buildings as well as trade fair rights and goodwill. In the year under review, additional investments were made amounting to around €101.6 million (previous year €45.5 million). Of this investment amount, €5.2 million was apportioned to intangible assets, in particular in the form of software licences and the acquisition of a further 22 percent of the shares in the subsidiary in South Africa, SAS Messe Frankfurt (Pty) Ltd. A further €96.4 million was invested in tangible assets, which was principally accounted for by costs for the new Hall 12 and the extension of the Via Mobile. An investment amount of €5.5 million was recognised for equipment and office supplies, and €0.2 million for operating facilities in the halls. The remaining additions to fixed assets relate to smaller infrastructure measures. Net of depreciation, amortisation and write-downs amounting to €52.2 million and disposals of fixed assets, fixed assets totalling €636.3 million (previous year €587.4 million) are shown in the balance sheet at year's end 2016, which corresponds to a share of around 72 percent of total assets (€887.6 million).

Current assets decreased by €49.0 million to €248.9 million. In particular, securities decreased by €35.0 million and the amount of cash-in-hand and bank balances by €23.7 million. Trade receivables on the other hand, were on balance €8.6 million higher than in the previous year.

On the equity and liabilities side, €505.8 million is shown in the balance sheet under equity on the basis of the earned net income for the 2016 financial year (€49.8 million), profit distributions (€18.3 million, of which €13 million to the shareholders of Messe Frankfurt GmbH) and the change in minority interests (€-0.5 million), which is €30.3 million higher than the previous year's figure (€475.5 million). This corresponds to an equity ratio of around 57.0 percent and leads to a tier 1 equity/fixed assets ratio of around 79 percent. Together with the equity-similar special reserve for subsidies or grants for the acquisition of fixed assets (€16.8 million), as well as the deferred income items for the most part also available over the long term of €19.7 million, and medium- and long-term provisions (€36.5 million), the tier 2 equity/fixed assets ratio increases to 90 percent.

At €108.2 million, provisions are €17.9 million higher than in the previous year. Apart from the separately disclosed provisions for pensions and taxes (€-0.3 million and €+5.3 million respectively over the previous year), these primarily include deferred maintenance and building modernisation commitments (€+4.9 million year-on-year), outstanding invoices (€+3.6 million year-on-year), claims from employees (€+2.3 million year-on-year), as well as anticipated losses from events in the subsequent year (€+0.3 million year-on-year). Other provisions totalled €71.6 million (€+12.9 million year-on-year).

Group liabilities amount to €227.8 million (previous year €270.9 million). This corresponds to around 26 percent of total equity and liabilities, and leads to a debt/equity gearing ratio of around 45 percent compared to around 57 percent in the previous year. In the course of 2016, Messe Frankfurt Venue GmbH repaid the residual loan in the amount of €57.6 million. Furthermore, other liabilities were €3.3 million lower mainly due to a decline in the VAT burden, and trade payables decreased by €6.4 million as per the balance sheet date. On the other hand, payments on account received from exhibitors for the trade fairs in the first quarter of 2017 increased by €24.3 million compared to the prior period.

Financing

The cash flow from investing activities (€68.5 million) as well as from financing activities (€78.6 million) was fully financed from the positive cash flow from operating activities (€121.1 million) and from available liquidity, resulting in a decrease in cash funds of €26.0 million to €138.7 million.

Development of cash funds

	2014 in € m	2015 in € m	2016 in € m
Cash funds at beginning of period	138.8	165.7	164.7
Cash flows from operating activities	115.4	110.3	121.1
Cash flows from investing activities	-59.0	-80.6	-68.5
Cash flows from financing activities	-30.3	-30.5	-78.6
Net change in cash funds	26.1	-0.8	-26.0
Effect on cash funds of changes in the reporting entity structure	0.8	-0.2	0.0
Cash funds at end of period	165.7	164.7	138.7

Figures for 2014 were adapted to conform with German Accounting Standard DRS 21

Overall summary of business performance and of the economic position of the company

Due to the very healthy earnings situation and sound financial position, the Executive Board is highly satisfied with the business performance in 2016.

IV. Report on expected developments, opportunities and risks

The German economy has been in a growth cycle since 2013. This moderate upswing is expected to continue in 2017 without any major fluctuations compared to 2016, largely driven by domestic demand. Private consumption is experiencing consistently strong growth, bolstered by higher collectively agreed wages and salaries, increasing transfer income and growth in employment. Conversely, government spending, which in recent years has been primarily propelled by migration, is losing momentum. All in all, macroeconomic output is likely to increase in 2017 by 1.5 percent on the annual average, or by 1.8 percent taking into account the lower number of working days compared to 2016.⁵

According to Deutsche Bank Research, global economic momentum is expected to pick up somewhat in 2017. German export growth is likely to be muted, though, due to the weak European economy. A pick-up in US growth, also due to the economic policy measures expected from the new administration, and the end of the recessions in Russia and Brazil could facilitate an increase in global growth from around 3 to 3.5 percent. In the euro zone, the outlook is dampened by political uncertainty, lower credit growth and rising inflation.⁶ One significant risk for global economic development is Britain's withdrawal from the EU. The future economic and foreign policy direction of the USA since the presidential elections in November 2016 is also fraught with uncertainties. Another risk for global economic development comes from political forces in major European countries that are leaning in favour of greater protectionism in their respective country's foreign relations or urging a thoroughgoing reform of the EU Treaties, in some cases going so far as to demand their country leave the EU.⁷

The Association of the German Trade Fair Industry (AUMA) is anticipating stable to slightly higher exhibitor and visitor numbers for the 159 trade fairs planned for 2017, compared to the respective prior events.⁸ This projection is consistent with the results of an AUMA survey among trade fair organisers within the scope of the survey conducted among trade associations by the Institut der deutschen Wirtschaft – IW (Cologne Institute for Economic Research), in which AUMA was included. The results reveal that the majority of German trade fair organisers consider the general sentiment in the sector to be the same as it was a year ago; a small number judge it to be slightly better. On average, the trade fair organisers are forecasting business performance at around the same level as in 2016. Here, they see a broad scope of developments, due to the fact that many major trade fairs only take place every two or three years.⁹

Market, industry and event risks

Against the background of these economic and industry expectations, the Messe Frankfurt Group in principle sees opportunities for growth nationally as well as internationally, in particular in the following fields of action:

- increased capacity utilisation at the Frankfurt venue,
- further internationalisation of the trade fair brands through rollouts in defined markets,
- increased market share for services, both in terms of hardware (stand construction, catering, advertising) and increasingly in the field of digital services.

However, Messe Frankfurt's business activities are also reliant on the general economic situation and developments in the sectors in which events are either already established or new events are planned. Messe Frankfurt attempts to secure the loyalty of event organisers, exhibitors and visitors through long-term customer retention strategies. Ongoing globalisation and the growing importance of foreign operations are also demanding optimised globally coordinated customer approach and customer care systems.

⁵ Ifo Institute: Ifo economic forecast for 2016–2018, Summary, dated 16 December 2016

⁶ Deutsche Bank Research: Ausblick Deutschland (Outlook Germany) dated 16 December 2016

⁷ Ifo Institute: Ifo economic report 4/2016 prepared for Messe Frankfurt GmbH

⁸ AUMA: press release dated 25 January 2017

⁹ Institut der deutschen Wirtschaft Köln (Cologne Institute for Economic Research): further information to press release no. 75 dated 28 December 2016

Apart from the general risk resulting from cyclical fluctuations, Messe Frankfurt at the same time seeks to identify resulting opportunities, aimed for example at further growth through acquisitions or cooperation agreements and at strengthening profitability. These projects and their associated risks were managed by introducing corresponding personnel and organisational measures to ensure a successful implementation of the new events and business segments in Germany and abroad.

With a view to the further internationalisation of event business, Messe Frankfurt pursues two directions: on the one hand enhancing the internationality of its flagship fairs in Frankfurt and on the other – in addition to continuously developing established products – forging ahead with the organisation of events outside Germany. In fiscal 2017, nine new events are planned outside Germany, four of which will make their debut in Asia, three in America and one each in the Middle East and South Africa.

The economic problems being experienced in major event sectors worldwide, combined with structural difficulties such as ongoing concentrations in the retail sector, represent a serious challenge across the globe for brands such as Tendence or Musikmesse. Many companies in these sectors have either disappeared from the market altogether or are reducing or cancelling their trade fair participations.

It is intended to compensate these developments through new concepts, consolidation and intensified acquisition measures. In autumn 2017, Hypermotion, a trade fair and conference series for intelligent systems and solutions for transport, mobility, logistics and digital infrastructure, will stage its debut in Frankfurt. In spring 2017, the Paperworld, Creativeworld and Christmasworld trio of consumer goods trade fairs was supplemented by a new segment: as a new ordering platform for fresh flowers and houseplants, Floradecora complements the offering of Christmasworld, the world's leading trade fair for the international seasonal decorations sector.

Changes in individual sectors or event locations offer opportunities for own new developments.

Risks outside Germany

Although Messe Frankfurt does not host any trade fairs in politically risk-prone regions, wars or terrorist activities nevertheless pose a general risk. Uncertainty over future political developments in North Africa could, however, pose difficulties for the subsidiary in Dubai in winning exhibitors and visitors for its events. The same goes for events organised by the subsidiary in Istanbul due to the political tensions there, as well as in Russia following events in the Ukraine.

Even in the boom regions like China, the market is in the meantime experiencing consolidation and mergers, which can lead to declining exhibitor numbers in the affected sectors.

The exhibition market in Europe is largely saturated. Furthermore, the economic situation in some regions of the world remains volatile, also impacting some subsidiaries (Russia, Argentina, Middle East). This implies an inherent risk of losing events and, consequently, market shares in the countries concerned, further exacerbated by difficult-to-plan political decisions with a direct impact on the exhibition sector in some countries.

The changed political situation in the USA could negatively affect the activities of the subsidiaries in the USA and Mexico.

Messe Frankfurt and its subsidiaries counter this with their quality standards and an international sales network, making it possible despite these obstacles to organise high-quality trade fairs with a much more international flavour.

A further risk for the subsidiaries arises out of the fact that they do not have their own exhibition grounds and are therefore dependent on local exhibition infrastructures and exhibition site operators. On the other hand, this also allows the subsidiaries greater flexibility, making it easier for them to respond to regional shifts in the market and economic sectors with a change of venue. Challenges lie in finding suitable timeslots and in the quality of sufficient hall facilities. The severely tightened security requirements that trade fair organisers have to meet also harbour risks.

Additional risks arise in the case of events organised or marketed together with a partner. Despite extensive checks at the outset of cooperation, unforeseeable errors of judgement cannot be ruled out.

Some subsidiaries have a relatively small event portfolio that is often focused on just a few themes. This results in greater dependency on individual events and sectors. This risk is countered by the further rolling out of brand events, developing new trade fair themes and providing additional services.

Subsidiaries that depend strongly on the marketing of individual events such as Tendence or Texworld are collaterally affected if these events experience a negative trend.

Site/construction risks

The ongoing modernisation of the exhibition centre in Frankfurt am Main is a prerequisite for fulfilling growing customer needs. Risks may arise as a result of additionally required construction and maintenance measures that only come to light in the course of refurbishment work or unexpectedly become necessary at short notice as a result of security regulations.

The risk of catastrophes, pandemics or crises jeopardising individual events or the exhibition centre is countered by corresponding insurance policies and security measures, such as coordinated group-wide emergency plans and communication measures, as well as the activities of the Operation & Security Center.

Administrative risks

In its financing activities, the company as a matter of principle pursues a conservative strategy with respect to interest rate risks. The aim is to avoid interest rate risks that have a negative impact on earnings as far as possible. However, advantage is taken of opportunities presented by the respective market situation to reduce or minimise interest expenses. It is in general only permitted to make use of derivatives in connection with underlying transactions.

The company applies hedge accounting in order to reduce earnings fluctuations resulting from foreign currency risks as far as possible. The use of foreign-currency derivatives is tied to underlying transactions or binding budget assumptions. They are above all applied in the case of distribution payouts by foreign subsidiaries and intercompany investments. Two currency hedges were in place across the group at the balance sheet date. Both transactions were based on intercompany investments in HKD on the part of Messe Frankfurt Asia Holding Limited in Messe Frankfurt GmbH.

Group management report

The group as far as possible eliminates liquidity risks and the default risk on receivables by invoicing its services and demanding payment ahead of the event. Furthermore, the group entities also have adequate credit control and effective arrears collection systems in place. Defaults on receivables therefore only occur in exceptional cases.

As a result of the group's increasing globalisation and the growing importance of international operations, establishing and optimising globally coordinated systems and structures presents an ongoing challenge. Ever higher demands in the areas of governance and data protection in conjunction with growing internationalisation can make it more difficult to fulfil the statutory guidelines and regulations.

Other risks

Over and above those disclosed, no risks that pose a threat to the existence or future development of the company are currently anticipated.

Risk management system

The Messe Frankfurt Group has consolidated all opportunities and risks as well as measures taken within the company to control risk in a uniform and consistent risk management system. This system also encompasses the group subsidiaries. Early-warning signals have been defined to enable future development risks to be identified in a timely manner. These include, for example, developments in the individual economic sectors, activities by competitors and exhibitor and visitor development.

The risk management manual defines in particular the risk principles, the risk management process and the documentation and monitoring of the risk management system. Risk management is conceived as a continuous process and is reviewed at regular intervals to ensure its adequacy and, where required, optimised.

In 2017, the company is planning to roll out new risk management software aimed at optimising the risk management process.

Risk management overview

In view of the underlying economic conditions and the continued importance of trade fairs and exhibitions in the marketing mix of exhibiting companies, the management of Messe Frankfurt GmbH believes the company is well positioned to leverage opportunities that arise and adequately manage risk.

Expected developments

Messe Frankfurt GmbH is again anticipating a positive exhibition year in 2017. This optimism is fuelled by the keen interest and stable demand experienced at the major springtime fairs at home and abroad in 2017 and the corresponding demand for space. The rhythm of events at the Frankfurt venue means slightly higher capacity utilisation of the exhibition grounds is predicted in the ongoing financial year. The reason for this is that 2017 is once again an IAA Cars year. Outside Germany, the exhibition calendar and new events are expected to generate business above the previous year's level. Exhibitor and visitor numbers are expected to grow accordingly.

Investments totalling around €150 million are planned for 2017. Of this amount, around €126 million is attributable to Messe Frankfurt Venue GmbH and relates to costs for the ongoing construction of the new Hall 12. Financing of this measure is to come from intragroup loans as well as the cash pool of Messe Frankfurt GmbH. To this end, Messe Frankfurt GmbH intends to take out a refinancing loan with the KfW bank.

For 2017, the Messe Frankfurt group anticipates slightly higher sales than in the previous year of around €653 million. In terms of earnings, however, net operating profit is expected to decrease to around €43 million due to the increase in event-related and general overhead costs.

Frankfurt am Main, 28 April 2017

Wolfgang Marzin

Detlef Braun

Uwe Behm

Consolidated financial statements

Consolidated balance sheet of Messe Frankfurt GmbH, Frankfurt am Main, at 31 December 2016

Assets	Notes	At 31.12.2015 in €'000	At 31.12.2016 in €	in €
A. Fixed assets	(1)			
I. Intangible fixed assets		51,706	41,818,302.80	
II. Tangible fixed assets		535,657	594,479,860.08	
III. Financial assets		20	20,451.68	
		587,383		636,318,614.56
B. Current assets				
I. Inventories	(2)			
1. Raw materials, consumables and supplies		369	407,296.25	
2. Work in progress – services		213	418,784.85	
3. Goods		559	621,375.67	
4. Prepayments (inventories)		22	889,743.98	
		1,163		2,337,200.75
II. Receivables and other assets				
1. Trade receivables	(3)	15,979	15,279,851.50	
2. Other receivables and other assets	(4)	31,654	40,923,943.29	
		47,633		56,203,794.79
III. Securities	(5)	61,804		26,804,302.03
IV. Cash-in-hand, bank balances and cheques	(6)	187,289		163,542,415.86
		297,889		248,887,713.43
C. Prepaid expenses		2,637		2,275,993.92
D. Deferred tax assets	(7)	116		70,962.60
		888,025		887,553,284.51
Equity and liabilities				
A. Group equity	(8)			
I. Subscribed capital		180,000	180,000,000.00	
II. Capital reserves		112,149	112,148,640.00	
III. Revenue reserves				
1. Other revenue reserves		83,536	83,595,672.11	
IV. Foreign currency translation differences		436	-37,198.05	
V. Retained profits carried forward		57,153	77,053,518.83	
VI. Group profit		33,218	46,387,008.12	
VII. Minority interests		8,985	6,605,951.26	
		475,477		505,753,592.27
B. Negative consolidation difference	(9)	1,506		1,221,058.83
C. Equity-similar special reserve for subsidies/grants for the acquisition of fixed assets	(10)	21,116		18,968,600.00
D. Provisions				
1. Provisions for pensions and similar obligations		11,248	10,972,710.31	
2. Provisions for taxes		20,304	25,578,905.15	
3. Other provisions	(11)	58,776	71,648,330.46	
		90,328		108,199,945.92
E. Liabilities	(12)			
1. Liabilities to banks		57,642	0.00	
2. Payments received on account of orders		177,810	202,142,169.40	
3. Trade payables		26,556	20,119,887.12	
4. Other liabilities		8,849	5,574,714.46	
		270,857		227,836,770.98
F. Deferred income	(13)	23,900		21,854,351.37
G. Deferred tax liabilities	(14)	4,841		3,718,965.14
		888,025		887,553,284.51

Consolidated income statement of Messe Frankfurt GmbH for the financial year from 1 January 2016 to 31 December 2016

	Notes	2015 in €'000	in €'000	2016 in €	in €
1. Sales	(16)	647,825		646,697,567.05	
2. Increase or decrease in stock of work in progress	(17)	-105		205,711.68	
3. Other operating income	(18)	29,812		13,444,008.59	
		677,532	677,532		660,347,287.32
4. Event-related expenses	(19)	331,438		307,266,510.37	
5. Personnel expenses	(20)	146,481		152,422,461.44	
6. Amortisation and write-downs of intangible fixed assets, depreciation and write-downs of tangible fixed assets	(21)	55,516		52,215,423.79	
7. Other operating expenses	(22)	85,777		71,911,933.98	
			619,212		583,816,329.58
8. Financial result	(23)		-1,926		-2,978,363.08
9. Taxes on income	(24)		13,599		19,465,297.39
10. Earnings after taxes			42,795		54,087,297.27
11. Other taxes	(25)		4,566		4,282,888.19
12. Consolidated net income for the year			38,229		49,804,409.08
13. Profit attributable to minority interests			-5,378		-3,603,204.70
14. Loss attributable to minority interests			367		185,803.74
15. Group profit			33,218		46,387,008.12

Explanatory notes to the 2016 consolidated annual financial statements of Messe Frankfurt GmbH for the financial year from 1 January 2016 to 31 December 2016

General disclosures

The consolidated financial statements of Messe Frankfurt GmbH, Frankfurt am Main, have been prepared in accordance with Sections 290 ff. HGB (Handelsgesetzbuch – German Commercial Code).

Wherever individual items of the balance sheet and income statement have been grouped together in the interests of clarity of presentation, these items are shown and explained separately in the notes. For the same reason, disclosures relating to the inclusion in other items and 'of which' information are also included in the notes.

In the financial year 2016, the provisions of the German Accounting Directive Implementation Act (Bilanzrichtlinie-Umsetzungsgesetz – BilRUG) were applied for the first time. The presentation format previously used and the accounting and measurement principles previously applied in the annual financial statements and management report have been adjusted accordingly. The previous year's figures have not been adjusted.

Application of the BilRUG did not lead to any changes in the accounting and measurement policies previously applied in the annual financial statements, ensuring direct comparability with the previous year's figures.

Moreover, the provisions of the Act Implementing the Mortgage Credit Directive and Amending Accounting Rules (Gesetz zur Umsetzung der Wohnimmobilienkreditrichtlinie und zur Änderung handelsrechtlicher Vorschriften) were applied for the first time, with the consequence that when discounting pension provisions, the underlying period for calculating the average interest rate is extended from seven to ten years.

Group reporting entity

In addition to Messe Frankfurt GmbH, as parent, the consolidated financial statements also include the following subsidiaries, over which Messe Frankfurt GmbH directly or indirectly has a controlling influence by virtue of the fact that it holds the majority of the voting rights:

Messe Frankfurt Venue GmbH, Frankfurt am Main/Germany
 Messe Frankfurt Medien und Service GmbH, Frankfurt am Main/Germany
 Accente Gastronomie Service GmbH, Frankfurt am Main/Germany
 Messe Frankfurt Exhibition GmbH, Frankfurt am Main/Germany
 Messe Frankfurt Middle East GmbH, Frankfurt am Main/Germany
 MESAGO Messe Frankfurt GmbH, Stuttgart/Germany
 MESAGO Messemanagement GmbH, Stuttgart/Germany
 Mesago PCIM GmbH, Stuttgart/Germany
 Messe Frankfurt France S.A.S., Paris/France
 Messe Frankfurt Italia Srl., Milan/Italy
 Messe Frankfurt Istanbul L.S., Istanbul/Turkey
 O.O.O. Messe Frankfurt RUS, Moscow/Russia
 Messe Frankfurt Asia Holding Ltd., Hong Kong/China
 Messe Frankfurt (H.K.) Ltd., Hong Kong/China
 Messe Frankfurt (Shanghai) Co. Ltd., Shanghai/China
 Guangzhou Guangya Messe Frankfurt Co. Ltd., Guangzhou/China
 Guangzhou Li Tong Messe Frankfurt Co. Ltd., Guangzhou/China
 Messe Frankfurt New Era Business Media Ltd., Hong Kong/China
 Messe Frankfurt New Era Advertising (Shenzhen) Co. Ltd., Shenzhen/China

Mesago Messe Frankfurt Corporation, Tokyo/Japan
 Messe Frankfurt Trade Fairs India Pvt. Ltd., Mumbai/India
 Messe Frankfurt Korea Ltd., Seoul/South Korea
 Messe Frankfurt Inc., Atlanta/USA
 Messe Frankfurt México S. de R.L. de C.V., Mexico City/Mexico
 Messe Frankfurt Feiras Ltda., São Paulo/Brazil
 Indexport Messe Frankfurt S. A., Buenos Aires/Argentina
 South African Shows Messe Frankfurt (Pty) Ltd., Johannesburg/South Africa

In the case of Guangzhou Guangya Messe Frankfurt Co. Ltd., Guangzhou/China, the controlling interest arises from a decisive voting right with a shareholding of 50 percent.

With effect from 1 August 2016, Messe Frankfurt Exhibition GmbH acquired additional shares (22 percent) in the company South African Shows Messe Frankfurt (Pty) Ltd.

An adjustment item is disclosed in group equity as Minority interests to indicate shares held by minority shareholders in the equity capital carried in the balance sheet.

Furthermore, the following companies jointly managed with non-group entities are also included in the consolidated financial statements proportionately to the shares in their capital held:

SMT/ASIC/Hybrid MESAGO Messe & Kongreß GmbH & Co. oHG, Nuremberg/Germany (75 percent)
 PAACE Automechanika Mexico LLC, Atlanta/USA (50 percent)
 ITEMF Expo A.O., Moscow/Russia (50 percent)

Consolidation principles and currency translation

The balance sheet date for the consolidated financial statements is 31 December 2016. Messe Frankfurt Trade Fairs India Pvt. Ltd., Mumbai/India, prepares its financial statements to 31 March each year, and is included in the consolidated annual accounts of the parent on the basis of interim financial statements drawn up on 31 December 2016. For all other subsidiaries included in the accounts, the balance sheet date is 31 December 2016.

Acquisition accounting used the book-value method to consolidate subsidiaries by eliminating the carrying amounts of the investments against the proportionate equity of the subsidiaries attributable to the parent at the time of acquisition, where the acquisition process occurred in a financial year commencing before 1 January 2010. From 2010, the revaluation method has been used.

In the financial year 2016, German Accounting Standard DRS 23 was voluntarily applied early for new consolidation processes. Due to the first-time application of the option allowed by German Accounting Standard DRS 23.171, the acquisition of the additional shares in South African Shows Messe Frankfurt (Pty) Ltd. was recognised as an equity transaction. This did not lead to disclosure of goodwill or a negative consolidation difference. Future share acquisitions or share disposals which do not affect the controlling interest will also be recognised as equity transactions. The accounting treatment of investment interests acquired in previous periods as sales transactions has not been adjusted. In the case of jointly managed undertakings all consolidation steps were carried out proportionate to the ownership interests pursuant to Section 310 HGB. In total, this gave rise to €1.949 million in short-term assets, €1.216 million in long-term assets and €1.248 million in short-term liabilities, €2.416 million in expenses and €2.322 million in income from shares in joint undertakings. No off-balance-sheet financial liabilities were disclosed.

Receivables, liabilities, expenses and income items between companies included in the consolidated financial statements were netted. Provisions relating to intragroup transactions as well as gains and losses arising from intragroup deliveries and services were eliminated. End-of-year financial statements of the foreign subsidiaries prepared in a foreign currency were translated in compliance with Section 308a HGB. All balance sheet items of the included foreign group entities, with the exception of Equity (subscribed capital, reserves, retained profits carried forward), which was carried at historical rates, were translated into euros at the respective mid-rate on the reporting date. Differences arising from the translation of equity as a result of changes in the exchange rate compared to the previous year were included as not affecting income in Equity under Foreign currency translation differences.

Expenses and income during the reporting period were translated at the mid-rate. The net income for the year shown in the translated income statement was carried over into the consolidated balance sheet and included as not affecting income in Equity under Foreign currency translation differences.

Accounting and measurement policies, currency translations

The following accounting and measurement principles were applied in preparing the consolidated financial statements.

Purchased intangible fixed assets were recognised at cost, less (where subject to wear and tear) amortisation over their useful life. Where a permanent impairment loss appears probable, they are recognised at the lower of cost or fair market value on the balance sheet date. If the reasons for a probable permanent impairment loss no longer exist, the impairment loss is reversed accordingly.

Where acquisition accounting resulted in goodwill, a useful life of up to 15 years was assumed at the time of initial recognition, in particular with regard to the continuous development and continued existence of the business and customer relations arising from the acquisition of the goodwill. Goodwill is amortised on a straight-line basis over the useful life. In accordance with Section 301 (3) HGB, a negative difference arising on consolidation was included as a separate item on the equity and liabilities side of the balance sheet below shareholders' equity as Negative consolidation difference.

Tangible fixed assets were recognised at cost, less depreciation through use and, where applicable, write-downs. Depreciation for use was calculated on a straight-line basis according to unchanged principles. In the case of technical retrofits of halls already fully depreciated, a useful life of 10 years was assumed.

New additions to fixed assets were depreciated on a pro rata temporis basis in the year of acquisition.

Low-value assets with a net value of up to €150 per item were expensed in the year of acquisition. Assets with purchase costs above €150 to €410 net were written off in full in the year of acquisition, with their immediate disposal being assumed.

Under Financial assets, shares and ownership interests were stated at cost or, where a permanent impairment loss is indicated, at their lower fair value. If the reasons for a probable permanent impairment loss no longer exist, the impairment loss is reversed accordingly.

Inventories were valued at the lower of cost or market value on the balance sheet date.

Receivables were disclosed at nominal value on the balance sheet date. Identified individual risks were recognised through valuation allowances.

Other assets were shown in the balance sheet at nominal value.

The corporation tax credit resulting from the change in the procedure for determining corporation tax was stated for the domestic group companies at present values in line with the Act on Fiscal Measures accompanying the Introduction of the Societas Europaea and on Amending Further Tax Provisions (SEStEG).

Securities were stated at the lower of cost or fair value taking all identifiable risks into account.

Liquid assets were disclosed at nominal value.

Prepaid expenses relate to advance payments made before the balance sheet date that represent an expense to be incurred in a subsequent period.

The equity-similar special reserve for subsidies or grants for the acquisition of fixed assets was set up in fiscal 2000 and relates to a grant made by the City of Frankfurt am Main in connection with the Rebstockgelände car park. The write-back of the special reserve was recognised in income, corresponding to the depreciation of the related fixed assets over a useful life of 25 years. Advantage was taken of the possibility to exercise the retention option pursuant to Section 67 (3) EGHGB (Act Introducing the German Commercial Code). Thus the special tax-allowable reserve in accordance with Sections 247 (3) and 273 HGB in the version valid until 28 May 2009 has also been retained for financial statements from 2010.

Provisions are in principle recognised in the payable amount determined by applying prudent business judgement (i.e. including future costs and price increases). They take account of all identifiable risks and contingent liabilities, as well as anticipated losses from pending transactions. Provisions with a residual term of more than one year are discounted.

Pension provisions and similar obligations for former members of the Executive Board and their surviving dependents are disclosed in accordance with the Projected Unit Credit Method (PUC method) based on the "2005 G actuarial tables" compiled by Prof. Klaus Heubeck. For discounting purposes, the average market interest rate of the past ten financial years (2015: the past seven financial years) of 3.24 percent (previous year 3.89 percent) with a residual term of 15 years was applied across the board in accordance with the Act Implementing the Mortgage Credit Directive and Amending Accounting Rules (Gesetz zur Umsetzung der Wohnimmobilienkreditrichtlinie und zur Änderung handelsrechtlicher Vorschriften) of 11 March 2016, applying the simplification rule pursuant to Section 253 (2), Sentence 2 HGB. The difference within the meaning of Section 253 (6), Sentence 1 HGB between the measurement of pension provisions with the 10-year average interest rate and the 7-year average interest rate amounted to €552,000 at the balance sheet date. The difference is barred from distribution pursuant to Section 253 (6), Sentence 2 HGB. An anticipated rate of pension progression of 2.0 percent was assumed.

For Accente Gastronomie Service GmbH, Frankfurt am Main, pension provisions are recognised in accordance with the modified actuarial cost method on the basis of the "2005 G actuarial tables" compiled by Prof. Klaus Heubeck. For discounting purposes, the average market interest rate of the past ten financial years (2015: the past seven financial years) of 3.24 percent (previous year 3.89 percent) with a residual term of 15 years was applied across the board in accordance with the Act Implementing the Mortgage Credit Directive and Amending Accounting Rules (Gesetz zur Umsetzung der Wohnimmobilienkreditrichtlinie und zur Änderung handelsrechtlicher Vorschriften) of 11 March 2016. The difference within the meaning of Section 253 (6), Sentence 1 HGB between the measurement of pension provisions with the 10-year average interest rate and the 7-year average interest rate amounted to €151,000 at the balance sheet date. The difference is barred from distribution pursuant to Section 253 (6), Sentence 2 HGB. Anticipated pay rises of 2.5 percent (previous year 2.5 percent) and a rate

of pension progression of 2.0 percent (previous year 2.0 percent) were assumed. Fluctuation was given consideration with a flat rate of 1.8 percent (previous year 1.8 percent).

Some employees of the Messe Frankfurt Group have concluded deferred compensation agreements pursuant to Section 1a(2) BetrAVG (German Company Pensions Act). The level of benefits was calculated pursuant to Section 253(1), Sentence 3 HGB on the basis of the fair value of the reinsurance cover taken out. The fair market value of the reinsurance with a value (amortised cost) of €1.242 million (previous year €1.170 million) was netted against the repayment amount of the debt.

Provisions for partial retirement were valued in line with the pronouncements of the IDW RS HFA 3 (accounting methods for partial retirement obligations under IAS and HGB) and the rules of the German Commercial Code (HGB), based on an interest rate pursuant to Section 253(2), Sentence 2 HGB of 3.24 percent (previous year 3.89 percent). Anticipated pay rises were factored in by applying a salary trend of 2.0 percent (previous year 2.0 percent). In respect of social security contributions, taking account of the income thresholds for pension and unemployment insurance (West) and for health and long-term care insurance, a contribution rate of 19.125 percent (previous year 19.025 percent) was assumed.

Jubilee benefits recognised in Other provisions were valued in accordance with the Projected Unit Credit Method. Under this method, the provision amount is defined as the actuarial present value of all pro rata benefits attributed to employee service up to the balance sheet date. The discount rate is 3.24 percent (previous year 3.89 percent). Employer's contributions to the statutory pension plan accruing on payment of the jubilee benefit were stated at a flat rate of 14.5 percent (previous year 14.5 percent) of the jubilee payments made.

Provisions for taxes comprise outstanding taxes not yet assessed for the financial year.

The provision for record-keeping obligations was calculated on a full cost basis – with a deduction of 20.0 percent for documents voluntarily kept. An inflation rate of 2.0 percent (previous year 1.0 percent) and an average archiving period (multiplier) of 4.5 years were assumed. Discounting was performed for a period of 4.5 years with the Deutsche Bundesbank (central bank of the Federal Republic of Germany) discount rate of 2.06 percent (previous year 2.64 percent).

Other provisions include inter alia possible indemnification claims by commercial agents, taking advantage of the retention option pursuant to Section 67 EGHGB.

Liabilities were carried at their repayment amount.

Within the Messe Frankfurt Group, derivative financial instruments are in principle only used to hedge the risks inherent in an underlying transaction. Underlying transactions may relate to intragroup transactions. Provided the conditions of Section 254 HGB are met, hedges are applied and, pursuant to Section 254, Sentence 1 HGB, in these cases Section 249(1), Section 252(1), Nos. 3 and 4, Section 253(1), Sentence 1 and Section 256a HGB are not applied.

Deferred income relates to income received before the balance sheet date that represents earnings generated in a subsequent period.

Asset and liability items denominated in foreign currencies were in principle translated at the mid-rate as at the reporting date. For assets and liabilities with a residual term of over one year, the imparity and realisation principle (Section 252(1), No. 4 HGB) and the purchase cost principle (Section 253(1), Sentence 1 HGB) were applied.

In the 2016 financial year, offsetting currency effects from Messe Frankfurt Middle East positively affected the results of group operations. The figures for the previous year have not been adjusted.

Incurred costs for press, advertising and public relations work for events in subsequent years were posted throughout the group as expenses in the reporting year.

For the recognition of deferred taxes under Section 274(1) HGB resulting from temporary differences between the carrying amounts of assets and liabilities in the balance sheet and their respective tax bases, or resulting from tax losses carried forward, the amounts of the resulting tax assets and liabilities were determined as in the previous year using the tax rates at the time of the expected reduction of the differences of an underlying 31.9 percent, and were not discounted.

At 31 December 2016, deferred tax assets were recognised due to higher tax write-offs. Moreover, deferred tax liabilities resulting from temporary differences were recognised primarily for deferred income, as well as purchased concessions and industrial rights. Additional deferred tax liabilities relate to land and buildings as well as liabilities and provisions. Deferred tax assets and liabilities were netted. The remaining deferred taxes per entity after netting were not capitalised based on the existing recognition option.

Deferred taxes determined under Section 306 HGB were not netted out; where the temporary difference is expected to reverse in Germany, the underlying tax rate is 31.9 percent.

Notes to the consolidated balance sheet

(Amounts in € '000 unless otherwise stated)

(1) Fixed assets

The classification of the combined fixed asset headings disclosed in the consolidated balance sheet and their development trend for 2016 are presented in the Statement of changes in fixed assets in the annex to these notes.

The average useful life per asset class is classified as follows:

Asset item	Useful life
Purchased concessions, industrial and similar rights and assets and licences in such rights and assets	3–5 years
Goodwill	up to 15 years
Land, land rights and buildings, incl. buildings on third-party land	10–40 years
Technical equipment and machinery	5–10 years
Other equipment, operating and office equipment	3–15 years

(2) Inventories

This primarily covers raw materials, consumables and supplies, invoiceable input for events in subsequent years and merchandise.

(3) Trade receivables

Receivables due after more than one year are not included in this item.

(4) Other assets

	Total		Due after more than one year	
	31.12.2015	31.12.2016	31.12.2015	31.12.2016
Taxes	17,206	17,556	2,334	2,036
Prepayments	5,619	5,736	0	612
Other	8,829	17,632	306	890
	31,654	40,924	2,640	3,538

Taxes are principally advance payments of taxes on income and receivables arising from corporation tax credits based on the new German Act on Fiscal Measures Accompanying the Introduction of the Societas Europaea and on Amending Further Tax Provisions (SEStEG) amounting to €12.436 million (previous year €12.762 million) and VAT receivables in the amount of €5.036 million (previous year €4.369 million).

Other assets include receivables from the shareholder City of Frankfurt am Main in the amount of €875,000 (previous year €912,000).

(5) Securities

Securities relate to bonds, registered bonds and commercial papers.

(6) Cash-in-hand, bank balances and cheques

	31.12.2015	31.12.2016
Cheques and cash-in-hand	827	622
Bank balances	186,462	162,920
Total cash	187,289	163,542

Bank balances include recognition of fixed-term deposits in the amount of €72.289 million (previous year €93.982 million).

(7) Deferred tax assets

Deferred tax assets are formed due to consolidation procedures pursuant to Section 306 HGB and include in particular deferred taxes from the future amortisation of trade fair rights.

(8) Equity

The classification of equity and minority interests is annexed to the consolidated financial statements. In connection with the additional shares (22 percent) acquired in South African Shows Messe Frankfurt (Pty) Ltd., Johannesburg/South Africa, an amount of €238,000 of non-controlling interests was transferred to group equity.

(9) Negative consolidation difference

The negative consolidation difference pursuant to Section 301(3) HGB arising in 2015 from the acquisition of the remaining shares in Messe Frankfurt New Era Business Media Ltd., Hong Kong/China, in the amount of €1.5 million, was recognised in line with German Accounting Standard DRS 4.41a as income over the remaining weighted average useful life of the assets of four years acquired or disclosed by applying the revaluation method. At the balance sheet date, the negative consolidation difference was €1.2 million.

(10) Equity-similar special reserve for subsidies or grants for the acquisition of fixed assets

The special reserve relates to a grant made by the City of Frankfurt am Main in connection with the Rebstockgelände car park. The write-back of the special reserve was recognised in income, corresponding to depreciation of the car park over a useful life of 25 years.

(11) Other provisions

Other provisions primarily include claims from employees, contractual repair and renovation obligations, outstanding purchase invoices, anticipated losses from pending transactions, as well as possible claims from commercial agents.

(12) Liabilities

	Due within one year		Due after one year		Due after more than five years	
	31.12.2015	31.12.2016	31.12.2015	31.12.2016	31.12.2015	31.12.2016
Liabilities to banks	57,642	0	0	0	0	0
Payments received on account of orders	177,810	202,115	0	27	0	0
Trade payables	25,942	19,662	614	458	0	0
Other liabilities	8,848	5,357	1	218	0	0
– of which taxes	(5,557)	(2,491)	(0)	(89)	(0)	(0)
– of which social security	(442)	(392)	(0)	(0)	(0)	(0)
Total liabilities	270,242	227,134	615	703	0	0

Hedging relationships were recognised in the annual financial statements of Messe Frankfurt GmbH for the hedging of exchange rate risks arising from intragroup foreign currency liabilities (HKD 40 million, term of maturity up to January 2017; HKD 20 million, term of maturity up to November 2017) through foreign exchange swaps contracted by Messe Frankfurt GmbH. Since the offsetting changes in value of the cash flows from the underlying transaction and the forward exchange contract potentially cancel each other out, Messe Frankfurt GmbH opted not to apply Section 249 (1), Section 252 (1), Nos. 3 and 4, Section 253 (1), Sentence 1 and Section 256a HGB in its annual financial statements for the period of the term of the contract pursuant to Section 254 HGB. Due to the consolidation of the underlying transactions in the annual financial statements, the general accounting and measurement policies are applied for these financial instruments. At the balance sheet date, these financial instruments showed positive market values amounting to €4.9 million and €2.4 million.

Liabilities to banks are secured by a first-rank registered land charge, the assignment of rights and claims arising from the property insurance (in particular fire) relating to the mortgaged property, as well as through an ownership clause.

Trade liabilities include liabilities to the shareholder City of Frankfurt am Main in the amount of €16,000 (previous year €14,000).

(13) Deferred income

Deferred income primarily includes one-off payments received in advance in the years 1988, 1992 and 1996 for 31, 35 and 99 years respectively for two building leases and a payment for a joint usufruct in parts of buildings which were disclosed under Liabilities as Deferred income. The three partial deferred income amounts are written back on a straight-line basis over the specified terms.

(14) Deferred tax liabilities

Deferred tax liabilities primarily arise from the disclosure of hidden reserves in the context of applying the revaluation method for capital consolidation, and due to temporary differences from the measurement of property.

(15) Other financial obligations and contingent liabilities

Other financial obligations total € 280.057 million (previous year € 155.091 million). These are primarily made up of open purchase orders related to investments, obligations arising from rent and lease contracts, obligations relating to the acquisition of additional company shares, as well as ground rents for three building lease contracts.

The company administrates fiduciary accounts for events hosted by guest organisers and for the Frankfurt Music Prize Foundation. The balance of the fiduciary accounts at the end of the period is € 177,000.

Notes to the consolidated income statement

(Amounts in € '000, unless otherwise stated)

The consolidated income statement is prepared in accordance with the total cost (nature of expense) format.

(16) Sales

According to type	2015	2016
Stand rents	360,844	391,685
Halls, site and other rents	48,040	28,849
Admission fees and participation fees	11,420	12,104
Services and other income	227,521	214,060
	647,825	646,698

According to region	2015	2016
Germany	400,929	398,360
Europe excl. Germany	37,977	39,173
Asia	182,679	191,266
America	24,953	16,321
Africa	1,287	1,578
	647,825	646,698

Adoption of the new version of Section 277 (1) HGB pursuant to BilRUG would not have affected sales revenues for the financial year 2015.

(17) Increase or decrease in stock of work in progress

This item relates to increases in the stock of services relating to events in 2017 capitalised in the financial year 2016.

(18) Other operating income

This account mainly includes prior-period income from the reversal of provisions (€ 2.773 million; previous year € 3.546 million), income from prior years relating to other accounting periods (€ 897,000; previous year € 1.489 million) and from recoveries on receivables already written off (€ 1.069 million; previous year € 1.455 million), as well as income from exchange rate differences (€ 4.221 million; previous year € 18.651 million) and income from the pro rata temporis reversal of the equity-similar special reserve for subsidies or grants for the acquisition of fixed assets (as in the previous year € 2.147 million). The item also includes the reversal of a write-down on brand rights of € 184,000.

(19) Event-related expenses

	2015	2016
Cost of raw materials, consumables and supplies and of purchased materials	9,879	7,330
Cost of purchased services	321,559	299,937
	331,438	307,267

Cost of purchased services comprises in particular expenses for hall and site rental, hall fitting, maintenance of the exhibition grounds and expenses for event-related communication.

They include prior-period expenses for the maintenance of plant and inventories in the amount of € 167,000.

(20) Personnel expenses/employees

	2015	2016
Wages and salaries	121,104	126,783
Social security, post-employment and other employee benefit costs	25,377	25,640
– of which in respect of old-age pensions	(7,546)	(6,656)
	146,481	152,423

Employees (active, annual average)	2015	2016
Vice presidents	34	37
Employees	1,892	1,950
Wage-earning employees	202	219
	2,128	2,206

The stated number of employees includes 14 employees at proportionately consolidated entities pursuant to Section 310 HGB (proportionately: seven).

(21) Amortisation and write-downs of intangible fixed assets and depreciation and write-downs of fixed assets

Amortisation and write-downs of intangible fixed assets result principally from rights and licences as well as goodwill. Write-downs were also recognised in the amount of € 875,000 on brand rights.

(22) Other operating expenses

Other operating expenses amounting to € 71.912 million principally include rental and lease expenses and office costs, legal, consulting and auditing costs, expenses for promotional activities and allowances for bad debts. Expenses arising from currency translation differences and prior-period expenses are included with € 5.521 million (previous year € 18.813 million) and € 884,000 (previous year € 2.962 million), respectively.

(23) Financial result

	2015	2016
Investment income	1	2
Other interest and similar income	1,548	2,965
– of which from discounting	(0)	(226)
Interest and similar expenses	3,475	5,945
– of which from interest cost	(0)	(3,160)
	-1,926	-2,978

Interest expenses principally include reversals of provisions and interest on the loan taken out to finance the building of Hall 3, which was repaid at the end of the financial year.

(24) Taxes on income

	2015	2016
Taxes on income	15,062	20,506
Deferred taxes	-1,463	-1,041
	13,599	19,465

(25) Other taxes

	2015	2016
Other taxes	4,566	4,283
	4,566	4,283

Other taxes primarily relate to property taxes.

Reconciliation of expected income tax expense

	2015	2016
Earnings before taxes (financial accounts)	51,829	69,270
Expected income tax expense (group tax rate 31.9%; previous year 31.9%)	16,546	22,114
Effects of changes in tax rates	-32	4
Tax-free income/trade tax deductions	-417	-2,340
Non-deductible business expenses/trade tax additions, incl. Section 8 (1) GewStG (German Trade Tax Act)	2,035	2,960
Taxes attributable to previous years recognised in the reporting period	-3,173	-3,848
Effects of deviating tax rates	-2,203	-1,819
Effects of consolidation	-567	-463
Effects of options under Section 274 (1) HGB	1,047	2,728
Other effects	363	129
Recognised income tax expense	13,599	19,465
Effective group tax rate (%)	26,2	28,1

Report on post-balance sheet date events

After completion of fiscal 2016 and up to preparation of the consolidated financial statements and group management report no events having a material impact on the position of the group occurred.

Other disclosures**Proposal on the appropriation of net profit**

The proposal will be put forward that € 13 million be proportionately distributed to the shareholders from the annual profit of the parent and the remaining net income for the year be carried forward to new account.

Disclosures relating to the cash flow statement

Cash funds recognised in the cash flow statement comprise cash-in-hand, current bank balances and fixed-term deposits with a maturity of less than three months.

The deviation of cash funds from liquid funds recognised in the consolidated balance sheet in the amount of € 163.542 million (previous year € 187.289 million) is € 24.807 million (previous year € 22.586 million) and results from time deposits having a residual term of more than three months at the time of acquisition. Cash funds include € 534.000 from proportionately consolidated entities. They are not subject to restrictions on disposal.

Non-cash income results primarily from the reversal of deferred income for building leases amounting to € 2.099 million, the reversal of the equity-similar special reserve for subsidies or grants for the acquisition of fixed assets amounting to € 2.147 million, as well as currency translation differences.

Expenditure for the acquisition of additional shares in South African Shows Messe Frankfurt (Pty) Ltd., Johannesburg/South Africa, totalled € 584,000.

In the 2016 financial year, an amount of € 13 million was distributed to the shareholders and € 5.327 million to minority interests.

Disclosures relating to the consolidated statement of changes in equity

At the balance sheet date, consolidated group earnings in the amount of € 703,000 were barred from distribution.

Auditors' fees

The auditors' fees for the financial year for auditing the accounts of the group and the group entities amounted to € 587,000, of which € 324,000 is apportionable to MAZARS GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Frankfurt am Main. The auditors did not provide any other services.

Remunerations of the members of the executive bodies

The remuneration of the members of the Executive Board comprises a fixed and a variable component. The fixed remuneration is made up of a fixed annual salary and a guaranteed year-end bonus. For the purposes of pension provision, the company makes contribution payments to insurances. In addition, the individual members of the Executive Board receive non-cash benefits that are individually taxed. These primarily include provision of a company car and insurance benefits for business travel at standard market rates.

The following table shows the remuneration of the members of the Executive Board in fiscal 2016:

in € '000	Fixed remuneration		Variable remuneration	Pension provision	Non-cash benefits	Total
	Fixed annual salary	Guaranteed year-end bonus				
Wolfgang Marzin	308	60	130	70	13	581
Uwe Behm	266	60	130	70	15	541
Detlef Braun	265	60	130	70	11	536
Total						1,658

Provisions for each Executive Board member amounting to € 132,000 for variable bonuses were recognised in 2016. These take account of components with a long-term incentive effect and are derived from socio-economic agendas for the Frankfurt venue, as well as from financial targets of the group.

The members of the Executive Board were promised benefits in the case of premature termination of their term of office by the General Meeting without serious cause. A two-year non-competition covenant was also agreed with the Executive Board members in the case of termination of their service, for which a compensation payment was agreed.

The remuneration and expense allowance paid to members of the Supervisory Board amounted to a total of € 32,000 (previous year € 44,000).

Superannuation benefits and retirement annuities, as well as interim payments and indemnifications of € 838,000 (previous year € 872,000) were paid to former members of the Executive Board and surviving dependents. Pension provisions totalling € 8.514 million (previous year € 8.791 million) were recognised for the latter group of persons at 31 December 2016.

Executive Board of the parent

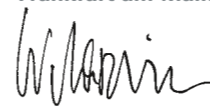
The following were appointed to the Executive Board:

Wolfgang Marzin, Diplom-Betriebswirt HWF – President and Chief Executive Officer
(Graduate in Business Administration, University of Applied Sciences)

Uwe Behm, Diplom-Ingenieur/Diplom-Wirtschaftsingenieur (FH)
(Graduate in Engineering/Graduate in Industrial Engineering, University of Applied Sciences)

Detlef Braun, Diplom-Betriebswirt
(Graduate in Business Administration)

Frankfurt am Main, 28 April 2017



Wolfgang Marzin



Detlef Braun



Uwe Behm

Annexes to the notes to the consolidated financial statements of Messe Frankfurt GmbH

Statement of changes in fixed assets

in €'000	Cost					At 31.12.2016
	At 1.1.2016	Additions	Disposals	Transfers	Currency translation differences	
I. Intangible fixed assets						
1. Purchased concessions, industrial and similar rights and assets and licences in such rights and assets	133,598	5,226	262	0	535	139,097
2. Goodwill	73,827	0	0	0	428	74,255
	207,425	5,226	262	0	963	213,352
II. Tangible fixed assets						
1. Land, land rights and buildings, incl. buildings on third-party land	1,240,335	11,790	1,479	1,466	18	1,252,130
2. Technical equipment and machinery	110,118	201	0	0	0	110,319
3. Other equipment, operating and office equipment	110,794	5,534	1,958	42	34	114,446
4. Prepayments and assets under construction	19,963	78,864	167	-1,508	0	97,152
	1,481,210	96,389	3,604	0	52	1,574,047
III. Financial assets						
Investments	20	0	0	0	0	20
	20	0	0	0	0	20
	1,688,655	101,615	3,866	0	1,015	1,787,419

Depreciation, amortisation and write-downs (cumulative)					Carrying amounts		
At 1.1.2016	Additions	Disposals	Reversals of write-downs	Currency translation differences	At 31.12.2016	At 31.12.2015	At 31.12.2016
101,098	11,394	49	-184	851	113,110	32,500	25,987
54,621	3,569	0	0	234	58,423	19,206	15,831
155,719	14,963	49	-184	1,085	171,533	51,706	41,818
770,387	26,051	1,386	0	-29	795,023	469,949	457,108
85,900	4,397	0	0	0	90,297	24,218	20,022
89,267	6,804	1,864	0	40	94,247	21,527	20,199
0	0	0	0	0	0	19,963	97,152
945,553	37,252	3,250	0	11	979,566	535,657	594,481
0	0	0	0	0	0	20	20
0	0	0	0	0	0	20	20
1,101,272	52,215	3,299	-184	1,096	1,151,100	587,383	636,319

Statement of changes in equity of Messe Frankfurt GmbH

in € '000	Equity of the parent						Total
	Subscribed capital	Capital reserves	Revenue reserves	Currency translation differences	Profit brought forward	Consolidated net income for the financial year (attributable to parent)	
At 31.12.2015	180,000	112,149	83,536	436	90,371	0	466,492
Allocation to reserves	0	0	317	0	-317	0	0
Dividends paid	0	0	0	0	-13,000	0	-13,000
Currency translation	0	0	0	-474	0	0	-474
Other changes	0	0	-257	0	0	0	-257
Consolidated net income for the financial year	0	0	0	0	0	46,387	46,387
At 31.12.2016	180,000	112,149	83,596	-38	77,054	46,387	499,148

Minority interests			Group equity	
Before currency translation differences	Currency translation differences apportionable thereto	Profit apportionable thereto	Total	Total
7,963	1,022	0	8,985	475,477
0	0	0	0	0
-5,327	0	0	-5,327	-18,327
0	-231	0	-231	-705
-438	64	136	-238	-495
0	0	3,417	3,417	49,804
2,198	855	3,553	6,606	505,754

Consolidated cash flow statement of Messe Frankfurt GmbH

in € '000	2015	2016
Consolidated net income for the financial year	38,230	49,804
Depreciation, amortisation and write-downs (+) of fixed assets	55,516	52,215
Increase (+)/decrease (-) in provisions	6,758	10,844
Other non-cash expenses (+) and income (-)	-4,525	-5,374
Increase (-)/decrease (+) in inventories	-35	-1,174
Increase (-)/decrease (+) in trade receivables and other assets not attributable to investing or financing activities	1,869	-8,209
Increase (+)/decrease (-) in trade payables and other liabilities not attributable to investing or financing activities	6,774	14,763
Proceeds (-)/expense (+) from disposal of fixed assets	2,716	293
Interest expense (+)/interest income (-)	1,927	46
Other investment income (-)	-1	-1
Interest received (+)/paid (-)	1,063	1,946
Income tax expense (+)/income tax income (-)	15,062	19,465
Income taxes paid	-15,035	-13,478
Cash flows from operating activities	110,319	121,140
Intangible fixed assets/tangible fixed assets		
- Capital expenditures	-35,125	-101,615
- Proceeds from disposal of fixed assets	2,280	273
Payments for acquisition of consolidated companies	-8,630	-584
Balance between cash inflows/outflows from financial investments (securities held as current assets)	-39,272	32,760
Interest received (+)	150	633
Dividends received (+)	1	1
Cash flows from investing activities	-80,596	-68,532
Cash payments (-) to the owners of Messe Frankfurt GmbH and minority shareholders	-17,121	-18,327
Cash repayments (-) of bank loans	-10,257	-57,642
Interest paid (-)	-3,140	-2,625
Cash flows from financing activities	-30,518	-78,594
Cash payments (-) to the owners of Messe Frankfurt GmbH and minority shareholders	-795	-25,986
Effect on cash funds of changes in the reporting entity structure	-146	0
Cash funds at beginning of period	165,662	164,721
Cash funds at end of period	164,721	138,735

Previous year's figures have been adapted to conform with German Accounting Standard DRS 21.

Supervisory Board of Messe Frankfurt GmbH

Peter Feldmann

(Chairman)

Executive mayor,
City of Frankfurt am Main,
Frankfurt am Main

Tarek Al-Wazir

(1st Vice-chairman)

Hessian Minister of Economics,
Energy, Transport and Regional
Development, Wiesbaden

Wolfgang Dimmer

(2nd Vice-chairman)

Chairman of the Works Council
Messe Frankfurt GmbH,
Frankfurt am Main

Jörn Apfelstädt

Chairman of the Works Council
Accente Gastronomie Service
GmbH, Frankfurt am Main

Uwe Becker

Mayor and treasurer
of the City of Frankfurt
am Main, Frankfurt am Main

Peter Beuth

Hessian Minister of the Interior
and Sport, Wiesbaden

Britta Böcher

Vice-chairwoman of the
Works Council
Messe Frankfurt GmbH,
(until 12 January 2017),
Frankfurt am Main

Olaf Cunitz

(until 31 October 2016)

Mayor (rtd.) of the City
of Frankfurt am Main,
Frankfurt am Main

Bernd Ehinger

President of the Frankfurt-
Rhine-Main Chamber of Crafts,
Frankfurt am Main

Markus Frank

Councillor of the City
of Frankfurt am Main,
Frankfurt am Main

Manuel Stock

Municipal councillor of
the City of Frankfurt am Main,
Frankfurt am Main

Prof. Dr Martin Viessmann

CEO of Viessmann Werke
GmbH & Co. KG, Allendorf

Dr Christine Hohmann- Dennhardt

(from 1 September 2016)
Member of the Board of
Volkswagen GmbH
(until 31 January 2017),
Wolfsburg

Mike Josef

(from 1 November 2016)
Councillor of the City of
Frankfurt am Main, Frankfurt
am Main

Jetta Katharina Junk

IT specialist Messe Frankfurt
GmbH, Frankfurt am Main

Alexander Kaiser

Senior project manager
MESAGO Messe Frankfurt
GmbH, Stuttgart

Christian Klingler

(until 31 August 2016)
Baar, Switzerland

Andreas Pipperek

Director Project Research
Messe Frankfurt GmbH,
Frankfurt am Main

Dr Lutz Raettig

Chairman of the Supervisory
Board of Morgan Stanley Bank
AG, Frankfurt am Main

Heinrich Riethmüller

President of the Börsenverein
des Deutschen Buchhandels e.V.
(German Publishers & Book-
sellers Association)
Frankfurt am Main

Christiane Rüdiger

Director Application Manage-
ment Messe Frankfurt GmbH,
Frankfurt am Main

Dr Thomas Schäfer

Hessian Minister of Finance,
Wiesbaden

Hamid Yazdtschi

CEO of Gilde-Handwerk
Macrander GmbH & Co. KG,
Bocholt

Auditor's report

We have audited the consolidated financial statements prepared by Messe Frankfurt GmbH, Frankfurt am Main – comprising the balance sheet, income statement, notes to the consolidated financial statements, cash flow statement and statement of changes in equity – and the group management report for the financial year from 1 January 2016 to 31 December 2016. The preparation of the consolidated financial statements and the group management report in compliance with the provisions set forth under German commercial law is the responsibility of the company's legal representatives. Our responsibility is to express an opinion on the consolidated financial statements and the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with the provisions of Section 317 HGB (German Commercial Code) and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) (Institute of Public Auditors in Germany). Those standards require that we plan and perform the audit such that misstatements and violations materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report can be detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-relevant internal control system and the evidence supporting the amounts and disclosures in the consolidated year-end financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing those entities included in the consolidated financial statements, the determination of the entities to be included in consolidation, the accounting and consolidation policies used and significant estimates made by the legal representatives of the company, as well as evaluating the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our audit opinion.

Our audit did not lead to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with the legal regulations and give a true and fair view of the net assets, financial position and results of group operations in accordance with German accepted accounting principles. The group management report is consistent with the consolidated financial statements and on the whole provides a suitable view of the group's position and accurately presents the opportunities and risks of future development.

Frankfurt am Main, 12 May 2017
MAZARS GmbH & Co. KG
Auditors

Maas
Auditor

Bergmann
Auditor

Report of the Supervisory Board

The Supervisory Board of Messe Frankfurt GmbH regularly informed itself of the development and position of the company through written and oral reports furnished by the Executive Board and satisfied itself of the due and proper conduct of business by the Executive Board.

Meetings of the Supervisory Board

The Supervisory Board convened two regular meetings in 2016.

Activities of the Supervisory Board

The Supervisory Board was concerned with the current business development, transactions requiring Supervisory Board approval and corporate planning. The focus of discussions and decisions taken were the corporate strategy, current national and international business developments, the company's overall economic position as well as the risk situation, including the risk management policy.

In addition to regular reporting, the following issues were discussed in detail and – where necessary – appropriate resolutions were passed:

- The Supervisory Board discussed the change of legal form of ITEMF Expo A.O. to an O.O.O. (Russian private limited company) and issued a proposed resolution to the shareholders.
- The Supervisory Board discussed the acquisition of a further 22 percent of the shares in South African Shows Messe Frankfurt (Pty) Ltd. by Messe Frankfurt Exhibition GmbH and issued a proposed resolution to the shareholders.
- Furthermore, the Supervisory Board approved the granting of a loan to South African Shows Messe Frankfurt (Pty) Ltd. and issued a proposed resolution to the shareholders to subsequently convert the loan to equity.
- Moreover, the Supervisory Board discussed the merger of MESAGO Messemanagement GmbH and Mesago PCIM GmbH with MESAGO Messe Frankfurt GmbH with effect from 1 January 2017 and issued a proposed resolution to the shareholders.

Work of the committees

The activity of the Supervisory Board was facilitated by the preparation and support of the committees. The Committee Chairpersons regularly reported to the Supervisory Board on the work of the respective committees. The committees make recommendations to the Supervisory Board on resolutions relating to decisions of considerable financial or strategic relevance.

The Investment Committee held three meetings during fiscal 2016. At its meetings it gave detailed attention to business transactions and the economic situation, as well as to the financial statements of the subsidiaries and investments in associates of Messe Frankfurt Exhibition GmbH. Furthermore, the aforementioned change in the legal form of ITEMF Expo, the acquisition of a further 22 percent of the shares in the South African subsidiary and the granting of a loan (with subsequent conversion into equity) to South African Shows Messe Frankfurt, as well as the aforementioned mergers of the Mesago subsidiaries into MESAGO Messe Frankfurt GmbH were discussed in detail.

The Financial and Audit Committee met for two regular meetings during the 2016 financial year. At its meetings it discussed the transactions and economic development of Messe Frankfurt Venue GmbH and its subsidiaries, Messe Frankfurt Exhibition GmbH, Messe Frankfurt GmbH and the Messe Frankfurt Group. With respect to the aforementioned companies, the Financial and Audit Committee also examined in detail the financial statements and consolidated financial statements, as well as the management reports of the individual entities and of the group. Furthermore, the Committee gave in-depth consideration to the economic situation of Musikmesse and the development of Messe Frankfurt's digital business.

The Building Committee convened once in 2016. At its meeting it focused on current building projects relating to the development of the exhibition grounds, in particular construction of the new Hall 12 and the development of Plot 42a.

Conflicts of interest

The Supervisory Board is not aware of any conflicts of interest on the part of individual members of the Supervisory Board during the financial year.

Annual financial statements and consolidated annual financial statements

The single-entity financial statements of Messe Frankfurt GmbH and the consolidated financial statements for the year ended 31 December 2016 have been examined and issued an unqualified audit opinion by MAZARS GmbH & Co. KG Wirtschaftsprüfungsgesellschaft. The audit contract was awarded by the Chairman of the Supervisory Board in accordance with the resolution passed by the shareholders, the City of Frankfurt and the State of Hesse, of 8 and 24 August 2016.

The single-entity and consolidated financial statements and management reports have been prepared in accordance with the provisions set forth in the German Commercial Code (HGB) applicable to large companies limited by shares and examined by the auditor. The Financial and Audit Committee discussed the single-entity financial statements of Messe Frankfurt GmbH and the consolidated annual financial statements, the management reports as well as the audit reports at its meeting of 9 June 2017 in the presence of the auditors and recommended that the Supervisory Board approve the statements. At the meeting on 21 June 2017, the Chairperson of the Financial and Audit Committee commented on the recommendation and submitted its proposal to the Supervisory Board, which extensively reviewed the single-entity and consolidated financial statements and management reports at its financials meeting on 21 June 2017 in the presence of the auditor, who reported on the key audit findings.

Furthermore, the Financial and Audit Committee and the Supervisory Board read and took note of the reports of the auditor, MAZARS GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, on its review of the appropriateness of the management and the economic situation pursuant to Section 53 of the German Law on Budgetary Principles (HGrG) for the 2016 reporting period. The auditor concluded that the Executive Board has established a risk management system according to the statutory provisions that allows developments which could place the continued existence of the company at risk to be identified at an early stage. The Financial and Audit Committee assured themselves of the effectiveness of the risk management systems in place.

As recommended by the Financial and Audit Committee, the Supervisory Board has approved the findings of the audit and recommended that the General Meeting adopt the single-entity financial statements of Messe Frankfurt GmbH and the consolidated annual financial statements for the year ended 31 December 2016 and approve and accept the report of the Executive Board on the position of Messe Frankfurt GmbH and the group management report for the 2016 financial year.

Publishing details

Personnel matters

By resolution of the shareholders dated 15 and 18 August 2016, Mr Christian Klingler was dismissed from the Supervisory Board of Messe Frankfurt GmbH with effect from 31 August 2016 and Dr Christine Hohmann-Dennhardt was appointed to the Supervisory Board with effect from 1 September 2016.

Furthermore, by resolution of the shareholders dated 4 and 10 October 2016, Mayor (rtd.) Olaf Cunitz was dismissed from the Supervisory Board with effect from 31 October 2016 and Councillor Mike Josef was appointed to the Supervisory Board with effect from 1 November 2016. Councillor Josef was also elected Chairman of the Building Committee at the meeting of the Supervisory Board of 12 December 2016.

The Supervisory Board would like to thank the Executive Board for the trust-based cooperation and all employees for the good work done and their contribution to the successful 2016 financial year.

Frankfurt am Main, 21 June 2017

For the Supervisory Board

Peter Feldmann
Chairman

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Klaus Münster-Müller

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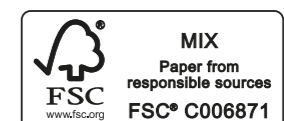
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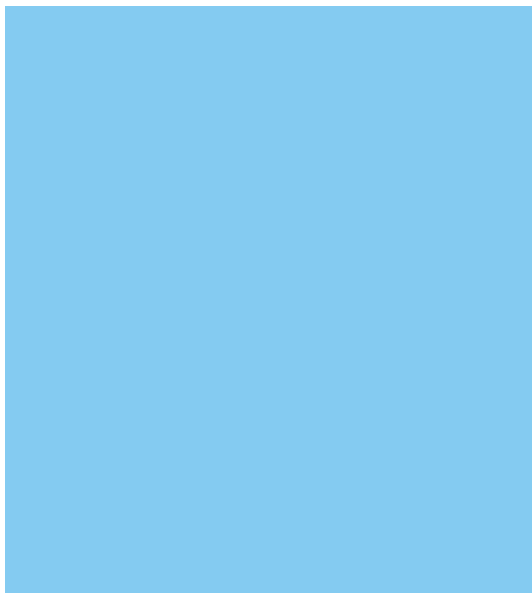
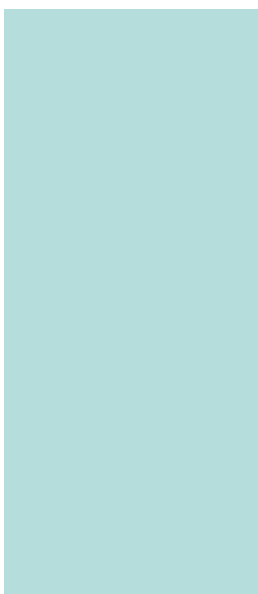
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