

Annual Report 2015

The new dimension of experience in trade fairs





Table of contents

04 – 05	At a glance
06 – 07	Foreword
08 – 09	HERE – The city trade fair in the heart of Europe
10 – 11	LEAD – Leadership role with potential
12 – 13	GLOBAL – Global network with international trade fair programme
14 – 15	FUTURE – Transformation to the trade fair company of the future
16 – 17	NEXT – Expansion into innovation markets, in Cologne and worldwide
18 – 39	Management Report on Koelnmesse GmbH and the Koelnmesse consolidated companies for the fiscal year from 1 January to 31 December 2015
40 – 41	Consolidated balance sheet
42 – 43	Consolidated income statement
44 – 45	Balance sheet of Koelnmesse GmbH
46 – 47	Income statement of Koelnmesse GmbH
48 – 67	Notes concerning the Consolidated Financial Statement and the Annual Financial Statement
68 – 69	Company Bodies
71	Proposal for the Appropriation of Net Income
72	Consolidated Cash Flow Statement
73	Development of Consolidated Equity
74 – 75	Audit Opinion
77	Supervisory Board Report

Key trade fair figures

At a glance
Koelnmesse in figures 2015

Key financial figures

Events

Koelnmesse's own trade fairs	29
Koelnmesse's own trade fairs abroad	22
Guest events	25
Total	76

Exhibiting companies

Koelnmesse's own trade fairs	23,853
Koelnmesse's own trade fairs abroad	10,958
Guest events	7,805
Total	42,616

Visitors

Koelnmesse's own trade fairs	1,233,508
Koelnmesse's own trade fairs abroad	570,434
Guest events	373,771
Total	2,177,713

Koelnmesse consolidated companies workforce size (average for the year)	720
Hall capacity	284,000 m ²

Koelnmesse consolidated companies

Sales	EUR 321.2 million
EBITDA	EUR 62.1 million
Net profit	EUR 36.7 million
Investments	EUR 16.4 million
Equity	EUR 143.4 million
Total assets	EUR 290.4 million
Equity ratio	49.4 %

Koelnmesse GmbH

Sales	EUR 284.3 million
EBITDA	EUR 58.2 million
Net profit	EUR 34.1 million
Investments	EUR 16.2 million
Equity	EUR 138.9 million
Total assets	EUR 278.7 million
Equity ratio	49.8 %



Koelnmesse is setting out for new dimensions

Gerald Böse – Cologne, June 2016

In 2015, Koelnmesse experienced the most successful year in its history, setting out for new dimensions.

Bringing markets and people together, showcasing communication, intensifying business relations and inspiring entire industries – competently, professionally and with passion we devote our entire energy on behalf of our events, each and every day. Our strengths make us the Koelnmesse we are today, and the Koelnmesse we intend to be tomorrow.

In this Annual Report, we have visualised the dimensions that make our successful present and our future what they are – in the midst of our exhibition halls that remain the basis and guarantee that we will occupy a leading position in the trade fair business in the future as well:

HERE – Koelnmesse as a city trade fair location with the benefit of experience

LEAD – the consistent expansion of our leadership role in the Koelnmesse competence fields

GLOBAL – the steady expansion of the global Koelnmesse network

FUTURE – the transformation to the trade fair company of the future

NEXT – the expansion of markets for innovation, in Cologne and worldwide

With the record year of 2015, we lay a crucial cornerstone to continue to fill these dimensions with life in future, developing them for our exhibitors and visitors. With sales in excess of EUR 321 million, Koelnmesse has surpassed its previous record from the year 2013 by more than EUR 40 million. Koelnmesse concludes 2015 with more than EUR 36 million in profit. It surpasses the record level of 2013 by more than EUR 20 million.

With this extraordinary success, Koelnmesse faces the challenges while at the same time solidifying the foundation for a continued strong position in international competition. We are taking specific steps to shape the future of Koelnmesse – today: NOW! We are investing in a new quality for the complex and look forward in continuing to work with all the motivated and dedicated employees who work for Koelnmesse and make an important contribution to our company's and our customers' success.

See you in Cologne – in new dimensions!



— The city trade fair in the heart of Europe

Apart from its importance to industries, exhibitors and visitors, with each event it hosts, Koelnmesse also provides lasting economic impetus for the Cologne metropolitan area and constitutes an important image factor. That is why it remains a declared goal to carry the exhibition themes out into the city. For visitors who find imm cologne, gamescom, photokina or INTERMOT Cologne here, a unique, holistic experience offers

itself, an experience that is unforgettable and motivates them to return. One hotel guest in two, for instance, has come to the city for the Cologne trade fairs and congresses. The boom in own and guest events ensures sustained, positive development: Koelnmesse generates EUR 1.11 billion in annual sales and secures 11,392 full-time positions. Nationwide, Koelnmesse actually provides 18,502 jobs and sales of EUR 2.02 billion.



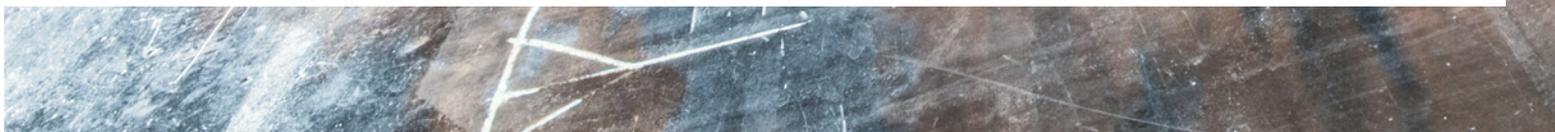




— Leadership role with potential

With the leading international trade fairs Anuga and imm cologne, Koelnmesse documents its claim to leadership of competence fields of food and furniture. As flagship events for international networks, trade fairs in Cologne open up new prospects for exhibitors and visitors alike. High-powered events such as gamescom and dmexco define a leading position in

digital entertainment as well. Trade fairs such as the International Dental Show IDS or the garden fair spoga+gafa are themselves the No. 1 in their industries. Worldwide, Koelnmesse organises 19 events for food and food technology, and 14 shows in the growth segment of furniture, living and lifestyle. Koelnmesse takes its leadership role seriously – all over the world.









— Global network with international trade fair programme

The best result in the history of Koelnmesse owes to the dedication of more than 700 highly motivated employees worldwide. Nearly 50,000 exhibiting companies from 123 countries, and around 3 million visitors from 209 countries, regularly participate in the events here and make Koelnmesse the leading organiser of trade fairs in 25 industries. With 9 foreign subsidiaries and sales partners in more than 100 key markets, the network has a global presence. This offers

customers the best conditions for attracting international markets for themselves while at the same time ensuring the internationalisation of trade fairs and events in Cologne. Around 25 outbound fairs in 10 countries are on the programme of Koelnmesse; this is supplemented by participation in an average of another 18 trade fairs held in the leading international target markets. The global interest is great: Around 23,000 journalists provide coverage of Koelnmesse and its events.



— Transformation to the trade fair company of the future

The experience value of fairs, functions and events is becoming increasingly important. With the world's sixth-largest trade fair complex and professional expertise, Koelnmesse offers best conditions for the impressive showcasing and presentation of companies and products. The surplus from the record year 2015, together with the future profits expected, will flow

entirely into the Koelnmesse 3.0 investment programme, into further development of events at home and abroad, into services for exhibitors and visitors, and into the digitisation of the complex. The transformation to the trade fair company of the future ensures that, in future, Koelnmesse will continue to rank among the Top Ten in the global exhibition industry.





— **Expansion into innovation markets,
in Cologne and worldwide**

Identifying and developing innovation markets is one of the Koelnmesse specialists' core competencies. For example: digital entertainment: Constant monitoring and analysis of the market and the strategic occupation of the themes of tomorrow have brought the leading international trade fair for the digital

economy dmexco – as well as gamescom, the world's largest trade fair and event highlight for interactive games – to the business location of Cologne. Today, Cologne is the European capital for digital fairs, with the ranks of exhibitors and visitors growing from year to year. Take food technology, for instance: This sector is a classic example of the expansion in Cologne's topics of the future – currently with eight events in six countries.



6

6



The figures refer to the total programme of Koelnmesse

nearly **50,000** exhibiting companies

around **3 million** visitors

Leading trade fairs for around **25** sectors of the economy

each year around **80** trade fairs, exhibitions, guest events and special events

Management Report on Koelnmesse GmbH and the Koelnmesse consolidated companies

__ for the fiscal year from 1 January to 31 December 2015

I. Profile of the company and the consolidated companies

01. Business Model

Business operations at Koelnmesse encompass the planning, organisation and realisation of trade fairs, exhibitions and events in Cologne and in the leading markets worldwide, as well as the execution of guest events in Cologne. For this purpose, at its location in Cologne the company operates trade fair and exhibition halls along with related equipment and facilities that it constantly maintains and develops. In addition to the rental of stand space, Koelnmesse offers its customers a complete service portfolio for the execution of fairs and exhibitions. These include stand construction, technical and logistics services, together with marketing, hotel reservations and other services. With a total of nearly 50,000 exhibiting companies from 123 countries, and around 3 million visitors from 209 countries, Koelnmesse is one of the largest international trade fair organisers in the world. It organises the leading trade fairs for around 25 sectors of the economy.

Each year, Koelnmesse organises and manages around 80 trade fairs, exhibitions, guest events and special events in Cologne and in the most important markets worldwide. Along with events of its own abroad, Koelnmesse also organises participation in foreign trade fairs for stakeholders in the German economy, as

well as German pavilions at world expositions. The global network, with representative offices in more than 100 countries, provides the greatest possible proximity to customers, industries and markets. On average, nearly 70 percent of exhibitors and more than 40 percent of visitors come from abroad.

The trade fair complex in Cologne is the world's sixth-largest: 284,000 m² of exhibition space and 100,000 m² of outdoor area are available for all manner of events. Compared to the competition, the complex is distinguished particularly by its size, its flexibility, its proximity to the city centre and the quick and convenient accessibility of a wide variety of means of transportation.

A majority share of the Koelnmesse consolidated companies is held by the City of Cologne (79.075%) and the German state of North Rhine-Westphalia (20%). The consolidated companies consist of Koelnmesse GmbH together with nine subsidiaries abroad, as well as Koelnmesse Ausstellungen GmbH. Rounding out the portfolio are a 49-percent share in KölnKongress GmbH (City of Cologne: 51%) and in Expolink Global Network Ltd., of Bangkok, Thailand.

on an annual
average, more than

EUR 1.1 billion

in revenue through
fair participants
in Cologne alone

over

11,000

full-time positions in
the city



02. Aims and strategies

Koelnmesse is a source of momentum for a host of international industries. The company promotes markets by creating a qualified and efficient convergence of supply and demand, using trade fair, congress and online platforms. At the same time, Koelnmesse benefits the city and region to a considerable degree. Each year, trade fair attendees' expenditures generate more than EUR 1.1 billion in sales in Cologne alone. The trade fair business secures over 11,000 full-time jobs in the city – in retail, trades, transport, logistics, and in the hotel and restaurant industries¹. A survey of 1,500 international companies conducted as part of the Cologne branding process revealed that, after its business strength and quality of life, trade fairs and congresses in Cologne play the strongest role in the location's attractiveness among business circles worldwide.

"Course 101" is the title of the company's strategy for the future, with which Koelnmesse intends to rank among the leading international trade fair organisers in the world, while at the same time maintaining and building upon its outstanding importance for the business location of Cologne, North Rhine-Westphalia and Germany. As a sustainable approach, the strategy extends until the year 2025 and derives its name based on the 101st birthday of Koelnmesse.

As its name suggests – written in English, it reads "Course IOI" – the strategy also points to the three dimensions of action on which the Koelnmesse will remain focussed over the next ten years: Innovation, Organisation and Infrastructure. Each of these dimensions, in turn, has three fields of activity. At the heart of the measures involved is the success of all Koelnmesse customers and the achievement of economic objectives within the scope of medium- and long-term financial planning:

Innovation:

Inbound (all own and guest events in Cologne)

Outbound (all events and participations outside of Cologne)

Service (sum total of all services for the support of customers)

Organisation:

People (all Koelnmesse employees and sales partners)

Structure (the layout of the organisational structure, participations included)

Process (specified, targeted processes designed to achieve goals)

Infrastructure:

Destination (local economic development in tandem with relevant stakeholders)

Venue (the Koelnmesse complex and the infrastructure that surrounds it)

Digital (sum total of all measures designed to promote the use of digital technologies)

Particularly with an eye to achieving the objectives in the dimensions of Innovation and Infrastructure, under the rubric of "Koelnmesse 3.0", the company has launched the largest investment programme in its history, with a volume of over EUR 600 million. The aim of these comprehensive modernisation measures is to be able to offer the most attractive city-centre trade fair complex in the world by the year 2030. Koelnmesse started major renovation and planning measures in 2015. The first refurbishment subprojects were completed in the same year.

Under the interdisciplinary project dubbed "#dIOI", in 2015 the first steps were taken, within the framework of a comprehensive digital strategy, to tap the opportunities and potential of digitisation for the business of Koelnmesse – across all dimensions of activities – and to continue to move forward along the digital path. The focus of these steps was upon digital equipment and marketing, digital distribution, and new digital services and communication tools.

¹ These figures are based on a study from the year 2014.

II. Economy Report

01. General macroeconomic and industry conditions

A. General macroeconomic conditions

The global economic trend in 2015 was not dynamic. Based on an assessment by the German Federal Ministry for Economic Affairs and Energy (BMWi), it was particularly the slowed expansion in emerging markets that contributed to this development. The International Monetary Fund (IMF) has calculated global economic growth of 3.1 % for 2015, a figure 0.4 percentage points lower than forecast a year ago. For 2016 and 2017, the IMF expects an increase of 3.4 % and 3.6 % respectively. The IMF forecasts slight growth for the Eurozone. Following economic growth of 1.5 % in 2015, it predicts an increase of 1.7 % for 2016. At 4.0 %, in 2015 the economies of the developing and emerging countries grew less than the IMF had forecast (4.3 %). It thus stands at its lowest point since the financial crisis of 2008/2009. The Fund predicts an increase of around 4.3 % for 2016, and of some 4.7 % in 2017.

According to the German Federal Statistical Office, the economic situation in Germany in 2015 was characterised by solid and steady economic growth. With a plus of 0.3 % in each of the third and fourth quarters and 0.4 % in each of the first two quarters, the average increase for 2015 on the whole stands at 1.4 %. The Statistical Office reported positive impulses coming particularly from the domestic market: The state increased its consumption outlays significantly by 1.0 %, and household spending rose again slightly, by 0.2 %. The trend in investments, particularly in buildings, was positive. According to the Annual Economic Report 2016 completed on 27 January 2016, the German federal government expects growth in gross domestic product of around 1.7 % during the fiscal year currently under way. The IMF predicts economic growth in Germany of 1.7 % each year in 2016 and 2017.

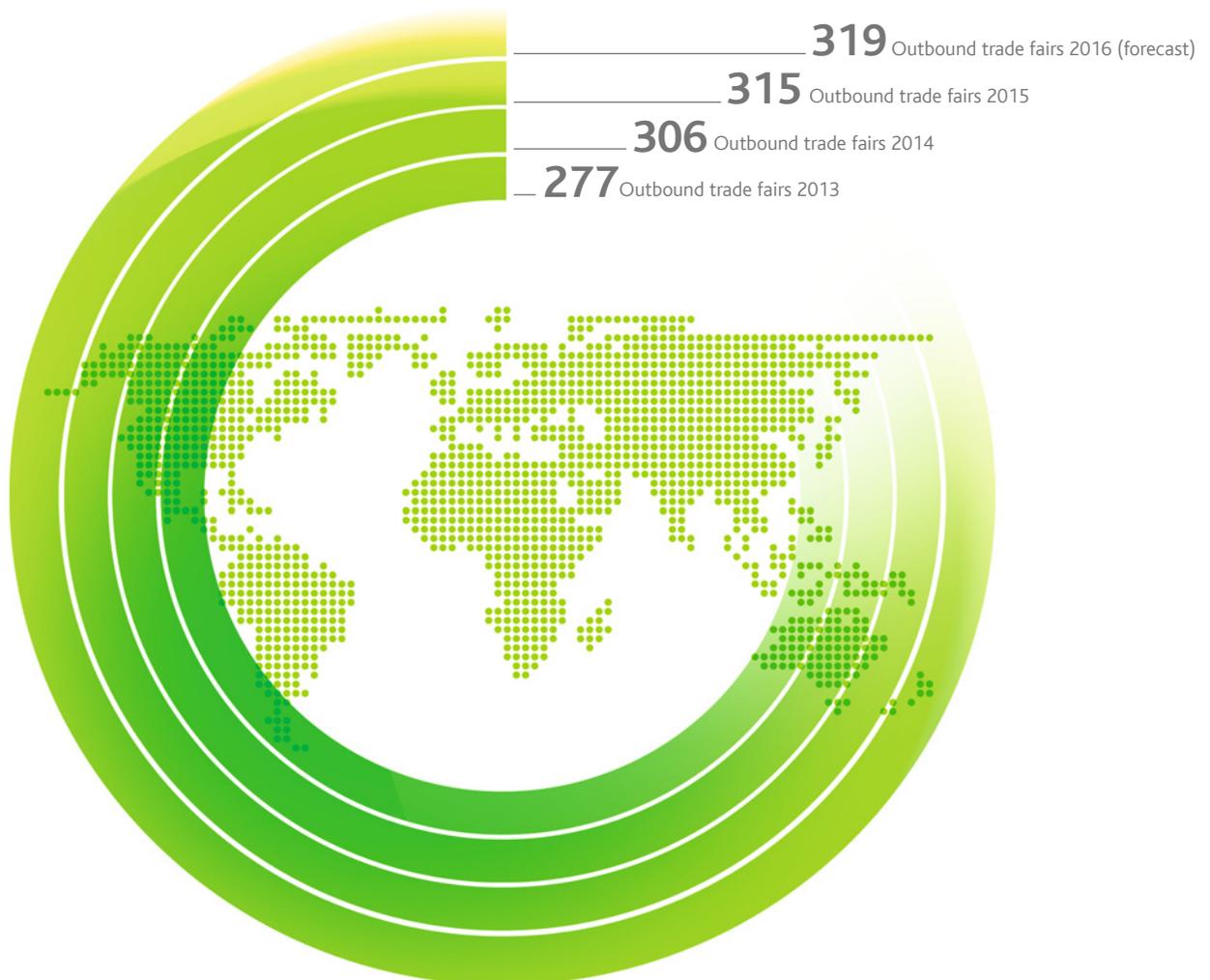
B. Industry conditions

AUMA, the Association of the German Trade Fair Industry, reports stronger growth for the German trade fair industry in 2015 than in the previous year. Based on preliminary calculations of AUMA – respective to previous events – around 1.5 % more exhibitors took part at the 164 international and national trade fairs in Germany in 2015. The rate of growth in the numbers of exhibitors thus held steady at the prior-year level. The number of exhibitors grew at an above-average rate once more, by nearly 4 %. The numbers of visitors was up more steeply than in the previous year (0.3 %) and averaged 2 % higher – in spite of numerous strikes in the transport sector. Bookings of exhibition space also grew at 1.5 %, which was considerably higher than the previous year's growth (0.3 %).

The number of outbound fairs by German trade fair organisers continues to grow steadily. The number increased significantly in 2014 (2013: 277, 2014: 306) and increased in 2015, albeit less steeply, to 315. AUMA expects a further increase in 2016, to 319 outbound trade fairs. The regional focus remains on South, East and Central Asia, followed by the non-EU countries of Europe.

AUMA forecasts growth on a similar order of magnitude in exhibitors, visitors and area figures for 2016. A survey by AUMA within the framework of the association survey of the Institut der Deutschen Wirtschaft (IW) also found that trade fair organisers expected overall sales for domestic and outbound business, adjusted for cyclical effects in fair programmes, that were slightly higher than the result for 2015.

Outbound trade fairs by German trade fair organisers





02. Trend of business and situation of the Koelnmesse consolidated companies

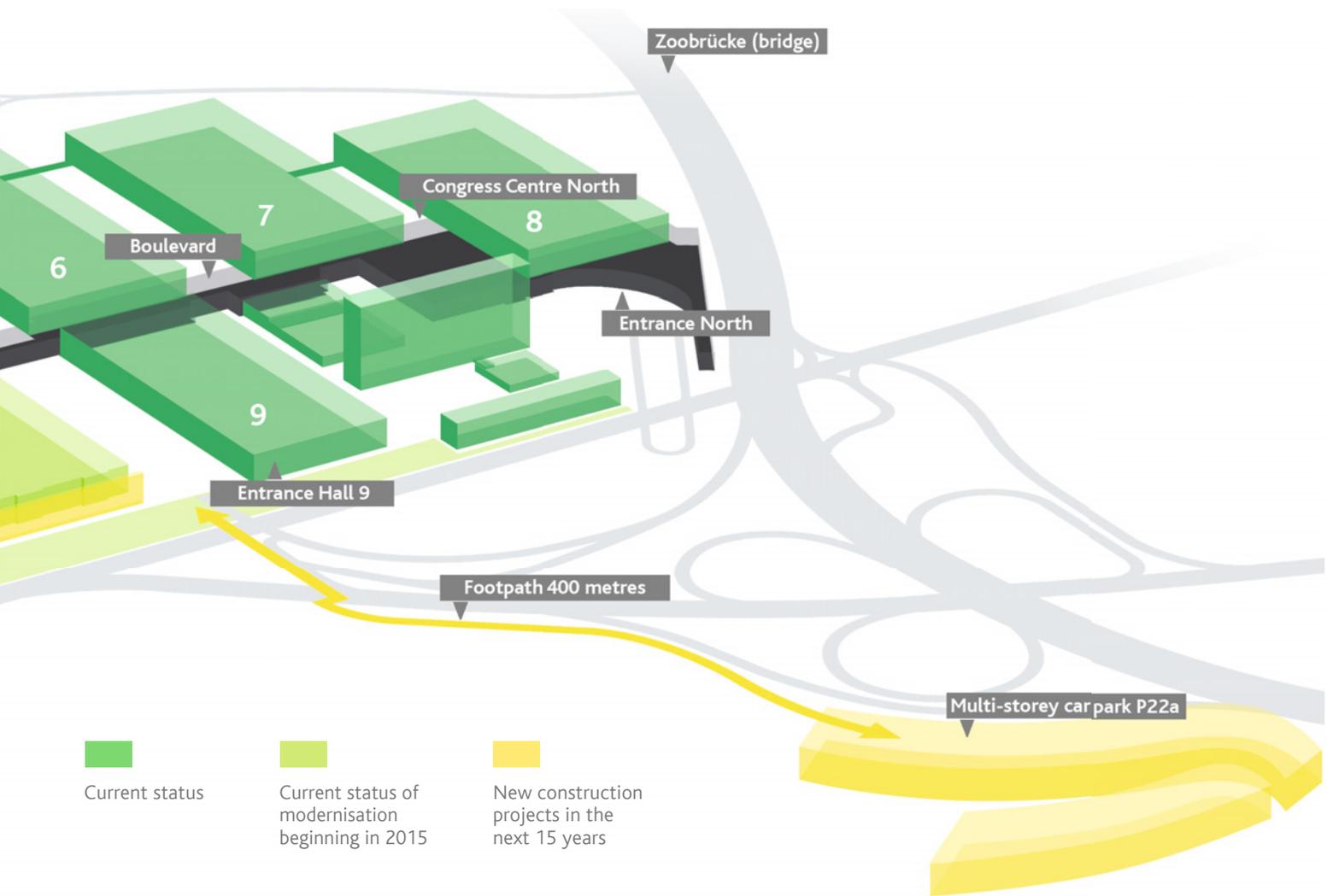
A. Trend of business of the Koelnmesse consolidated companies

2015 was by far the most successful year in the company's history to date. Sales by the consolidated companies stands at around EUR 321.2 million, which is more than EUR 17 million higher than forecast. Sales thus exceed the previously high mark from 2013 by more than EUR 40 million. Compared with four years prior, average net sales were approx. 19% higher, increasing from around EUR 223 million between 2008 and 2011 to EUR 265 million between 2012 and 2015. The trend in result is just as impressive. Koelnmesse concludes 2015 with EUR 36.7 million in profit. This is EUR 16 million above target and more than twice as high as the maximum mark of 2013. The dominant drivers behind these results are the outstanding trend in own and guest events in the trade fair location of Cologne, as well as the long-term effects of cost-cutting programmes.

The 76 trade fairs and exhibitions held worldwide in 2015 featured more than 42,600 exhibiting companies from 123 countries and around 2.2 million visitors from 205 countries. Added to this are some 150,000 participants in congresses held outside of the trade fairs and organised by KölnKongress GmbH.

There were 29 own and 25 guest events held in Cologne, along with 22 trade fairs held abroad. 2015 witnessed premieres for ANUFOOD Eurasia, in Istanbul, Turkey; and for UrbanTec Brasil, held in Rio de Janeiro, Brazil. Andina-Pack, in Bogotá, Colombia, and the children's fashion fair FIT 0/16, in São Paulo, Brazil, were held for the first time as part of the Koelnmesse portfolio.

For Koelnmesse, much of its own programme in 2015 outperformed the exhibition industry average by all three major measures of success. Significant growth in the numbers of exhibitors compared to the previous event were reported by aquanale, Kind + Jugend, Anuga FoodTec and LivingKitchen®, among others. Strong growth in the ranks of visitors over the previous event was reported by ISM, interzum, IDS and dmexco. In terms of exhibitor space, there was significant growth by gamescom, interzum, h+h cologne and dmexco, among others. Overall, the ranks of exhibitors for guest events in Cologne assisted by Koelnmesse Ausstellungen GmbH were again higher year-over-year.



The Koelnmesse 3.0 investment programme got off to a successful start in 2015. Between now and 2030, it will make the Cologne trade fair complex fit for the high demands of the trade fairs of tomorrow. The programme also sets standards in terms of efficiency, flexibility, attractiveness and equipment.

In addition to a new cogeneration plant and the switch to distance heating, the focus of the programme in 2015 was upon renovation and planning measures. These included roof repairs and the initial steps towards replacing the water system. Preparations for planned new construction began as well. The focus was upon planning for a new multi-storey car park with space for approx. 3,300 vehicles, with the first phase of construction to be completed already in mid-2017.

Added to this are the hall 1plus, slated for completion in 2019, and the CONFEX® Hall planned for 2021, a versatile-use facility available as a trade fair, congress and event hall for corporate events. Plans also began in 2015 for a new, central entrance terminal to the Southern Halls, including modernisation of the Congress Centres East and West; the opening is scheduled for 2024.

Star-studded competitions were held in 2015, with prestigious firms identified for the design of the Southern Complex, for interior design and for the design of the new car park. The results of the competitions for the new structures in the Southern Complex were decided in March 2016. The new Koelnmesse arising in the context of Koelnmesse 3.0 is the heart of the extensive infrastructural urban development along the Eastern banks of the Rhine River in Cologne.

720

A second area of focus for the future programme at Koelnmesse concerns further expansion of international business. In 2015, Koelnmesse significantly expanded its commitment, particularly in South America. In 2015, it successfully marketed the congress fair UrbanTec Brasil in Rio de Janeiro. With the takeover of the Brazilian trade fair organiser Interfeiras Eventos Ltda. by the Brazilian subsidiary of Koelnmesse, Koelnmesse Organização de Feiras Ltda., the children's fashion fair FIT 0/16, in São Paulo, is now part of the trade fair portfolio. From 2016 Pueri Expo is planned as a new fair for the children's outfitting sector. Together with ANUTEC Brazil, the food-technology fair already carried out in 2014 in Curitiba, Koelnmesse is the organiser of four trade fairs in Brazil. In addition, the partnership concluded in October 2014 with Colombian exhibition company Corferias is bearing fruit: Together, in 2016 the companies will organise the International Food Fair Alimentec in Bogotá, Colombia, and in 2017 Andina-Pack, the fair for packaging technology.

With a worldwide network of representative offices in more than 100 countries, the very high rate of participation of foreign exhibitors and visitors in leading trade fairs in Cologne and some 25 foreign trade fairs, a number of them leading industry platforms in their respective regions, Koelnmesse is wellpositioned internationally. As a result of trade fair cycles, foreign business in 2015 was weaker than in 2014, with sales before consolidation of EUR 22.5 million (previous year: EUR 25.7 million).

On average, there were a total of 720 employees employed with the Koelnmesse consolidated companies in 2015 (previous year: 685). Of these, 564 (previous year: 550) were on the payrolls of Koelnmesse GmbH, 16 (previous year: 14) at Koelnmesse Ausstellungen GmbH and 140 (previous year: 121) with the foreign subsidiaries of Koelnmesse GmbH².

² Workforce figures at all subsidiaries including the respective Executive Vice Presidents



Koelnmesse confirmed its special reputation again in 2015 as one of the region's most attractive employers. In all, there were some 5,200 applications received for positions with Koelnmesse, around 600 of these for apprenticeship openings announced for 1 August 2016 alone. Koelnmesse currently employs 18 aspiring event managers spanning 3 cohorts, together with 7 trainees and an student apprentice. Of the 6 trainees who finished their training in 2015, 4 finished with marks of "very good" and thus qualify as participants in the honours ceremony sponsored for top graduates by the Cologne Chamber of Industry and Trade. All in all, given its outstanding appeal to applicants, Koelnmesse was in a position to easily fill nearly all of the positions advertised with highly qualified applicants.

The company offered internships to 42 school pupils and university students in 2015. It continues its effort to promote the best talent through two scholarships at the University of Cologne, supports the research and instruction efforts of the Institute of Trade Fair Management and Distribution Research and, together with the City of Cologne and six other Cologne companies, participates in a crossmentoring pro-

gramme for women. Koelnmesse conducted an employee survey again in 2015 to gain a systematic picture of all of the relevant hazards to which the employees are exposed in the course of their professional activities. When compared to an identical survey conducted in 2013, the results were improved in all dimensions of the survey – in some cases significantly so.

Along with the optimal underlying conditions in Cologne as a trade fair venue, with the sixth-largest fairground in the world, modern infrastructure and ideal access, it is particularly the committed, creative and service-driven Koelnmesse staff who are decisive to the company's success. The management expressly thanks the entire workforce for the very good performance in 2015.

B. Situation of the Koelnmesse consolidated companies

Net asset position:

Total assets increased during the year under report, from EUR 253.9 million to EUR 290.4 million. On the assets side, on the other hand, the increase owed particularly to the significant EUR 32.1 million increase in cash and cash equivalents. Other assets were also EUR 4.2 million higher on the year. Fixed assets were down only marginally, by EUR 0.3 million. Investments totalling to EUR 16.4 million were offset of EUR 16.7 million in depreciation. Fixed assets amounted to 49.0 % of total assets (previous year: 56.2 %). The average depreciation rate remains unchanged at 11.7 %.

On the liabilities side, the EUR 36.5 million increase in total assets is largely the result of the EUR 36.6 million increase in equity as a result of net profit, to its current level of EUR 143.4 million. As a result, the equity ratio increased from 42.1 % to 49.4 %. Provisions increased, for the most part due to income tax provisions for the current fiscal year, and due as well to the increased rent provisions for the Northern Complex by a total of EUR 7.5 million. Opposite effects were experienced through the reduction in liabilities by a total of EUR 7.4 million, with this amount largely due to cyclical effects relating to advance payments received and liabilities to financial institutions.

For the remainder, we refer to the explanations on the net asset position of Koelnmesse GmbH.

Financial situation:

Cash and cash equivalents total to EUR 128.2 million (previous year: EUR 96.1 million). They include, for one, cash funds according to the cash flow statement. This totals to EUR 113.2 million (previous year: EUR 76.1 million). The reason for the increase was particularly the positive cash flow from ongoing business operations in the amount of EUR 56.5 million (previous year: EUR 21.3 million). This was offset by EUR 14.3 million in outlays for investments (previous year: EUR 3.1 million) and by EUR 4.8 million in loan repayments (previous year: EUR 5.0 million). In addition to cash and cash equivalents, there are also bank deposits with a term of more than 3 months from conclusion of contract; these funds were EUR 5.0 million lower and stood at EUR 15.0 million.

Koelnmesse was in a position to meet its payment obligations at all times throughout the year 2015. Construction and modernisation measures within the scope of the project Koelnmesse 3.0 can lead to medium-term financing requirements at Koelnmesse GmbH. Due to the very high level of cash and cash equivalents and to the currently exceedingly very attractive opportunities for borrowing, the company assumes that sufficient liquidity will be available over the next two years.

Thanks to repayments of loans amounting to EUR 4.2 million, the consolidated companies' liabilities to financial institutions fell to EUR 4.2 million. These concern a loan of Koelnmesse GmbH from the financing of Hall 5, which was continuously serviced and will be repaid in full in 2016.

The capital structure is characterised by an equity ratio that has increased steeply by 7.3 percentage points.

Results:

Group sales during the 2015 fiscal year are the highest in Koelnmesse history; they total to EUR 321.2 million and thus significantly exceed the prior-year figure of EUR 231.2 million. The steep year-over-year increase of 38.9% or EUR 90 million is based, first, on the fact that particularly the major events in the Koelnmesse portfolio were each in a position to exceed the target figures in 2015. In addition, the increase in sales is based above all on the fact that the year 2015 featured a strong trade fair cycle.

At 19%, growth in event-related expenses in 2014 was weaker than growth in revenue.

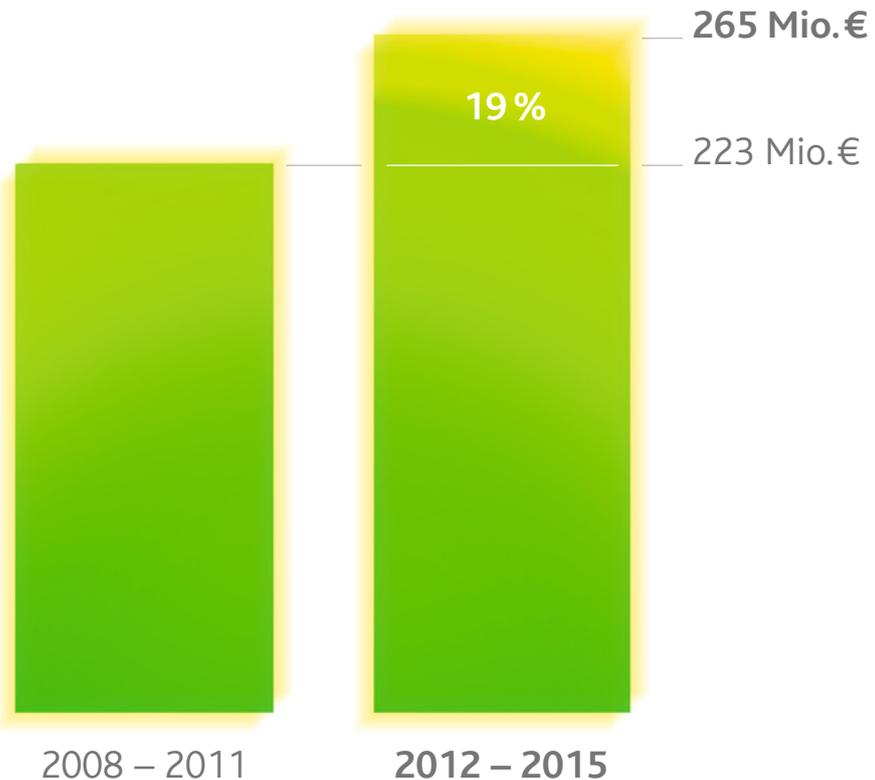
Personnel expenses were 5.1% or EUR 2.3 million higher on the year. Most of the increase in expenses for the Koelnmesse consolidated companies is to be found in the German companies (plus EUR 1.4 million).

Tax expenses largely relate to the income taxes for the 2015 fiscal year. Of this amount, EUR 5.8 million devolves to Koelnmesse GmbH and EUR 0.7 million to the subsidiary in the United States. Other taxes relate almost exclusively to property tax for Koelnmesse GmbH.

The consolidated companies' net profit of EUR 36.7 million was EUR 16 million better than forecast. Earnings before interest, taxes, depreciation, and amortisation (EBITDA) stand at EUR 62.1 million (previous year: EUR 15.3 million), exceeding last year's targets by more than EUR 19 million.

For the remainder, we refer to the explanations on the results of Koelnmesse GmbH.

Average net sale compared with four years prior



03. Trend of business and situation of Koelnmesse GmbH

A. Trend of business of Koelnmesse GmbH

Koelnmesse GmbH organized 29 own trade fairs and exhibitions in Cologne in 2015. Most of these events developed positively at an above average rate. Individual trade fairs even report sales growth in the double-digit percentage range.

Foreign trade fair participation supplements the high-quality Koelnmesse platforms in the most important target markets. There were 18 projects realised worldwide in 2015, including 11 on behalf of the German Federal Ministry for Economic Affairs and Energy (BMWi) and 6 on behalf of the German Federal Ministry of Food and Agriculture (BMEL). Koelnmesse GmbH also organised an additional project on its own.

At around EUR 62.1 million, the Services division made a significant contribution to sales by the consolidated companies. The aim is to continuously expand the share of this revenue generated through services for exhibitors in the business fields of stand construction, technical and marketing services, and hotel and catering services. In the Technical-Services division, there were sales of EUR 27.6 million; the Catering Services division recorded EUR 13.0 million, and the Marketing Services division EUR 12.0 million in sales. In the area of stand construction systems, in 2015 around 70,000 m² in stand area was built, with support provided to some 3,500 exhibitors. Sales stood at around EUR 9.5 million.

With 37 successful projects in the area of individual and group stand construction, this division remains on course for growth. In the Hotel and Travel Services division, there were approx. 34,000 overnight stays booked in Cologne and environs in 2015.

B. Situation of Koelnmesse GmbH

Net asset position:

Total assets for Koelnmesse GmbH increased by EUR 34.6 million and stood at EUR 278.7 in the reporting year. Within assets, fixed assets were slightly lower, falling EUR 0.4 million to EUR 142.8 million. Depreciation and amortisation totalling to EUR 16.5 million were offset by investments of EUR 16.2 million. EUR 3.8 million in investments applied to the Koelnmesse commitment in Brazil. Not yet operational assets under construction in the amount of EUR 6.4 million were capitalised. This amount also includes capitalised usage rights for cloud solutions. EUR 1.6 million in investments also concern EDP programs and other intangible rights; there were investments totalling EUR 3.0 million in trade fair halls and EUR 1.4 million in operating and business equipment.

A main reason for the rise in total assets on the assets side concerns cash and cash equivalents, which increased by EUR 30.2 million to the current level of EUR 119.8 million. Also significantly higher were the other assets, which increased by EUR 4.2 million, due mainly to higher pre-tax refund claims.

On the liabilities side, the increase in total assets relates particularly to the increase in equity. It increased by the amount of the 2015 net profit, by EUR 34.1 million, and stood at EUR 138.9 million; the equity ratio rose to 49.8 % (previous year: 42.9 %). Net provisions were EUR 7.4 million higher; EUR 6.0 million of the increase is based on the increase of other provisions, thereof particularly the further increase in the rental provision for the Northern Halls. Tax provisions were EUR 1.3 million higher, and the overall item now applies mainly to the 2015 assessment period, and no longer, as in the previous year, to the 2013 assessment period.

All in all, liabilities were EUR 6.6 million higher. Liabilities to financial institutions were reduced in the amount of the scheduled loan repayment, EUR 4.2 million. Liabilities due to customer advance payments received for purchase orders were EUR 8.9 million lower as a result of cyclical effects. Trade liabilities were also EUR 0.6 million higher as a result of cyclical effects. Other liabilities were EUR 1.0 million, especially due to the fact that future payments for cloud services were recognised as liabilities as at 31 December 2015.

The prepaid/deferred item consists mainly of payments made by the lessor of the "Messehochhaus" to Koelnmesse GmbH as part of the concluded renegotiation of the lease agreements. It was subject to scheduled reversal at EUR 0.3 million over the term of the lease agreement.

Financial situation:

At year's end 2015, cash and cash equivalents of Koelnmesse GmbH stood at EUR 119.8 million, compared with EUR 89.6 million in the previous year. The existing long-term loan was repaid according to plan in the amount of EUR 4.2 million. Koelnmesse GmbH was in a position to meet its payment obligations at all times during the year under report.

Results:

Net sales at Koelnmesse GmbH for the eventfilled fiscal year of 2015 total to EUR 284.3 million (previous year: EUR 198.7 million). The year-over-year increase is the mainly the result of different trade fair cycles. Overall, growth in price and quantity was realised compared to the respective prior events. The budgeted sales figure of EUR 275 million was significantly outperformed.

Other operating income decreased by EUR 9.2 million, following one-off realisation in the previous year of EUR 8.0 million of purchase-price proceeds for the Rheinhallen. The percentage increase in event-related expenses was less steep than the increase in sales; this in turn led to higher contribution margins. This owes especially to the fixed costs contained as a component of expenses, standing at EUR 22.7 million as a result of the still-high, contractually agreed rental expenses for the Northern Halls and Congress Centre North.

Personnel expenses increased by EUR 3.4 % or EUR 1.3 million. The additional expense owing to salary increases and a 14-person increase in staff size are compare with offsetting effects of changes in personnel provisions. Koelnmesse GmbH received income in the amount of EUR 7.2 million from a profit-transfer from Koelnmesse Ausstellungen GmbH.

Earnings before interest, taxes, depreciation, and amortisation (EBITDA) including income through profit transfers, total to EUR 58.2 million (previous year: EUR 12.5 million). There is income tax expense resulting from the taxes for the 2015 fiscal year, as well as in the context of an ongoing audit. Net profit totals to EUR 34.1 million on the year. It is thus approx. EUR 15 million higher than forecast.

04. Trend of business and situation of Koelnmesse Ausstellungen GmbH

Overall, according to information provided by organisers, the 25 guest events held at the location in Cologne involved more than 7,800 exhibitors and over 370,000 visitors.

Koelnmesse Ausstellungen GmbH, the wholly-owned Koelnmesse subsidiary specialising in guest events and other events, concluded the 2015 fiscal year with new records in sales and result. Contributing to this, among other things, were the successful acquisition of the FESPA trade fair, the leading event for the screen printing, digital printing and textile printing community. With 65,000 m² in take-up of gross hall space, 700 exhibitors and around 44,000 international visitors, at the location in Cologne, FESPA was able to set a new fair record for visitors and exhibitors.

In the existing-customer business, FIBO, with 725 exhibitors and 138,000 visitors, as well as the sixth edition of the EUROBAUSTOFF-Forum with 40,000 m² of exhibition space, was again able to provide for very good economic results.

Koelnmesse Ausstellungen GmbH was able to generate sales of EUR 15.8 million with the marketing and rental of available hall capacity to national and international trade fair organisers, companies and event agencies; this sales amount was 18.8 % higher than had been forecasted. The company achieved a surplus of EUR 7.2 million before profit and loss transfer; here, too, it significantly outperformed the expected amount of EUR 4.6 million.

The trend in the net asset position was cyclical. On the balance sheet, this is mainly reflected in the form of a significant TEUR 562 decrease in total assets, which fell to TEUR 926. On the assets side, this decline is primarily the result of the TEUR 485 decrease in trade receivables, which stood at TEUR 457. On the liabilities side, the significant TEUR 292 decrease, particularly in advance payments received, led to the lower figure for total assets. Accordingly, the equity ratio increased to 54.0 % (previous year: 33.6 %).

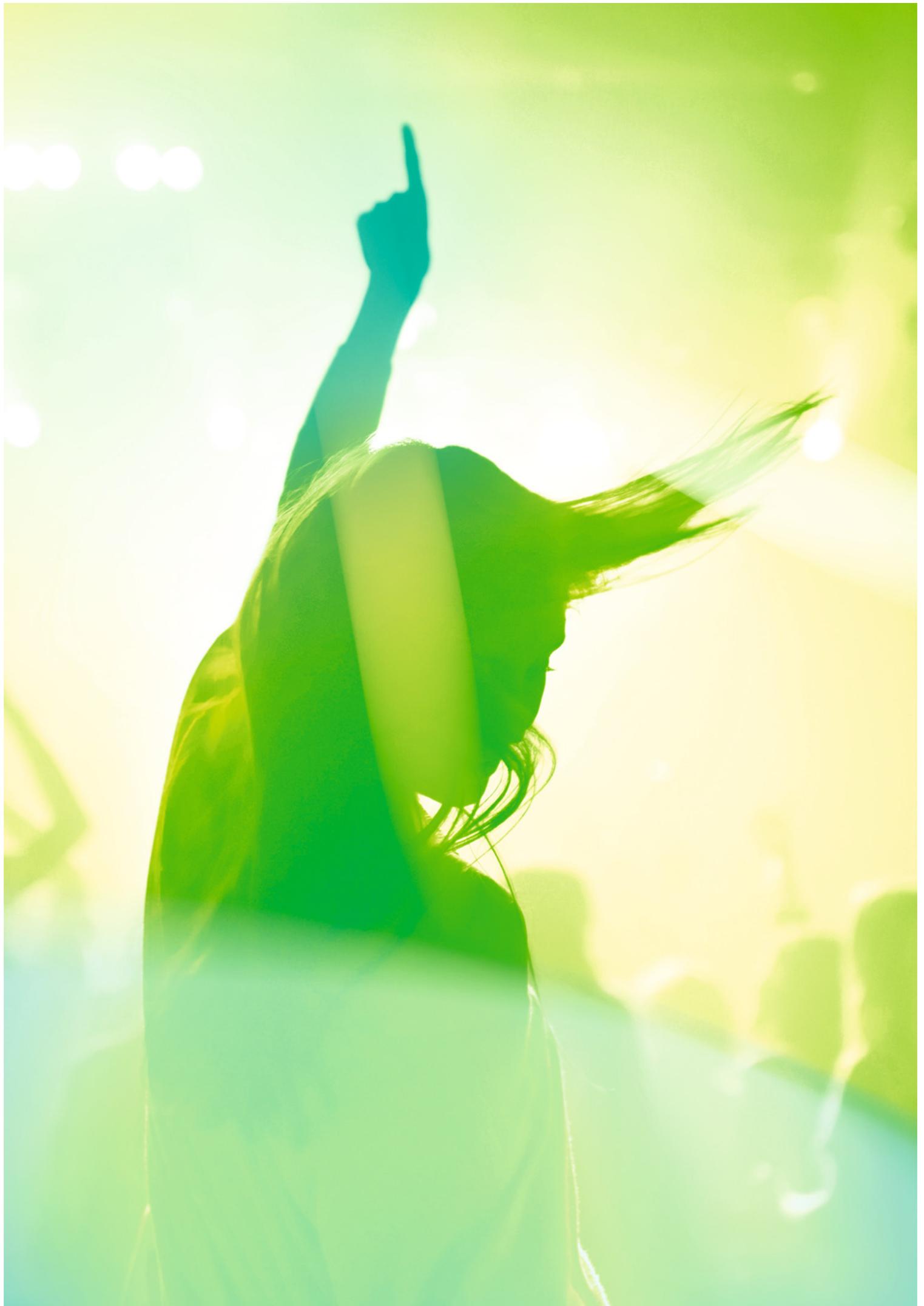
The company is included in the cash management system of its parent company Koelnmesse GmbH.

Opportunities for the company arise from the Koelnmesse 3.0 investment programme. Particularly the addition and flexibilisation of space will significantly increase acquisitions of guest events, special-interest fairs and special events. The company sees risk factors particularly in insufficient hotel capacity and high hotel prices in Cologne.

Plans are for Koelnmesse Ausstellungen GmbH to organize 21 guest events again in 2016. It anticipates sales of EUR 12.0 million and a surplus before profit transfer of EUR 4.2 million.

05. Overall presentation

The Koelnmesse consolidated companies and Koelnmesse GmbH developed successfully in the cyclically strong 2015 fiscal year. The trend in business also exceeded expectations and led a significant increase in sales and earnings compared to plan. Overall, the strong trade fair cycle and the above-target trend in events in 2015 led to record sales and a record result, both at Koelnmesse GmbH and in the Group.



III. Processes of special importance after the close of the fiscal year

In March 2016, the Council of the City of Cologne, the company bodies at Koelnmesse and the shareholders of real estate company Köln Messe 15–18 GbR approved of the settlement agreed among the contracting parties in connection with the legal dispute involving the Northern Halls site. The settlement provides for a permanent reduction in annual rental payments for the Northern Halls.

At the same time, the Council approved of the commitment, particularly to Sparkasse Köln/Bonn, including for the period after termination of the lease, after 2035, to come to an agreement that ensures use of the Northern Halls by Koelnmesse and its events. At the time, when the agreement was concluded, Sparkasse Köln/Bonn had made a guarantee over which there are now differing views.

The decisions by the Council play a major role in securing the future of Cologne as a trade fair and business location.

The settlement between the parties to the contract, and the decisions by the parties' decision-making bodies, are subject to the proviso that the EU grants its consent from a state-aid and public-procurement standpoint. As long as this agreement is not forthcoming, it cannot be assumed that positive earnings effects will emerge from these decisions.

Other than this, we have not received any information subsequent to the reporting date that would have resulted in a different statement of the company's situation with regard to mandatory reporting in accordance with § 289 par. 1 of the German Commercial Code (HGB).

IV. Outlook and assessment of opportunities and risks

01. Assessment of opportunities and risks

The existing trade fairs and exhibitions at Koelnmesse continue to develop in a positive overall direction. New trade fairs are being organised and carried out in Germany and abroad. The Cologne branding process demonstrates that Koelnmesse, with events for the international business community, is the most important aspect for the attractiveness of Cologne as a business location.

Over the medium term, the positive trend in events is expected to lead to increasing sales and net profits. From the management's point of view, the assumptions on which the expected developments are based are subject to operational and economic opportunities and risks.

The risk-opportunity management system in place within the Koelnmesse consolidated companies ensures that these opportunities and risks are monitored and assessed promptly and systematically. Countermeasures will be introduced if and wherever necessary. A distinction is made between strategic, political/legal and technical risks, market and financial risks, and the relevant opportunities. In some cases, business risks are covered by insurance plans.

Management sees fundamental strategic opportunities in the location close to the city that is attractive to exhibitors and visitors alike. The attractiveness of the complex is manifested and further developed through the measures taken under the Koelnmesse 3.0 investment programme. The measures represent the most comprehensive modernisation programme undertaken in the history of Koelnmesse. Once work is complete in the year 2030, Koelnmesse will offer the most attractive, city-centre trade fair complex in the world. Koelnmesse is tackling the challenges concerning the parking and traffic situation

through construction of a new multi-storey car park. With professional planning in advance of the measures with external specialists as well as by a special controlling during the Koelnmesse 3.0 programme, the company has taken all steps to keep the work of expansion from adversely affecting events held there.

Market risks exist relative to extensions of event contracts. Densely packed event schedules, particularly in the spring and fall time windows, may lead to scheduling conflicts. On the other hand, there are opportunities associated with self-generated and newly acquired events. In certain market segments, there are also risks as a result of increasing competitive pressure.

Particularly noticeable is the at times tight situation in the hotel market with regard to individual events, which can lead to capacity bottlenecks and an associated competitive Koelnmesse exhibitors and visitors.

Another risk factor for the trade fair programme is the tense security situation in terms of international terrorism. Infrastructure such as airports, railway stations and event centres are particularly in focus. Koelnmesse responds to this with individual security concepts and increased cooperation with police and authorities in the context of its events in Cologne.

Financial risks take the form of currency risks in the event of wide fluctuations in the value of the Euro relative to foreign currencies of the Koelnmesse subsidiaries.

The sustained implementation of the reorganisation measures carried out remains a major success factor for the positive development of earnings and for positive operating cash flow in the years ahead

In its decision handed down on 29 October 2009, the European Court of Justice identified a violation, on the part of the City of Cologne, of European laws on the award of contracts in the conclusion of the lease between the real estate company Köln Messe 15–18 GbR and the City of Cologne for the northern section of the trade fair complex. Consequently, the City of Cologne terminated the lease and discontinued payment of rental fees. Under an interim agreement, the Northern Halls remain available for use by Koelnmesse without any restrictions. In exchange, it pays a usage fee, currently in the amount of 75 % of the original rental fee agreed between the real estate company Köln Messe 15–18 GbR and the City of Cologne.

The difference between this and the original rental fee is set aside in the annual financial statement with a negative impact on earnings. If the concluding rent level should turn out to be lower than the original rent level, the result is a considerable income opportunity. Liquidity risks would arise if the concluding rent level is higher than the usage fee currently paid under the interim agreement. A termination of the interim agreement is possible at any time, subject to a notice period of three months, but has not been exercised to date.

In connection with the aforementioned risks, at its meeting on 7 April 2011, the Cologne City Council decided to take all the measures required to ensure that Koelnmesse GmbH can continue to operate securely at all times in the future. This will be done in view of Koelnmesse's importance for the economy of Cologne and all of North Rhine-Westphalia and will involve all the legally permitted steps, whereby the requirements of the European state aid law in particular will be taken into account.

In 2002, the company concluded a cross-border leasing agreement for the Southern Halls of the trade fair complex. The agreement would initially remain in effect until December 2033. To date, this transaction has not produced any additional obligations or risks for the company, and none are anticipated over the medium term.

Koelnmesse GmbH is a member of the supplementary pension fund of the City of Cologne (ZVK). ZVK is responsible for providing its members' employees with a supplementary pension for old age, occupational disability, incapacity, and surviving dependents. Currently, these supplementary benefits are financed through assessments. Parallel to this, ZVK is setting up capital cover. There is currently still a shortfall in coverage. If, during the transitional period from financing through assessments to financing with capital cover, ZVK should find itself unable to meet its obligations, Koelnmesse would be required to carry the obligations resulting from a residual shortfall in coverage. Koelnmesse does not anticipate an obligation to pay such additional contributions.

No further major risks that could undermine the future development of the company are discernible.

02. Outlook

Even in 2016, which is weaker as a result of cyclical effects, Koelnmesse is continuing on course for success. The results from the first events are good: There were more trade visitors to imm cologne/ LivingInteriors®, and more exhibitors and more visitors to ISM. ProSweets Cologne registered growth in visitorship, and spoga horse (spring) further established itself as an international industry platform. The didacta education fair, INTERNATIONAL HARDWARE FAIRE COLOGNE and h+h cologne also went well. Registration levels for exhibitors and visitors to the remainder of the programme are positive, both for own events such as gamescom, dmexco or ORGATEC as well as for guest events with lead trade fairs, such as FIBO and ANGA COM.

Koelnmesse is organising 71 trade fairs and exhibitions in fiscal 2016. Of these, 24 are own events and 21 are guest events. 26 trade fairs and exhibitions are taking place abroad. In addition, Koelnmesse is organising 21 German Pavilions worldwide in 2016. A premiere is being celebrated by Pueri Expo in São Paulo, Brazil. In addition, the Dairy Industry Conference in Karnal/Haryana/India, as well as the International Food Fair Alimentec in Bogotá/Colombia, are also being held for the first time as part of the Koelnmesse portfolio. In 2016, Koelnmesse will be exhibiting its "Global competence in food" at 10 of the 26 events to be held abroad in this year. It is the world's leading organiser of trade fairs in the food sector and related industries. A new own event being held in Cologne for the first time is veganfach.

Planned sales by the consolidated companies in 2016 stand at around EUR 257 million; for Koelnmesse GmbH they total to approx. EUR 221 million. The budgeted result for the Koelnmesse consolidated companies is EUR –17.0 million. The loss budgeted for Koelnmesse GmbH stands at EUR 21.2 million. The Koelnmesse consolidated companies expect an EBITDA of EUR 2.2 million. For 2017, the Koelnmesse consolidated companies expect sales of EUR 308 million and EUR 273 million at Koelnmesse GmbH. Within the scope of medium-term planning, 2016 is expected to be the last year with a deficit for the Koelnmesse consolidated companies. Given the economic and business trends expected, Koelnmesse will remain firmly in the profit zone. The future profits expected will flow entirely into the Koelnmesse 3.0 investment programme, into further development of events in Germany and abroad, and into the digitisation of the entire offer.

V. Management statement

In 2015, legislation was passed that calls for equal participation by women and men in leadership positions in the private sector and public service (Participation Act). Under the new provisions, the Supervisory Board of Koelnmesse GmbH was obliged to set a target for the proportion of women in the Supervisory Board and the Managing Board, and to lay down a deadline for achieving these goals. In addition, the company's Managing Board was obliged to set targets for the proportion of women in the two management levels below the Managing Board, and to specify deadlines for achieving these targets. The first deadline for goal achievement must not extend past 30 June 2017.

As at 31 December 2015, the proportion of female executives in the Supervisory Board is 19%, at management level I at 33%, at management level II at 6% and at the management level III at 28%.

The Supervisory Board and Management Board have each decided to specify the period until 30 June 2017 as a first target deadline. As a target for the proportion of women on the Supervisory Board and on the Management Board, the shareholders of Koelnmesse GmbH, in taking note of the Supervisory Board, have set 30% as the target. As a target for the proportion of women at management levels II and III, the Management Board of Koelnmesse GmbH has set 6% for management level II and 28% for management level III. The Management Board ties this specification to the express intention to work to increase the values stated insofar as vacancies arise at the respective levels during the period until 30 June 2017, that can be filled with suitable and interested candidates.

Cologne, 12 May 2016

Gerald Böse Katharina C. Hamma Herbert Marner



Consolidated financial statement for the fiscal year from 1 January to 31 December 2015

Assets	31.12.2015 EUR	31.12.2014 TEUR
A Fixed assets		
I. Intangible assets		
1. Concessions, industrial rights and similar rights and assets as well as licences to such rights and assets purchased	1,811,244.50	1,145
2. Goodwill against payment	583,582.00	0
3. Advance payments	0.00	117
	2,394,826.50	1,262
II. Property, plant and equipment		
1. Land, leasehold rights and buildings including buildings on third-party land	118,884,535.18	129,214
2. Technical machinery and equipment	4,088,715.57	4,474
3. Other equipment, plant and office equipment	6,295,059.94	6,626
4. Advance payments and construction in progress	6,529,272.45	788
	135,797,583.14	141,102
III. Financial assets		
1. Investments in affiliated companies	70,966.66	65
2. Loans to affiliated companies	3,800,000.00	0
3. Participating interests	325,102.72	298
	4,196,069.38	363
	142,388,479.02	142,727
B Current assets		
I. Inventories		
Supplies	267,172.20	245
II. Accounts receivable and other assets		
1. Trade accounts receivable	7,307,111.40	6,836
2. Receivables from affiliated companies	9,244.88	0
3. Receivables from associated companies and other investees	540,651.01	805
4. Other assets	10,739,268.36	6,547
	18,596,275.65	14,188
III. Cash on hand, balances with credit institutions	128,227,392.75	96,107
	147,090,840.60	110,540
C Prepaid/deferred items	891,875.31	602
	290,371,194.93	253,869

Consolidated balance sheet

Liabilities	31.12.2015 EUR	31.12.2014 TEUR
A Equity		
I. Subscribed capital	51,200,000.00	51,200
II. Capital reserve	42,038,156.35	42,038
III. Retained from earnings		
Other retained earnings	381,878.04	382
IV. Consolidated accumulated profit	50,178,622.69	13,431
V. Per contra items from foreign currency translation	-769,580.33	-505
VI. Holdings by other shareholders	342,471.65	250
	143,371,548.40	106,796
B Provisions		
1. Provisions for pensions and similar obligations	6,035,412.04	6,014
2. Tax provisions	4,573,379.57	3,322
3. Other provisions	52,510,548.31	46,242
	63,119,339.92	55,578
C Liabilities		
1. Liabilities to financial institutions	4,218,158.02	8,437
2. Customer advance payments received for purchase orders	58,073,708.84	62,669
3. Trade accounts payable	13,192,653.46	12,988
4. Liabilities due to associated companies	1,216.02	56
5. Residuary liabilities	5,479,178.27	4,184
of which from taxes EUR 595,011.96 (previous year TEUR 1,508)		
of which with respect to social security contributions EUR 1,156.00 (previous year TEUR 0.5)		
	80,964,914.61	88,334
D Prepaid/deferred items	2,863,712.00	3,161
E Deferred tax liabilities	51,680.00	0
	290,371,194.93	253,869

Consolidated income statement

		2015 EUR	2014 TEUR
1. Net sales		321,249,681.64	231,215
2. Other operating income		4,326,445.94	12,783
Total output		325,576,127.58	243,998
3. Event-related expenses			
a) Expenses for supplies		-9,112,471.46	-7,806
b) Expenses for purchased services		-173,791,590.90	-145,867
		-182,904,062.36	-153,673
Gross income		142,672,065.22	90,325
4. Personnel expenses			
a) Wages and salaries		-38,659,990.73	-36,183
b) Statutory social contributions and expenses for pensions		-9,079,095.64	-9,235
of which for pensions	EUR 2,612,231.79		
previous year	TEUR 3,210		
		-47,739,086.37	-45,418
5. Amortisation of intangible fixed assets and property, plant and equipment		-16,673,342.28	-16,652
6. Other operating expenses		-31,615,056.15	-28,434
7. Other interest and similar income		286,448.17	308
8. Other interest and similar expenses		-1,812,591.32	-1,762
of which expenses associated with interest accrued on provisions	EUR 1,090,766.29		
previous year	TEUR 874		
9. Profit/loss from ordinary activities		45,118,437.27	-1,633
10. Income taxes		-7,171,653.92	-424
of which deferred taxes	EUR 51,680.00		
previous year	TEUR 0		
11. Other taxes		-1,107,296.87	-1,101
12. Consolidated companies' net profit/loss before holdings by other shareholders		36,839,486.48	-3,158
13. Profit/loss accruing to other shareholders		-92,420.91	-112
14. Consolidated companies' net profit/loss		36,747,065.57	-3,270
15. Profit/loss carried forward		13,431,557.12	16,702
16. Consolidated accumulated profit		50,178,622.69	13,432

Annual financial statement of Koelnmesse GmbH for the fiscal year from 1 January to 31 December 2015

Assets	31.12.2015 EUR	31.12.2014 TEUR
A Fixed assets		
I. Intangible assets		
1. Concessions, industrial rights and similar rights and assets as well as licences to such rights and assets purchased	1,740,290.00	1,110
2. Goodwill	583,582.00	0
3. Advance payments	0.00	117
	2,323,872.00	1,227
II. Property, plant and equipment		
1. Land, leasehold rights and buildings including buildings on third-party land	118,881,639.18	129,208
2. Technical machinery and equipment	4,084,001.00	4,468
3. Other equipment, plant and office equipment	5,689,571.00	6,056
4. Advance payments and construction in progress	6,529,272.45	789
	135,184,483.63	140,521
III. Financial assets		
1. Investments in affiliated companies	1,344,432.59	1,339
2. Loans to affiliated companies	3,800,000.00	0
3. Participating interests	127,400.00	127
	5,271,832.59	1,466
	142,780,188.22	143,214
B Current assets		
I. Inventories		
Supplies	267,172.20	245
II. Accounts receivable and other assets		
1. Trade accounts receivable	6,054,984.94	5,465
2. Receivables from affiliated companies	235,803.47	16
3. Receivables from associated companies	211,965.89	274
4. Other assets	9,138,202.51	4,941
	15,640,956.81	10,696
III. Cash on hand, balances with credit institutions	119,816,660.52	89,583
	135,724,789.53	100,524
C Prepaid/deferred items	238,652.30	381
	278,743,630.05	244,119

Balance Sheet of Koelnmesse GmbH

Liabilities	31.12.2015 EUR	31.12.2014 TEUR
A Equity		
I. Subscribed capital	51,200,000.00	51,200
II. Capital reserve	42,038,156.35	42,038
III. Retained from earnings		
Other retained earnings	381,878.04	382
IV. Consolidated accumulated profit	45,272,267.48	11,148
	138,892,301.87	104,768
B Provisions		
1. Provisions for pensions and similar obligations	5,893,175.00	5,901
2. Tax provisions	4,465,260.76	3,149
3. Other provisions	50,766,434.77	44,719
	61,124,870.53	53,769
C Liabilities		
1. Liabilities to financial institutions	4,218,158.02	8,436
2. Customer advance payments received for purchase orders	41,242,712.69	50,103
3. Trade accounts payable	12,494,523.37	11,928
4. Liabilities due to associated companies	13,357,740.45	8,419
5. Residuary liabilities	4,549,611.12	3,535
of which from taxes EUR 581,273.32 (previous year TEUR 1,493)		
of which with respect to social security contributions EUR 1,156.00 (previous year TEUR 0.5)		
	75,862,745.65	82,421
D Prepaid/deferred items	2,863,712.00	3,161
	278,743,630.05	244,119

Income statement of Koelnmesse GmbH

		2015 EUR	2014 TEUR
1. Net sales		284,294,956.01	198,684
2. Other operating income		3,118,680.04	12,322
Total output		287,413,636.05	211,006
3. Event-related expenses			
a) Expenses for supplies		-8,374,162.25	-7,023
b) Expenses for purchased services		-161,353,369.25	-134,897
		-169,727,531.50	-141,920
Gross income		117,686,104.55	69,086
4. Personnel expenses			
a) Wages and salaries		-31,296,792.51	-29,596
b) Statutory social contributions and expenses for pensions		-7,859,224.65	-8,264
of which for pensions	EUR 2,535,549.79		
previous year	TEUR 3,138		
		-39,156,017.16	-37,860
5. Amortisation of intangible fixed assets and property, plant and equipment		-16,467,373.54	-16,467
6. Other operating expenses		-26,451,233.64	-24,509
7. Income from participating interests		0.00	311
of which from affiliated companies	EUR 0		
previous year	TEUR 311		
8. Income from profit- and loss-sharing agreements		7,205,643.35	6,567
of which from affiliated companies	EUR 7,205,643.35		
previous year	TEUR 6,567		
9. Other interest and similar income		265,800.59	287
of which from affiliated companies	EUR 0.00		
previous year	TEUR 0		
10. Interest and similar expenses		-1,809,031.71	-1,754
of which to affiliated companies	EUR 53.89		
previous year	TEUR 5		
of which expenses associated with interest accrued on provisions	EUR 1,087,186.29		
previous year	TEUR 868		
11. Profit/loss from ordinary activities		41,273,892.44	-4,339
12. Income taxes		-6,059,635.87	21
13. Other taxes		-1,089,855.33	-1,081
14. Net profit/loss		34,124,401.24	-5,399
15. Profit carried forward		11,147,866.24	16,547
16. Accumulated profit		45,272,267.48	11,148

Notes concerning the Consolidated Financial Statement and the Annual Financial Statement

I. General information

The consolidated financial statement and the annual financial statement of Koelnmesse GmbH have been drawn up in accordance with the provisions of the German Commercial Code and the law concerning limited liability companies.

The following notes pertain to both the consolidated financial statement and the annual financial statement of Koelnmesse GmbH. Unless specifically noted otherwise, these remarks pertain to both financial statements.

Koelnmesse GmbH is a large joint stock company as defined by German commercial law (§ 267 par. 3 HGB).

The income statements were drawn up in accordance with the gross cost method as laid down in § 275 par. 2 HGB. The "material expenses" item was renamed "event-related expenses", as is usual for the trade fair sector.

The German subsidiary included in the consolidated financial statement, Koelnmesse Ausstellungen GmbH, avails itself of the exemption clause for subsidiaries in § 264 par. 3 HGB and thus waives the filing of an annual financial statement.

II. Scope of consolidation

In addition to Koelnmesse GmbH, one German and eight foreign companies were also included in the consolidated financial statement in accordance with the regulations of full consolidation.

The scope of consolidation encompasses the following companies, in the case of each of which Koelnmesse GmbH either directly or indirectly owns 100 % (exception: Koelnmesse YA Tradefair Private Limited, Mumbai: 75 %) of the capital stock:

- Koelnmesse Ausstellungen GmbH, Köln
- Koelnmesse S.r.l., Milano
- Koelnmesse Inc., Chicago
- Koelnmesse Pte. Ltd., Singapore
- Koelnmesse Ltd., Hong Kong
- Koelnmesse Co. Ltd., Beijing
- Koelnmesse Co. Ltd., Tokyo
- Koelnmesse Co., Ltd., Bangkok
- Koelnmesse YA Tradefair Private Limited, Mumbai

Koelnmesse YA Tradefair Services Private Ltd., Mumbai, has drawn up an interim financial statement for the calendar year, as the local financial reporting closing date for that company is 31 March. The closing date is the same for the financial statements of all of the other included companies, as well as for the consolidated financial statement.

The holding of Koelnmesse GmbH in KölnKongress GmbH, Cologne, was not consolidated (share of capital stock: 49 %). A specific agreement regulating the relation of financial, economic and organisational dependence between the controlled and the controlling company is in effect between the primary shareholder and KölnKongress GmbH. Under this agreement, the shareholder Koelnmesse GmbH does not have a claim to distribution of profits. These are reserved solely for the controlling shareholder of KölnKongress GmbH. The holding is therefore not consolidated according to either § 310 HGB or §§ 311, 312 HGB.

The holding of Koelnmesse Co., Ltd., Bangkok, in Expolink Global Network Limited, Bangkok (49 %), was not included at equity in the consolidated financial statement because the former has no major influence on the latter's business policies, even though more than 20 % of the voting rights are held.

On 16 December 2014, Koelnmesse GmbH established the Brazilian subsidiary Koelnmesse Organização de Feiras Ltda., Rio de Janeiro. Inclusion in the consolidated financial statements was waived in light of subordinate importance, in application of § 296 par. 2 HGB.

III. Principles of consolidation

With the exception of equity, all balance sheet items of the foreign subsidiaries have been translated at the current exchange rate as of the balance sheet reporting date. The translation of the income statements of the foreign subsidiaries was carried out using annual average exchange rates. The translation differences were recorded directly in equity without affecting results.

In accordance with § 301 HGB, capital consolidation was carried out with the revaluation method (up until and including 2009: carrying value method) by crediting the acquisition costs (initial value) of the holdings to the portion of the consolidated companies' equity as of the date of acquisition or first consolidation.

Within the scope of the debt consolidation, all accounts receivable and payable between the companies included in the consolidated financial statement were offset against one another.

As a result of the consolidation of expenses and income, expenses and income among the Koelnmesse consolidated companies were offset against one another, also taking profit and loss transfer agreements into account.

There were no interim results.

IV. Accounting and valuation methods

The annual financial statements of the companies included in the consolidated financial statement as well as the consolidated financial statement have been uniformly drawn up in accordance with the accounting and valuation principles applied by Koelnmesse GmbH, while also taking into account the continuation of business operations. The accounting and valuation principles applied to the previous annual financial statements and the previous consolidated financial statement were retained. Intangible fixed assets were valued at

acquisition cost less straight-line depreciation. Acquisition cost also includes individually assignable additional expenditures and subsequent acquisition costs. Acquisition price reductions were deducted. Scheduled depreciation amounts are based on customary useful lives in accordance with the relevant, valid official tables specifying the depreciation allowances. The useful lives for paid-for industrial rights and similar rights and assets range from three to five years. Goodwill has a depreciation of more than ten years in the consolidated financial statement, as this corresponds to the expected duration of use. Self-provided intangible assets and development expenditures were not capitalised.

Property, plant and equipment are measured at acquisition cost less straight-line compound rates. The useful life of technical machinery and equipment is between 8 and 15 years; for other equipment, plant and office equipment, it is between 3 and 15 years. Buildings were measured at acquisition cost less straight-line compound rates, and for acquisition prior to first application of BilMoG, less linear or digressive compound rates. Scheduled depreciation amounts are recognized according to the ordinary useful life pro rata temporis and take technical and economic depreciation into account. The useful life of buildings and similar rights is between 24 and 99 years. With regard to buildings on third-party property, Koelnmesse assumes (in line with appraisal reports on Koelnmesse net asset values drawn up by the City of Cologne) an ordinary useful life that can extend beyond the point at which the relevant leaseholds expire. In the year of their addition, low-value assets are recorded as expenses in the year of acquisition if the acquisition cost for each asset does not exceed EUR 150.00. For simplicity's sake, lower-value assets the acquisition costs of which are between EUR 150.00 and EUR 1,000.00 are grouped as a compound item subject to straight-line depreciation over a period of five years.

Investments in affiliated companies and participating interests are recorded at acquisition cost, loans at nominal value. Where required, the valuation is made at the lower fair value.

Inventory (supplies) are recorded at acquisition cost taking into consideration the lower of cost or market principle. All storage materials are depreciated at a suitable amount based on the storage period and the item's limited usability. Advertising and mailing materials are assessed at fixed value.

Accounts receivable and other assets are recorded at par value. Default risks in trade accounts receivable are taken into account by means of a lump specific allowance. The lump specific allowance on trade accounts receivable was determined based on a depreciation rate of 70% for receivables more than a year old as of the reporting date, and based on a depreciation rate of 10% for receivables more than 6 months old. Receivables dating back less than one year are depreciated separately at 3% and 5%, respectively, for domestic and foreign receivables. In justified cases, individual allowances are deducted insofar as identifiable risks exist.

Cash on hand and balances with credit institutions are valued at par.

Payments made in the fiscal year under review for the following year are recorded as prepaid/deferred items.

Subscribed capital is valued at par and has been completely paid up.

Provisions take into account all identifiable risks and uncertain obligations. Valuation is calculated in accordance with the required settlement amount as determined by a reasonable commercial assessment under consideration of estimated future cost increases. Provisions with a term to maturity of more than one year are discounted at a rate appropriate to their duration based on the average market interest rate as of 31 December 2015, for the prior seven years as published by the German Bundesbank.

Provisions for pensions and similar obligations, as well as the employee anniversary payouts listed under other provisions, are calculated in line with the projected unit credit method on the basis of actuarial calculations that utilize Klaus Heubeck's "Richttafeln 2005 G", which take generation-based life expectancies into consideration. These provisions are discounted as at 31 December 2015 on the basis of the average market interest rate for the prior 7 years as published by the German Bundesbank, whereby this average rate results from an assumed term to maturity of 15 years (§ 253 par. 2 cl. 2 HGB). This interest rate is 3.90%. Further calculation assumptions relative to pension provisions were based on pension increases of 0% and 2%. Wage and salary increases were not factored in. Where provisions for employee anniversaries at the company are concerned, assumptions were based on annual wage and salary increases of 2% as well as a fluctuation rate of 3.32%.

Provisions for semi-retirement were calculated in accordance with the block model. These provisions were discounted at an interest rate of 2.18% that adequately takes into account risks and terms to maturity; this rate was determined in accordance with actuarial principles and in line with § 253 par. 2 cl. 1 HGB. Klaus Heubeck's "Richttafeln 2005 G" served as the basis for the calculations.

Provisions for contingent losses from events are made on the basis of the coverage contribution 2, taking into account specific administrative and event-related overhead costs. Overhead costs (particularly the costs for hall rental and depreciation) are assigned to the individual events at an individual cost unit rate for each square metre used.

Provisions for contingent losses from interest-rate cap agreements are assessed at the negative market value of the interest-rate swap.

Liabilities were stated at their settlement amounts.

Business transactions in foreign currencies are measured at the exchange rate on the day of the transaction or at the less-favourable mean spot rate on the reporting day; losses from exchange rate movements are valued at the rate on the reporting day. Assets and receivables denominated in foreign currency with a remaining term of up to one year are always measured at the mean spot rate on the reporting day.

Payments made in the fiscal year under review for the following years are recorded as prepaid/deferred items.

Deferred tax assets and deferred tax liabilities for the parent company Koelnmesse GmbH and for the respective controlled company are stated where future tax assessments or relief are expected. They are created by differences in reporting requirements for commercial balance sheets and tax balance sheets. They result primarily from the following obligations and generate an active surplus in the separate financial statements and for the consolidated companies as a whole:

- Provisions for pensions
- Semi-retirement provisions
- Provisions for contingent losses
- Provisions for pending rental obligations

Loss carryforwards also lead to deferred tax assets if a claim is expected. Within the group of companies, deferred taxes lead to a single consolidated tax rate of 30 % on possible deferred tax assets in the amount of EUR 22.2 million.

The company did not make use of its option to record deferred tax assets resulting from tax reductions (§ 274 par.1 cl. 2 HGB).

Deferred tax liabilities are disclosed in the consolidated financial statements in accordance with § 306 cl. 1 HGB. Deferred tax liabilities are the result of debt consolidation.

Applying the tax rate of approx. 30 % applicable in Germany, tax expense, earnings before tax in the amount of TEUR 44,011 would result in tax expense within the group of companies in the amount of TEUR 13,203. Particularly as a result of existing loss carryforwards at Koelnmesse GmbH, as well as countervailing, non-deductible expenses, tax balance sheet effects and addition of trade tax, the outcome would be an effective tax expense in the amount of TEUR 7,172 or an effective tax rate of 16.3 %.

V. Notes regarding the balance sheets

Fixed assets

For the period from 1 January to 31 December, 2015, the composition and development of the consolidated companies' fixed assets and the fixed assets of Koelnmesse GmbH. are given in the following tables:

Development of consolidated fixed assets as of 31 December 2015

	Acquisition cost trend					
	As of 01.01.2015	Addition	Value adjustment/ reclassification	Disposal	Currency differences	As of 31.12.2015
	EUR	EUR	EUR	EUR	EUR	EUR
I. Intangible assets						
1. Concessions, industrial rights and similar rights and assets as well as licences to such rights and assets purchased payment	26,639,121.87	1,106,064.74	459,904.58	0.00	10,145.19	28,215,236.38
2. Goodwill	431,932.89	577,388.85	47,235.61	0.00	0.00	1,056,557.35
3. Advance payments	117,214.06	0.00	-117,214.06	0.00	0.00	0.00
	<u>27,188,268.82</u>	<u>1,683,453.59</u>	<u>389,926.13</u>	<u>0.00</u>	<u>10,145.19</u>	<u>29,271,793.73</u>
II. Property, plant and equipment						
1. Land, leasehold rights and buildings including buildings on third-party land	494,690,233.89	2,913,422.14	0.00	29,421.45	0.00	497,574,234.58
2. Technical machinery and equipment	17,108,078.31	66,590.28	0.00	19,068.33	1,390.69	17,156,990.95
3. Other equipment, plant and office equipment	53,097,766.96	1,592,564.92	95,940.26	1,820,859.93	82,259.30	53,047,671.51
4. Advance payments and construction in progress	788,259.77	6,350,628.92	-485,866.39	123,749.85	0.00	6,529,272.45
	<u>565,684,338.93</u>	<u>10,923,206.26</u>	<u>-389,926.13</u>	<u>1,993,099.56</u>	<u>83,649.99</u>	<u>574,308,169.49</u>
III. Financial assets						
1. Investments in affiliated companies	65,423.91	5,542.75	0.00	0.00	0.00	70,966.66
2. Loans to affiliated companies	0.00	3,800,000.00	0.00	0.00	0.00	3,800,000.00
3. Participating interests	297,402.78	25,629.15	0.00	0.00	2,070.79	325,102.72
	<u>362,826.69</u>	<u>3,831,171.90</u>	<u>0.00</u>	<u>0.00</u>	<u>2,070.79</u>	<u>4,196,069.38</u>
	<u>593,235,434.44</u>	<u>16,437,831.75</u>	<u>0.00</u>	<u>1,993,099.56</u>	<u>95,865.97</u>	<u>607,776,032.60</u>

Amortisation trend					Residual carrying values	
As of 01.01.2015	Addition	Disposal	Currency differences	As of 31.12.2015	As of 31.12.2015	As of 31.12.2014
EUR	EUR	EUR	EUR	EUR	EUR	EUR
25,494,424.68	900,981.77	0.00	8,585.43	26,403,991.88	1,811,244.50	1,144,697.19
431,932.89	41,042.46	0.00	0.00	472,975.35	583,582.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	117,214.06
25,926,357.57	942,024.23	0.00	8,585.43	26,876,967.23	2,394,826.50	1,261,911.25
365,476,402.16	13,242,718.69	29,421.45	0.00	378,689,699.40	118,884,535.18	129,213,831.73
12,633,872.44	448,529.80	15,111.27	984.41	13,068,275.38	4,088,715.57	4,474,205.87
46,471,381.14	2,040,069.56	1,808,427.20	49,588.07	46,752,611.57	6,295,059.94	6,626,385.82
0.00	0.00	0.00	0.00	0.00	6,529,272.45	788,259.77
424,581,655.74	15,731,318.05	1,852,959.92	50,572.48	438,510,586.35	135,797,583.14	141,102,683.19
0.00	0.00	0.00	0.00	0.00	70,966.66	65,423.91
0.00	0.00	0.00	0.00	0.00	3,800,000.00	0.00
0.00	0.00	0.00	0.00	0.00	325,102.72	297,402.78
0.00	0.00	0.00	0.00	0.00	4,196,069.38	362,826.69
450,508,013.31	16,673,342.28	1,852,959.92	59,157.91	465,387,553.58	142,388,479.02	142,727,421.13

Development of fixed assets of Koelnmesse GmbH as of 31 December 2015

	Acquisition cost trend carrying values				
	As of 01.01.2015	Addition	Value adjustment/ reclassification	Disposal	As of 31.12.2015
	EUR	EUR	EUR	EUR	EUR
I. Intangible assets					
1. Concessions, industrial rights and similar rights and assets as well as licences to such rights and assets purchased payment	25,907,306.21	1,048,402.22	459,904.58	0.00	27,415,613.01
2. Goodwill	95,770.00	577,388.85	47,235.61	0.00	720,394.46
3. Advance payments	117,214.06	0.00	-117,214.06	0.00	0.00
	26,120,290.27	1,625,791.07	389,926.13	0.00	28,136,007.47
II. Property, plant and equipment					
1. Land, leasehold rights and buildings including buildings on third-party land	494,637,164.59	2,910,022.14	0.00	29,421.45	497,517,765.28
2. Technical machinery and equipment	17,086,288.07	63,926.73	0.00	19,068.33	17,131,146.47
3. Other equipment, plant and office equipment	51,445,541.77	1,407,973.95	95,940.26	1,686,261.40	51,263,194.58
4. Advance payments and construction in progress	788,259.77	6,350,628.92	-485,866.39	123,749.85	6,529,272.45
	563,957,254.20	10,732,551.74	-389,926.13	1,858,501.03	572,441,378.78
III. Financial assets					
1. Investments in affiliated companies	1,338,951.81	5,480.78	0.00	0.00	1,344,432.59
2. Loans to affiliated companies	0.00	3,800,000.00	0.00	0.00	3,800,000.00
3. Participating interests	127,400.00	0.00	0.00	0.00	127,400.00
	1,466,351.81	3,805,480.78	0.00	0.00	5,271,832.59
	591,543,896.28	16,163,823.59	0.00	1,858,501.03	605,849,218.84

Amortisation trend				Residual carrying values	
As of 01.01.2015	Addition	Disposal	As of 31.12.2015	As of 31.12.2015	As of 31.12.2014
EUR	EUR	EUR	EUR	EUR	EUR
24,797,344.21	877,978.80	0.00	25,675,323.01	1,740,290.00	1,109,962.00
95,770.00	41,042.46	0.00	136,812.46	583,582.00	0.00
0.00	0.00	0.00	0.00	0.00	117,214.06
24,893,114.21	919,021.26	0.00	25,812,135.47	2,323,872.00	1,227,176.06
365,429,663.41	13,235,884.14	29,421.45	378,636,126.10	118,881,639.18	129,207,501.18
12,618,024.07	444,232.67	15,111.27	13,047,145.47	4,084,001.00	4,468,264.00
45,389,337.77	1,868,235.47	1,683,949.66	45,573,623.58	5,689,571.00	6,056,204.00
0.00	0.00	0.00	0.00	6,529,272.45	788,259.77
423,437,025.25	15,548,352.28	1,728,482.38	437,256,895.15	135,184,483.63	140,520,228.95
0.00	0.00	0.00	0.00	1,344,432.59	1,338,951.81
0.00	0.00	0.00	0.00	3,800,000.00	0.00
0.00	0.00	0.00	0.00	127,400.00	127,400.00
0.00	0.00	0.00	0.00	5,271,832.59	1,466,351.81
448,330,139.46	16,467,373.54	1,728,482.38	463,069,030.62	142,780,188.22	143,213,756.82

Accounts receivable and other assets

Trade receivables as well as other assets with a remaining term of more than one year total to TEUR 126 (previous year TEUR 242) for Koelnmesse GmbH and to TEUR 287 (previous year TEUR 309) in the consolidated financial statement. All other receivables and other assets have a remaining term of up to one year. Receivables by Koelnmesse GmbH from associated companies and from other investees are trade receivables. Receivables from other investees recognised in the consolidated financial statement constitute trade receivables as well.

Other assets at Koelnmesse GmbH include receivables due from the City of Cologne in the amount of TEUR 370 (previous year TEUR 217).

Shareholders' equity

Accumulated consolidated profit for Koelnmesse GmbH and the Koelnmesse consolidated companies for the 2015 fiscal year is the outcome of the respective profit carried forward and net profits in 2015.

Provisions

The pension provision of TEUR 6,035 posted in the consolidated balance sheet consists primarily of Koelnmesse GmbH's obligations (TEUR 5,893) resulting from the company pension program.

The tax provisions posted in the consolidated financial statement (TEUR 4,573) include TEUR 4,081 in tax provisions by Koelnmesse GmbH for taxes on income in 2015.

As of 31 December 2015, other provisions consisted of the following:

	Group		GmbH	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	TEUR	TEUR	TEUR	TEUR
Rental obligations	36,673	32,291	36,673	32,291
Personnel expenses	6,770	6,302	6,405	5,882
Outstanding invoices	5,665	3,752	5,513	3,654
Contingent losses from pending transactions	960	1,624	960	1,624
Remaining provisions	2,443	2,273	1,215	1,268
	52,511	46,242	50,766	44,719

Liabilities of the consolidated companies by terms of maturity

	Remaining term of up to 1 Jahr TEUR	Remaining term of more than 1 year up to 5 years TEUR	Remaining term of more than 5 years TEUR	Total TEUR
Liabilities to financial institutions	4,218	0	0	4,218
Liabilities due to prepayments received on orders	58,074	0	0	58,074
Trade payables	13,193	0	0	13,193
Liabilities due to associated companies	1	0	0	1
Residuary liabilities				
from taxes	595	0	0	595
within the context of social security	1	0	0	1
remaining liabilities	3,156	1,727	0	4,883
	79,238	1,727	0	80,965

During the previous year, liabilities to financial institutions with a remaining term of more than one year and up to five years amounted to TEUR 4,218. The liabilities are not secured not by liens or similar rights on the part of the Group companies.

Liabilities of Koelnmesse GmbH by terms of maturity

	Remaining term of up to 1 Jahr TEUR	Remaining term of more than 1 year up to 5 years TEUR	Remaining term of more than 5 years TEUR	Total TEUR
Liabilities to financial institutions	4,218	0	0	4,218
Liabilities due to prepayments received on orders	41,243	0	0	41,243
Trade payables	12,495	0	0	12,495
Liabilities due to associated companies and other investees	13,358	0	0	13,358
Residuary liabilities				
from taxes	581	0	0	581
within the context of social security	1	0	0	1
remaining liabilities	2,240	1,727	0	3,967
	74,136	1,727	0	75,863

During the previous year, liabilities to financial institutions with a remaining term of more than one year and up to five years amounted to TEUR 4,218. A total of TEUR 708 in liabilities to affiliated companies consists of trade liabilities.

Koelnmesse GmbH has trade accounts payable to the City of Cologne in the amount of TEUR 191 (previous year: TEUR 126).

VI. Notes concerning the income statement

Net sales

Net sales were generated in Germany and abroad as follows

	Koelnmesse consolidated companies		GmbH	
	2015 TEUR	2014 TEUR	2015 TEUR	2014 TEUR
Domestic	143,983	116,345	132,940	105,312
Abroad	177,267	114,870	151,355	93,372
	321,250	231,215	284,295	198,684

With regard to their sources, net sales break down as follows

	Koelnmesse consolidated companies		GmbH	
	2015 TEUR	2014 TEUR	2015 TEUR	2014 TEUR
Investment income	191,924	135,324	168,950	111,219
Execution of events	6,108	8,372	6,110	8,392
Admission proceeds/catalogues	26,710	17,153	26,916	18,133
Services	57,134	41,143	54,601	39,164
Other revenues	39,374	29,223	27,718	21,776
	321,250	231,215	284,295	198,684

Other operating income at Koelnmesse GmbH includes income related to other periods from the liquidation of provisions amounting to TEUR 638 (TEUR 653 for the consolidated companies), to incoming payments on written-down claims in the amount of TEUR 89 (TEUR 89 for the consolidated companies) and exchange gains from currency translation amounting to TEUR 49 (TEUR 1,235 for the consolidated companies).

Other operating expenses at Koelnmesse GmbH include expenses related to other periods from the charge-off of receivables amounting to TEUR 899 (TEUR 899 for the consolidated companies), and from additions to the provisions for contingent losses of TEUR 877 (TEUR 877 for the consolidated companies). In addition to this, other operating expenses also include exchange losses from currency translation in the amount of TEUR 44 (TEUR 779 for the consolidated companies).

Income from profit- and loss-sharing agreements now consists of the profits of the controlled company, Koelnmesse Ausstellungen GmbH.

VII. Commitments and contingencies

Due to the US Cross-Border Leasing transaction conducted in fiscal year 2002, Koelnmesse GmbH has an external civil commitment to pay rent to the U.S. investor for the entire duration of the rental agreement until such time as the purchase option may be exercised in 2033. The obligation to perform these payments has been contractually transferred to third parties. As long as the parties that have committed themselves to perform do so, Koelnmesse GmbH will not have to make any payments. There are currently no indications that the party in question might not be able to meet its obligations.

In the years 2006 through 2008, Koelnmesse GmbH issued an indefinite Letter of Comfort/Financial Support to each of its subsidiaries in Japan, Singapore, Thailand, China and Hong Kong. Under the terms of these letters, Koelnmesse GmbH, as creditor and shareholder, covenants not to require repayment of amounts owed by the respective subsidiary until the resources of the company permit. In addition, Koelnmesse GmbH covenants to provide ongoing support to the respective subsidiary insofar as it has the capacity to fulfil financial commitments, so that the requirements of a going concern continue to be met.

VIII. Other financial commitments

Koelnmesse GmbH is a member of the supplementary pension fund of the City of Cologne (ZVK). ZVK is responsible for providing its members' employees with a supplementary pension for old age, occupational disability, incapacity, and surviving dependents. The assessment is currently 5.8 % of the remuneration subject to supplementary pension payments. To set up a capital cover, a surcharge of 3.2 % will be levied for 2015 (unchanged in 2016: 3.2 %). In the shortfall in coverage attributable to the company, for which in an exercise of the accounting option under Art. 28 EGHGB no provisions have been created, totals to TEUR 33,989 as at 31 December 2015 (TEUR 35,157 for the consolidated companies). With respect to the consolidated companies, the wages and salaries subject to assessment amounted to TEUR 27,029 and to TEUR 26,195 for the consolidated companies. In addition, there are annual liabilities to various pension funds for the pensions of the Executive Vice Presidents and several Vice Presidents. These liabilities total to TEUR 256 for the consolidated companies and to TEUR 251 for Koelnmesse GmbH.

For an interim period extending from 1 August 2010, the City of Cologne, Koelnmesse GmbH and the owner of the new trade fair halls built in 2005 have agreed in principle to retroactively reduce the rental fees for the halls to an average of currently 75 % of the amount originally agreed upon. The Koelnmesse GmbH Supervisory Board and the Cologne City Council have approved the interim agreement. However, the owner of the halls expressly does not waive its right to receive the original amount of the rental fee. A final agreement is still pending. From the beginning of 2015 onward, for Koelnmesse GmbH and the Group, the financial obligations under the original lease and original term of lease for the new Northern Halls would total to TEUR 413,470 plus ancillary costs.

March 2016, the Council of the City of Cologne, the company bodies at Koelnmesse and the shareholders of real estate company Köln Messe 15–18 GbR approved of the settlement agreed among the contracting parties in connection with the legal dispute involving the Northern Halls site. The settlement provides for a permanent reduction in annual rental payments for the Northern Halls and hence the future financial obligations that this involves. The settlement between the parties to the contract, and the decisions by the parties' decision-making bodies, are subject to the proviso that the EU grants its consent from a state-aid and public-procurement standpoint. As long as this agreement is not forthcoming, it cannot be assumed that positive earnings effects will emerge from these decisions.

The leases for the Congress Centre newly built in 2005, and for the Messehochhaus, give rise to long-term obligations to Koelnmesse GmbH, and at the consolidated companies level, that total to TEUR 72,826 plus ancillary costs.

In addition, there are commitments of TEUR 18,439 from long-term rental and leasing contracts for business and office equipment (company cars, copiers, computers and peripheral equipment, etc.) at Koelnmesse GmbH (TEUR 20,833 for the consolidated companies).

IX. Other notes

Average workforce figures for the year

	Salaried employees	Hourly-paid employees	Total
Koelnmesse consolidated companies	687	33	720
GmbH	531	33	564

Total remuneration of members of management consists of a fixed annual salary, a performance-based bonus and other remuneration components, in particular a company car and the insurance contributions paid into the company pension programme.

The expenses for remuneration of management for its work during the year under report total to TEUR 1,749; among members of management, this amount broke down as follows as of 31 December 2015:

There is no public-law pension system in place for members of management and their surviving dependents.

Total remuneration of members of management

	Fixed salary	Bonus ¹	In-kind and other remuneration ²	Total
	EUR	EUR	EUR	EUR
Böse, Gerald	368,333.30	297,249.99	99,357.48	764,940.77
Hamma, Katharina C,	222,222.00	173,250.00	58,305.36	453,777.36
Marner, Herbert	250,119.96	202,020.00	78,378.55	530,518.51

¹ Because exact levels of target achievement remain to be determined, the bonus amounts shown are estimates as of the date the annual financial statement was drawn up. The corrected value will be reported in the next annual financial statement.

² In-kind and other remuneration includes the costs of a premium-based pension plan, among other things.

Variable remuneration provisions containing long-term incentives were agreed with Executive Vice Presidents, to take effect beginning with fiscal year 2012.

Initially, payment of the bonus is extended over several years. For 2015, for the first time the entire bonus (previous year 75 %) is being paid into a bonus bank. Only one-third of the amounts accrued in the bonus bank is paid out each year; consequently, for the 2015 fiscal year, Mr. Gerald Böse will receive EUR 175,442.62, Ms. Katharina C. Hamma EUR 98,977.67 and Mr. Herbert Marner EUR 117,822.30 paid out in the form of bonuses.

The result-based share of the bonus amounts to 30 % for the Chief Operating Officer and the Chief Financial Officer, and to 35 % of the total bonus for the President and Chief Executive Officer. This result-based share is subject to a malus provision and paid out based on levels of target achievement in subsequent years. In 2015, the bonus shares subject to this malus provision totalled to EUR 69,358.33 for Mr. Gerald Böse; to EUR 34,650.00 for Ms. Katharina C. Hamma; and to EUR 40,404.00 for Mr. Herbert Marner.

The actual expense for active current members of management totalled to TEUR 1,707 for 2014 and was TEUR 2 in all higher than reported in the previous year's notes. There was an additional expense of EUR 1,790.25 for Ms. Katharina C. Hamma; and for Mr. Herbert Marner EUR 194.25.

During the financial year there were no benefits paid to members of management on the occasion of the end of their employment.

There are no public-law pension provisions or claims to severance pay in effect for any member of management. Remuneration for former Executive Vice Presidents and their surviving dependents totalled to TEUR 487 (of which TEUR 53 for previous years). Pension provisions of TEUR 5,893 were set aside for former Executive Vice Presidents and their surviving dependents.

The members of the Advisory Board of Koelnmesse GmbH and of Koelnmesse Ausstellungen GmbH each receive a meeting stipend for their work in relation to every meeting attended. The same holds true for the members of the Finance Committee, the Economic Advisory Committee and the shareholders' representatives at the general meetings. For members of the respective committees, the stipend for each meeting attended was EUR 250.00; the respective chairperson receives twice this amount and his or her deputy one and a half times this amount. Under the Articles of Association, the Chairman of the Supervisory Board of Koelnmesse GmbH.

Total remuneration for the individual members of the Supervisory Board for meetings in the Supervisory Board Committee on Internationalisation of Koelnmesse GmbH was as follows:

Remuneration for members of the Supervisory Board

	Total remuneration ¹ TEUR
Jürgen Roters (Chairman)	13.4
Henriette Reker (Chairwoman)	1.5
Kirsten Jahn (1st Vice Chairwoman)	4.9
Claudia Wörmann-Adam (2nd Vice Chairwoman)	2.3
Torsten Burmester	1.8
Susana dos Santos Herrmann	1.5
Dr. Ralph Elster	2.8
Jochen Felix	1.3
Reinhard Houben	1.0
Axel Kaske	3.5
Niklas Kienitz	1.3
Alfred Kohlenberg	1.8
Dr. Barbara Lübbecke	1.8
Dr. Rüdiger Messal	2.8
Bernd Petelkau	2.0
Ulf C. Reichardt	1.8
Manfred Richter	1.3
Ingo Riedeberger	1.3
Matthias Schlüter	2.3
Martin Schumaier	1.0
Alexander Stary	1.3
Torsten Weil	2.0
Total²	54.0

Of the total remuneration paid at Koelnmesse GmbH, TEUR 41 is paid to the Supervisory Board, TEUR 5 to the Finance Committee and TEUR 8 to the Committee on Internationalisation. The remuneration of the Supervisory Board within the consolidated companies (Koelnmesse GmbH and Koelnmesse Ausstellungen GmbH) totals to TEUR 44.

The total fee charged by the BDO AG accounting firm in the 2015 fiscal stood at TEUR 173. Of this amount, TEUR 83 applies to the audit of the annual and consolidated financial statements (including TEUR 53 for Koelnmesse GmbH) and TEUR 90 to other services.

During the 2015 fiscal year, Koelnmesse GmbH granted a short-term euro loan in the amount of TEUR 3,800 to the Brazilian subsidiary in order to permit the subsidiary to finance an acquisition as expediently as possible. On the advice of Brazilian lawyers and consultants, this loan was granted free of interest in order to provide the funds in the short term. In 2016, half of the loan will be converted to equity and the other half to a new, interest-bearing, long-term loan.

No important business under normal market conditions was conducted during the fiscal year with affiliated individuals or companies not included in the consolidated financial statement as direct or indirect wholly owned subsidiaries.

In fiscal year 2005, Koelnmesse GmbH concluded an interest-rate swap and an interest-rate cap agreement in order to hedge against the interest rate-related risks of a bank loan originally totalling TEUR 46,400. The loan subject to the interest-rate swap had a value of TEUR 4,218 as of the reporting date. The term of this derivative began on 1 April 2006 and extends to 31 December 2016. The accrued-interest deal provides for a swap, a cap and a floor. The interest-rate swap and cap are valued at TEUR 0 as at the balance sheet date. The market value of the floor as at 31 December 2015 is TEUR 83. A provision for contingent losses was constituted in this amount. The market value was determined on the basis of the curve of the interest-rate structure and the interest rate volatilities traded on 31 December 2015. A valuation unit within the meaning of § 254 HGB was not constituted.

¹ Individual values rounded

² Total value represents the total of unrounded amounts

Koelnmesse GmbH holds a direct or indirect share of more than 20 % in the companies listed below:

	Registered office	Share Group of companies / GmbH percent	Shareholders' equity EUR	Previous year's Net income EUR
Koelnmesse Ausstellungen GmbH ¹	Cologne	100	500,000.00	-
Koelnmesse Inc. ²	Chicago	100	2,494,879.46	1,271,119.02
Koelnmesse S.r.l. ²	Milan	100	536,340.03	119,951.42
Koelnmesse Pte. Ltd. ²	Singapore	100	-3,272,667.12	-214,403.10
Koelnmesse Ltd. ²	Hong Kong	100	8,933,689.61	1,815,196.81
Koelnmesse Co., Ltd. ²	Beijing	100	-4,751,690.57	-1,453,376.12
Koelnmesse Co., Ltd. ²	Tokyo	100	-1,492,110.97	104,030.18
Koelnmesse Co., Ltd. ³	Bangkok	100	1,704,284.85	573,377.22
Koelnmesse Organização de Feiras Ltda. ⁴	Rio de Janeiro	100	-	-
Interfeiras Eventos Ltda. ^{4,5}	São Paulo	75	-	-
Koelnmesse YA Tradefair Private Ltd. ²	Mumbai	75	1,305,330.85	369,683.65
KÖLNKONGRESS GmbH	Cologne	49	260,000.00	no information
Expolink Global Network Ltd. ⁶	Bangkok	49	151,421.73	9,677.08

¹ A profit-and loss-transfer agreement is in place.

² The holdings in these companies are owned by Koelnmesse GmbH.

Data for the Koelnmesse YA Tradefair Private Ltd. holding is based on the interim financial statement for the calendar year that was provided for the consolidated financial statement.

³ Koelnmesse GmbH owns 50 % of this company. The subsidiaries in Singapore and Hong Kong each hold 25 %.

⁴ No financial statements for 2014 and 2015 had been prepared at the time these financial statements were drawn up.

⁵ The share is held by Koelnmesse Organização de Feiras Ltda. Rio de Janeiro.

⁶ The share is held by Koelnmesse Co., Ltd., Bangkok.

Company Bodies

The Company Bodies had the following members:

Management

Gerald Böse, Cologne
President and Chief Executive Officer

Katharina C. Hamma, Cologne
Chief Operating Officer

Herbert Marner, Dernau
Chief Financial Officer

Supervisory Board

Henriette Reker,
Chairwoman (from 18.11.2015)
Mayor of the City of Cologne (from 21.10.2015)

Jürgen Roters
Chairman (until 20.10.2015)
Mayor of the City of Cologne (until 20.10.2015)

Kirsten Jahn,
Member of Cologne City Council
1. Vice-Chairwoman
(Chairwoman from 21.10.-17.11.2015)
Certified Geographer

Claudia Wörmann-Adam¹
2. Vice-Chairwoman
Works council Chairwoman of Koelnmesse

Torsten Burmester
Head of Department of Economic Affairs,
Energy and Industry of the State of
North Rhine-Westphalia, Düsseldorf

Susana dos Santos Herrmann
Editor

Dr. Ralph Elster
Corporate Consultant

¹ Employee representative at Koelnmesse GmbH

Jochen Felix¹
Trade Union Secretary (until 30.09.2015)

Reinhard Houben
Business Graduate/Executive Vice-President

Axel Kaske,
Member of Cologne City Council
Businessman

Niklas Kienitz,
Member of Cologne City Council
Certified Attorney/Real Estate Economist

Alfred Kohlenberg¹
1. Vice-Chairman Supervisory Board

Dr. Barbara Lübbecke
Executive Vice-President
Managing Director

Dr. Rüdiger Messal
State Secretary of the Ministry of Finance of the
State of North Rhine-Westphalia

Bernd Petelkau
Certified Businessman

Ulf C. Reichardt
Executive Director of the Cologne Chamber of
Industry and Commerce

Manfred Richter
Personnel Manager

Ingo Riedeberger¹
Project Manager

Matthias Schlüter¹
Project Manager

Martin Schumaier¹
Commercial Employee

Alexander Stary¹
2. Vice-Chairman of Works Council,
Direct Marketing Manager

Torsten Weil
Caucus Leader, DIE LINKE,
Hamburg State Parliament

Proposal for the Appropriation of Net Income

The Management proposes to the Company Bodies
that the net profit of Koelnmesse GmbH for 2015
be carried forward to a new account.

Cologne, 12 May 2016

Gerald Böse

Katharina C. Hamma

Herbert Marner

Consolidated Cash Flow Statement

	2015 TEUR	2014 TEUR
Consolidated companies' net profit/loss after holdings by other shareholders	+36,747	-3,270
Earnings share of minority shareholders	+92	+8
Amortization (+) / value adjustments (-) of items from the fixed assets	+16,673	+16,652
Increase (+) / decrease (-) of provisions	+5,109	+2,358
Other expenses (+) / income (-) that do not affect payments	-37	-66
Increase (-) / decrease (+) of inventories, trade accounts receivable and other assets not related to investment or financing operations	+285	-2,738
Increase (+) / decrease (-) of trade accounts payable and other liabilities not related to investment or financing operations	-5,699	+7,338
Profit (-) / loss (+) from the disposal of items from the fixed assets	+140	+52
Retroactive cash profit (-) from the disposal of items from the fixed assets	0	-500
Interest expense (+) / interest income (-)	+1,526	+1,455
Interest received (+)	+145	+168
Income tax expense (+) / income tax income (-)	+7,172	+424
Income tax payments (-) / income tax refunds (+)	-5,665	-583
Cash flow from ongoing business operations	+56,488	+21,298
Payments for investments in intangible fixed assets (-)	-1,683	-375
Payments for investments in property, plant and equipment (-)	-8,742	-3,147
Retroactive deposits from assets sold in previous years (+)	0	+500
Payments for investments in property, plant and equipment (-)	-3,831	-65
Cash flow from investing activities	-14,256	-3,087
Payments for the redemption of loans and (financial) credits (-)	-4,218	-4,219
Interest paid (-)	-630	-798
Cash flow from financing activities	-4,848	-5,017
Changes resulting from foreign currency translation	-264	-246
Changes to cash funds that affect payments	+37,120	+12,948
Cash funds at the beginning of the period	+76,107	+63,159
Cash funds at the end of the period	+113,227	+76,107

Cash funds consist of cash on hand in the amount of TEUR 32 and bank deposits amounting to TEUR 113,195. In compliance with DRS 21, bank deposits (time deposits) with a maturity of more than 3 months from conclusion of the contract (TEUR 15,000, previous year TEUR 20,000) are not allocated to cash funds.

Development of Consolidated Equity as of 31 December 2015

	Subscribed capital	Capital reserve	Consolidated equity generated		Consolidated companies net result	Equity of the parent company	Holdings by other shareholders	Consolidated equity
			Retained earning	Accumulated profit/loss	Per contra item for currency translation			
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
As of 01.01.2014	51,200	42,038	382	16,702	-259	110,063	242	110,305
Consolidated companies' net income	0	0	0	-3,270	0	-3,270	112	-3,158
Transfer distribution of profit	0	0	0	0	0	0	-104	-104
Currency translation	0	0	0	0	-247	-247	0	-247
As of 31.12.2014	51,200	42,038	382	13,432	-506	106,546	250	106,796
As of 01.01.2015	51,200	42,038	382	13,432	-506	106,546	250	106,796
Consolidated	0	0	0	36,747	0	36,747	93	36,840
Transfer distribution of profit	0	0	0	0	0	0	0	0
Currency translation	0	0	0	0	-264	-264	0	-264
As of 31.12.2015	51,200	42,038	382	50,179	-770	143,029	343	143,372

Audit Opinion

We have audited the annual financial statement (consisting of the balance sheet; the income statement; and the notes, which are published together with the notes concerning the consolidated financial statement), taking into account the bookkeeping system of Koelnmesse GmbH, Cologne, and the consolidated financial statement (consisting of the balance sheet; the income statement; the notes, which are published together with the notes concerning the annual financial statement; the cash flow statement; and the stockholders' equity list) it drew up, as well as the summarized management report on the situation of Koelnmesse GmbH for the fiscal year from 1 January 2015 to 31 December 2015. The bookkeeping and the preparation of these documents in accordance with German commercial law and the supplemental provisions of the articles of association are the responsibility of the company's legal representatives. Our responsibility is to express an opinion, based on our audit, concerning the annual financial statement, together with the bookkeeping system, the consolidated financial statement it drew up, and concerning the summarized management report of the consolidated companies.

We conducted our audit of the annual and consolidated financial statements in accordance with § 317 HGB (German Commercial Code) and the generally accepted German standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the audit in such a way that any misstatements or violations of applicable law that materially affect the presentation of the net assets, financial position, and results of operations in the annual and consolidated financial statements in accordance with German principles of proper accounting and in the summarized manage-

ment report on Koelnmesse GmbH and the Koelnmesse consolidated companies are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the company and evaluations of possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the internal accounting control system and the evidence supporting the disclosures in the books and records, the annual and consolidated financial statements, and the summarized management report on Koelnmesse GmbH and the Koelnmesse consolidated companies are examined primarily on the basis of random samples within the framework of the audit. The audit includes assessing the accounting information of the sub-areas included in the consolidated financial statement, the definition of the scope of consolidation, the accounting and consolidation principles used, and the significant estimates made by the company's legal representatives, as well as evaluating the overall presentation of the annual and consolidated financial statements and the summarized management report of Koelnmesse GmbH and the Koelnmesse consolidated companies. We believe that our audit provides a reasonably sound basis for our assessment.

Our audit has led to no objections.

On the basis of the audit's findings, we have come to the conclusion that the annual and consolidated financial statements conform to the statutory provisions and the supplemental provisions of the articles of association, and that they give a true and fair account of the net assets, financial position, and results of operations of Koelnmesse GmbH and the Koelnmesse consolidated companies, in accordance with German principles of proper accounting. The summarised management report on Koelnmesse GmbH and the Koelnmesse consolidated companies agrees with the annual and consolidated financial statements. It provides a reliable overall understanding of the situation of Koelnmesse GmbH and the Koelnmesse consolidated companies, and it accurately depicts the opportunities and risks associated with future developments.

Cologne, 12 May 2016

BDO AG
Wirtschaftsprüfungsgesellschaft

signed Herrlein
Auditor

signed Pitzen
Auditor

Supervisory Board Report

In the year under review, the Supervisory Board fulfilled the duties entrusted to it according to the laws and regulations and monitored the management of Koelnmesse to ensure it was conducted in an orderly manner. During the past business year, the Supervisory Board regularly advised the Executive Board and monitored its activities in the course of regular and extraordinary meetings. The Supervisory Board was always informed promptly and thoroughly by the Koelnmesse Executive Board about the company's business development and its resulting profitability and liquidity. The major transactions that had to be submitted to the Supervisory Board for approval as a result of legal stipulations or the Articles of Association were discussed extensively during several sessions before a decision was made. Important business policy issues were addressed in depth.

The consolidated financial statement, the annual financial statement, and the management report on Koelnmesse GmbH and the Koelnmesse consolidated companies for the fiscal year from 1 January to 31 December 2015 were audited by BDO AG, the auditing company commissioned for this purpose at the stockholders' meeting. The auditors issued an unrestricted audit certificate for the financial statements.

The Supervisory Board has approved the corresponding audit reports. The Supervisory Board has reviewed and approved the consolidated financial statement, the annual financial statement, and the management report on Koelnmesse GmbH and the Koelnmesse consolidated companies for the fiscal year from 1 January to 31 December 2015. The Supervisory Board approves the Executive Board's proposal to carry the accumulated profit for 2015 forward to new account.

The shareholders' meeting will be informed of this decision. The Supervisory Board thanks the Executive Board and all of the Koelnmesse employees for the work they have accomplished in the past year.

Cologne, July 2016

Henriette Reker
Mayor of the City of Cologne
Chairwoman of the Supervisory Board

Koelnmesse GmbH
Messeplatz 1
50679 Cologne
Germany
Tel.: +49 221 821-0
Fax: +49 221 821-2574
info@koelnmesse.de
www.koelnmesse.com