

Annual Report 2009

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Preliminary Remarks

The year 2009 was a year full of challenges – both for the world economy and for the German economy. The scale of the international economic crisis had been hardly foreseeable. The decline in world trade, the collapse of capital expenditure on equipment and machinery, and the historically unique decrease in the demand for German exports left their mark on all sectors of the economy. And that also applies to the German trade fair industry. AUMA, German industry's exhibition and trade fair committee, registered sharp downturns in all the important indicators: in numbers of exhibitors and visitors, and in terms of exhibition space rented out.

Messe Düsseldorf geared its operations to these trends at an early stage. We calculated very carefully, made extremely cost-conscious plans, and used 2009, one with a reduced number of events due to trade fair cycles, for capital investment in Düsseldorf as a trade fair venue. Hall 5 was modernized and the range of events was extended so as to enable the company to cater for the changed customer needs even more accurately. We have now strengthened the international presence of the Messe Düsseldorf brand and, as a result, sharpened the company's profile as a leading trade fair organizer with worldwide operations.

With the help of such far-sighted management activities we succeeded in cushioning the company against the negative effects of the worldwide recession. If 2009 nevertheless saw a marked decline in sales for Messe Düsseldorf, this was very largely attributable to the absence, for rotational reasons, of many of the large international key fairs such as the "K" plastics trade fair or "drupa", which are only held every three or four years. In fact, most of the trade fairs staged in Düsseldorf were able to hold their ground with increased numbers of exhibitors and visitors, as the clearly leading marketplaces for their respective sectors.

The high quality standard and the international significance of the Messe Düsseldorf events are manifest, inter alia, in the fact that the percentage of foreign companies that presented their products in Düsseldorf has now risen considerably to a figure of 61 percent (previous year: 56 percent). At MEDICA and GDS, the percentages of international exhibitors and visitors even reached peak figures.

Last year, we used the reduction in the number of self-organized events to increase the availability of our capacities for guest events and for renting out trade fair facilities. Altogether, the 14 self-organized and 18 guest events were utilized by 21,961 exhibitors and 1.1 million visitors from all over the world. We owe this success not least to the 1,411 employees of the Messe Düsseldorf Group, whose great dedication moves both people and markets in so many major branches of industry. We offer them our thanks and appreciation. But we also have to thank our customers both from home and abroad, who actually give the trade fair venue of Düsseldorf its internationally outstanding significance.

Altogether, primarily on account of the reduced number of large, internationally significant key fairs, Group sales declined in 2009, compared to the peak year of 2008, as planned but also due to the recession, by just under 50% to € 255.5 million. The result, amounting to a loss for the year of a good € 19 million, was also on a par with this. Nevertheless, Messe Düsseldorf is, at the core, well-placed and very sound financially. For instance, the company's 45.4 percent equity ratio is at the same level as in 1992.

In 2009 the company's domestic and foreign subsidiaries were also affected by the repercussions of the financial and economic crisis. However, they were able to hold their ground with numerous events in the emerging economic

regions of China, India and the CIS states. Due to the crisis, however, they too had to cope with a decline in the numbers of exhibitors and visitors attending their fairs.

In the meantime, there are more and more signs that the world economy is returning to the path of growth – albeit quite slow growth. But we are all aware of the fact that the crisis is not yet over. For the events already organized in 2010 we have attained and in some cases surpassed the targets set. That gives us a legitimate reason for assuming that, in the year as a whole, we cannot only achieve an increase in sales but end up ever so slightly in the black in terms of profitability.

That means that Messe Düsseldorf is staying on course in the business of getting people to talk to one another and moving markets. And indeed that applies both to the trade fair site of Düsseldorf and to the other regions of the world that are strong in terms of industry. The trade fair is a major promoter of the region's prosperity. With great technical capabilities, it makes every effort to give companies access to new markets and to help their customers to discover new solutions and innovations. That is what we are working on – explicitly and with great determination.

Werner M. Dornscheidt



Werner M. Dornscheidt
Chairman of the
Messe Düsseldorf GmbH
Board of Management

Report of the Supervisory Board

of Messe Düsseldorf GmbH

The work of the Supervisory Board in the 2009 business year

In discharging its statutory obligations, the Supervisory Board arranged for itself to be regularly informed by the Managing Board, both in writing and verbally, in matters relating to planning, business trends, and the principal business transactions of the Company and its main affiliates and subsidiaries. Decisions of fundamental importance were presented to the Supervisory Board for its approval. Such topics were dealt with and discussed in depth at five Supervisory Board meetings.

Supervisory Board committees

In performing its duties, the Supervisory Board is supported by committees: at the meeting of the balance sheet committee on 3 April 2009, the committee members had a preparatory discussion of the 2008 annual and consolidated financial statements in the presence of the auditors. In 2009, the finance and personnel committee met on four occasions, the building and investment committee and the executive committee being convened for one meeting in each case.

Changes in the Supervisory Board

The following members retired from the Supervisory Board in the 2009 business year:

Dr. Friedrich Hassbach
Urban Kiss
Annette Steller
Günter Wurm

The retiring members of the Supervisory Board are thanked for their dedicated efforts in the interest of the Company and for their good work relationship.

The following members were appointed to the Supervisory Board to replace those who had retired:

Walburga Benninghaus
Bernd Bresgen
Günter Karen-Jungen
Klaus-Heiner Lehne

Annual and consolidated financial statements 2009

The annual financial statements of Messe Düsseldorf GmbH at 31 December 2009, prepared according to the provisions of the HGB (Commercial Code) as amended by the Bilanzrechtsmodernisierungsgesetz (BilMoG/Accounting Law Modernization Act) of 29 May 2009, including the management report, and the Messe Düsseldorf GmbH consolidated financial statements at 31 December 2009 together with the Group management report and, in both cases, including the accounting records, have been audited by the auditing company Wirtschaftsprüfungsgesellschaft Warth & Klein AG, Düsseldorf, which was elected auditor by the general meeting of 7 May 2009. An unqualified audit opinion was issued in respect of both sets of financial statements. On the basis of the audit reports, at its meeting of 20 April 2010, the Supervisory Board's balance sheet committee deliberated in depth on the questions it considered to be relevant together with the Managing Board and the auditors, who were also present and who, for their part, gave an overall report of the audit, the individual points it focused on, and their results.

The annual and consolidated financial statements and the audit reports forwarded by the auditors were submitted well in advance to all members of the Supervisory Board so as to ensure that they could examine them carefully and thoroughly. The documents were discussed in depth at the Supervisory Board meeting of 5 May 2010.

In the 2009 business year, Messe Düsseldorf GmbH sustained a deficit for the year amounting to € 27,427k, the annual deficit of the Group as a whole amounting to € 19,053k.

The auditors who signed the audit reports attended this meeting, gave a report of the main results of the audit, and were available to answer any supplementary queries. No objections were raised. Accordingly, the Supervisory Board recommended that the general meeting approve both the annual financial statements of Messe Düsseldorf GmbH at 31 December 2009 and the consolidated financial statements.

Düsseldorf, 5 May 2010

Dirk Elbers
Mayor of the City of Düsseldorf, capital of
North Rhine-Westphalia
Chairman of the Supervisory Board

Shareholders, Board of Management, and Supervisory Board

of Messe Düsseldorf GmbH

Shareholders	€'000	Proportion of capital held
City of Düsseldorf	8,829	56.50 %
Industrierterrain Düsseldorf-Reisholz AG, Düsseldorf	3,125	20.00 %
The Land of North Rhine-Westphalia via its holding company Beteiligungs- verwaltungsgesellschaft des Landes Nordrhein-Westfalen mbH, Düsseldorf	3,125	20.00 %
The Düsseldorf Chamber of Industry and Commerce	273	1.75 %
The Düsseldorf Chamber of Handicrafts	273	1.75 %
Nominal capital	15,625	100.00 %

Managing Board

Dipl.-Betriebswirt Werner M. Dornscheidt
CEO, Chairman of the Managing Board
Düsseldorf

Dipl.-Ingenieur Wilfried E. Moog
Düsseldorf

Dipl.-Kaufmann Wilhelm Niedergöker
Bergisch Gladbach

Joachim Schäfer, MICS, MCP
Düsseldorf

Dipl.-Volkswirt Herbert Vogt
Düsseldorf

Supervisory Board of Messe Düsseldorf GmbH

In the business year under review, the company's
Supervisory Board was made up as follows:

Chairman

Dirk Elbers
Mayor of Düsseldorf, capital of the Land of North
Rhine-Westphalia

Vice-Chairpersons

Dipl.-Volkswirtin Gudrun Hock
Deputy Mayor of Düsseldorf, capital of the Land of
North Rhine-Westphalia

Prof. Dipl.-Volkswirt Wolfgang Schulhoff
(Vice-Chairman since 1.7.2009)
President of the Düsseldorf Chamber of Handicrafts

Christina Hertrich
(Vice-Chairperson since 27.11.2009)
Commercial employee, Messe Düsseldorf GmbH

Members

Dr. Jens Baganz
Undersecretary in the Land of
North Rhine-Westphalia's Ministry of Economics,
Small-Scale Industry and Energy

Uwe Balzer
Caretaker, Messe Düsseldorf GmbH

Walburga Benninghaus (since 26.10.2009)
Member of Düsseldorf City Council
Social education specialist

Dr. Jens-Jürgen Böckel
Member of the Board of Management of the
Tengelmann Group holding company

Bernd Bresgen (since 25.6.2009)
Qualified bank clerk, Messe Düsseldorf GmbH

Karl-Uwe Bütöf
Chief of Division in the Land of
North Rhine-Westphalia's Ministry of Economics,
Small-Scale Industry and Energy

Friedrich G. Conzen
Deputy Mayor of Düsseldorf
Trained retail salesman

Ulrich Dreckmann
Commercial employee, Messe Düsseldorf GmbH

Andreas Hartnigk
Member of Düsseldorf City Council
Lawyer

Dr. Friedrich Hassbach (up to 25.10.2009)
Member of Düsseldorf City Council

Hartmut Haubrich (Vice-Chairman up to 30.6.2009)
Honorary member of the general meeting
of Düsseldorf Chamber of Industry and Commerce

Volker Höhfeld (Vice-Chairman up to 26.11.2009)
Lawyer

Günter Karen-Jungen (since 26.10.2009)
Member of Düsseldorf City Council
Qualified social worker

Urban Kiss (up to 24.6.2009)
Commercial employee, Messe Düsseldorf GmbH

Josef Kürten
Honorary Mayor of Düsseldorf
Honorary member of
Messe Düsseldorf's Supervisory Board

Dipl.-Kauffrau Claudia Laskowski
Commercial employee, Messe Düsseldorf GmbH

Klaus-Heiner Lehne (since 26.10.2009)
MEP
Lawyer

Dr. Steffen Neumann
Chief of Division in the Land of
North Rhine-Westphalia's Ministry of Finance

Gabriele Schafer
Commercial employee, Messe Düsseldorf GmbH

Annette Steller (up to 25.10.2009)
Member of Düsseldorf City Council
Teacher

Dr. Marie-Agnes Strack-Zimmermann
Deputy Mayor of Düsseldorf
Freelance publishing house representative

Günter Wurm (up to 25.10.2009)
Member of Düsseldorf City Council

Facts and Figures on the Performance

of Messe Düsseldorf GmbH

		2005	2006	2007	2008	2009
Total capacity	sq. m.	284,700	284,700	306,900	306,900	305,700
Available hall space	sq. m.	252,200	252,200	263,900	263,900	262,700
Available open-air space	sq. m.	32,500	32,500	43,000	43,000	43,000
Space utilization	sq. m. (gross)	2,143,900	2,062,100	2,117,900	2,769,500	1,751,900
Space rented out	sq. m. (net)	1,042,087	985,420	1,064,768	1,488,005	975,215
Fairs and exhibitions	total*	34	37	34	40	32
Own events		18	22	19	25	14
Guest events		16	15	15	15	18
Total consolidated sales	€ million	316.2	303.8	354.2	496.4	255.5
Consolidated sales (Germany)	€ million	209.8	176.9	218.8	346.2	150.9
Consolidated sales (foreign)	€ million	106.4	126.9	135.4	150.2	104.6
Consolidated investment	€ million	19.9	46.4	49.8	52.0	38.1
Consolidated depreciation	€ million	32.4	32.2	31.6	32.4	41.5
Consolidated cash flow	€ million	40.4	22.1	57.8	99.6	36.0
Group workforce		1,462	1,459	1,484	1,503	1,411
Exhibitors	total*	26,281	26,222	27,704	32,488	21,961
Exhibitors (German-based)		11,470	12,223	12,195	14,149	9,884
Exhibitors (foreign-based)		14,811	13,999	15,509	18,339	12,077
Visitors	total*	1,321,098	1,297,026	1,424,013	1,964,032	1,124,704
Visitors from Germany		941,295	970,464	1,005,096	1,241,216	853,511
Visitors from abroad		379,803	326,562	418,917	722,816	271,193
DüsseldorfCongress Veranstaltungsgesellschaft mbH						
Event days		327	321	336	338	344
Events		2,533	2,460	2,845	3,386	2,471
Participants		1,011,000	1,473,000	1,806,000	1,793,000	2,419,000

* Düsseldorf site Due to the differing numbers of events, the annual figures are only partly comparable.

Events

organized by Messe Düsseldorf GmbH in 2009

	Exhibitors German- based)	Exhibitors (foreign- based)	Exhibitors total	Net exhibition space in sq. m. (not counting special exhi- bition space)	Visitors total	Of which foreign visitors
A+A	537	1,011	1,548	53,014	55,809	23 %
BEAUTY INT.	488	97	585	24,018	51,000	6 %
boot	920	689	1,609	97,207	230,520	18 %
CARAVAN SALON	465	127	592	78,277	162,134	9 %
COMPAMED	186	322	508	8,927	*	
EuroCIS	173	43	216	5,929	5,300	30 %
GDS **	616	913	1,529	78,876	51,259	42 %
GLOBAL SHOES **	3	609	612	20,152	11,747	43 %
MEDICA	1,231	3,106	4,337	113,452	131,875	49 %
ProWein	798	2,378	3,176	37,777	35,167	27 %
REHACARE INTERNATIONAL	462	251	713	22,274	48,192	13 %
TOP HAIR INTERNATIONAL	105	20	125	4,357	24,969	8 %
TourNatur	194	75	269	3,947	41,130	1 %
Other events	3,706	2,436	6,142	427,008	275,602	
Sum total for 2009	9,884	12,077	21,961	975,215	1,124,704	

* Included in MEDICA visitor total ** Biannual event

Balance Sheet

of Messe Düsseldorf GmbH at 31 December 2009

Assets

	31.12.2009	31.12.2008
Fixed assets	€ '000	€ '000
Intangible assets		
Concessions, industrial and similar rights and assets, and licences in such rights and assets acquired for consideration	7,853	8,794
Payments on account	85	113
	7,938	8,907
Tangible assets		
Land, land rights and buildings, including buildings on third-party land	289,734	307,852
Other equipment, factory and office equipment	9,462	9,729
Payments on account and assets under construction	2,273	14,598
	301,469	332,179
Financial assets		
Shares in affiliated enterprises	10,984	21,827
Loans to affiliated enterprises	14,162	14,162
Participations	6,239	6,239
Loans to enterprises in which participations are held	0	715
Other loans	80	88
	31,465	43,031
	340,872	384,117
Current assets		
Inventories		
Raw materials, auxiliary materials and supplies	129	129
Receivables and other assets		
Trade receivables	11,424	13,040
Receivables from affiliated enterprises	2,440	901
Receivables from enterprises in which participations are held	2,103	606
Other assets	8,644	7,750
	24,611	22,297
Cash-in-hand, bank balances and cheques	49,171	70,219
	73,911	92,645
Prepaid expenses	5,254	6,594
	420,037	483,356

Equity and liabilities

	31.12.2009	31.12.2008
Equity	€ '000	€ '000
Subscribed capital	15,625	15,625
Capital reserves	111,398	111,398
Revenue reserves	10,906	0
Distributable profit	73,033	100,460
	210,962	227,483
Special item with an equity portion, pursuant to § 6b EstG (Income Tax Law)	3,607	29,532
Accruals		
Accruals for pensions and similar obligations	13,972	16,950
Tax accruals	1,628	9,290
Other accruals	30,697	40,894
	46,297	67,134
Liabilities		
Liabilities to banks	80,393	76,106
Payments received on account, in respect of orders	14,064	13,456
Trade payables	7,938	14,265
Payables to affiliated enterprises	2,954	3,871
Payables to affiliated enterprises in which participations are held	12	0
Payables to shareholders	45,762	47,860
Other liabilities	8,048	3,561
(of which taxes: € 1,396 k; previous year: € 864 k)		
(of which relating to social security and similar obligations: € 0 k; previous year: € 1 k)		
	159,171	159,119
Deferred income	0	88
	420,037	483,356

Income Statement

of Messe Düsseldorf GmbH for the Period from
1 January to 31 December 2009

	2009	2008
	€ '000	€ '000
Sales	187,950	396,610
Own work capitalized	158	103
Other operating income (including € 46 k due to currency conversion; previous year: € 65 k)	45,606	7,589
Event-related expenses		
a) Cost of raw materials, auxiliary materials and supplies, and of purchased merchandise	- 7,444	- 10,427
b) Cost of purchased services	- 101,324	- 176,591
	- 108,768	- 187,018
Personnel expenses		
a) Wages and salaries	- 37,231	- 36,720
b) Social security charges and costs of retirement pensions and other welfare benefits (including € 2,770 k for retirement pensions; previous year: € 5,160 k)	- 8,222	- 10,698
	- 45,453	- 47,418
Depreciation on intangible and tangible fixed assets	- 51,015	- 24,827
Other operating expenses (including other taxes: € 1,737 k; previous year: € 2,221 k) (including € 39 k due to currency conversion; previous year: € 103 k)	- 41,979	- 54,599
Income from participations (including € 1,738 k from affiliated enterprises; previous year: € 1,271 k)	2,663	3,240
Income from long-term loans (including € 1,126 k from affiliated enterprises; previous year: € 1,126 k)	1,130	1,129
Other interest and similar income (including € 69 k from affiliated enterprises; previous year: € 158 k)	2,213	5,183
Write-downs on financial assets and investments classified as current assets	- 13,056	0
Interest and similar expenses (including € 21 k paid to affiliated enterprises; previous year: € 226 k) (including € 976 k impact on interest due to valuation of accruals; previous year: € 0 k)	- 7,454	- 7,324
Net income from ordinary activities	- 28,005	92,668
Extraordinary expense	- 40	0
Taxes on income and profits	618	- 32,370
Net loss/income for the year	- 27,427	60,298
Profit brought forward from the previous year	100,460	40,162
Distributable profit	73,033	100,460

Movements in the Fixed Assets

of Messe Düsseldorf GmbH in the Business Year 2009

	Cost of acquisition/manufacture				Status at 31.12.2009 € '000
	Status at 1.1.2009 € '000	Additions € '000	Reclassifica- tions € '000	Retirements € '000	
Intangible assets					
Concessions, industrial and similar rights and assets, and licences in such rights and assets acquired for consideration	34,737	1,162	113	39	35,973
Payments on account	113	85	- 113	0	85
	34,850	1,247	0	39	36,058
Tangible assets					
Land, land rights and buildings, including buildings on third-party land	678,146	16,073	13,091	5,887	701,423
Other equipment, factory and office equipment	45,083	1,898	288	1,359	45,910
Payments on account and assets under construction	14,598	1,131	- 13,379	77	2,273
	737,827	19,102	0	7,323	749,606
Financial assets					
Shares in affiliated enterprises	54,310	2,213	0	0	56,523
Loans to affiliated enterprises	14,162	0	0	0	14,162
Participations	12,244	0	0	0	12,244
Loans to enterprises in which participations are held	715	0	0	715	0
Other loans	88	20	0	28	80
	81,519	2,233	0	743	83,009
Total	854,196	22,582	0	8,105	868,673

* Item contains unscheduled depreciation due to the transfer of the special item with an equity portion, pursuant to § 6b EstG (Income Tax Law), amounting to € 25,924 k

Depreciation				Book values		
Status at 1.1.2009	Additions	Reclassifica- tions	Retirements	Status at 31.12.2009	Status at 31.12.2009	Status at 31.12.2008
€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000
25,943	2,214	0	37	28,120	7,853	8,794
0	0	0	0	0	85	113
25,943	2,214	0	37	28,120	7,938	8,907
370,294	46,371 *	0	4,976	411,689	289,734	307,852
35,354	2,430	0	1,336	36,448	9,462	9,729
0	0	0	0	0	2,273	14,598
405,648	48,801	0	6,312	448,137	301,469	332,179
32,483	13,056	0	0	45,539	10,984	21,827
0	0	0	0	0	14,162	14,162
6,005	0	0	0	6,005	6,239	6,239
0	0	0	0	0	0	715
0	0	0	0	0	80	88
38,488	13,056	0	0	51,544	31,465	43,031
470,079	64,071	0	6,349	527,801	340,872	384,117

Notes to the Financial Statements

of Messe Düsseldorf GmbH for the Business Year 2009

I. General principles

The annual financial statements of Messe Düsseldorf GmbH have been prepared in compliance with the provisions relating to large joint-stock companies. At the same time, the mercantile law provisions as amended by the Bilanzrechtsmodernisierungsgesetz (BilMoG/Accounting Law Modernization Act) of 29 May 2009, compliance with which is not deemed obligatory until the annual financial statements for the 2010 business year are drafted, have been applied prematurely on a voluntary basis.

For the Income Statement, the total costs (type of expenditure) method has been opted for. The peculiarities of trade fair business have been taken into account.

II. Switchover to the Accounting Law Modernization Act (BilMoG)

In the annual financial statements of Messe Düsseldorf GmbH, application for the first time of the commercial law provisions amended by the BilMoG has led to adjustments in valuations in the sphere of accruals.

The adjustment of accrual valuations to match the BilMoG provisions leads to the following specific effects in the opening balance sheet at 1 January 2009.

In the annual financial statements at 31 December 2008, the asset-value of accruals for pensions was calculated at an interest rate of 4.5 percent, also taking future trends in remuneration and pensions into consideration. The switchover to the modified valuation rules of § 253 HGB (Commercial Code), involving calculations at an interest rate of 5.26 percent, results in a write-back of € 1,480k. This write-back has been posted to revenue reserves, thus having no impact on profits.

To bring the figures into line with the modified valuation rules of § 249 HGB, the accruals for maintenance work stated under "other accruals", the omission of which in the previous year is not rectified until the first three

months of the subsequent business year have elapsed, are now written back, with the exception of a € 500k amount apportionable to one individual maintenance project. The amount of € 5,572k ensuing from the write-back has been posted to revenue reserves, thus having no impact on profits. In the context of the switchover to the BilMoG, the € 3,500k accruals set up to cover restructuring measures as defined in § 249 subsection 2 HGB (old version) have also been written back and the amounts posted directly to revenue reserves.

The adjustment of individual accrual figures shown under "other accruals" to match the new § 253 HGB valuation rules leads to postings of € 40k and write-backs of € 354k. The amounts posted have been stated in the Income Statement as an extraordinary expense. The write-backs have been posted to revenue reserves so as to have no impact on profits. The option of retaining the previous arrangements was not utilized.

The special item with an equity portion (31 December 2008: € 29,532k) has been retained pursuant to Art. 67 para 3 sentence 1 EGHGB (Introductory Law to the Commercial Code) and, in the amount of € 25,924k, has been transferred to new investment in the business year under review.

Overall, the switchover to the BilMoG has resulted in a reduction in the annual result amounting to € 40k and a € 10,906k increase in revenue reserves.

In accordance with Art. 67 para 8 EGHGB, an adjustment of the previous year's figures in the items affected by the switchover to the BilMoG has been waived.

III. Accounting and valuation policies

Purchased intangible assets are reported at their acquisition cost less the scheduled depreciation charge. Depreciation is based on the straight-line method, taking the normally-applicable useful life of the asset into account.

Tangible assets are valued at acquisition or manufacturing costs and, provided their useful life is limited in time, scheduled depreciation is deducted. If necessary, additional depreciation is applied based on the value appropriate for the assets on the balance-sheet date.

Buildings are normally depreciated on a straight-line basis, but in two cases the double declining-balance method is used. Investments in extensions to buildings are depreciated to correspond with the whole building's remaining useful life.

Since 1 January 2001, the straight-line method has been used for depreciation on additions to movable assets. Straight-line depreciation is calculated pro rata temporis.

Low-value assets with a maximum value of € 150 are written off fully in the year of acquisition and are simultaneously reported as a retirement in the fixed assets movements schedule. Low-value assets with a value of between € 150 and € 1,000 are capitalized in an aggregate item and written off over a period of five years.

Shares in affiliated companies and participations are carried at cost of acquisition or at such lower value as may be appropriate.

Shares in foreign subsidiaries are valued on the basis of a currency conversion at the appropriate historical rate of exchange.

Loans are shown at their nominal value less any principal repaid. Write-downs are made to the extent required to reflect any identifiable risks.

Inventories are shown at fixed values.

Receivables and other assets are shown at their nominal value. Appropriate individual write-downs have been made to cover any individual risks that are identifiable, but no flat-rate write-downs are carried out. Interest-free receivables with a remaining term of more than one year are discounted as from the balance-sheet date.

The asset-value of accruals for pensions is established on the basis of actuarial principles following the projected unit credit method (PUC method), and also applying the 2005 G standard tables of Dr. Klaus Heubeck. Accruals for pensions are discounted at a flat rate, this being the average market interest rate of the last seven years, applicable to an assumed remaining term of 15 years, as published by the Deutsche Bundesbank (German Federal Bank) for the month of October 2009. This interest rate amounts to 5.26 percent. Its calculation following the PUC method is based on the following assumptions regarding trends:

- Trend in wages and salaries: 2.7 percent
- Trend in the earnings ceiling for social security contributions: 2.7 percent
- Trend in pensions: 1.7 percent
- Fluctuation: 1.0 percent

All other accruals have been set up at a level that takes account of all identifiable risks on the basis of a prudent business assessment. Accruals with a remaining term of more than one year are discounted on the basis of the actuarial interest rates published by the Deutsche Bundesbank.

Liabilities are stated as such at the amount repayable.

Receivables and liabilities in foreign currencies are entered in the accounts at the rate of exchange applicable at the time, and are then valued at year-end at the rate applicable on the closing date. As regards receivables and liabilities with a remaining term of more than one year, the principle of lowest value or highest value is applied, as the case may be.

When deferred taxes are accounted for, deferred tax assets exceed liabilities. This is due in particular to differences between tax-law and commercial-law valuations of shares in affiliated enterprises, participations and accruals, and also to losses brought forward. The option provided for in § 274 subsection 1 sentence 2 HGB (Commercial Code) of capitalizing the surplus in deferred tax assets was waived.

IV. Explanatory notes on the Balance Sheet

Fixed assets

Apart from purchased software, the intangible assets mainly consist of rights to the use of a public highway, rights to the use of the City of Düsseldorf's power supply grid, and rights to the use of trade fair themes. The additions to this item are mainly due to the acquisition of rights relating to the "wire/Tube" catalogue.

The additions to tangible assets result primarily from the alterations to Hall 5.

In the year under review, an unscheduled write-down amounting to € 10,848k was applied to the book value of the equity held in the affiliated company Veletrhy Brno a. s., Brno.

In the year under review, a capital increase in the amount of INR 14,000,000.00 (€ 208k) was carried out in the subsidiary Messe Düsseldorf India Pvt., New Delhi, whose shares are wholly owned by Messe Düsseldorf GmbH. An unscheduled write-down for the same amount was applied to the book value of the participation in the year under review.

The limited partner's share held by Messe Düsseldorf GmbH in the affiliate IGEDO Company GmbH & Co. KG, Düsseldorf, was increased by € 2,000k in the year under review. An unscheduled write-down for the same amount was applied to the book value of the holding in the year under review.

For further details, the reader is referred to the fixed assets movements schedule on pages 21-23.

A complete list of subsidiaries and other holdings has been drawn up separately on page 69.

Receivables and other assets

Trade receivables have a remaining term amounting to less than one year.

In the receivables from affiliated enterprises and receivables from enterprises in which participations are held, trade receivables have been set off against trade payables.

Accruals

The Company's pension obligations to former and present managerial staff are fully covered by pension accruals. Here there has been a reduction of € 2,978k compared with the previous year's figure. The figure includes the write-back, posted with no impact on profits, ensuing from the switchover to the valuation rules amended by BilMoG (€ 1,480k) along with a € 1,497k reduction mainly due to the ceasing of a pension obligation. For employees who have been given no pension benefits promise an additional pension scheme is provided by the Rheinische Zusatzversorgungskasse (Rhenish Supplementary Pension Fund), Cologne.

The tax accruals cover trade tax and corporation tax relating to previous years and also accruals designed to cover tax audits.

The other accruals cover all identifiable risks and have been calculated on the basis of prudent commercial principles. They mainly comprise accruals for fiscal risks in foreign countries amounting to € 11,500k (previous year: € 12,225k), for outstanding invoices received amounting to € 8,308k (previous year: € 7,101k), for semiretirement schemes, vacations, and other human resources costs totalling € 5,532k (previous year: € 7,596k), for maintenance work amounting to € 1,752k (previous year: € 7,492k), and for impending losses totalling € 2,226k (previous year: € 4,971k).

In the business year under review, income was generated by write-backs of other accruals amounting to € 4,678k (previous year: € 2,650k). Additions to other accruals totalled € 14,794k (previous year: € 25,434k).

Liabilities

The liabilities of Messe Düsseldorf GmbH are classified as follows on the basis of their remaining terms:

	Total amount	With a remaining term of		
		up to 1 year	up to 5 years	more than 5 years
	€ '000	€ '000	€ '000	€ '000
Liabilities to banks	80,393	10,393	40,000	30,000
Payables to shareholders	45,762	2,694	13,487	29,581
Payments received on account	14,064	14,064	0	0
Other liabilities	8,048	7,569	375	104
Trade payables	7,938	7,938	0	0
Payables to affiliated enterprises	2,954	2,954	0	0
Payables to enterprises in which participations are held	12	12	0	0
	159,171	45,624	53,862	59,685

Of total liabilities to banks, € 80,000k consisting of liabilities in the form of loans were secured by means of charges on real estate.

V. Explanatory notes on the Income Statement

Sales

	2009	2008
	€ '000	€ '000
Business segment		
Domestic events	137,124	337,286
Foreign events	37,401	49,582
Other sales revenue	13,425	9,742
	187,950	396,610

The sales revenue from abroad stems mainly from events in Russia, the People's Republic of China, and India.

Other operating income

“Other operating income” mainly consists of income deriving from the write-back of the € 25,925k (previous year: € 0k) special item with an equity portion provided for under § 6b EStG (Income Tax Law), from write-backs of accruals, from the passing on of charges to affiliated enterprises and enterprises in which participations are held, from compensation paid by the Victoria Versicherung insurance company for storm damage, and from write-backs of adjustments to the value of individual assets. The item contains € 6,134k (previous year: € 150k) in the form of income not relating to the accounting period, € 4,978k of this consisting of energy tax refunds for the period 2002-2008.

Event-related expenses

The differentiation between event-related expenditure and other operating expenses was effected via an assessment of the individual costs. The event-related expenditure consists of costs that are directly allocable to a cost unit. Deliveries of fabricated goods are recorded under “cost of raw materials, auxiliary materials and supplies, and of purchased merchandise”. Construction work and other services are included in “cost of purchased services”.

It is mainly energy costs, costs of consumables and supplies, and expenditure on advertising materials that are shown under “cost of raw materials, auxiliary materials and supplies, and of purchased merchandise”, whereas the “cost of purchased services” item mainly covers expenditure on commissions, stand construction services purchased, rental charges, and advertising expenditure.

Other operating expenses

In addition to exhibition site maintenance costs, the other operating expenses mainly consist of rental charges for premises, legal and consultancy expenses, expenditure on advertising and IT expenses, insurance policies, site security and cleaning services, expenditure on valuation adjustments and write-offs of claims, expenditure on storm damage, losses due to the retirement of fixed assets, and additions to accruals. The item contains € 126k (previous year: € 55k) in the form of expenditure not relating to the accounting period.

Income from participations

Dividends paid by the following subsidiaries are included under this heading: Messe Düsseldorf Moscow, Messeturm Düsseldorf Verwaltungsgesellschaft, Messe Düsseldorf North America and Messe Düsseldorf ASIA.

Income from long-term loans

This item mainly covers interest from loans to Veletrhy Brno a. s. and from loans to staff.

Interest and similar expenditure

In addition to interest on loans and interest rate swap transactions, the item covers net expenditure deriving from the marking up of accruals in respect of accrued interest, including the impact, amounting to € 976k, of changes in the discount rate applied.

Extraordinary expenditure

The extraordinary expenditure results from the entry, with a corresponding effect on profits, of allocations based on revaluations of the other accruals in the context of the switchover to the BilMoG (in this respect, also see Section II).

Taxes on income and profits

The item mainly shows expenditure on trade tax, amounting to € 111k, and corporation tax refunds, amounting to € 729k, both relating to previous years.

Appropriation of profits

The management proposes that the net loss for the year be set off against the profit brought forward from the previous year and that the distributable profit subsequently remaining be posted to revenue reserves.

VI. Other disclosures

Consolidated financial statements

In its capacity as the parent company, Messe Düsseldorf GmbH includes the following subsidiaries, in which it has either a direct or an indirect majority holding, fully in its consolidated financial statements:

- Veletrhy Brno a. s., Brno/Czech Republic
- Brno INN a. s., Brno/Czech Republic
- 000 Messe Düsseldorf Moscow, Moscow/Russia
- IGEDO Company GmbH & Co. KG, Düsseldorf
- Messe Düsseldorf China Ltd., Hong Kong/China
- Messe Düsseldorf North America Inc., Chicago/USA
- Messe Düsseldorf ASIA Pte. Ltd., Singapore
- Messeturm Düsseldorf Verwaltungsgesellschaft mbH, Düsseldorf
- FIXXUS Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Rheinhalle Düsseldorf KG, Düsseldorf

Furthermore, the Company's holding in DüsseldorfCongress Veranstaltungsgesellschaft mbH, Düsseldorf, an associated company, is also included in the consolidated financial statements.

Human resources

In addition to the management, on average 627 wage-earners and salaried staff were employed during the business year. This number corresponds to a staff of 581 calculated on a full-time basis. In addition, the casual staff and apprentices employed numbered 137 and 19, respectively.

Transactions not included in the Balance Sheet

For financial reasons, in the business years 1999 and 2003 two sale and lease-back transactions were carried out with FIXXUS Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Rheinhalle Düsseldorf KG, Düsseldorf (abbreviated to FIXXUS), regarding real estate items hitherto owned by Messe Düsseldorf GmbH.

In 1999, Exhibition Hall 6 (multi-purpose hall) was sold to FIXXUS for a purchase price of € 87,520k and leased back at an annual leasing rate of € 6,948k. The leasing agreement runs

till 30 September 2022. For the period after this, a right of purchase agreement was concluded with FIXXUS. In accordance with the latter, the right of purchase can be exercised by Messe Düsseldorf GmbH when the 22.5th rental year has elapsed since the beginning of the term of the leasing agreement. The agreement states that, if the right of purchase is exercised, an appropriate purchase price is to be paid, but at least the fiscal residual book value amounting to € 8,779k at the end of the 22.5th rental year.

In a contract dated 15 December 2003, Messe Düsseldorf GmbH sold FIXXUS a part ownership right relating to Messeturm B for a purchase price of € 12,000k. The annual rental payments amount to € 940k (including the portion accounted for by the tenant's loan). The leasing agreement runs till 29 December 2023. The right of purchase agreement concluded under this contract gives Messe Düsseldorf GmbH a repurchase right when the 20th rental year has elapsed. An appropriate purchase price is to be paid, but at least the fiscal residual book value amounting to € 5,100k.

The leasing rates payable in future under the above leasing agreements amount to € 106,286k.

Other financial obligations and contingent liabilities

On the balance-sheet date, the Company's purchase commitments totalled € 28,468k.

Further obligations amounting to € 1,360k stemmed from the leasing rates payable in future based on other leasing agreements; in addition, there were commitments totalling € 16,881k deriving from rental agreements and leases. Other financial obligations thus totalled € 18,241k on the balance-sheet date.

On the balance-sheet date, guarantees taken into account on the Balance Sheet and amounting to € 650k (previous year: € 767k) had been issued in favour of employees to cover trade investments based on employees' loans and to safeguard employee semiretirement schemes in the event of insolvency.

Messe Düsseldorf GmbH grants its employees benefits under the company retirement pension scheme; for this purpose, employees have been insured with the Rheinische Zusatzversorgungskasse (Rhenish Supplementary Pension Fund), Cologne. To the best of our current knowledge, the institutional assets of the public supplementary pension funds and the contributions system in its existing structure do not adequately or completely cover the existing pension commitments of the employers participating in the scheme. The ensuing cover shortage comes to a substantial sum – a financial obligation that will hit public employers hard in future. The Supplementary Pension Fund contribution shown under personnel expenses on the Income Statement amounts to € 2,611k for the year under review.

Hedging policy, financial derivatives and establishment of valuation units

Due to its being an internationally-operating company, the business operations and financial transactions of Messe Düsseldorf GmbH are exposed to financial risks. The risks involved may arise in particular as a result of interest rate changes and exchange rate fluctuations.

In accordance with the Company's risk management system, action is taken to limit these risks not only by identifying, analyzing and assessing them but also by using financial derivative instruments. Pursuant to a management directive, it is not permissible to use such derivatives for speculative purposes.

Effective 31 December 2009, Messe Düsseldorf GmbH had concluded a total of eleven interest rate swap transactions designed to hedge against interest rate-related payment flow risks relating to variable-interest commitments to banks by establishing valuation units, covering total borrowings of € 80,000k for the purpose of financing capital projects.

The valuation units set up relate to micro-hedge link-ups in which the individual commitments to be hedged against the risk of interest-rate changes (base transactions) and the interest rate swaps belonging to each of the latter (hedging transactions) coincide in respect of the contractual components that determine their value (currency, nominal amount, term, interest payment dates, reference interest rate), thus establishing total compensation for the risk of interest-rate changes for each of the hedged liabilities over the remaining terms of the individual loans (between February 2010 and May 2017). The level of risk safeguarded depends on the future movements in the variable interest rates hedged against by the interest rate swaps.

The market value of the interest rate swaps not to be included in the Balance Sheet on account of the valuation units established (loan-related transactions concluded) totalled – € 4,740k at 31 December 2009.

Auditors' fees

In accordance with § 285 item 17 HGB (Commercial Code), the disclosure of auditors' fees has been waived, as the latter are included in the Company's consolidated financial statements.

Disclosures regarding the Company's bodies

The remuneration paid to the Managing Board of Messe Düsseldorf GmbH in the business year totalled € 1,980k (previous year: € 1,851k). The remuneration paid to former members of the Managing Board and their surviving dependants amounted to € 649k (previous year: € 640k).

An accrual amounting to € 7,648k (previous year: € 10,129k) has been set aside to cover pension obligations to former members of the Managing Board and their surviving dependants.

In the business year concerned, expenses for the Supervisory Board amounted to € 80k (previous year: € 82k).

Audit Opinion

issued by the auditor, Warth & Klein, Wirtschaftsprüfungsgesellschaft

We have audited the annual financial statements, consisting of the balance sheet, the income statement, and the notes to the financial statements, and also including the accounting records and the management report, of Messe Düsseldorf GmbH, Düsseldorf, for the business year from 1.1.2009 to 31.12.2009. The accounting records and the preparation of the annual financial statements and the management report in accordance with the German commercial-law regulations are matters for which the Company's legal representatives are responsible. It is our task to make an assessment, based on the audit we have carried out, of the annual financial statements, including the accounting records, and of the management report.

We have carried out our annual audit in accordance with § 317 HGB (Commercial Code), observing the German required auditing principles as established by the "Institut der Wirtschaftsprüfer" (IDW/Institute of Certified Public Accountants). In accordance with these principles, the audit has to be planned and carried out in such a fashion as to permit the detection, with an adequate degree of certainty, of any incorrectness or breaches of the regulations such as may have a major effect on the view of the net worth, financial situation, and results of the Company as presented by the annual financial statements when prepared in compliance with the required accounting principles and by the management report. In determining the audit procedures, any knowledge of the Company's business operations and of its commercial and legal environment and any expectations with regard to possible errors are to be taken into account. In the course of the audit, the efficacy of the internal auditing system, in so far as this relates to accounting, and the documents substantiating the statements made in the annual financial statements, the accounting records, and the management report will mainly be assessed on the basis of spot-checks. The audit will comprise an assessment of the accounting principles applied and of the principal estimates made by the Company's legal representatives, and an appraisal of the overall presentation of the annual financial statements and the management report. In our estimation, our audit provides an adequately reliable basis for our audit opinion.

Our audit has resulted in there being no objections.

In our estimation, based on the information obtained during the audit, the annual financial statements of Messe Düsseldorf GmbH comply with the statutory regulations and present, in compliance with required accounting principles, a true and fair view of the net worth, financial situation, and results of Messe Düsseldorf GmbH. The management report is in accord with the annual financial statements. In general, it gives an accurate presentation of the situation of the Company and conveys an accurate idea of the opportunities and risks associated with future developments.

Düsseldorf, 20 April 2010

Warth & Klein Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Professor Dr. Klaus-Günter Klein
Auditor

Dipl.-Volkswirt Manfred Salgert
Auditor

Management Report

of Messe Düsseldorf GmbH Group for the Business Year 2009

Economic boundary conditions

In 2009 the economy was marked by the sharpest decline in the post-war period. This deep recession was triggered first and foremost by a particularly severe and abrupt collapse in world trade at the beginning of 2009, which hardly any country was able to evade. Thus, the year 2009 saw a sharp 1.1 percent decline in worldwide production.

The stabilization of global economic activity around the middle of the year was mainly attributable to expansive monetary policy on the part of the central banks, a considerable expansion of state economic stimulation programs, the relative robustness of the emerging nations, and the comparatively low crude oil price.

In Germany at the beginning of 2009, the worldwide slackening of demand led to a historically unique downturn in exports and capital expenditure on equipment and machinery. Despite the slight improvement in business activity in the second half of the year, industrial production overall suffered a 5.0 percent collapse when averaged out over the year.

Business is currently in a slight recovery phase. Despite the optimistic expectations, the recovery of the world economy in 2010 is likely to proceed at a fairly slow pace. The problems in the financial sector are not yet remedied and unemployment will, in all probability, continue to rise on account of the decrease in capacity utilization ratios. On the other hand, the impact of the worldwide economic stimulation programs and the robust business trend in the emerging nations can be expected to produce positive impulses.

When set against the dimensions of the economic crisis, however, the 2009 downturn in trade fair industry activity actually turned out to be quite moderate. All the same, the 2009 trade fair year was the most difficult year since the end of the new-economy boom in 2002. According to provisional estimates by AUMA, German industry's exhibition and trade fair committee, numbers of exhibitors fell

overall by 3-4 percent. At the same time, participations by German exhibitors actually helped to stabilize the situation – although they were 2 percent down on the previous year. Foreign participations, on the other hand, exhibited a 5 percent decline – a result of the relatively sharp contraction in international trade. The floor space rented out was reduced by about 5 percent; the drop in the numbers of visitors averaged 8-9 percent. The reasons for this were, inter alia, considerable drops in attendance at individual exhibitions catering for the general public.

Altogether, AUMA estimates that there were 154,000 exhibitors, 5.7 million square metres of floor space rented out and 8.9 million visitors at the 135 supraregional trade fairs of 2009.

The economic crisis, however, is not hitting all the trade fair organizers in the same way. Accordingly, the trade fair organizers that have a mix of many sectors in their programs have come off best. Furthermore, the worldwide trend of 2009 shows that the leading fairs, which are often held in Germany, are in a relatively stable position. On the other hand, numerous foreign trade fairs in the second or third rank have got into difficulties.

Despite some first signs of a general upturn in business, growth – starting off from a low level – is not yet to be expected for the trade fair industry as a whole in 2010 as numerous economies adopted last year by exhibiting companies are only coming into effect now.

The Messe Düsseldorf GmbH Group's business performance

Situation as regards Group sales and earnings

The 2009 business year saw consolidated sales decline from € 496,364k to € 255,520k. The drop in sales was mainly due to trade fair cycles leading to a fairly weak business year for Messe Düsseldorf GmbH and to the repercussions of the economic and financial crisis.

Nearly all the Group subsidiaries and member companies also suffered a deterioration compared with the previous year's sales figures. The percentage of Group sales generated abroad rose from 30 percent in the previous year to more than 40 percent in the year under review, the bulk of these foreign sales being obtained in the Czech Republic, Russia and China.

The consolidated net loss for the year (after tax) amounted to € 19,053k (previous year's net profit: € 65,940k). After taking into account profits brought forward amounting to € 162,312k and the € 2,855k loss apportionable to minority interests, a distributable profit of € 146,114k remains.

In the year under review, FIXXUS Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Rheinhalle Düsseldorf KG, Düsseldorf, and Messeturm Düsseldorf Verwaltungsgesellschaft mbH, Düsseldorf were included fully, in their status of special-purpose entities (§ 290 subsection 2 item 4 HGB/Commercial Code, as amended by the BilMoG Act), in the consolidated financial statements for the first time.

Net asset position and financial situation

Compared to the previous year, the Messe Düsseldorf Group's total assets increased by 6.9 percent to € 632,987k (previous year: € 592,323k), mainly due to the inclusion of the special-purpose entities. As in the past, the Group's asset position was predominantly affected by its fixed assets. The € 77,463k increase in tangible assets was mainly due to the enlargement of the scope of consolidation, the alterations to Hall 5 in Düsseldorf and the construction of Pavilion P in Brno.

On the equity and liabilities side, Group equity decreased from € 289,696k to € 287,555k. This corresponds to an equity ratio of 45.4 percent (previous year: 48.9 percent). Accruals fell by € 23,571k, to € 50,639k, compared to the previous year. In addition to accruals for pensions and tax accruals they mainly comprise accruals for impending losses, outstanding invoices, maintenance work, other human resources costs, and tax risks relating to foreign business.

With regard to the financial situation, the reader's attention is drawn to the consolidated cash flow statement to be found on page 65 of this document. As can be seen from this, liquid assets fell by € 28,764k, to € 61,411k, in the 2009 business year. This primarily ensues from the change in the scope of consolidation (€ 78,530k), from outflows of funds for capital expenditure on fixed assets (€ 37,921k) and from the consolidated net loss for the year (€ 19,053k). These amounts were partly counterbalanced by inflows of funds from depreciation on fixed assets (€ 41,260k), from the impact of the switch-over to the BilMoG arrangements (€ 13,699k) with no effect on profits, and from the € 32,956k increase in liabilities to banks.

Messe Düsseldorf GmbH's business performance

For Messe Düsseldorf GmbH, the 2009 business year was, for reasons relating to trade fair cycles, a trade fair year that was scheduled to be characterized by low sales and profits. In addition, there were perceptible declines in the Company's self-organized events, these ensuing from the business and financial crisis and the slackening in international trade associated with the latter. However, no absolute collapses of any considerable dimensions actually occurred because, for rotational reasons, no large-scale, high-revenue fairs were staged. With its stock of themes, Messe Düsseldorf is also well-positioned to cope with periods of crisis as it organizes more than twenty key international trade fairs predominantly in the B2B sector.

For reasons relating to trade fair rotation, in the year under review the company saw a scheduled decline in its sales of more than 50 percent, to € 187,950k. € 113,092k (previous year: € 324,807k) of these resulted from its own trade fair projects at the Düsseldorf site and € 37,457k (previous year: € 22,221k) from guest events and other sales revenue. The major sales-boosters were the MEDICA, boot, A+A and CARAVAN SALON events, which contributed roughly 39 percent of total sales.

Compared to the previous year, the following events were staged at the Düsseldorf site:

	2009	2008
Fairs and exhibitions		
Own events	14	25
Guest events	18	15
Net floor space rented out	975,215 m ²	1,488,005 m ²
Number of exhibitors	21,961	32,488
Number of visitors	1,124,704	1,964,032

Compared to the previous year, net floor space rented out dropped by 34.5 percent, while numbers of exhibitors and visitors were down by 32.4 and 42.7 percent, respectively.

As in previous years, the international nature of the various Düsseldorf events was pronounced. The percentage of foreign exhibitors increased to 61 percent while that of foreign visitors dropped to 22 percent. With their 40 percent plus attendance by international visitors and an international exhibitor ratio of more than 60 percent, the GDS and MEDICA events achieved top attendance and participation ratings.

Compared with the respective predecessor events, declines were registered both in terms of net hall space rented out and in terms of the numbers of exhibitors and visitors. In the case of the Company's own events, the net hall space occupied saw a drop of nearly 9 percent, with numbers of exhibitors and visitors decreasing by between 2 and 3 percent.

Owing to the small number of self-organized events in 2009 and the corresponding availability of capacities, compared to the previous year's figures the guest event segment was successfully expanded and there was an increase in the trade fair facilities rented out. International attendance at these guest events (percentage of exhibitors: 40 percent, percentage of visitors: 32 percent) was as high as it had been in previous years.

In 2009 Messe Düsseldorf GmbH organized abroad 37 events on commission and 21 self-sponsored events and participations. Sales attributable to Messe Düsseldorf's international trade fair business declined by 25 percent to €37,401k (previous year: €49,582k). This was mainly due to the economic downturn in Russia. The percentage of sales accounted for by Russia dropped 30 percent. Nevertheless, as in the past, the CIS countries, China and India are still the strongest foreign markets in which Messe Düsseldorf GmbH is active. The main sales boosters were Collection Première Moscow, INTERPLASTICA, UPAKOVKA/UPAK ITALIA, METALLOBRABOTKA and wire Russia & Tube Russia.

In addition, this business year with its relative absence of events was used for major maintenance, modernization and construction projects. An important project in the context of long-term capital investment planning concerned the alterations to Exhibition Hall 5.

The net loss for the business year (after tax) amounted to €27,427k (previous year's net profit: €60,298k).

Business performance of the Group's international subsidiaries

Messe Düsseldorf GmbH now has a 61 percent stake in Veletrhy Brno a. s. As in the past, other shareholders are the City of Brno, holding 34 percent, and several minority shareholders holding 5 percent of the shares. The business objective of Veletrhy Brno is essentially to procure

participations in trade fairs and exhibitions and to organize such fairs and exhibitions at the company's own exhibition site in Brno. In the 2009 business year, the company returned a net loss for the year of € 3,767k after tax (previous year: net profit of € 4,106k), while generating sales of € 44,540k (previous year: € 68,286k). This drop in sales and earnings was mainly due to the business and financial crisis and the ensuing lack of registrations for events – in particular, for the MSV mechanical engineering fair and the AUTOSALON event.

Brno INN, in which Veletrhy Brno holds a majority of the shares, operates the Holiday Inn Hotel situated on the Brno exhibition site, thus contributing to the quality of service to exhibitors and visitors at the Brno site. The company generated sales of € 4,744k (previous year: € 5,816k) and returned a profit of € 96k (previous year: € 527k).

The main task of Messe Düsseldorf North America Inc., a 100-percent subsidiary of Messe Düsseldorf GmbH, is to obtain business, in terms of exhibitors and visitors from the USA, for trade fairs at the Düsseldorf site. This means that its business performance depends on the rotation of events in Düsseldorf. Due to event cycles, the company therefore registered a drop in sales, from € 4,495k to € 1,791k. For 2009, the company returned a loss for the year of € 82k (previous year's profit: € 916k).

The Singapore-based Messe Düsseldorf ASIA Pte. Ltd., a 100-percent subsidiary of Messe Düsseldorf GmbH, organizes its own trade fairs in the Asian region while also obtaining business in terms of exhibitors and visitors for events in Düsseldorf. Due to event cycles, the 2009 business year again saw an increase in sales to € 3,718k (previous year: € 2,420k), while annual profit fell to € 109k (previous year: € 133k).

In the year under review, the sales revenue of 000 Messe Düsseldorf Moscow was roughly 35 percent down on that of the previous year, falling to € 5,254k. The company returned a profit for the year of € 351k (previous year: € 1,076k). The object of the company is to organize and stage trade fairs, exhibitions and similar events in Russia.

Messe Düsseldorf China, in which Messe Düsseldorf holds an 80% stake, 20% being held by World Fair Consultants Ltd., Hong Kong, is responsible for obtaining business in the form of exhibitors and visitors for events in Düsseldorf as well as organizing its own events in China. Due to trade fair cycles, the company saw its sales fall to € 2,695k (previous year: € 8,027k), while returning a loss for the year of € 380k (previous year's profit: € 1,510k).

Business performance of the Group's national subsidiaries

At € 18,891k, the sales of IGEDO Company GmbH & Co. KG were 44 percent down on those of the previous business year. This decline was due, inter alia, to the business and financial crisis in Russia and the correspondingly negative performance of Moscow's Collection Première Moscow (CPM) event. In the business year just ended, the company returned a net loss for the year of € 1,983k.

DüsseldorfCongress Veranstaltungsgesellschaft mbH provides services for congresses and other events, including events held on the premises of the CCD Congress Center Düsseldorf, the PHILIPSHALLE, the Stadthalle, the RHEINHALLE, the airport station at Düsseldorf Airport, the ESPRIT arena and the ISS DOME at Rath. Sales amounted to € 27,830k (previous year: € 22,305k). Due to the low utilization rate of the Düsseldorf exhibition site, from a marketing point of view DüsseldorfCongress was able to rent out the exhibition halls with their high sales revenues more frequently than in the previous year. As a result, net profit for the year rose to € 355k (previous year: € 85k).

Messeturm Düsseldorf Verwaltungsgesellschaft mbH, which rents out Messeturm A of which it is the owner, is a 50-percent subsidiary of Messe Düsseldorf GmbH. The company's sales declined by 2 percent, to € 2,715k. After the previous year had seen a net profit for the year amounting to € 8,176k following the write-back in that year of a special item with an equity portion pursuant to § 6b EStG (Income Tax Law), net profit for the year fell to € 615k.

Messe Düsseldorf holds a 94 percent limited-partner's stake in FIXXUS Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Rheinhalle Düsseldorf KG, Düsseldorf. Under sale-and-lease-back arrangements, the company has purchased Exhibition Hall 6 and part ownership of Messeturm B from Messe Düsseldorf GmbH and has rented these items out to Messe Düsseldorf again on a long-term basis. In the business year under review, FIXXUS returned a net profit for the year of € 4k (previous year: € 2k), generating sales totalling € 5,401k (previous year: € 5,295k).

Human resources

Based on figures averaged out over the year, the Group employed a workforce of 1,411 people (previous year: 1,503). The size of the workforce was therefore roughly 6 percent smaller than in the previous year.

Risk management

The Group has a risk management system into which all the divisions of Messe Düsseldorf GmbH and those of its subsidiaries are integrated. The aim of the risk management system is to identify, assess, and communicate/report any possible risks so as to enable countermeasures or remedial action to be initiated in good time.

The Group does not consider itself to be faced with any risks that might jeopardize its assets. Normal business risks are covered by suitable insurance policies.

The repercussions of the global financial and economic crisis and subsequent processes of concentration in industry are reducing potential demand in individual sectors. Hence, the possibility of individual events being affected by reductions in sales and earnings cannot be ruled out in future.

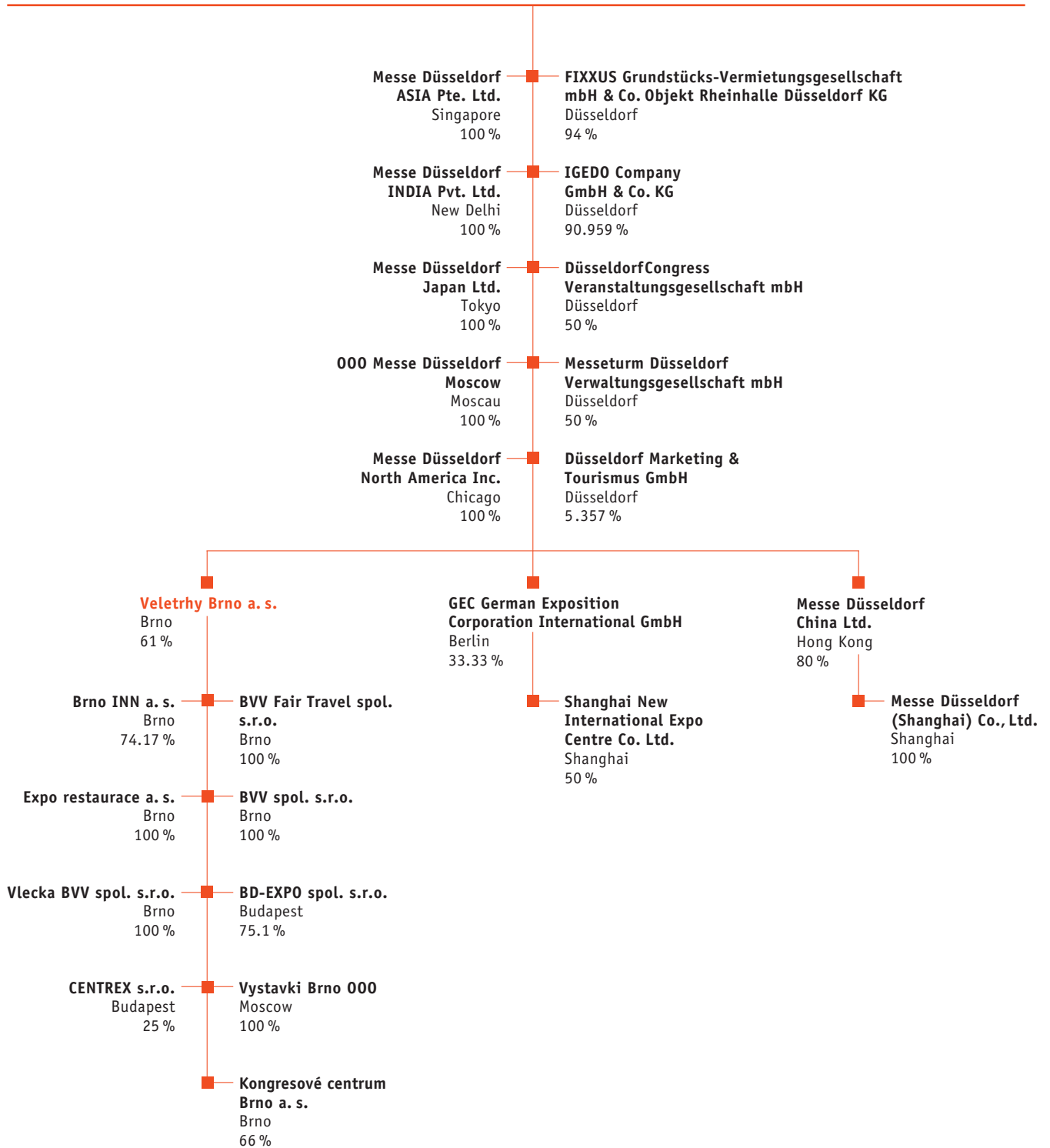
To maintain its top position among the leading trade fair companies at both the national and the international level in this environment, Messe Düsseldorf GmbH and its subsidiaries have, for years, been continually improving their standards of service and quality. Furthermore, the Group is determinedly pursuing the strategic course that it has set for itself. The aims of this course are to safeguard and develop the trade fair program at the various sites and to expand international business by means of the Group's own activities or in joint ventures with partners.

Future prospects

For reasons relating to trade fair cycles, the Messe Düsseldorf Group is again anticipating an increase in sales revenue for coming business years compared to the year under review. However, considering the financial crisis and the risks that it entails, a negative result is expected for the Group in 2010. At Messe Düsseldorf GmbH events in the first quarter of 2010 the targets have been attained. On the basis of the registrations received for further events the assumption is also warranted that Messe Düsseldorf GmbH might be able to end up ever so slightly in the black in terms of profitability in 2010.

The capital projects and maintenance work relating to the trade fair site that have been carried out in recent years are to be pursued as scheduled in the coming years too. A major project that is planned will be alterations to further halls in Düsseldorf, involving total capital expenditure of more than € 40 million.

Messe Düsseldorf GmbH



Consolidated Balance Sheet

of Messe Düsseldorf GmbH at 31 December 2009

Assets

	31.12.2009	31.12.2008
	€ '000	€ '000
Fixed assets		
Intangible assets		
Concessions, industrial and similar rights and assets, and licences in such rights and assets acquired for consideration	14,306	14,575
Payments on account	119	123
	14,425	14,698
Tangible assets		
Land, land rights and buildings, including buildings on third-party land	495,666	386,518
Technical equipment and machines	1,336	1,439
Other equipment, factory and office equipment	13,526	14,516
Payments on account and assets under construction	2,536	33,128
	513,064	435,601
Financial assets		
Shares in affiliated enterprises	262	210
Shares in associated enterprises	554	3,161
Participations	5,954	5,954
Loans to associated enterprises	0	715
Other loans	1,368	1,215
	8,138	11,255
	535,627	461,554
Current assets		
Inventories		
Raw materials, auxiliary materials and supplies	194	207
Finished products and merchandise	379	376
	573	583
Receivables and other assets		
Trade receivables	14,530	17,422
Receivables from affiliated enterprises	423	282
Receivables from associated enterprises	2,103	561
Other assets	10,521	11,627
	27,577	29,892
Cash-in-hand, bank balances and cheques	61,411	90,175
	89,561	120,650
Prepaid expenses	5,862	8,782
Deferred tax assets	1,937	1,337
	632,987	592,323

* Previous year's figure reallocated from accruals

Equity and liabilities

	31.12.2009	31.12.2008
	€ '000	€ '000
Equity		
Subscribed capital	15,625	15,625
Capital reserves	79,718	75,731
Revenue reserves	12,237	0
Difference in equity due to currency translation	4,845	5,022
Adjusting item for minority interests	29,016	28,593
Consolidated distributable profit	146,114	164,725
	287,555	289,696
Adjusting item resulting from capital consolidation	561	0
Accruals		
Accruals for pensions and similar obligations	14,360	17,229
Tax accruals	5,702	10,243
Other accruals	30,577	46,738
	50,639	74,210
Liabilities		
Liabilities to banks	146,821	113,865
Payments received on account in respect of orders	21,192	21,328
Trade payables	11,170	22,357
Payables to shareholders	45,762	47,860
Payables to affiliated enterprises	69	34
Payables to associated enterprises	3	0
Other liabilities (of which taxes: € 1,555k; previous year: € 1,011k) (of which relating to social security and similar obligations: € 237k; previous year: € 306k)	67,626	12,090
	292,643	217,534
Deferred income	30	88
Deferred tax liabilities	1,559	10,795 *
	632,987	592,323

Consolidated Income Statement

of Messe Düsseldorf GmbH for the period from
1 January to 31 December 2009

	2009	2008
	€ '000	€ '000
Sales	255,520	496,364
Own work capitalized	248	496
Other operating income	23,074	8,962
Event-related expenses		
a) Cost of raw materials, auxiliary materials and supplies, and of purchased merchandise	- 13,360	- 16,860
b) Cost of purchased services	- 125,509	- 214,825
	- 138,869	- 231,685
Personnel expenses		
a) Wages and salaries	- 51,403	- 54,670
b) Social security charges and costs of retirement pensions and other welfare benefits (including € 2,840k for retirement pensions; previous year: € 5,416k)	- 11,594	- 15,510
	- 62,997	- 70,180
Depreciation on intangible and tangible fixed assets	- 41,260	- 32,394
Other operating expenses	- 48,914	- 67,936
Net income from shareholdings in associated enterprises	177	364
Income from long-term loans	4	3
Other interest and similar income	3,624	6,880
Write-downs on financial assets	- 208	0
Interest and similar expenses	- 14,884	- 9,359
Result from ordinary activities	- 24,485	101,515
Extraordinary expenditure	- 145	0
Taxes on income and profits	5,577	- 35,575
Consolidated net loss/profit for the year	- 19,053	65,940
Portion of loss/profit accruing to minority interests	2,855	- 2,246
Profit brought forward from the previous year	164,725	100,763
Change in profit or loss brought forward due to interim consolidation	- 2,525	0
Change in profit or loss brought forward due to impact of tax audits	112	0
Change in profit brought forward due to acquisition of shares held by third-party shareholders	0	268
Consolidated distributable profit	146,114	164,725

Statement of Movements in the Consolidated Fixed Assets

of Messe Düsseldorf GmbH in the Business Year 2009

	Cost of acquisition/manufacture	
	Status at 1.1.2009	Currency translation
	€ '000	€ '000
Intangible assets		
Concessions, industrial and similar rights and assets, and licences in such rights and assets acquired for consideration	46,701	- 90
Goodwill	20,175	0
Payments on account	123	0
	66,999	- 90
Tangible assets		
Land, land rights and buildings, including buildings on third-party land	822,807	862
Technical equipment and machines	2,636	17
Other equipment, factory and office equipment	77,622	115
Payments on account and assets under construction	33,128	118
	936,193	1,112
Financial assets		
Shares in affiliated enterprises	1,309	1
Shares in associated enterprises	3,161	0
Participations	13,295	9
Loans to affiliated enterprises	240	2
Loans to associated enterprises	715	0
Other loans	1,215	6
	19,935	18
Total	1,023,127	1,040

Cost of acquisition/manufacture

Correction of amounts brought forward (tax audit) € '000	Changes in the scope of consolidation € '000	Additions € '000	Reclassi- fications € '000	Retire- ments € '000	Status at 31.12.2009 € '000
152	59	2,810	122	165	49,589
0	0	3	0	0	20,178
0	0	118	- 122	0	119
152	59	2,931	0	165	69,886
0	123,613	30,261	31,680	6,072	1,003,151
0	0	47	0	23	2,677
0	5,460	2,905	288	3,029	83,361
0	0	1,335	- 31,968	77	2,536
0	129,073	34,548	0	9,201	1,091,725
0	0	260	0	1	1,569
0	- 2,784	177	0	0	554
0	0	0	0	0	13,304
0	0	0	0	0	242
0	0	0	0	715	0
0	0	182	0	35	1,368
0	- 2,784	619	0	751	17,037
152	126,348	38,098	0	10,117	1,178,648

	Depreciation		
	Status at 1.1.2009	Currency translation	Correction of amounts brought forward (tax audit)
	€ '000	€ '000	€ '000
Intangible assets			
Concessions, industrial and similar rights and assets, and licences in such rights and assets acquired for consideration	32,126	- 17	- 134
Goodwill	20,175	0	0
Payments on account	0	0	0
	52,301	- 17	- 134
Tangible assets			
Land, land rights and buildings, including buildings on third-party land	436,289	349	0
Technical equipment and machines	1,197	7	0
Other equipment, factory and office equipment	63,106	90	0
Payments on account and assets under construction	0	0	0
	500,592	446	0
Financial assets			
Shares in affiliated enterprises	1,099	0	0
Shares in associated enterprises	0	0	0
Participations	7,341	9	0
Loans to affiliated enterprises	240	2	0
Loans to associated enterprises	0	0	0
Other loans	0	0	0
	8,680	11	0
Total	561,573	440	- 134

Changes in the scope of consolidation	Depreciation			Book values	
	Additions	Retire- ments	Status at 31.12.2009	Status at 31.12.2009	Status at 31.12.2008
€ '000	€ '000	€ '000	€ '000	€ '000	€ '000
0	3,412	104	35,283	14,306	14,575
0	3	0	20,178	0	0
0	0	0	0	119	123
0	3,415	104	55,461	14,425	14,698
44,895	31,030	5,078	507,486	495,666	386,518
0	161	24	1,341	1,336	1,439
2,922	6,654	2,937	69,834	13,526	14,516
0	0	0	0	2,536	33,128
47,817	37,845	8,039	578,661	513,064	435,601
0	208	0	1,307	262	210
0	0	0	0	554	3,161
0	0	0	7,350	5,954	5,954
0	0	0	242	0	0
0	0	0	0	0	715
0	0	0	0	1,368	1,215
0	208	0	8,899	8,138	11,255
47,817	41,468	8,143	643,021	535,627	461,554

Notes to the Consolidated Financial Statements

of Messe Düsseldorf GmbH for the Business Year 2009

I. General principles

According to the criteria of § 267 HGB (Commercial Code) regarding size, Messe Düsseldorf GmbH is a large joint-stock company. Pursuant to § 290 HGB, the Company is obligated to prepare consolidated financial statements. The consolidated financial statements of Messe Düsseldorf GmbH have been prepared in compliance with the provisions of the GmbH Act (Act concerning limited-liability companies). At the same time, the commercial law provisions as amended by the Bilanzrechtsmodernisierungsgesetz (BilMoG/Accounting Law Modernization Act) of 29 May 2009, compliance with which is not deemed obligatory until the consolidated financial statements for the 2010 business year are drafted, have been applied prematurely on a voluntary basis.

For the Income Statement, the total costs (type of expenditure) method has been opted for. The peculiarities of trade fair business have been taken into account.

II. Switchover to the Accounting Law Modernization Act (BilMoG)

In the consolidated financial statements of Messe Düsseldorf GmbH, application for the first time of the commercial law provisions amended by the BilMoG has led to adjustments in valuations in the sphere of accruals.

The adjustment of accrual valuations to match the BilMoG provisions leads to the following specific effects in the opening balance sheet at 1 January 2009.

In the annual financial statements of Messe Düsseldorf GmbH at 31 December 2008, the asset-value of accruals for pensions was calculated at an interest rate of 4.5 percent, also taking future trends in remuneration and pensions into consideration. The switchover to the modified valuation rules of § 253 HGB (Commercial Code), involving calculations at an interest rate of 5.26 percent, results in a write-back of € 1,480k. This also led to a € 105k

allocation to IGEDO Company GmbH & Co. KG. The write-back has been posted to revenue reserves, thus having no impact on profits, while the allocation was recorded as an extraordinary expense in the Income Statement.

To bring the figures into line with the modified valuation rules of § 249 HGB, the accruals for maintenance work stated under "other accruals", the omission of which in the previous year is not rectified until the first three months of the subsequent business year have elapsed, are now written back, with the exception of a € 500k amount apportionable to one individual maintenance project. The amount of € 5,571k ensuing from the write-back has been posted to revenue reserves, thus having no impact on profits.

In the context of the switchover to the BilMoG, the € 3,500k expense accruals set up to cover restructuring measures as defined in § 249 subsection 2 HGB (old version) have also been written back and the amounts posted directly to revenue reserves.

The adjustment of individual accrual figures shown under "other accruals" to match the new § 253 HGB valuation rules leads to postings of € 40k and write-backs of € 128k. In addition, there has been a € 1,558k write-back from deferred taxes. The amounts posted have been stated in the Income Statement as extraordinary expense. The write-backs have been posted to revenue reserves so as to have no impact on profits. The option of retaining the previous arrangements was not utilized.

Overall, the switchover to the BilMoG (Accounting Law Modernization Act) has resulted in a reduction in the annual result amounting to € 145k and a € 12,237k increase in revenue reserves.

In accordance with Art. 67 para 8 EGHGB (Introductory Law to the Commercial Code), an adjustment of the previous year's figures in the items affected by the switchover to the BilMoG has been waived.

III. Scope and principles of consolidation

In addition to Messe Düsseldorf GmbH, the consolidated financial statements also fully include the following subsidiaries in which Messe Düsseldorf GmbH has a direct or indirect majority holding:

- Messe Düsseldorf North America Inc., Chicago/USA
- Messe Düsseldorf ASIA Pte. Ltd., Singapore
- Veletrhy Brno a. s., Brno/Czech Republic
- Brno INN a. s., Brno/Czech Republic
- 000 Messe Düsseldorf Moscow, Moscow/Russia
- Messe Düsseldorf China Ltd., Hong Kong/China
- IGEDO Company GmbH & Co. KG, Düsseldorf

Pursuant to § 290 subsection 2, item 4 HGB (special-purpose entities), the following enterprises have been included in the consolidated financial statements for the first time:

- Messeturm Düsseldorf Verwaltungsgesellschaft mbH, Düsseldorf
- FIXXUS Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Rheinhalle Düsseldorf KG, Düsseldorf

With regard to Messeturm Düsseldorf Verwaltungsgesellschaft mbH, which, in previous years, had been included in the consolidated financial statements at equity, this involved removing the company from the scope of consolidation at 1 January 2009, for it then to be included in the consolidated financial statements for the first time. The € 3,987k amount of negative goodwill was posted to capital reserves. The € 3k positive goodwill arising from the initial consolidation of FIXXUS Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Rheinhalle Düsseldorf KG, was capitalized as goodwill and fully written off in the business year under review.

Pursuant to § 296 subsection 2 HGB (Commercial Code), the inclusion in the consolidated financial statements of the following 100-percent subsidiaries: Messe Düsseldorf Japan Ltd., Tokyo/Japan, Messe Düsseldorf India Pvt. Ltd., New Delhi/India, other affiliates of Veletrhy Brno a. s., Brno/Czech Republic, and a subsidiary of Messe Düsseldorf China Ltd., Hong Kong/China, has been waived.

Pursuant to § 312 HGB, the participation in Düsseldorf-Congress Veranstaltungsgesellschaft mbH, Düsseldorf, has been included in the consolidated financial statements at equity.

German Exposition Corporation International GmbH, Berlin, 33.33% of whose shares are held by Messe Düsseldorf GmbH, is not included as an associated company as Messe Düsseldorf does not exercise a significant influence over it.

The capital consolidation of the companies included in the consolidated financial statements was based on book values in the case of first-time consolidation up to 31 December 2008. Pursuant to § 301 subsection 1 sentence 2 HGB, the revaluation method has been applied for consolidation as from 1 January 2009.

The positive differences arising from capital consolidation are partly allocated to the assets of the subsidiary concerned and depreciated on the basis of their useful life. Any positive differences remaining have been posted as goodwill and depreciated over a four-year period in all cases. Unscheduled write-downs are applied whenever necessary.

Any reciprocal receivables and liabilities between the fully-consolidated companies are set off against each other. In the Consolidated Income Statement, intragroup sales revenues and other intragroup income items are set off against the corresponding expenditure. All intragroup interim profits have been eliminated.

Pursuant to § 308a HGB, foreign currency amounts on the balance sheets of the foreign subsidiaries included in the consolidation are translated on the basis of the spot exchange middle rates applicable on the balance-sheet date. This does not apply to equity, which has been translated at the appropriate historical rates. The income statements have been translated at the average rates applicable to the accounting period; any currency translation differences ensuing have been posted to the adjusting items set up for this purpose, and thus have no effect on earnings.

IV. Accounting and valuation policies

The individual companies' financial statements on which full consolidation is based are uniformly prepared in accordance with the accounting and valuation guidelines laid down by the parent company. Uniform valuation policies have not been applied to the associated company.

Purchased intangible assets are reported at their acquisition cost less the scheduled depreciation charge. Depreciation is based on the straight-line method, taking the normally-applicable useful life of the asset into account.

Tangible assets are valued at acquisition or manufacturing costs and, provided their useful life is limited in time, scheduled depreciation is deducted. If necessary, additional depreciation is applied based on the value appropriate for the assets on the balance-sheet date.

Buildings are normally depreciated on a straight-line basis, but in two cases the double declining-balance method is used. Investments in extensions to buildings are depreciated to correspond with the whole building's remaining useful life.

Since 1 January 2001, the straight-line method has been used for depreciation on additions to movable assets. Straight-line depreciation is calculated pro rata temporis.

Low-value assets with a maximum value of € 150 are written off fully in the year of acquisition and are simultaneously reported as a retirement in the fixed assets movements schedule. Low-value assets with a value of between € 150 and € 1,000 are capitalized in an aggregate item and written off over a period of five years.

Shares in affiliated companies and participations are carried at cost of acquisition or at such lower value as may be appropriate, while the participations in associated enterprises that are reported are adjusted to reflect changes in the equity valuation of the companies concerned.

Loans are shown at their nominal value less any principal repaid. Write-downs are made to the extent required to reflect any identifiable risks.

Inventories are valued, in some cases, at fixed amounts, in other cases at their average prices or at cost price, if this is lower. If inventories are subject to risks arising from periods of storage or reduced merchantability, write-downs are made.

Receivables and other assets are shown at their nominal value. Appropriate individual write-downs have been made to cover any individual risks that are identifiable. Interest-free receivables with a remaining term of more than one year are discounted as from the balance-sheet date (in addition, see Section V).

The option, provided for in § 274 HGB, of capitalizing the surplus in deferred taxes shown as assets has not been utilized.

The asset-value of accruals for pensions is established on the basis of actuarial principles following the projected unit credit method (PUC method), and also applying the 2005 G standard tables of Dr. Klaus Heubeck. Accruals for pensions are discounted at a flat rate, this being the average market interest rate of the last seven years, applicable to an assumed remaining term of 15 years, as published by the Deutsche Bundesbank (German Federal Bank) for the month of October 2009. This interest rate amounts to 5.26 percent. Its calculation following the PUC method is based on the following assumptions regarding trends:

- Trend in wages and salaries: 2.7 percent
- Trend in the earnings ceiling for social security contributions: 2.7 percent
- Trend in pensions: 1.7 percent
- Fluctuation: 1.0 percent

All other accruals have been set up at a settlement level that takes account of all identifiable risks on the basis of a prudent business assessment. Accruals with a remaining term of more than one year are discounted on the basis of the actuarial interest rates published by the Deutsche Bundesbank.

Liabilities are stated as such at the amounts repayable.

Receivables and liabilities in foreign currencies are entered in the accounts at the rate of exchange applicable at the time, and are then valued at year-end at the rate applicable on the closing date. As regards receivables and liabilities with a remaining term of more than one year, the principle of lowest value or highest value is applied, as the case may be.

V. Explanatory notes on the Consolidated Balance Sheet

Fixed assets

Apart from purchased software, the intangible assets mainly consist of rights to the use of a public highway, rights to the use of the City of Düsseldorf's power supply grid, and rights to the use of trade fair themes. The additions to this item are mainly due to the acquisition of rights relating to the "wire/Tube" catalogue and to the acquisition of a right relating to a trade fair.

The additions to tangible assets result primarily from the alterations to Hall 5 and the construction of the new Pavilion P at the Brno site.

In the year under review, a capital increase in the amount of INR 14,000,000.00 (€ 208k) was carried out in the affiliated company Messe Düsseldorf India Pvt., New Delhi, whose shares are wholly owned by Messe Düsseldorf GmbH. An unscheduled write-down for the same amount was applied to the book value of the participation in the year under review.

For further details, the reader is referred to the Movements in Consolidated Fixed Assets schedule on pages 47-51.

A list of subsidiaries and other holdings has been drawn up separately on page 69.

Receivables and other assets

Trade receivables include receivables in the amount of € 68k with a remaining term of more than one year.

The other receivables include receivables in the amount of € 140k with a remaining term of more than one year.

The receivables from affiliated enterprises relate to receivables from the subsidiaries that, pursuant to § 296 subsection 2 HGB (Commercial Code), have not been included in the consolidated financial statements.

The receivables from associated enterprises relate to receivables from the subsidiaries that have been included in the consolidated financial statements at equity. These receivables have a remaining term of less than one year.

Deferred tax assets

The items shown as deferred tax assets relate solely to deferred tax based on consolidation entries pursuant to § 306 HGB. A tax rate of 31.23 percent (previous year: 31.4 percent) has been applied.

In the adjusting item for deferred taxes, provided for in § 274 HGB, there is a surplus of deferred tax assets mainly ensuing from differences between fiscally-based and commercial-law valuations of shares in affiliated enterprises, participations and accruals and from losses brought forward. The option provided for in § 274 subsection 1 sentence 2 HGB (Commercial Code) of capitalizing the surplus in deferred tax assets has been waived.

Accruals

The Company's pension obligations to former and present managerial staff are fully covered by pension accruals. Here there has been a reduction of € 2,869k compared with the previous year's figure. The figure includes the write-back, posted with no impact on profits, ensuing from the switchover to the valuation rules amended by BilMoG along with a reduction due to the ceasing of a pension obligation. For employees of Messe Düsseldorf GmbH who have been given no pension benefits promise an additional pension scheme is provided by the Rheinische Zusatzversorgungskasse (Rhenish Supplementary Pension Fund), Cologne.

The tax accruals cover taxes on business profits relating to previous years and to the year under review and also accruals designed to cover tax audits.

The other accruals cover all identifiable risks and have been calculated on the basis of prudent commercial principles. They mainly comprise accruals for fiscal risks in foreign countries amounting to € 11,500k (previous year: € 12,225k), for outstanding invoices received amounting to € 8,810k (previous year: € 7,886k), for semiretirement schemes, vacations, and other human resources costs totalling € 6,595k (previous year: € 10,397k), for mainte-

nance work amounting to € 1,752k (previous year: € 7,492k), and for impending losses totalling € 250k (previous year: € 4,971k).

In the business year under review, income was generated by write-backs of other accruals amounting to € 7,761k (previous year: € 2,848k). Additions to other accruals totalled € 15,964k (previous year: € 29,072k).

Liabilities

The liabilities of the Messe Düsseldorf Group are classified as follows on the basis of their remaining terms:

	Total amount	With a remaining term of		
		up to 1 year	up to 5 years	more than 5 years
	€ '000	€ '000	€ '000	€ '000
Liabilities to banks	146,821	17,272	62,268	67,281
Payments received on account	21,192	21,097	95	0
Trade payables	11,170	9,539	1,631	0
Payables to shareholders	45,762	2,694	13,487	29,581
Payables to affiliated enterprises	69	69	0	0
Payables to associated enterprises	3	3	0	0
Other liabilities	67,626	16,925	20,884	29,817
	292,643	67,599	98,365	126,679

Of total liabilities to banks, € 80,000k consisting of liabilities in the form of loans were secured by means of charges on real estate.

Deferred tax liabilities

Deferred tax liabilities mainly result from the write-back of an extraordinary tax item that must not be included in the consolidated financial statements.

VI. Explanatory notes on the Income Statement

Sales

Consolidated sales in the business year under review can be broken down according to the following business segments and regions:

	2009	2008
Business segment	€ '000	€ '000
Trade fair business	251,024	490,785
Hotel management	4,496	5,579
	255,520	496,364

	2009	2008
Region	€ '000	€ '000
Germany	150,949	346,147
Czech Republic	46,057	69,307
Russia	40,403	57,851
China	4,494	11,063
Singapore	3,812	2,747
USA	1,716	3,613
Other countries	8,089	5,636
Total foreign sales	104,571	150,217
	255,520	496,364

Other operating income

“Other operating income” mainly consists of income deriving from write-backs of accruals, from the passing on of charges to associated enterprises, and from the retirement of fixed assets. The item contains € 6,151k (previous year: € 180k) in the form of income not relating to the accounting period, € 4,978k of this consisting of energy tax refunds for the period 2002-2008.

Event-related expenses

The differentiation between event-related expenditure and other operating expenses was effected via an assessment of the individual costs. The event-related expenditure consists of costs that are directly allocable to a cost unit. Deliveries of fabricated goods are recorded under “cost of raw materials, auxiliary materials and supplies, and of purchased merchandise”. Construction work and other services are included in “cost of purchased services”.

It is mainly energy costs, costs of consumables and supplies, and expenditure on advertising materials that are shown under “cost of raw materials, auxiliary materials and supplies, and of purchased merchandise”, whereas the “cost of purchased services” item mainly covers expenditure on commissions, stand construction services purchased, rental charges, and advertising expenditure.

Other operating expenses

In addition to exhibition site maintenance costs, the other operating expenses mainly consist of rental charges for premises, legal and consultancy expenses, expenditure on advertising and IT expenses, insurance policies, site security and cleaning services, expenditure on valuation adjustments and cancellations of claims, expenditure on storm damage, losses due to the retirement of fixed assets, and additions to accruals. The item contains €143k (previous year: €56k) in the form of expenditure not relating to the accounting period. Other taxes, amounting to €2,251k (previous year: €2,380k), are also shown under this heading.

Interest and similar expenditure

In addition to interest on loans and interest rate swap transactions, the item covers net expenditure deriving from the marking up of accruals in respect of accrued interest, including the impact, amounting to €995k, of changes in the discount rate applied.

Extraordinary expenditure

The extraordinary expenditure results from the entry of allocations, having no impact on profits, based on revaluations of accruals for pensions and other accruals in the context of the switchover to the BilMoG (in this respect, also see Section II).

Taxes on income and profits

The item mainly contains the tax on business profits for the business year and deferred taxation due to valuation adjustments. Changes in deferred taxes have given rise to income amounting to €9,710k and expenditure amounting to €112k.

VII. Other disclosures

Human resources

In addition to the management, on average 1,411 wage-earners and salaried staff were employed during the business year. In addition, the casual staff and apprentices employed numbered 156 and 19, respectively.

Other financial obligations and contingent liabilities

On the balance-sheet date, the Group’s purchase commitments totalled €29,427k.

Further obligations amounting to €5,288k stemmed from commitments deriving from long-term rental agreements and leases.

On the balance-sheet date, guarantees taken into account on the Balance Sheet and amounting to €650k (previous year: €767k) had been issued in favour of employees to cover trade investments based on employees’ loans and to safeguard employee semiretirement schemes in the event of insolvency.

Messe Düsseldorf GmbH grants its employees benefits under the company retirement pension scheme; for this purpose, employees have been insured with the Rheinische Zusatzversorgungskasse (Rhenish Supplementary Pension Fund), Cologne. To the best of our current knowledge,

the institutional assets of the public supplementary pension funds and the contributions system in its existing structure do not adequately or completely cover the existing pension commitments of the employers participating in the scheme. The ensuing cover shortage comes to a substantial sum – a financial obligation that will hit public employers hard in future. The Supplementary Pension Fund contribution shown under personnel expenses on the Income Statement amounts to € 2,611k for the year under review.

Hedging policy and financial derivatives

The Group's business operations and financial transactions are exposed to financial risks. The risks involved may arise in particular as a result of interest rate changes and exchange rate fluctuations.

In accordance with the Group's risk management system, action is taken to limit these risks not only by identifying, analyzing and assessing them but also by using financial derivative instruments. Pursuant to a management directive, it is not permissible to use such derivatives for speculative purposes.

Effective 31 December 2009, the Group had concluded a total of eleven interest rate swap transactions designed to hedge against interest rate-related payment flow risks relating to variable-interest commitments to banks by establishing valuation units, covering total borrowings of € 80,000k for the purpose of financing capital projects.

The valuation units set up relate to micro-hedge link-ups in which the individual commitments to be hedged against the risk of interest-rate changes (base transactions) and the interest rate swaps belonging to each of the latter (hedging transactions) coincide in respect of the contractual components that determine their value

(currency, nominal amount, term, interest payment dates, reference interest rate), thus establishing total compensation for the risk of interest-rate changes for each of the hedged liabilities over the remaining terms of the individual loans (between February 2010 and May 2017). The level of risk safeguarded depends on the future movements in the variable interest rates hedged against by the interest rate swaps.

The market value of the interest rate swaps not to be included in the Balance Sheet on account of the valuation units established (loan-related transactions concluded) totalled – € 4,740k at 31 December 2009.

Auditors' fees

For the 2009 business year, the auditor of the consolidated financial statements has invoiced € 162k for auditing services.

Disclosures regarding the Company's bodies

The remuneration paid to the Managing Board of Messe Düsseldorf GmbH in the business year totalled € 1,980k (previous year: € 1,851k). The remuneration paid to former members of the Managing Board and their surviving dependants amounted to € 649k (previous year: € 640k).

An accrual amounting to € 7,648k (previous year: € 10,129k) has been set aside to cover pension obligations to former members of the Managing Board and their surviving dependants.

In the business year concerned, expenses for the Supervisory Board amounted to € 80k (previous year: € 82k).

Statement of Changes in Equity

of the Messe Düsseldorf GmbH Group at 31 December 2009

	Parent company			
	Subscribed capital	Capital reserves	Reserves	Currency translation differences
	€ '000	€ '000	€ '000	€ '000
Balance at 31.12.2007	15,625	75,731	-	4,733
Carried forward to new account	-	-	-	-
Capital inpayment by minority shareholder	-	-	-	-
Acquisition of shares from minority shareholder	-	-	-	-
Consolidated net profit for the year	-	-	-	-
Currency translation differences	-	-	-	289
Balance at 31.12.2008	15,625	75,731	-	5,022
Carried forward to new account	-	-	-	-
Impact of the switchover to the BilMoG (Accounting Law Modernization Act) with no effect on profits	-	-	12,237	-
Impact of the tax audit	-	-	-	-
Changes in the scope of consolidation	-	3,987	-	-
Acquisition of shares from minority shareholder	-	-	-	-
Consolidated net loss for the year	-	-	-	-
Currency translation differences	-	-	-	- 177
Balance at 31.12.2009	15,625	79,718	12,237	4,845

Parent company			Minority interests			Total
Consolidated profit brought forward	Consolidated net profit/loss for the year	Equity	Minority interest in capital	Minority interest in net profit/loss	Minority interest in equity	Group equity
€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000
68,758	32,004	196,851	22,192	1,145	23,337	220,188
32,004	- 32,004	-	1,145	- 1,145	-	-
-	-	-	3,449	-	3,449	3,449
268	-	268	- 268	-	- 268	-
-	63,695	63,695	-	2,245	2,245	65,940
-	-	289	- 170	-	- 170	119
101,030	63,695	261,103	26,348	2,245	28,593	289,696
63,695	- 63,695	-	2,245	- 2,245	-	-
-	-	12,237	-	-	-	12,237
112	-	112	11	-	11	123
- 2,525	-	1,462	3,014	-	3,014	4,476
-	-	-	- 4	-	- 4	- 4
-	- 16,198	- 16,198	-	- 2,855	- 2,855	- 19,053
-	-	- 177	257	-	257	80
162,312	- 16,198	258,539	31,871	- 2,855	29,016	287,555

Consolidated Cash Flow Statement

of Messe Düsseldorf GmbH for the Business Year 2009

	2009	2008
	€ '000	€ '000
Cash and cash equivalents at the beginning of the accounting period	90,175	123,507
Consolidated net loss/profit for the year	- 19,053	65,940
Portions of profit/loss accruing to minority interests	2,855	- 2,245
Depreciation on tangible and intangible fixed assets	41,260	32,394
Write-downs of financial assets	208	0
Decrease (-)/increase (+) in accruals for pensions	- 2,869	1,892
Impact of the switchover to the BilMoG (Accounting Law Modernization Act) with a neutral effect on results	13,699	0
Other expenditure (+)/income (-) having no impact on payments	- 65	1,604
Cash flow	36,035	99,585
Profits (-)/losses (+) due to the retirement of fixed assets items	683	- 976
Increase (-)/decrease (+) in trade receivables, other assets, and miscellaneous assets	4,645	- 3,346
Increase (+)/decrease (-) in short-term liabilities, other accruals, and in the adjusting item resulting from capital consolidation	14,816	- 73,641
Inflow of funds due to regular business operations	56,179	21,622
Inflows due to retirements of tangible and intangible assets	- 339	1,993
Inflows due to retirements of financial assets	743	362
Outflows for capital expenditure on tangible assets	- 34,548	- 43,513
Outflows for capital expenditure on intangible assets	- 2,931	- 8,280
Outflows for capital investment in financial assets	- 442	- 183
Changes in the scope of consolidation	- 78,530	0
Outflow of funds due to capital investment	- 116,047	- 49,621
Changes in minority interests	423	5,257
Changes in liabilities to banks	32,956	- 9,344
Changes in payables to shareholders	- 2,098	- 1,803
Inflow/outflow of funds due to financing activities	31,281	- 5,890
Changes in cash and cash equivalents	- 28,587	- 33,889
Changes in liquid assets due to the scope of consolidation and currency translation	- 177	557
Cash and cash equivalents at the end of the accounting period	61,411	90,175

Shareholdings

of Messe Düsseldorf GmbH

Messe Düsseldorf GmbH Group

Group Management Report | Consolidated Balance Sheet | Consolidated Income Statement | Movements in Consolidated Fixed Assets | Notes to the Consolidated Financial Statements | Statement of Changes in Equity | Consolidated Cash Flow Statement | **Shareholdings** | Audit Opinion

Company	Percentage of capital held	Equity	Result
	in %	€ '000	€ '000
Messe Düsseldorf North America Inc., Chicago/USA	100,00	1,607	- 82
Messe Düsseldorf Japan Ltd., Tokyo/Japan	100,00	- 399	- 498
000 Messe Düsseldorf Moscow, Moscow/Russia	100,00	446	351
Messe Düsseldorf ASIA Pte. Ltd., Singapore	100,00	728	109
Messe Düsseldorf India Pvt. Ltd., New Delhi/India *	100,00	1,744	19
FIXXUS Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Rheinhalle Düsseldorf KG, Düsseldorf	94,00	10	4
IGEDO Company GmbH & Co. KG, Düsseldorf	90,96	253	- 1,983
Messe Düsseldorf China Ltd., Hong Kong/China	80,00	5,585	- 380
Veletrhy Brno a. s., Brno/Czech Republic	61,00	53,880	- 3,767
Messturm Düsseldorf Verwaltungsgesellschaft mbH, Düsseldorf	50,00	3,720	615
DüsseldorfCongress Veranstaltungsgesellschaft mbH, Düsseldorf	50,00	1,107	355
German Exposition Corporation International GmbH, Berlin	33,33	36,723	- 143

* Balance sheet date: 31.3.2009

Audit Opinion

of the Auditor, Warth & Klein, Wirtschaftsprüfungsgesellschaft

We have audited the consolidated financial statements – consisting of the consolidated balance sheet, the consolidated income statement, the notes to the consolidated financial statements, the consolidated cash flow statement, and the Group equity statement – and the Group management report, drawn up by Messe Düsseldorf GmbH, Düsseldorf, for the business year from 1.1. to 31.12.2009. The preparation of the consolidated financial statements and the Group management report in accordance with the German commercial-law regulations is a matter for which the Company's legal representatives are responsible. It is our task to submit an assessment, based on the audit we have carried out, of the consolidated financial statements and the Group management report.

We have carried out our audit of the consolidated financial statements in accordance with § 317 HGB (Commercial Code), observing the German required auditing principles as established by the "Institut der Wirtschaftsprüfer" (IDW/ Institute of Certified Public Accountants). In accordance with these principles, the audit has to be planned and carried out in such a fashion as to permit the detection, with an adequate degree of certainty, of any incorrectness or breaches of the regulations such as may have a major effect on the view of the net worth, financial situation, and results of the Group as presented by the consolidated financial statements, when prepared in compliance with the required accounting principles, and by the Group management report. In determining the audit procedures, any knowledge of the Group's business operations and of its commercial and legal environment and any expectations with regard to possible errors are to be taken into account. In the course of the audit, the efficacy of the internal auditing system, in so far as this relates to accounting, and the documents substantiating the statements made in the consolidated financial statements and the Group management report will mainly be assessed on the basis of spot-checks. The audit will comprise an assessment of the annual financial statements of the companies included in the consolidated financial statements, of the demarcation of the

scope of consolidation, of the accounting and consolidation principles applied, and of the principal estimates made by the Company's legal representatives, and an appraisal of the overall presentation of the consolidated financial statements and the Group management report. In our estimation, our audit provides an adequately reliable basis for our audit opinion.

Our audit has resulted in there being no objections.

In our estimation, based on the information obtained during the audit, the consolidated financial statements comply with the statutory regulations and present, in compliance with required accounting principles, a true and fair view of the Group's net worth, financial situation, and results. The Group management report is in accord with the consolidated financial statements. In general, it gives an accurate presentation of the situation of the Group and conveys an accurate idea of the opportunities and risks associated with future developments.

Düsseldorf, 20 April 2010

Warth & Klein Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Prof. Dr. Klaus-Günter Klein
Auditor

Dipl.-Volkswirt Manfred Salgert
Auditor

Dialogue.

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