

**Remarks by Herbert Marner, Executive Vice President of Koelnmesse,  
at the Koelnmesse Annual Report Press Conference on 25th June 2008**

- **Revenue of €200.6 million — €6 million higher than forecast**
- **"No profit was posted in 2007 on account of investments in infrastructure."**
- **"We have already succeeded in covering a good proportion of our rental payments in the first year."**

Against a difficult background, our operating performance for business year 2007 was very positive. Compared to the preceding events, the individual trade fairs and exhibitions boosted revenue on average by over eight per cent. This marks an improvement on 2006, when revenue grew by 5.9 percent. At the same time, exhibitor and visitor numbers rose, in some cases, substantially. Indeed, for some events, growth was well into double digits and significantly above the sector average. We also continued to expand our portfolio abroad.

At the beginning of 2007, we completed the last construction measures in Cologne in connection with our Master Plan. However, most of Koelnmesse's investments of €14.3 million in 2007 were also related to improvements to the infrastructure in Cologne. Notwithstanding the recently completed modernization and partial new development of the exhibition grounds, we also have a constant duty to maintain and improve the site.

The full rental of €22.8 million for the new area — in other words, the Northern Halls and the Congress Centre North — fell due for the first time in 2007. Infrastructure investments as large as those Koelnmesse made in recent years cannot be recouped in just a few years. This is the case in other sectors as well. That said, in what is only the first year, we were still able to finance a good part of these payments ourselves. Nonetheless, we are looking at a net loss of €11.2 million. On the other hand, earnings before interest, taxes, depreciation and amortisation (EBITDA) were clearly positive at €7.3 million. In terms of EBITDA, the resulting net profit ratio was 3.6 percent. Koelnmesse also continues to have excellent stockholders' equity. The consolidated companies' stockholders' equity ratio amounted to 49.8 percent at the end of the year.

The consolidated revenue of the consolidated companies of Koelnmesse was almost €6 million higher than expected, amounting to €200.6 million. The figure results from the consolidation of the revenue of Koelnmesse GmbH and the subsidiaries Koelnmesse Ausstellungen GmbH, Koelnmesse Service GmbH and Koelnmesse International GmbH, as well as of the foreign subsidiaries.

On average, 626 people were employed by the consolidated companies of Koelnmesse in business year 2007. Of that total, around 530 worked at one of our German companies. On average, 96 people were employed by our foreign subsidiaries, which represents an increase of 20 on the previous year. Given that we now employ more

than 500 people in Germany, the workforce will henceforth be represented on the Supervisory Board of Koelnmesse. All in all, seven employee representatives have been designated for this role in a recent ballot.

On account of the various event cycles, last year's trade fair program was considerably leaner than in 2006. All in all, the consolidated companies of Koelnmesse staged 68 trade fairs and exhibitions in 2007, six less than in the previous year. These events were attended by almost 32,000 exhibiting companies from 122 countries and 2.3 million visitors from 208 countries. Although these figures almost match the record level of 2006, a comparison between the two years makes little sense, not least on account of the differing number of events held. A number of trade fairs posted particularly strong growth in terms of revenue compared to the previous event. These include interzum, Kind + Jugend and IDS, where the growth rates were 9.1 percent, 14.1 percent and 18.2 percent, respectively.

All in all, **Koelnmesse GmbH** staged 40 trade fairs and exhibitions in 2007. Of that total, 23 were in Cologne and 17 abroad. Koelnmesse GmbH posted revenue of €143.3 million for 2007 and a net loss of €2.7 million. The sale of the Rhine Park Halls had a positive impact on our operating performance.

**Koelnmesse Ausstellungen GmbH** posted revenue of €10.5 million in 2007, the highest ever in its history. The company markets excess hall capacity at our Cologne location for the purpose of staging guest events and also organizes its own public trade fairs outside of the core business areas of Koelnmesse GmbH. It therefore ensures an even more efficient usage of the trade fair site as well as attracting new sectors of business to the Cologne exhibition centre. In 2007, the company's five own events were attended by over 1,300 exhibiting companies and around 83,000 visitors. The 23 guest events attracted 5,600 exhibitors and over 160,000 visitors.

In terms of both range and quality, the portfolio of services on offer at Koelnmesse is world-class. **Koelnmesse Service GmbH** provides a selection of almost 40 services for trade fair participants and posted revenue of €39.6 million in 2007. The company continuously explores opportunities to expand and enhance its range of services. This summer, for example, will see the launch - following a rigorous testing phase - of the Koelnmesse Service Portal, where the services provided by Koelnmesse Service GmbH can be ordered online. Various improvements have also been made to our media package, which from 2009 will provide exhibitors and visitors with a range of new and enhanced media services to ensure successful trade fair participation.

**Koelnmesse International GmbH** is responsible for the international activities of the Koelnmesse consolidated companies. As such, it not only helps generate growth for Koelnmesse abroad but also contributes to the continually growing international profile of trade fair events in Cologne. The company, including its foreign subsidiaries, posted revenue of €36.3 million in 2007. Koelnmesse's international network continued to expand in 2007 and now comprises 11 subsidiaries and foreign representative offices in over 80 countries. New subsidiaries were set up last year in the UK and Spain along with a commercial representative office in Russia. At the start of 2008, Koelnmesse entered into a joint venture with the trade fair company Ya

Tradefair in India. Koelnmesse International GmbH also organized the involvement in 17 trade fairs abroad of the German Federal Government and the State of North Rhine-Westphalia. Another key activity in 2007 was the organization of the German Pavilion at EXPO 2010 in Shanghai on behalf of the German Federal Ministry of Economics and Technology. The theme of the German pavilion at the next World's Fair is "balancity – city in balance".

Meanwhile, with the launch last year of the initiative "No Copy – Originals only", Koelnmesse has stepped up its involvement in the campaign against the infringement of intellectual property rights. This includes close cooperation with exhibitors, trade associations, lawyers and public authorities, including the customs. In addition to an intellectual property memorandum, in which Chinese group organisers have pledged to respect German law in this field, selected events have also featured special action and advice centres in the trade fair halls since the beginning of 2008.

All in all, Koelnmesse's consolidated companies will be organising 76 events in 2008. This includes nine premieres — for example, spoga horse (spring), which made a highly successful debut in Cologne this February. Asia remains the focus of Koelnmesse's foreign activities. It is there that most of the current 29 foreign events are held. Notwithstanding the large number of events, 2008 is a somewhat slack year on account of the trade fair schedule. Next year, however, will feature a stronger program, thanks to IDS, IMB, interzum, gamescom, Anuga and the trade fair trio consisting of aquanale, FSB and Solaria.

For 2008, we are forecasting consolidated revenue of €190 million and a net loss.

#### Summary:

- We have recorded growth in both revenue and the number of exhibitors and visitors attending our events. However, we didn't post a profit in business year 2007 on account of investments in infrastructure. Nevertheless, this represents a good performance, not least against the background of increasingly fierce competition in the largely saturated German and European trade fair market.
- Indeed, we do not expect to post a profit again before 2011. However, we have already succeeded in covering a good proportion of our rental payments in the first year. We are confident that we can do even better and expect to post a profit in 2012.