

Not to be released until: 6 July 2016, 12 noon



Check against delivery!

**Remarks by Gerald Böse, President and Chief Executive Officer,
at the Koelnmesse Annual Press Conference
at 11:00 a.m. on 6 July 2016 in the Großer Sitzungssaal of the Messehochhaus administration
building**

- **Highest turnover and profits in the company's history: No. 3 in Germany**
- **Positive signals from our business abroad, with a focus on South America**
- **New dimensions: sustained surplus, turnover tops €300 million**
- **Our present success will be the basis of future investments**

Today we would like to document the success we've achieved last year by means of final figures — but that's not all. We also want to show what challenges the trade fair industry will face in the future, how business will be done and through what channels it will be done, what risks and opportunities are connected with the new technical possibilities and their use, and which of these possibilities we will take advantage of. Our current business success is only truly valuable if we use it as a springboard into the future.

The trade fair business no longer mainly aims at renting as much space as possible to our exhibitors in the course of a year. Those days are long gone. It's no longer enough to attract more visitors each year to the trade fair stands. We sell emotion, and we generate a positive atmosphere in the sectors that entrust their trade fairs to us. We are judged according to the public impact of our events, and we have to offer our customers excellent services that precisely meet their requirements.

If we are to focus on our role as networkers, we first have to make sure that all the basic requirements are met: the finances, the exhibition grounds, and the content of our trade fairs. That's why the trade fair business ultimately remains very down-to-earth, in spite of the clear trend towards showmanship and emotionality. We focus on the essentials, and we devote all of our know-how to this mission.

Over a number of years, ever since we overcame the financial and economic crisis, this approach has resulted in a remarkable success curve that reached a preliminary peak in the record-breaking year 2015. Here are the key figures:

- A record turnover of €321 million; that's €40 million more than the previous peak we reached in 2013
- Record profits of €36 million, topping the figure for 2013 by more than €20 million
- For years now, the turnover of our trade fairs has been increasing significantly by comparison with the respective previous events.
- Our turnover and our profits are increasing steadily.
- Our equity ratio is above average compared to other companies in Germany.
- And by the end of 2016, before we start to really forge ahead with our Koelnmesse 3.0 investment programme, we will be completely debt-free.

Our **turnover** for 2015 makes us the number three trade fair company in Germany. And we achieved this in a year when other German trade fair companies also posted record results. In other words, we're far in the lead within a strong group of contenders.

Our **record profits** round off the picture. Our return on sales reached a value of more than 11 per cent — an absolute peak figure in the German trade fair sector.

The basic reason for this excellent result is the outstanding development of many of our own events here in Cologne, in terms of all the important parameters that have an effect on the quantitative aspect of the trade fair business. In Germany — unlike other countries — these figures are registered by a central institution, the Society for Voluntary Control of Fair and Exhibition Statistics (FKM). On average, the turnover of our trade fairs increased by almost nine per cent by **comparison with the respective previous events**. On the whole, more than six per cent more exhibitors participated in Koelnmesse events than in the respective previous events. By way of comparison, the officially determined average increase for the sector in Germany was only two per cent in 2015. The number of visitors coming to Koelnmesse events also increased by more than six per cent; by comparison, for German trade fairs as a whole that figure was less than three per cent. And our 1.6 per cent increase in net rented stand area was also greater than the German average.

Our business activities outside Cologne are also setting positive milestones. The turnover of our subsidiaries abroad regularly amounts to more than €20 million before consolidation; in 2015 that figure was €22.5 million. Our **business operations outside Germany** are becoming increasingly important, not only because of their contribution to our overall result but also because we are deriving tremendous advantages from our global network of events related to certain themes. To give you just two examples, we are staging 19 events all over the world in the area of food and 14 events in the area of furnishing and interior decoration. The area of digital media and digital entertainment, which is our third overarching area of expertise, has been showing tremendous dynamism for years now. Our current programme already offers eight events focusing on these topics.

We are thus not limited to Cologne, but can instead offer our customers a global presence. And this also has a demonstrably positive effect on the parent events in Cologne. This effect also demonstrates that through these efforts we are not weakening Cologne as a trade fair venue — on the contrary, we are exploiting additional potential.

In 2015 we staged four premieres outside Germany: the first ANUFOOD Eurasia in Istanbul, the first UrbanTec Brasil in Rio de Janeiro, the first Andina-Pack in Bogotá and the first FIT 0/16 children's fashion trade fair in São Paulo. In early June we launched three trade fairs in South America within ten days: FIT 0/16 and Pueri Expo in Brazil, as well as Alimentec in Colombia, in which we were participating for the first time. All three of these trade fairs went very well. In connection with the two trade fairs in Brazil, we opened the office of our new national subsidiary there.

Now that we have expanded and stabilized our portfolio in Southeast Asia and India, the focus of our strategy abroad is on South America. In Brazil, that's certainly not an easy task at the moment. However, we're happy to note that thanks to our know-how in our core sectors we are counteracting the latent economic crisis by providing a high-quality range of products and services in spite of the weak economy. In Brazil our anti-cyclical approach continues to be very promising.

In Italy we have founded a company together with Fiere di Parma in order to expand our position in the food technology segment in the important Italian market as well.

Koelnmesse's guest event business also made a major contribution to this record year and thus to the overall development of the Group as a whole. In 2015, the turnover of Koelnmesse Ausstellungen GmbH was almost €16 million — an amount that was much higher than planned. According to the respective organizers, a total of more than 7,800 exhibitors and over 370,000 visitors took part in the 25 guest events in Cologne during the past fiscal year.

We will not slacken our efforts to further boost this positive development. There's a lot we can do, but we have no influence on a number of general conditions. One of the most dramatic examples of that is the financial and economic crisis of 2007 and the subsequent years. We've also been affected by the economic developments in target countries such as Brazil and Russia. Moreover, the development of German trade fairs is closely linked with developments in the single European market. An important member of this market, the UK, will soon be missing. It's now up to the politicians to keep the core of Europe together — and that will also be in the interest of the European trade fair industry. The British presence at our trade fairs has grown strongly in recent years, and it is currently among the top five foreign countries worldwide that are participating in our trade fairs. We are following the latest developments with a great deal of concern. It looks as though the British pound is weakening, and that will certainly decrease British buyers' purchasing power at trade fairs.

We will be vigilant, and we won't let ourselves be distracted. But even apart from that, there's no lack of interesting challenges to our flexibility, creativity and preparedness for change.

- We have to adapt our exhibition grounds to our customers' requirements concerning their trade fair platforms.
- We will continue to pursue an intelligent internationalization strategy that focuses on crossovers between events that share the same area of expertise and connects event content and event locations all over the world.
- We will continue to refine our services and expand our range of offerings. This will give us a great opportunity to distinguish ourselves from our competitors and enhance our attractiveness to our customers and the sectors we serve. In addition, it will provide us with considerable turnover potential above and beyond the traditional business of renting square metres of exhibition space. We've already proved our ability to do that. Koelnmesse is one of the ten companies — and the only trade fair organizer — that were singled out for the top quality of their services by the ServiceValue analytic institute in cooperation with the newspaper *DIE WELT* and Goethe University Frankfurt. That means we are a member of the "Club of the Best in 2016" and can demonstrate the strength of our services to the public with the platinum seal we have received.
- It goes without saying that we have digital communication, digital structures, digital technology and digital applications on our exhibition grounds in order to integrate our services and our own processes.

Together, these areas of activity form the core of our corporate strategy: Course IOI. We've named this strategy "Course IOI" because it defines our general strategic direction until 2025, when we will celebrate our 101st anniversary. The letters IOI stand for the core fields of Innovation, Organization and Infrastructure.

I would like to say a bit more about two of our key areas of activity: our digital strategy dIOI and our master plan Koelnmesse 3.0. They are essential components of our strategic direction.

First, a few words about our digital strategy. We have realized how strongly technical developments and the transformations of business processes are affecting the trade fair business today and will continue to affect it in the future. We have also realized how much they will revolutionize our business models.

- How will we communicate with exhibitors in the future?
- How can we support our customers by providing them with digital solutions?
- How should our exhibition grounds be designed in order to reflect the realities of the digitized world?

The implementation of IT technology is a key part of the answers. Above all, in order to succeed we have to use this technology strategically and make sure that the teams that are using it actually accept it.

- We know we have to transform our processes and work in ways that are different from the ones we've used in the past.
- We will digitally upgrade our exhibition grounds in ways that range from providing Wi-Fi access to introducing every conceivable form of digitally supported marketing.
- We are convinced that the efficiency of our digital services can be a crucial competitive advantage and that our events and the services we offer have to provide fast and user-friendly solutions at the digital touchpoints of our customers.

For us, digitization is not simply "nice to have" — it's the cornerstone of our capacity to thrive in the future. And I'm convinced that everything that can be usefully digitized will be digitized in the future. We don't want to become a new Google or a new Facebook — but we have to learn from the pioneers and take advantage of the opportunities and technologies that create added value for us, our visitors and our exhibitors. We welcome opportunities to share with institutions that are currently facing comparable challenges. That means we are supporters of Cologne's application to be one of the digital hubs in North Rhine-Westphalia, which Mayor Reker submitted to representatives of the state in our City Hall last week.

Secondly, a word about our exhibition grounds. Koelnmesse 3.0 is making very good progress. Our goal is to make our exhibition grounds here in Cologne the most attractive city-centre trade fair complex in the world by 2030. Our new buildings will certainly be an enhancement for the right bank of the Rhine in Cologne, and they will also offer us the functions that meet our exhibitors' and visitors' requirements regarding equipment, flexible utilization and an optimal environment for presentations. We will invest more than €600 million in these measures. Our solid equity base, combined with our freedom from debt at the end of 2016, will be major positive factors, especially on the capital markets.

As you can see, ladies and gentlemen, we've accomplished a lot, and we have big plans for the future as well. We're proud of what we have achieved in recent years with our 720 employees all over the world and in cooperation with our shareholders, especially the city of Cologne. In the course of 2016 we will once again post a loss on account of the rhythm of our trade fair programme — as we already predicted and planned long ago.

Nonetheless, we are currently in a situation that has changed in a fundamental way — a situation we have not experienced before in our recent corporate history: We are planning to post a financial surplus of about €70 million for the years 2015 through 2019. We want to remain in the profit zone over the long term. Thanks to our regular annual turnover of more than €300 million, we have entered a new dimension.

And this is not the only new dimension, as our Annual Report documents. Figures are extremely important for every company and for its annual report, but employee dedication is even more important. On behalf of the Koelnmesse Executive Board, I would therefore like to thank all of our employees for their outstanding commitment in this record-setting year. In Germany and abroad, this has been an extraordinary achievement!