

Check against delivery!

**Remarks by Chief Financial Officer Herbert Marner
at the Koelnmesse Annual Press Conference
at 11:00 a.m. on 6 July 2016 in the Großer Sitzungssaal of the Messehochhaus administration
building**

- **Significant increase in turnover and profit**
- **Koelnmesse to remain profitable for the long term**
- **Koelnmesse 3.0 continues to make progress**

This year I'm especially pleased to present the financial figures for Koelnmesse, as last year was by far the most successful in the company's history — not just because of record figures but also because we significantly exceeded our expectations.

Let's look first at the Group as a whole. Koelnmesse GmbH, Koelnmesse Ausstellungen GmbH and our foreign subsidiaries in nine countries generated combined turnover of €321.2 million in 2015. This amounts to €17 million more in turnover than our already ambitious plans had called for. Average turnover in a four-year comparison thus increased by around 19 per cent, from approximately €223 million between 2008 and 2011 to €265 million between 2012 and 2015. This positive development becomes even more apparent if you look at the period from 2009 until today, as turnover has increased by an impressive 40 per cent over the last six years.

The development of earnings has been just as impressive, with Koelnmesse ending the year 2015 with profits of €36.7 million, or €16 million more than planned. Naturally, our profits have also had a positive effect on our equity situation, as the equity ratio at Koelnmesse totalled more than 49 per cent in 2015. By way of comparison, the average equity ratio at German companies is 29 per cent and the figure for small and medium-sized enterprises is 22 per cent.

It's common knowledge that we will record a loss once again in 2016. According to the current planning, this loss will amount to €17 million, but 2016 will be the last year that the Group records a loss during the medium-term planning period.

However, the situation could change in 2016, because last March the city of Cologne, Koelnmesse and the Esch Fund reached an agreement regarding the dispute related to the Northern Halls. The settlement calls for the annual rent for the Northern Halls to be permanently reduced by more than €5 million. However, the agreement requires approval by the European Commission as regards subsidy and public procurement law aspects. The Commission's approval of the settlement would have a positive impact on earnings.

We would then be able to liquidate €30 million in provisions. Koelnmesse set aside these provisions over the last few years from the difference between the rent paid in accordance with the interim agreement — most recently approximately 75 per cent — and the full value of the original rent. We

did this as a precaution in the event that we might be forced to pay the full amount of the original rent in the aftermath of a legal proceeding. At the same time, this €30 million should not be viewed as a windfall, since it is already in our bank accounts.

The European Commission has yet to make a decision on this matter. However, regardless of what decision is made, Koelnmesse will remain profitable in the coming years, provided the economy and our business develop as anticipated. We expect to see average turnover in excess of €300 million over the next four years. To this can be added a positive cash flow from ongoing business activities of more than €56 million in 2015, and we expect to see similar positive development over the next few years.

This has given us some leeway to make new investments. For example, we invested more than €16 million in 2015, among other things in IT solutions and the expansion of our activities abroad. We also urgently need to invest in our exhibition centre — and we're doing so within the framework of our Koelnmesse 3.0 programme. Here we will definitely need to use the earnings we've generated to date and the profits we expect to achieve in the coming years. The Supervisory Board has already approved roughly €75 million in individual measures for 2015 and 2016. We are also conducting promising talks with our banks in order to obtain the external funding we need for Koelnmesse 3.0 at favourable conditions during the current phase of low interest rates.

We've made good progress with Koelnmesse 3.0 since the programme was launched at the end of 2014.

- The focus in 2015 was on the planning of the new car park, which will offer around 3,260 parking spaces. The curved structure at the end of Brügelmannstraße will be directly connected to the Zoobrücke bridge and will thus significantly ease the traffic situation in the Cologne districts of Deutz and Mülheim. The cornerstone for the car park will be laid this summer.
- We have also found renowned architectural firms to design the interior architecture in the Southern Halls and to develop the new design for the car park.
- In March 2016 we selected the architectural practice JSWD as the winner of the competition for the design of the southern section of the exhibition grounds. Together with the Cologne architects, we are now specifying the planning for Hall 1plus, Confex® and Terminal.
- User workshops are currently being conducted for the design of the Confex® Hall, which will be used as a trade fair, congress and event hall and will also offer new conference and exhibition formats. Beginning in 2021, the hall will serve as a venue for events with up to 4,000 people. If used as a congress venue — in other words, when it is equipped with numerous conference and meeting rooms — the hall will be able to accommodate 2,500 people.
- The planning for Hall 1plus is also moving along at a fast pace and is scheduled to be completed by the end of 2017.
- Following the commissioning of the new combined heat and power station and the conversion to district heating, both of which took place on schedule and with no cost overruns, the programme is now focusing on renovation measures.
- For example, planning for the modernisation of Hall 10, which has the biggest renovation requirement, is proceeding at full steam. The hall will be modernised step by step in segments

without any interruption of normal trade fair operations. We will modernise the first 5,000 m² of hall space in 2017 — from the floors to the columns and ceiling.

- Another important step we've taken involved the replacement of the building technology systems throughout the entire exhibition centre. Among other things, this means the 580 ventilation units in the halls can simply be controlled from the Messehochhaus administrative building with just the push of a button.

Still, we aren't the only ones building on the east bank of the Rhine in Cologne, as a lot is also going on outside our exhibition centre. For example, construction activities in MesseCity — the area between our Southern Halls and the Messe/Deutz train station — have just recently been launched. Koelnmesse has been consulting closely with the MesseCity project partners for quite some time in order to minimise disruptions and obstructions during the construction period.

Koelnmesse is also investing in much more than just buildings. With the introduction of the Cloud for Customer — or C4C — sales system and the hybris marketing system as part of our digital strategy, Koelnmesse is creating the most modern IT architecture in the world. Koelnmesse is the first company to exploit the connection between the two systems within the framework of a service-focused architecture. The software development company SAP has developed a tailored solution for its standard software especially for Koelnmesse.

Well, that's the news regarding 2015 and the outlook for the coming years. I'm very pleased by the extraordinary success Koelnmesse has achieved, and I look forward to the steps we will now take in order to ensure that we can offer our customers top-class trade fairs at a top-class location in future as well.