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Check against delivery!

Remarks by Gerald Böse, President and Chief Executive Officer,
at the Koelnmesse Annual Press Conference
at 11:00 a.m. on 17 May 2018 in the Großer Sitzungssaal of the Administration Building
(Messehochhaus)

- **Record turnover and profit in the double-digit million range**
- **€400 million mark is in sight**
- **Strategic orientation: Rethinking trade fairs**

For Koelnmesse, 2017 was a top year, with record-breaking turnover and a profit in the double-digit million euro range. At €357.9 million, our consolidated turnover reached a whole new level. It was more than €29 million higher than planned and more than €36 million above that of 2015, the previous record year. Our declared profit of €27.3 million exceeded our planned amount by more than €7 million.

As a result, we not only reached our ambitious growth goals but even added something on top. We left the difficult years behind us long ago. In 2008 our turnover was still below the €200 million threshold, and in the following years it barely rose above it. But in 2017 we passed the €350 million mark for the first time, and that has brought us to a new level. Since 2008 we have had an average annual growth rate of more than 6 percent.

That brings us within sight of a turnover dimension that we regarded as a barely feasible option only a few years ago. Today, reaching the €400 million mark for our turnover is an absolutely realistic expectation. In fact, we've made it our declared medium-term target for the odd-numbered years! This will establish us sustainably in the top group of German and international trade fair organizers, where we already occupy one of the leading positions. But we're not going to become reckless. We will continue to operate with a sense of proportion, because we realize that the global economy – and thus the foundation of all ambitious goals – can be put at risk by looming trade wars and developments such as Brexit.

We are solidly positioned, and we want to go on growing. The way our events are developing, as well as our other key financial figures – all of these factors send a clear message. We are growing at our location in Cologne and through our outbound trade fairs. We also went beyond our home base in Cologne by staging new events at other locations in Germany. With ZOW in Bad Salzuflen in February and art berlin last autumn, we enriched two of our core themes, interior design and art, through exciting satellite events.

A large proportion of the events we are responsible for in Cologne posted very satisfactory increases in 2017. Outbound trade fairs such as Pueri Expo and FIT 0/16 in Brazil, Annapoorna – World of Food India and THAIFEX – World of Food Asia in Thailand also significantly boosted their exhibitor and visitor numbers.

Koelnmesse Ausstellungen GmbH, which is responsible for the guest event business, also set new records for turnover and earnings in 2017 with trade fairs such as FIBO, ANGA COM and RETRO CLASSICS COLOGNE. This wholly owned subsidiary of Koelnmesse posted turnover of €17.9 million and a profit of €8.0 million. Once again it made a major contribution to the consolidated companies' earnings.

KölnKongress GmbH, a joint subsidiary with the city of Cologne, organizes about 2,000 meetings per year in the Congress Centres on our exhibition grounds alone. Together with this subsidiary, we are exploring ways to cooperate more closely in the event business so that we can take advantage of market opportunities more effectively and exploit our synergies.

Opportunities are arising for us, especially through the continuing growth of the meeting and convention market in Germany, the use of the Confex® hall we are planning as part of our Koelnmesse 3.0 investment programme, Hall 1plus and our unified marketing activities. In addition, major contracts between Koelnmesse and KölnKongress will expire in the coming years, and that will require some reorientation. The management boards of both companies see significant potential for turnover and earnings if we engage in joint marketing activities in all the locations where we operate.

Ladies and gentlemen, we are proud of all that we have achieved. We made you a promise, and we've delivered on it! Nonetheless, more than ever before in recent economic history, we are facing the same non-negotiable challenge as many other companies: the need to keep changing.

We are using the tailwind of our excellent financial situation and the positive forecasts to make new investments. We're also creating some leeway for ourselves to rethink our trade fairs, in line with the motto of our Annual Report. Much of this new thinking has to do with digitalization. We need to find the strategic balance between what's technically feasible and what's useful and promising for our company.

This new line of thought has many dimensions.

We want to rethink processes that will help our employees to embrace digitalization. We're motivating them to exploit the potential of state-of-the-art hardware and software in connected and efficient ways for the benefit of their own work processes and for the benefit of our customers.

We want to rethink networking and further enhance our worldwide sector expertise. We are strengthening our worldwide portfolio in the relevant areas of expertise, such as interior decoration, food and digital applications.

We want to rethink urban trade fairs and generate new momentum again and again for our business location – for example, as a regional pioneer of the digital transformation.

We want to rethink customer satisfaction, continually re-examine and redefine our services for exhibitors and visitors, and support these services digitally.

We also want to rethink our exhibition center, align ourselves even more closely with the needs of our customers, and offer practical features and new locations.

In addition to reporting many good figures, our Annual Report visually sums up our new way of thinking on its very first pages. Once again, our employees at Koelnmesse actively participated in this achievement.

In order to implement our new approach and reach the growth targets of our corporate strategy "Course IOI" by 2025, we will continue to rely on the following tried and tested strategic pillars:

- the development of our events
- the digital transformation
- continued internationalization
- investment in our exhibition grounds

Regarding internationalization: Our business performance abroad was weaker in 2017 than in 2016 due to the normal trade fair cycles. Nonetheless, our long-term internationalization strategy

continues to be successful. Our business outside Germany generated pre-consolidation turnover of €33.2 million, accounting for 9 percent of our total turnover – which has increased considerably.

Our events outside Germany are becoming an increasingly important pillar of our core business operations. In addition to focusing on China, Southeast Asia and India, Koelnmesse intensified its international activities in South America in 2017, especially in Brazil and in Colombia, which is now a focus of our internationalization strategy as a hub for the Andes region and the Caribbean. By the middle of this year, we will establish a new subsidiary with headquarters in Bogotá. In March we successfully launched the furniture supplier trade fair Muebla y Maderas, which was organized jointly by the Colombian trade fair organizer Corferias and Koelnmesse. In June we will stage Alimentec, which is posting an almost 40 percent increase in international exhibitors.

EXPO Dubai 2020/21 will be a highlight for us in our international business activities in the years ahead. Koelnmesse has been commissioned by the German Federal Ministry for Economic Affairs to organise and operate the German Pavilion. This means that Koelnmesse will have been involved in three of the century's four major EXPOs, the other two being the expos in Japan in 2005 and in China in 2010. Our team's preparations for Dubai are already in full swing. The shortlist of bidders for the pavilion's construction and design has been selected. Together with the contracting authorities, we will announce the final result in September.

The EXPO offers us at Koelnmesse the opportunity to once again demonstrate our expertise and professionalism – this time around in the United Arab Emirates, an important trade fair market.

And that brings me to digitalization, the topic of our times. We are focussing in a number of ways on the digital transformation as the basis of new business models: by making it part of our investment program Koelnmesse 3.0 and by offering innovative digital services and a state-of-the-art IT infrastructure.

In the process we are writing digital history, at least for this region. Through the incub8 digital campus on the eighth floor of the Administrative Building (Messehochhaus) 2, which will be located right across from us on the Deutz-Mülheimer Straße, Koelnmesse is launching a project that is unique in the German trade fair industry. We are strategically bringing innovative young companies together with established companies from the sectors we represent through our trade fairs. The start-ups will use this space, be supported by mentors from Koelnmesse and external companies as they develop their business ideas, and meet with selected companies from their respective sectors as well as investors and business angels. The Game House, which Koelnmesse has initiated in cooperation with the city of Cologne, is also located in this building.

All of these projects are intertwined: in Cologne and all over the world, on the exhibition grounds, at the events, digitally and through traditional meeting formats, and with regard to customers and employees. We have a plan, and we're implementing it. The support we receive from the political community and the city administration is very important for us, because our investments in Cologne as a business location will be worthwhile only if the framework conditions continue to provide us with the business base we need. Within the local context, factors such as the traffic infrastructure, the threat of driving restrictions for diesel-powered vehicles and inadequate hotel accommodation could limit our options and pose a massive risk for the trade fair business.

However, I'm very optimistic that we will master these challenges together as a city and a region, and that we will emerge even stronger as a result. We'll be happy to do our share.