

Messe München

MEETING THE FUTURE

2017 ANNUAL REPORT
EXECUTIVE SUMMARY



Connecting Global Competence

KEY FIGURES 2017

		2017 ¹⁾	2016	2015	2014
Available hall space, Messe München	sq. ft. in m.	1.94	1.94	1.94	1.94
Available open-air space, Messe München	sq. ft. in m.	4.57	4.57	4.57	4.57
Available exhibition space, MOC Veranstaltungszentrum München	sq. ft.	402,000	402,000	402,000	402,000
Trade fairs and exhibitions in Munich ²⁾		15	16	13	13
Guest events		185 ³⁾	178	206	202
Messe München's own events abroad		21	26	21	22
Gross space ⁴⁾	sq. ft. in m.	24.89	29.79	24.30	24.0
Turnover ratio ⁵⁾		12	13	11	11
Net space (rented) ⁶⁾	sq. ft. in m.	8.76	12.64	8.24	8.05
Total number of exhibitors in Munich		35,187	37,218	33,772	33,082
Exhibitors from abroad at Messe München's events in Munich		9,147	10,560	7,377	7,989
Total number of exhibitors at Messe München's events abroad		8,811	12,976	7,239	11,159
Total number of exhibitors in Munich and abroad		43,998	50,194	41,011	44,241
Total number of visitors in Munich		1,903,186	2,438,785	1,942,259	1,802,647
Visitors from abroad at Messe München's events in Munich		294,459	454,190	227,663	214,917
Total number of visitors at Messe München's events abroad		482,673	654,738	343,753	588,033
Total number of visitors in Munich and abroad		2,385,859	3,093,523	2,286,012	2,390,680
Sales Messe München GmbH	million EUR	275.3	337.7	230.2	223.7
Group sales	million EUR	332.6	428.1	277.4	309.4
EBITDA Messe München GmbH ⁷⁾	million EUR	69.7	114.2	83.6	68.8
Employees Messe München GmbH ⁸⁾		721	708	656	621
Group employees ⁸⁾		1,095	1,045	968	898

Due to extreme differences in the number and structure of the events held each year, the key figures for any given year are comparable only to a limited extent.

1) Unless otherwise stated, figures relate to all events at Messe München (including the ICM – Internationales Congress Center München), at the Bauzentrum Poing and the MOC Veranstaltungszentrum München

2) Messe München GmbH events only, excluding other third-party events (guest events)

3) 113 guest events at the exhibition center (of these, 72 at the ICM)

4) Occupied hall space and outdoor space

5) Ratio of occupied total hall space (gross) and hall capacity of Messe München and the MOC Veranstaltungszentrum München

6) Rented space (hall space and exhibition grounds) including approx. 5% special show space; excluding the ICM – Internationales Congress Center München, guest events and the Bauzentrum Poing

7) Earnings before interest, taxes, depreciation and amortization—domestic only

8) As of 2013, also includes the average number of temporary staff members

RESULTS OF TRADE-FAIR EVENTS IN 2017

ABROAD

Trade-fair event 2017 abroad	Exhibitors	Percentage of exhibitors from abroad	Visitors	Percentage of visitors from abroad	Net space in sq. ft.
ANALYTICA ANACON INDIA & INDIA LAB EXPO	258	22	7,714	1	45,122
ANALYTICA VIETNAM	121	78	3,514	–	15,209
BAUMA CTT RUSSIA	561	56	20,163	8	340,623
DTI INDIA – DRINK TECHNOLOGY INDIA	100	16	9,699	1	20,074
ELECTRONICA CHINA + PRODUCTRONICA CHINA	1,230	9	68,215	5	358,740
ELECTRONICA INDIA + PRODUCTRONICA INDIA	453	62	19,028	2	86,596
ELECTRONIC ASIA	320	69	25,785	62	37,781
FENESTRATION BAU CHINA	623	17	94,037	5	526,753
IE EXPO CHINA	1,637	23	55,000	2	453,753
IE EXPO GUANGZHOU	420	13	24,760	1	124,172
IFAT AFRICA	154	64	1,800	18	33,164
IFAT EURASIA	230	37	11,326	9	97,898
IFAT INDIA	184	52	6,765	3	39,966
INDIAN CERAMICS	237	59	7,110	2	68,372
ISPO BEIJING	472	14	39,826	2	191,038
ISPO SHANGHAI	572	11	14,000	6	141,987
LASER WOP CHINA	929	20	53,723	3	257,763
LASER WOP INDIA	160	58	6,508	1	25,661
LOGITRANS TURKEY	150	42	13,700	–	–
Total	8,811	29	482,673	7	2,864,675

Only brand-name fairs of Messe München

RESULTS OF TRADE-FAIR EVENTS IN 2017

IN MUNICH

Trade-fair event 2017 in Munich	Exhibitors	Percentage of exhibitors from abroad	Visitors	Percentage of visitors from abroad	Net space in sq. ft.
BAU	2,090	34	250,358	32	1,335,069
DIE 66	455	14	18,018	–	112,052
DRINKTEC	1,750	71	77,603	67	1,164,235
EXPO REAL	2,003	24	36,709	30	454,473
F.RE.E	1,274	42	141,119	2	421,579
INHORGENTA MUNICH	974	46	27,674	32	279,011
ISPO MUNICH	2,675	89	86,849	68	1,206,193
IT2INDUSTRY@PRODUCTRONICA	10	20	4,000	–	1,173
LASER WOP	1,294	62	32,700	58	296,944
LOPEC	154	51	2,585	51	18,729
OILS+FATS	49	57	2,200	–	9,698
PRODUCTRONICA	1,560	50	44,987	57	537,797
TRANSPORT LOGISTIC	2,162	53	60,726	44	743,754
TRENDSET SOMMER	1,140	21	30,018	10	592,015
TRENDSET WINTER	1,100	20	34,891	14	538,196
HEIM+HANDWERK INCL. FOOD & LIFE	1,158	20	128,584	2	382,829
IHM INCL. GARTEN MÜNCHEN	1,036	19	125,972	2	391,978
OPTI	557	51	27,277	30	269,744
Bauzentrum Poing	58	7	80,652	–	–
Guest events, Messe München	6,452	–	237,549	–	–
Guest events, MOC Veranstaltungszentrum München	7,236	–	347,715	–	–
ICM – Internationales Congress Center München	–	–	105,000	–	–
Total	35,187	49¹⁾	1,903,186	35¹⁾	8,755,472

1) The percentages of exhibitors and visitors from abroad relate only to Messe München's own events

EXPO REAL

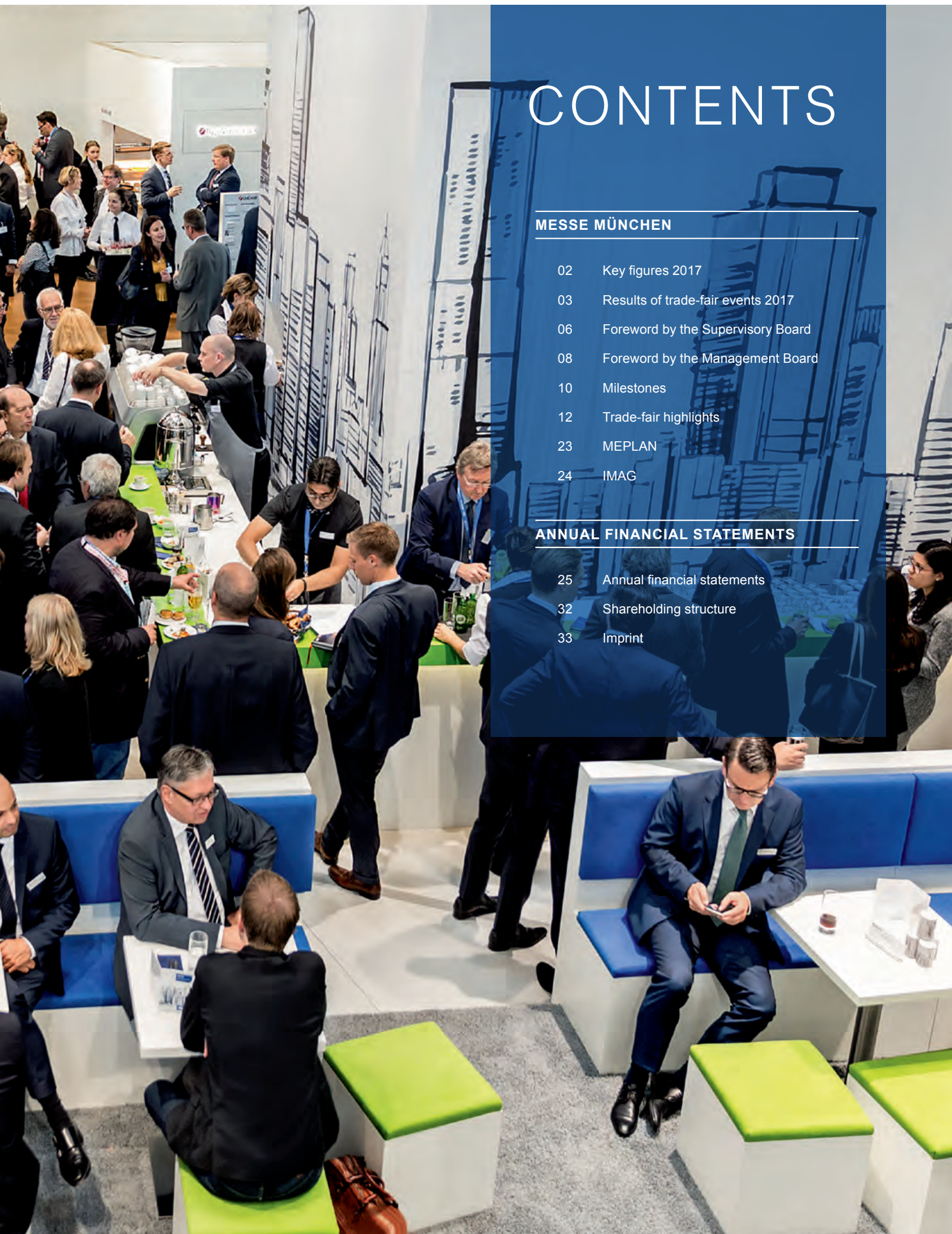
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**MAYOR
DIETER REITER**

“Messe München stands for excellent trade-fair policy. With its great success, it helps the entire region to prosper.”



**STATE MINISTER
ILSE AIGNER**

“Constructing the two new halls and the Conference Center Nord is a vital step into the future for Messe München—just as it is for the firms that find their gateway to international markets here.”

A COMPANY WITH A GOOD REPUTATION WORLDWIDE

With excellent results in the year 2017, Messe München once again showed how important and valuable it is for Munich and all of Bavaria—around 200 events in Munich alone attracted two million visitors and 35,000 exhibitors from all over the world. So in 2017, too, Messe München achieved above-average growth. With Group sales of 332 million euros, there remained earnings of nearly 70 million euros before taxes, interest, depreciation and amortization. The economic success of Messe München also generates revenue outside the exhibition center—in the hotel industry, restaurants, the retail trade, stand construction, cleaning and the taxi business. Messe München thus creates many jobs beyond Munich itself. The city and the entire region benefit from this.

In tough competition worldwide, Messe München has earned one of the top positions among international trade-fair organizers.

With its subsidiary companies and fairs in China, India, Brazil, Russia, Turkey, South Africa, Nigeria, Vietnam and Iran, it has become a globally operating company. This benefits the leading fairs in Munich, too, and thus the domestic economy. So it is important for us to keep on enhancing Munich as an exhibition location. With the opening of two new halls and the new Conference Center Nord, the exhibition center is being completed according to its original plans 20 years after first opening its doors.

Messe München has an outstanding reputation and enjoys a great degree of trust. This makes it an excellent ambassador for Munich and Bavaria around the world. We are proud of this.

We wish Messe München every success in the future, too, and we will continue to support it on its way forward. //

ON BEHALF OF THE SUPERVISORY BOARD

MAYOR
DIETER REITER
Chairman

STATE MINISTER
ILSE AIGNER
First Deputy Chairwoman

HEINRICH TRAUBLINGER
Additional Deputy Chairman

STEFAN OSTERMEIER
Additional Deputy Chairman



The Management Board of Messe München (from left):
Gerhard Gerritzen, Stefan Rummel, Falk Senger, Klaus Dittrich,
Monika Dech, Dr. Reinhard Pfeiffer

WE ARE INVESTING HEAVILY IN THE FUTURE

In the financial year 2017, Messe München again achieved best performances with its activities in Munich and abroad, and thus continues to be one of the world's most important trade-fair organizers. All of our fairs went off very well—whether in Munich, Shanghai, Beijing, Delhi, Istanbul, Johannesburg or Moscow. From this position of strength, we have a lot planned for the future: to consolidate our leading fairs in the home market, to further expand our successful international business and to develop profitable digital business models.

We have set ourselves ambitious targets in order to keep increasing our sales, to strengthen our international position and thus safeguard our home location. For this, our newly developed corporate values provide orientation for the company and its customers. Trust, responsibility, dedication, team spirit and innovative strength: These values are the compass for our actions and they guide us in our day-to-day work.

Trust is the basic precondition for achieving ambitious targets together and developing successful partnerships. Throughout the world, about 2.4 million visitors and 44,000 exhibitors came to our events in 2017. This great display of trust is both an affirmation and an incentive for us. With dedication and team spirit, we have succeeded in operating in the black for the eighth year in a row.

We regard ourselves as being responsible not only to our customers but also our shareholders and our staff of around 1,100 persons throughout the world.

To carry on the success story of Messe München, innovative strength is required. This means innovative ideas—as well as assured persistence in putting them into practice. By founding a new Digital Business Unit in 2017, we took a major step forward in implementing our new digital strategy. Values create value. We will continue to work intensively on that. //



KLAUS DITTRICH
Chairman & CEO



DR. REINHARD PFEIFFER
Deputy CEO



STEFAN RUMMEL
Managing Director



FALK SENGER
Managing Director



GERHARD GERRITZEN
Deputy Managing Director



MONIKA DECH
Deputy Managing Director

MILESTONES 2017

The year 2017 went off very well for Messe München. The events in Munich and at locations around the world were attended by around 2.4 million visitors and 44,000 exhibitors. One theme ran through numerous trade shows—digitization. With the two new halls and the Conference Center Nord, Messe München is safeguarding its future.

INNOVATION JOURNEY



IT'S ONLY JUST BEGUN

In parallel with the founders' conference "Bits & Pretzels", "Innovation Journey" took to the starting blocks for the first time. This new format for knowledge and experience came about on the initiative of Messe München's network "Frauen verbinden (Connecting Women)." It was developed together with SZ Scala, the agency of the publishers Süddeutscher Verlag. "Innovation Journey" sees itself as a mobile think tank for entrepreneurs and doers who accept unconventional ideas too, who look for the pioneering spirit and cooperate with start-ups. This compressed edition of a forward-looking innovation conference made a successful start.

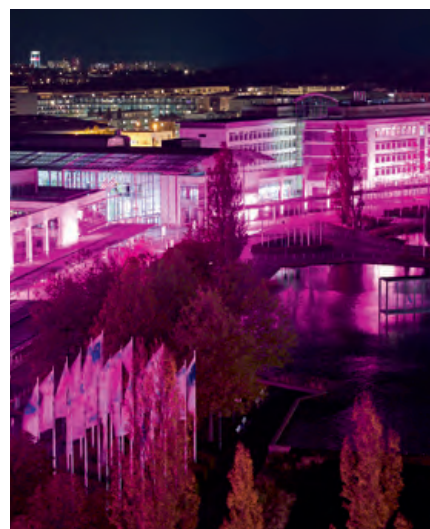
COMMAND CONTROL



DIGITAL? TO BE SURE!

Cyber security is one of the greatest challenges of our time—economically, politically and socially. For when everything becomes digital and interconnected, how can the necessary network security be ensured? Precisely this question is at the heart of the newly developed event "Command Control – The Leading Summit for Cyber Security." But isn't that just something for computer experts? Not anymore it isn't. What used to be a purely IT subject has since reached the upper echelons in companies. They are calling for decision aids, possibilities of an exchange on a European level and genuine solutions.

CONNECTING WOMEN



MUNICH GLOWS—IN PINK

Every year in October throughout the world, pink ribbons and light installations remind us of the importance of education and early detection in the fight against breast cancer. For a whole evening in Munich, too, prominent buildings shone in glowing pink: the exhibition center, the Brainlab building, BMW-Welt, the Olympic Tower and the Munich Airport Center. The light installation was a joint initiative by Messe München's women's network "Connecting Women," Brainlab and the Estée Lauder Companies—the cosmetics group that established this spectacular campaign against breast cancer 25 years ago.

NEW EXHIBITION SPACE



NEW HALLS AND THE CONFERENCE CENTER NORD

With the construction of two new halls and the Conference Center Nord, the Messe München exhibition center is being completed 20 years after first opening its doors, in the year 1998. It can thus meet its customers' requirements even better and enhance its positioning in tough international competition. After a construction time of two years, the two new exhibition Halls C5 and C6 were used for the first time at IFAT 2018. The ceremonial opening with gala event is planned for December 2018. Messe München now has 18 halls with exhibition space totaling more than two million square feet as well as nearly four and a half million square feet of outdoor exhibition space. Costing 105 million euros, the new buildings are an important investment in the future. For this project, too, Messe München and its shareholders all pulled together—like at the roofing ceremony (photo, from left to right): Franz Xaver Peteranderl, President, Chamber of Crafts for Munich and Upper Bavaria; Klaus Dittrich, CEO of Messe München; Dieter Reiter, Mayor of Munich; and Peter Driessen, Chief Executive, Chamber of Industry and Commerce for Munich and Upper Bavaria.

NEW COOPERATION



OLÁ, BRASIL!

Messe München is the world's market leader in construction machinery fairs—thanks to bauma in Munich (the biggest trade show in the world), bauma China, BAUMA CONEXPO INDIA, BAUMA CONEXPO AFRICA and bauma CTT Russia. These are now joined by M&T Expo in Brazil—the biggest construction machinery fair in South America. For this purpose, Messe München concluded a 30-year cooperation agreement with the Brazilian Sobratema association and founded its own subsidiary company. That enables Messe München to enter the most important market in South America.

IFAT

FLOOD, SMOG & DROUGHT

IFAT presents approaches to solving environmental problems in a volatile world

Water, waste, raw materials—these are subjects that move the world. But according to the particular region, different environmental problems are right at the top of the agenda. And so IFAT constantly takes up precisely those volatile subjects that are crucial for the sustainable development of the countries in which the fairs are held. Take China, for example. Flooding is a major problem there. Hardly a year goes by without severe

weather and serious damage. That could be remedied by “sponge cities” in which special areas soak up the rainwater; this concept was presented by companies at IE expo China in Shanghai and IE expo Guangzhou. Take India, for instance. As in China, the air in big cities like Delhi and Mumbai is about the worst in the world—and so, for the first time, IFAT India in Mumbai also dealt with the subject of air pollution control. Or South Africa, for example. IFAT Africa in Johannesburg focused on an urgent topical question: Which technologies can be successfully employed for a comprehensive supply of water? Because South Africa has been afflicted by drought and water shortages for years.

The importance of addressing such environmental problems in these countries is demonstrated by the success of the fairs held there. Within one year, IE expo China grew by three exhibition halls. IFAT Eurasia gained ten percent in space after moving from Ankara to Istanbul, the country’s center of commerce. Abroad, all five spin-offs of

Munich’s world-leading trade fair for environmental technologies achieved new records and asserted themselves as leading industry events in the respective markets. Together, the IFAT fairs make up the biggest network for environmental technologies worldwide. //

FAIRS 2017

- ISTANBUL
- IFAT EURASIA
- SHANGHAI
- IE EXPO CHINA
- JOHANNESBURG
- IFAT AFRICA
- GUANGZHOU
- IE EXPO GUANGZHOU
- MUMBAI
- IFAT INDIA



Environmental technologies that address urgent problems are also presented at IFAT India





Technology for the beverage and liquid food industry is the main priority at drinktec

DRINKTEC

ITALY GATHERS MOMENTUM

The drinktec cluster had several reasons to celebrate in 2017

That had never happened before in the 66-year history of drinktec in Munich: More than 77,000 visitors from 171 countries came to the World's Leading Trade Fair for the Beverage and Liquid Food Industry in 2017. This record result was due especially to the Italian wine technology fair SIMEI—which took place as part of drinktec for the first time—but was also because of the increase in

exhibitors at drinktec itself. oils+fats again took place in parallel. Important subjects at drinktec: energy and resource efficiency, process optimization, water treatment and Industry 4.0. Compared to the previous edition, in 2013, the number of visitors went up by 10,000. Especially in international terms, drinktec gained strongly with a plus of 25 percent. The proportion of visitors from abroad increased to 67 percent. With 1,750 exhibitors from 80 countries, a new record was also attained here.

After six editions in Mumbai, drink technology India (dti) took place in Delhi for the first time, in October 2017. It also changed from a biennial to an annual frequency and will in future be alternating between Mumbai, New Delhi and Bangalore. dti is thus reacting to the great potential of the Indian beverage industry. At the premiere in Delhi, 100 exhibitors introduced their solutions and technologies to around 9,700 visitors. //

- [FAIRS 2017](#)
- [MUNICH](#)
- [DRINKTEC](#)
- [MUNICH](#)
- [OILS+FATS](#)
- [NEW DELHI](#)
- [DRINK TECHNOLOGY](#)
- [INDIA](#)

drinktec
Go with the flow.


oils+fats

VR glasses are taking over the trade shows and have taken on a valuable supporting role in presentations



ISPO

IN TOP FORM

ISPO benefits from the booming sports market

ISPO has long known no limits. Digital or analog? Both. With its digital services, ISPO connects the sports equipment sector, from the small specialist dealer to the global market leader. Worldwide, 24/7, 365 days a year—at ispo.com. But even in the digital age, this doesn't work without the analog world. And so the industry meets three times a year for real, too: at the fairs in Munich, Beijing and Shanghai.

The year 2017 began with ISPO Munich, which broke all records with 86,849 visitors and 2,675 exhibitors. The positive mood of the sector was clearly felt in the full exhibition halls. And not without reason—digitization is an important growth driver for the sports equipment industry and the specialist sports trade. The potential that's available here was shown by innovations like ski sticks with sensors and a digital skiing coach for boot inserts.

Against the background of a booming market, ISPO Beijing took place with 472 exhibitors and around 40,000 visitors. Skiing is becoming more and more popular in China. Ten million Chinese already ski (by way of

comparison, 7.4 million Germans do this sport), and 290 million more are likely to follow in the coming ten years—that's the aim of the Chinese government. And the 2022 Olympic Winter Games in Beijing are already spurring interest there in winter sports products. China's enthusiasm for sport trends and new developments also benefitted ISPO Shanghai with around 14,000 visitors and 572 exhibitors.

FAIRS 2017
MUNICH
ISPO MUNICH
SHANGHAI
ISPO SHANGHAI
BEIJING
ISPO BEIJING



EXPO REAL

UNBRIDLED PROPERTY BOOM

EXPO REAL as opinion barometer:
The sector is optimistic—but cautious, too

FAIR 2017
MUNICH
EXPO REAL



EXPO REAL 2017 reflected the strong development of the real estate industry. In particular, the low interest rates are fueling investment in concrete gold. But what the fair also showed is that the sector is aware of the diverse factors influencing the present boom.

The mood is positive—and cautious at the same time.

General economic and political conditions were a top subject discussed by leading experts such as Professor Clemens Fuest from the ifo Institute for Economic Research. His thesis: The current economic recovery in the eurozone will let interest rates slowly climb. But the high level of debt and the tendency to save stand in the way of a sweeping reversal in interest rates.

The Real Estate Innovation Network (REIN) celebrated a successful premiere. In the REIN Forum, start-ups and established companies engaged in an intensive exchange of ideas. The founders provided an overview of new technology trends; conversely, they made use of EXPO REAL to extend their network of potential clients. In the run-up to the event, REIN had identified 700 international start-ups and brought the best 25 to the fair. This successful concept is being continued in 2018.

Altogether, 2,003 companies, cities and regions from 35 countries exhibited at EXPO REAL, an increase of 13 percent. 36,709 visitors attended, up by 5 percent. //



In the new REIN Forum, start-ups and established companies engage in an intensive exchange of ideas

BAU

A TWOFOLD SUCCESS

Two strong trade fairs: BAU in Munich and FENESTRATION BAU China in Shanghai

In January 2017 in Munich, BAU confirmed its status as the absolute number one in the sector. Two themes took center stage: the digitization of construction and smart, “thinking” building elements that react to external influences—from the door handle with finger scanner to the energy-generating facade and the system solution for a fully networked smart home.

A highlight once again in connection with BAU was the Long Night of Architecture. Over 35,000 visitors experienced 70 architectural attractions in the City of Munich in a nighttime blaze of light.

The World’s Leading Trade Fair for Architecture, Materials and Systems was attended by more than 250,000 visitors, over 80,000 of them from abroad—more than ever before. In addition, BAU once again lived up to its reputation as an architects’ fair with 65,000 visitors from architecture firms and planning offices. Likewise a record: 2,090 exhibitors from 45 countries took part in the fair.

In November, FENESTRATION BAU China (FBC) celebrated its premiere in Shanghai. This fair developed from Fenestration China, in which Messe München had purchased a majority share—the biggest investment as yet in the company’s history. BAU Congress China was integrated into

FBC, as were new exhibition segments analogous to BAU in Munich. At the premiere, 623 exhibitors presented customized, high-quality solutions relating to planning and building in China. With more than 94,000 visitors, FBC established itself as the most important industry gathering place in the world’s biggest construction market. //

FAIRS 2017

**MUNICH
BAU**

**SHANGHAI
FENESTRATION BAU CHINA**



**FENESTRATION
BAU China 2017**
November 7-10 · Shanghai

BAU in Munich is number one in its sector. Anyone and everyone involved in construction flock here





Special shows at productronica also dealt with the influence of sensors on manufacturing machinery

PRODUCTRONICA / ELECTRONICA

INTERNET OF THINGS

productronica sets new standards in the development of electronics

How is the electronics manufacturing sector evolving? Answers were provided by productronica in November 2017. Topics included the Internet of Things, big data and miniaturization. Special shows dealt with the influence of sensors on manufacturing machinery, for instance, and the use of large quantities of data for new business models.

In parallel with productronica for the first time—and now annually—SEMICON Europa exhibited products for the manufacturing of semiconductors.

1,560 exhibitors from 43 countries presented innovations from the areas of electronics manufacturing and development. With an increase of 21 percent to around 45,000 visitors, productronica registered a

new record, highlighting its position as the world's leading trade fair in this area—the proportion of international trade visitors was 57 percent.

The Internet of Things, wearables, Industry 4.0—these were only a few of the current topics and industry trends addressed at electronica China and productronica China in March 2017. The latest product developments were presented by a total of 1,230 exhibitors from 28 countries and regions. Over 68,000 visitors—11 percent more than in the previous year—came to the SNIIEC exhibition center in Shanghai.

There's no bigger marketplace in the region for electronic components, systems, applications and electronics manufacturing technologies: In New Delhi, electronica India and productronica India once again gave proof of their leading position. New developments and trends from the entire value chain of electronics were presented by 453 exhibitors from 17 countries. There was a surge of interest on the part of visitors: 19,028 were numbered—24 percent more than in 2015, when the fair last took place in New Delhi. //

FAIRS 2017

MUNICH
PRODUCTRONICA
SHANGHAI
ELECTRONICA CHINA
PRODUCTRONICA CHINA
NEW DELHI
ELECTRONICA INDIA
PRODUCTRONICA INDIA



TRANSPORT LOGISTIC

DIGITAL AND BOUNDLESS

transport logistic with a record participation from all over the world

FAIRS 2017
MUNICH
TRANSPORT LOGISTIC
ISTANBUL
LOGITRANS



Digitization is bringing the vision of seamless transportation closer. Which is why interconnectedness, too, was the dominating subject at transport logistic. Here, it was about automated driving, telematics and smart data. This was also discussed intensively in the forums. The central themes: Does every company have to become a software firm, for software is a key factor? And the “supply chain” has to be called “demand chain” instead because the customer belongs at the center of attention. Customers should eventually share their data so that they can be better supported. On the other hand, national protectionist tendencies were regarded critically—the international exchange of goods, knowledge and ideas is an essential factor for prosperity.

In spite of difficult external circumstances, Logitrans in Istanbul was also about opportunities. In particular, Logistics 4.0 and the transnational “New Silk Road” initiative from China defined the conference program and talks at the fair. //

Visitors of LASER World of PHOTONICS can experience future technologies up close



Logistics—an essential factor for prosperity

LASER WORLD

LIGHT AS A TOOL

LASER World of PHOTONICS shows that this is a key technology

Photonics and optical technologies are enormously important for medical progress and modern production, as was demonstrated by the 1,294 exhibitors with their innovations at LASER World of PHOTONICS. These technologies of the future were experienced up close by 32,700 visitors.

The world-leading fair in Munich in June 2017 was also the venue for the first Make Light MAKEATHON. In 24 hours, students and young engineers developed a product with a photonic background—from the idea right through to the prototype.

Top researchers and practitioners exchanged views at the World of Photonics Congress. Here, a good 5,600 participants gained insights into applications for mixed, augmented and virtual reality, for instance at the “Digital Optical Technologies” conference.

Apart from the LASER World of PHOTONICS in Munich, two others—LASER World of PHOTONICS CHINA and LASER World of PHOTONICS INDIA—consolidated their position as leading regional fairs. With this portfolio, Messe München is the premier fair organizer worldwide in laser technology and photonics. //

FAIRS 2017
MUNICH
LASER WORLD OF PHOTONICS
SHANGHAI
LASER WORLD OF PHOTONICS CHINA
NEW DELHI
LASER WORLD OF PHOTONICS INDIA



INHORGENTA MUNICH

A GENUINE JEWEL

INHORGENTA MUNICH sparkles—and not only with its new industry award

**FAIR 2017
MUNICH
INHORGENTA
MUNICH**

**INHORGENTA
MUNICH**

Sparkling times for INHORGENTA MUNICH. And not just thematically—everything indeed revolves around timepieces and jewelry at this international order and communication platform—but statistically, too: 974 exhibitors from 39 countries took part in the fair in February 2017 (+6 percent). The number of trade visitors increased to 27,674.

One of the highlights apart from the jewelry shows was the new INHORGENTA AWARD. This prize for the industry was presented at a glamorous gala with 450 guests in Munich's Postpalast. From over 100 applicants, a jury consisting of the crème de la crème in the industry selected the winners in six categories. The jury included top models Franziska Knuppe and Shermine Shahri-var, fashion designer Michael Michalsky and Pforzheim professor Christine Lüdeke.

In 2017, two subjects were at the focus of the fair and the INHORGENTA TREND-FACTORIES in New York and Frankfurt: digitization and smart & connected watches. //



INHORGENTA displays all the charm of the jewelry and watch industry

BAUMA CTT RUSSIA

A STABLE ANCHOR

bauma CTT RUSSIA proves itself in a challenging market

**FAIR 2017
MOSCOW
BAUMA CTT
RUSSIA**



Trade fairs are always a reflection of the market. A current example is Russia. Following the recession, the country's economy is now slowly growing again. In spring 2017, one indicator of the recovering Russian economy was bauma CTT RUSSIA, which Messe München had purchased at the end of 2015—as one of the biggest investments in the company's history—and was now holding for the first time as the new owner.

The gradually increasing demand in the Russian market could be clearly felt. Over 20,000 visitors were interested in the range on offer from the 561 exhibitors, more than half of which came from abroad. //



bauma CTT RUSSIA is Russia's leading trade fair for construction machinery



More space, more on offer—f.re.e scores with many new features

F.R.E.E

ROOM FOR EVEN MORE!

At f.re.e, all generations find just the thing for leisure and holidays

More holiday and leisure than ever before—f.re.e broke all the records in February 2017. With over 141,000 visitors, the Fair for Leisure and Travel attained its best result yet. Which also applies to the exhibition area and number of exhibitors: Nearly 1,300 companies displayed their innovations for holiday and leisure activities on an area as big as eight soccer fields. A quarter of this was occupied by the topic area Caravanning & Mobile Leisure, which for the first time had two halls at its disposal. Thanks to the new lake landscape in the Water Sports area, there was a section for canoes and kayaks as well as stand-up paddling. The Munich Golf Days took place alongside f.re.e for the first time. With one entrance ticket, visitors had admission to all three events: f.re.e, the Munich Car Days and Munich Golf Days. //

FAIR 2017
MUNICH
F.R.E.E



DIE 66

... THAT'S WHEN LIFE BEGINS

The first "66" at the exhibition center in Riem

"The 66" celebrated a premiere in 2017—for the first time in its 13-year history, this fair for the phase of life after 50 took place at the exhibition center in Riem. With the increase in area, the fair was designed more spaciouly overall—there was more room for lectures and events. The 16 well-established subject areas like Health, Sport & Fitness and Real Estate were joined for the first time by the Art & Culture area, including a listening and reading lounge.

The extensive program of around 500 lectures, workshops and events offered visitors new inspiration and orientation for the life phase after 50. Especially the appearances by numerous celebrities went down well with visitors. The fashion shows, too, were a major attraction—the areas around the catwalk were always full, down to the last seat. //

FAIR 2017
MUNICH
DIE 66



Two-time Olympic winner Heike Drechsler trains with enthusiastic visitors





LOPEC

HANDS ON THE FUTURE

Printed electronics is increasingly conquering the mass market

Printed electronics is in demand—this success is also thanks to LOPEC. While the international exhibition and conference for printed electronics began as a creative forum, exhibitors today are showing products and applications that are finding their way into everyday life more and more. Such as OLED TVs, smart packaging and wearables. Especially consumer electronics and automotive industries are integrating this technology into their products, thus generating impetus for new applications.

Printed electronics began its triumphal march at LOPEC

At the LOPEC Conference in 2017, over 180 experts presented current trends. Organized by Messe München and the OE-A (Organic and Printed Electronics Association), LOPEC set new records and registered a substantial increase in exhibitor and visitor numbers as well as exhibition space. Printed electronics has attained new dimensions—as was clearly shown by LOPEC 2017. //

FAIR 2017
MUNICH
LOPEC



ANALYTICA

LAB MEETING

analytica connects local demand with international supply

FAIRS 2017
HYDERABAD
ANALYTICA ANACON
INDIA & INDIA LAB
EXPO
HANOI
ANALYTICA VIETNAM



The analytica network now comprises five fairs that are held around the world: In addition to the world-leading trade fair for laboratory technology, analysis and biotechnology in Munich, the lab sector meets up at analytica China, analytica Anacon India & India Lab Expo, analytica Vietnam and—as from 2019—analytica Lab Africa in Johannesburg.

By 2020, India's pharmaceutical industry should grow to become the sixth largest in the world. Against this background and with 258 exhibitors and 7,714 visitors, analytica Anacon India & India Lab Expo 2017 has established itself as India's biggest and most important platform for the laboratory and analysis sector.

Likewise in Vietnam. This country exports foodstuffs throughout the world. For quality assurance, Vietnam needs high-quality laboratory and analysis equipment—but this is not manufactured locally. At analytica Vietnam in 2017, 121 exhibitors introduced their laboratory solutions to the 3,514 visitors. //

Technical talks at analytica Vietnam. This event attained an outstanding result in 2017



MESSE MÜNCHEN LOCATIONS

MESSE MÜNCHEN: THREE LOCATIONS MAKE UP ONE TOP VENUE

A total of 185 guest events occupied the three Messe München locations: The ICM – Internationales Congress Center München, the MOC Veranstaltungszentrum and the entire exhibition center

2017 was an excellent year of events for the Messe München locations. Taking place at the three of them were a total of 185 guest events with more than 1.1 million participants. In the course of this, the ICM attained sales of over ten million euros for the third time. Altogether, the guest events occupied

exhibition space totaling a good 13 million square feet.

In addition to numerous general meetings and regular clients' functions, some high-class IT events were hosted at Messe München. For instance, DataWorks Summit, a big user conference from the USA; there

was Augmented World Expo, the leading exhibition for augmented and virtual reality; and TDWI Europe, the most important industry gathering in Europe dealing with current trends in analytics, big data and business intelligence. These events underline not only the high status of Munich as an exhibition and congress location but its reputation, too, as the "Isar Valley."

Further highlights from last year include the start-up and founders' festival Bits & Pretzels; Chemspec Europe, the continent's leading procurement and networking event for the fine and specialty chemicals sector; and the leading audio fair High End. //

**MUNICH
MESSE MÜNCHEN,
ICM – INTERNATIONALES CONGRESS
CENTER MÜNCHEN,
MOC VERANSTALTUNGSZENTRUM MÜNCHEN**

Start-up culture in lederhosen—at the legendary founders' festival Bits & Pretzels in the ICM, up-and-coming entrepreneurs meet well-known investors





The MEPLAN Design team scores with individual and eye-catching stand concepts

MEPLAN

POLE POSITION IN EXHIBITION STAND CONSTRUCTION

Complete all-round service at trade fairs in Munich and across the world

MEPLAN GmbH far exceeded our expectations in the year 2017. This subsidiary of Messe München and GHM Gesellschaft für Handwerksmessen gained strongly—especially at the Munich location, where MEPLAN generated over 50 percent of its sales volume.

This positive development was also due to the new focus on marketing. The insourcing of the marketing team proved to be the right decision. The company's strong presence at the Munich location is also a success

for the MEPLAN Design team, which consistently satisfied its new and existing customers—including DekaBank, Unibail-Rodamco, Ecolab, Miteco and Tetra Pak—with individual stand concepts for leading fairs like EXPO REAL and drinktec.

At the same time, MEPLAN System further extended its activities—with a considerable increase in system and joint stands and stand packages as well as in realizing hall concepts, lounges and forums. At other exhibition locations in Germany, MEPLAN was

a reliable trade-fair partner for many international companies—for exhibitors and exhibition organizers alike, such as at the Spielwarenmesse (International Toy Fair). Also in 2017, a special highlight for MEPLAN's exhibition experts was the conception and design of some 54,000 square feet of area for "New Mobility World" at IAA in Frankfurt.

With MEPLAN International, the subsidiary also offers a complete all-round service worldwide. Ten percent of its sales volume in 2017 was generated abroad, primarily at trade shows in China. This potential is to be exploited even more extensively in the future. //





In 2017, IMAG was involved yet again as European co-organizer of Auto Shanghai, the world's biggest automobile exhibition

IMAG

SUCCESSFUL ABROAD

IMAG GmbH experiences a record year at international exhibition locations

This company for trade fairs abroad is a mainstay in the international growth strategy of Messe München. As (co-)organizer or sales partner, IMAG supports the parent company in opening up new, forward-looking markets and regions as well as new subject areas. With a net profit of over 1.4 million

euros, 2017 goes down as the best financial year in IMAG's 71-year history.

All told, 29 events in 15 countries were carried out by the company on its own or in cooperation. New to the portfolio was ConMin West Africa in Nigeria, Africa's biggest economy. IMAG organized this first

exhibition in Nigeria for construction machinery and mining, which was attended by high-ranking representatives from African politics. A substantial increase in exhibitor numbers was recorded by analytica Vietnam with growth of 27 percent. In Iran, the mining and construction fair IranConMin was able to retain its market leadership and high level of exhibitor and visitor numbers. Uninterrupted, too, was the demand for CIMT in Beijing: IMAG brought 146 exhibitors from Germany alone to Asia's biggest show for machine tools. //



IMAG's new company film

ANNUAL FINANCIAL STATEMENTS



Messe München



MANAGEMENT REPORT AND GROUP MANAGEMENT REPORT 2017

Messe München GmbH, Munich

I. MACROECONOMIC CONDITIONS IN GERMANY AS AN EXHIBITION MARKET

In 2017, too, Messe München benefitted from the good **economic situation** in Germany and the attractiveness of Bavaria's capital city as an exhibition location, in particular for exhibitors and visitors from abroad. Companies continue to prefer trade fairs as an instrument for business-to-business communication. Neither the increase in geopolitical tensions nor advancing digitization affected the willingness of exhibitors to take part in Messe München's events.

According to preliminary data from the AUMA (Association of the German Trade Fair Industry), the number of exhibitors in **Germany as a trade-fair location** in 2017 increased by 2.5 percent in relation to comparable previous events. At the same time, the 5.0 percent rise in participants from abroad was once again greater than the rise in domestic participants. The stand space rented increased by 2.0 percent in 2017 in relation to previous events. Across Germany, the number of trade-fair visitors decreased by 0.5 percent.

II. PERFORMANCE OF MESSE MÜNCHEN GMBH

The business activity of **Messe München GmbH** remains unchanged and essentially comprises the ongoing development, operation and maintenance of the Messe München exhibition center and the ICM – Internationales Congress Center München (hereinafter referred to as "the ICM"), the operation of the MOC Veranstaltungs- und Ordercenter München (hereinafter "the MOC") as well as the carrying out of trade-fair events in Germany and abroad. Special areas (e.g. stand construction) as well as activities abroad (organizing trade fairs and achieving a part of sales) are handled by associated companies.

Due to cyclical factors, 2017 was a normal year for Messe München GmbH in terms of the trade shows held—but a very successful year, too, in relation to the respective previous events. 1,903,186 visitors came to the events at the Munich location (including the ICM, the

MOC and the Bauzentrum Poing). 35,187 exhibitors presented their products and services there. In **Messe München's own events**, a total of 18,690 exhibitors and 850,437 visitors took part. 6,212,767 square feet of stand space was rented.

The company's own events at the Munich location developed at considerably **above the market average** in 2017. For a number of trade shows, exhibitor and visitor numbers grew by double-digit percentages. For instance, taking part in the world-leading fairs **productronica** and **drinktéc** were 34 percent and 22 percent more exhibitors than in the respective previous events. Altogether, the number of exhibitors grew by 8.9 percent in relation to comparable previous events. The number of participants from abroad increased by 14.5 percent. The stand space rented went up by 8.2 percent. In terms of visitor numbers, the company's own events in Munich gained 5.3 percent. The number of visitors from abroad even increased by 13.3 percent. Thus in 2017, Messe München once again experienced considerably stronger growth than the average for trade-fair organizers in Germany.

According to information from the organizers, a total of around 238,000 visitors were welcomed at the **guest events** at the exhibition center of Messe München (not including events held by the GHM Gesellschaft für Handwerksmessen and TrendSet GmbH). The gross space rented to the organizers of guest events amounted to 4,951,398 square feet in 2017. The fairs held by the GHM Gesellschaft für Handwerksmessen at the Munich exhibition center attracted around 282,000 visitors and occupied 2,055,907 square feet of gross space.

The **ICM** can look back on a successful year with a total of 86 events and 105,000 visitors. The **MOC Veranstaltungszentrum** was also heavily booked in 2017 and registered 72 events with around 348,000 visitors and 7,236 exhibitors. The **MOC Ordercenter** was

The **key figures** for the financial year 2017 are as follows:

	2017	PREVIOUS YEAR
Sales, Messe München GmbH (MMG)	€ 275.3 million	€ 337.7 million
Result for the year, before shareholder loan interest	€ 23.7 million	€ 69.7 million
EBITDA	€ 69.7 million	€ 114.2 million
Group sales	€ 332.6 million	€ 428.1 million
Consolidated result for the year	€ 3.9 million	€ 19.4 million
Group EBITDA	€ 78.0 million	€ 147.4 million
Exhibitors at Messe München (MMG events)	18,690	20,994
Visitors at Messe München (MMG events)	850,437	1,270,807
Total gross exhibition space, MMG	24.8 million sq. ft.	29.8 million sq. ft.

again booked out in 2017 and accommodated 215 lessees with around 550 brands on approx. 220,660 square feet of leased space. **Bauzentrum Poing** recorded about 81,000 visitors in 2017.

During the entire year of 2017, construction of the **new exhibition Halls C5 and C6** and the new **Conference Center Nord** went ahead at full speed. Costing around EUR 105 million, this investment in the future will be completed in 2018.

III. PERFORMANCE OF THE GROUP

For cyclical reasons, bauma China—by far the biggest event of the Messe München Group abroad—did not take place in 2017. Nevertheless, this was a successful exhibition year from a Group perspective, too.

Thus the environmental technology fair **IE Expo** in Shanghai increased its net exhibition space by 45 percent compared to the previous event. It now occupied 12 exhibition halls instead of the previous nine. The number of exhibitors rose by 26 percent and visitors by 30 percent. Double-digit growth in exhibitors and visitors was also registered by **electronica China**, **productronica China** and **LASER World of PHOTONICS China**; together, these now occupy 11 halls at the Shanghai New International Expo Centre (SNIEC).

With over 94,000 visitors and almost 527,432 square feet of net exhibition space on its premiere, the trade fair **FENESTRATION BAU China**—held in November in Shanghai—immediately attained a top position among the fairs of the Messe München Group abroad. The organizer MMU BAU Fenestration, a joint venture with 75 percent held by Messe Muenchen Shanghai, had been founded at the beginning of 2017.

Altogether, Messe München's fairs abroad grew by 12 percent in terms of exhibitors, 9 percent in visitor numbers and 14 percent in net exhibition space compared to the previous events, respectively.

Messe München's associated companies abroad achieved predominantly positive results for the year of 2017.

The positive development of **SNIEC**, in which Messe München holds an interest of 16.6 percent through GEC GmbH, continued undiminished in the year 2017, too.

With effect from March 7, 2017, Messe München founded a subsidiary company in Brazil: **Messe Muenchen do Brasil Feiras Ltda.** Among other activities, the new company will be organizing the construction machinery fair **M&T Expo** in São Paulo; taking place every three years, this is the second-biggest trade fair in South America. Messe München is thus strengthening its leading position worldwide as organizer of construction machinery shows.

The subsidiary company **MEPLAN** attained sales revenues of EUR 27.8 million in 2017 and a result of EUR 0.6 million for the year.

The subsidiary company **IMAG** finished 2017 with sales of EUR 13.9 million and a result of EUR 1.4 million.

TrendSet GmbH, in which Messe München has held a majority interest since 2012, attained sales revenues of EUR 9.6 million in 2017 and a result of EUR 1.2 million for the year.

IV. KEY FINANCIAL AND NON-FINANCIAL PERFORMANCE INDICATORS

To **manage the company**, an extensive reporting system is implemented on both a company and Group level as well as for the individual exhibition projects. On a quarterly basis, all actual and forecast values for the business year concerned (sales, expenses, investments) at Messe München GmbH and its associated companies are recorded and are compared with planned values. In addition, key figures for the individual trade-fair events with regard to factors such as customer satisfaction, profitability on a contribution-margin basis, international shares, etc. are ascertained and compared to the figures for the previous events and the planned values. The controlling of projects is supported by software and is effected as cost-unit accounting; controlling of the central departments takes place on a cost-center basis.

V. SITUATION OF THE COMPANY AND THE GROUP

Earnings situation of Messe München

The sales and earnings targets planned for the year 2017 were clearly exceeded: Sales revenue was EUR 275.3 million (planned: EUR 249.0 million); the EBITDA was at EUR 69.7 million (planned: EUR 43.9). As in the previous year, a break-even result was attained. For the eighth time in a row, Messe München is able to pay

interest on the loans from its shareholders the City of Munich and the Free State of Bavaria.

As against the **sales revenue** of EUR 275.3 million (2016: EUR 337.7 million), there were expenses of EUR 111.7 million (2016: EUR 128.6 million) that were directly attributable to the events. An event-related result of EUR 163.6 million was attained (2016: EUR 209.1 million).

The **other operating income** of EUR 2.8 million (2016: EUR 5.4 million) resulted mainly from the release of provisions.

The average number of employees increased from 708 to 721. **Personnel expenses** went up from EUR 52.6 million in the previous year to EUR 54.0 million.

The **depreciation and amortization** of tangible and intangible fixed assets changed only slightly to EUR 37.6 million (2016: EUR 36.5 million).

The **other operating expenses** amounted to EUR 46.4 million (2016: EUR 45.0 million). These are principally made up of expenses in the construction and IT area.

Income from participating interests was EUR 4.9 million (2016: 4.0 million).

Due to a value adjustment of participating interests, **amortization of financial assets** of EUR 3.7 million was applied.

Interest expenditures dropped to EUR 27.1 million from EUR 74.5 million in the previous year. The decrease is to be ascribed to the lower interest payments on shareholder loans.

For **taxes on income**, the sum of EUR 1.2 million was incurred in the financial year of 2017. The other taxes were predominantly property taxes.

Financial situation of Messe München

The balance-sheet total went down from EUR 1.048.1 million to EUR 1.009.4 million. On the **assets side**, fixed assets grew by EUR 27.4 million to EUR 967.8 million. With the ongoing construction of the new Halls C5 and C6, tangible assets went up from EUR 896.3 million to EUR 922.3 million. Financial assets increased by EUR 3.1 million to EUR 40.8 million; among other factors, this was due to the acquisition of a shareholding. Current assets went down from EUR 106.0 million to EUR 39.0 million. Especially important here was the cash in banks, which went down from EUR 63.5 million to EUR 1.0 million.

On the **liabilities side**, equity capital remained unchanged at EUR 203.9 million. Liabilities due to banks rose by EUR 17.4 million to EUR 150.2 million as a result of financing the construction of the new Halls C5/C6. Other provisions went down from EUR 39.1 million to EUR 37.4 million. At EUR 33.1 million, the advance payments received from customers for December 31, 2017, were lower than the previous year's figure of EUR 51.6 million.

Liquidity was again ensured at all times in the financial year of 2017. The cash and cash equivalents amounted to EUR 1.0 million at the end of the year.

Situation of the Group

External sales of the consolidated investment companies in the Group amounted to EUR 69.5 million; due to cyclical factors, this was below the previous year's level (EUR 111.7 million). The consolidated result for the year came to EUR 3.9 million (2016: EUR 19.4 million). The results of the Group's domestic investment companies MEPLAN and

IMAG are included in the profit and loss account of Messe München GmbH through profit and loss transfer agreements; the results of TrendSet and GEC are included in the form of distributions.

The Group's financial situation is characterized essentially by the situation of Messe München as described above.

VI. OPPORTUNITIES AND RISKS FOR FUTURE DEVELOPMENT AS WELL AS RISK MANAGEMENT

A **risk management** system is in place at Messe München. This is utilized to record developments that are relevant to Messe München and its associated companies. The necessary counteractive and compensatory measures can be introduced at any time.

The risk situation is analyzed and assessed every three months. The general risk situation remained essentially unchanged compared to the previous year. Property and liability insurance policies with reasonable deductibles have been taken out in the scope necessary to protect against the usual business risks. No provisions have been made against risks which are extremely unlikely to occur (e.g. earthquakes) but which can be included in all-risk building insurance, or against risks that can be protected against separately (e.g. expropriation of assets abroad).

According to **economic forecasts**, the world economy will grow by approximately 3.5 percent in 2018. At the same time, growth is expected to remain largely stable in the industrial countries. The economy will continue to recover in the eurozone, too. Despite widespread fears, the protectionist tendencies to be observed in some countries have yet to affect the world economy. This may well be an important reason why German companies have greater expectations with regard to exports. A good 32 percent of German enterprises assume that exports will be higher in 2018 than in the previous year; only 9 percent fear they will weaken. In 2018, the economic momentum will be sustained by all major sectors. 52 percent of German industrial companies expect an increase in production, only a good 10 percent reckon with a decrease.

In the service sector as well as the building trade, confidence clearly prevails. Overall, companies are therefore assessing their business prospects much more favorably than in 2017.

For years, several trade fairs (BAU, bauma, ISPO, IFAT) have been reaching their limits as to the **total capacity of the Messe München exhibition center**. Further sustained growth is expected for these fairs. Messe München is promoting this growth by putting the new Halls C5 and C6 into operation for IFAT in May 2018.

The intense **competition** for new exhibition subjects, guest events and congresses as well as the purchase of exhibitions remains unchanged. With measures such as the new Conference Center Nord, Messe München is strengthening its position in the competition for guest event organizers.

Opportunities arise from the continuation of the profitable growth strategy of Messe München in connection with the company's Strategy 2021, i.e. by strengthening trade shows and congresses in the domestic market, expanding the international and digital business, optimizing the organization economically, providing the necessary infrastructure and establishing a strong employer brand.

With regard to **the leading trade shows, opportunities for an expansion of area** continue to come about from the advancement of existing exhibition concepts and the development of new thematic segments. Thus, for instance, Messe München is the future organizer of the sports trade show **OutDoor** after winning a competition with four other exhibition locations. In addition, the international portfolio of

Messe München is supplemented and expanded through strategic purchases—the most recent example of which is **Lab Africa** in Johannesburg, South Africa.

Messe München will continue to make consistent use of the **opportunities of digitization**, too. For this purpose, the new “Digital” business unit was established in 2017. The very successful **“Business to IT”** program with over 20 individual projects was also continued in 2017. By the end of 2018, systems such as the new CRM are to be implemented to the greatest possible extent.

The business development of the **associated companies abroad** is influenced by current global changes. In some of the countries where Messe München operates, political crises and phases of economic stagnation sometimes lead to considerable fluctuations in exchange rates. In particular, the associated companies in Brazil, South Africa, Russia and Turkey are therefore given special attention and support.

Substantial opportunities for growth continue to become apparent in the up-and-coming markets of China and India. Possible purchase options that can supplement Messe München’s portfolio of events are examined in detail.

There is a **compliance organization** at Messe München GmbH with the positions of an internal compliance director, an internal compliance officer and an external ombudsman. This is intended to ensure observance of the compliance policy, which was updated at the beginning of 2016. Apart from detecting and penalizing misconduct, the organization supports the sensitizing of staff to compliance issues as a preventive measure and it improves the effectiveness of the existing internal systems for the avoidance of breaches of conduct.

In 2017, too, as in the previous year, Messe München GmbH updated the compliance provisions applying to procurement, especially with regard to consulting services.

To ensure observance of statutory regulations with regard to the use of personal data, separate service instructions for the CRM system, the data privacy guideline and marketing were issued by Messe München GmbH in 2017.

The **International Risk & Compliance Manager** supports the advancement of the compliance organizations at the companies abroad and thus strengthens the compliance system of Messe München. The development of the compliance management systems at the associated companies abroad is further promoted with the formal appointment of compliance officers, the adoption of a uniform compliance policy and the introduction of compliance reporting as well as staff training.

VII. STATEMENT CONCERNING THE COMPANY MANAGEMENT

The shareholders’ meeting of Messe München GmbH had set target values of 16.7 percent to be attained by June 30, 2017, with regard to the proportion of women on the Supervisory Board and the Management Board, respectively. For that target date, the proportions attained were 22.2 percent on the Supervisory Board and 16.7 percent on the Management Board.

As target values for June 30, 2022, the shareholders’ meeting has set a proportion of women of 22.2 percent on the Supervisory Board and 20 percent on the Management Board.

The Management Board had set target values of 16.7 percent and 40 percent to be attained by June 30, 2017, with regard to the proportion of women on the first and second management levels, respectively. For that target date, the proportions attained were

8.3 percent on the first management level and 46.2 percent on the second management level. The target for the first management level was missed due to the departure of a female unit manager on April 1, 2017. As two unit management posts are being newly filled by women in the first half of 2018, the proportion of female executives on the first management level is considerably improved.

As target values for June 30, 2022, the Management Board has set a proportion of women of 16.7 percent on the first management level and 45 percent on the second management level.

VIII. PROSPECTIVE DEVELOPMENT

Due to cyclical factors, **2018** is a normal year for Messe München in terms of the trade shows held. For Messe München GmbH, sales of around EUR 273 million and a break-even result are expected.

The company’s three major events of its own in the first quarter of the exhibition year of 2018—**ISPO MUNICH**, **INHORGENTA MUNICH** and **f.re.e**—went off very successfully and further increased their numbers of exhibitors.

The outstanding occasion in 2018 will be the completion of the Munich exhibition center with the inauguration of the **new exhibition Halls C5 and C6** and the **Conference Center Nord**. For the first time, Halls C5 and C6 will already be opening their doors to exhibition visitors in May 2018 for **IFAT**.

In Germany, Messe München is launching several newly developed events on the market in 2018: in Munich, **COMMAND CONTROL** on the subject of cyber security; in Berlin, **FUSION** as a business-to-business-to-consumer event in the luxury segment of the watch and jewelry sector; and **ISPO Digitize** in Munich with the subject of digitization in the sports goods industry.

Abroad in 2018, the Messe München Group will alone be holding five fairs in the **bauma** group, three from the **IFAT** group (in addition to IFAT in Munich), three in the **electronica** group (as well as the Munich electronica) and three from the **drinktec** group.

Munich, March 30, 2018



KLAUS DITTRICH
Chairman & CEO



DR. REINHARD PFEIFFER
Deputy CEO



STEFAN RUMMEL
Managing Director



FALK SENGER
Managing Director



GERHARD GERRITZEN
Deputy Managing Director



MONIKA DECH
Deputy Managing Director

CONSOLIDATED BALANCE SHEET

as of December 31, 2017
Messe München GmbH

ASSETS	DEC. 31, 2017 EUR	PREVIOUS YEAR TEUR
A. Fixed assets		
I. Intangible fixed assets	38,261,519.22	24,563
II. Tangible fixed assets	923,104,976.16	896,981
III. Investments	28,385,190.43	21,113
	989,751,685.81	942,657
B. Current assets		
I. Stocks		
1. Raw materials and supplies	94,452.37	111
2. Work in progress	1,759,653.68	1,375
3. Finished goods and merchandise	31,647.57	33
4. Advance payments	922,050.54	2,612
	2,807,804.16	4,131
II. Receivables and other assets		
1. Trade receivables	11,309,101.03	12,293
2. Receivables from associated companies	204,989.05	42
3. Receivables from investment companies	29,623.55	0
4. Other assets	15,163,021.35	10,468
	26,706,734.98	22,803
III. Cash in hand, cash at banks	97,454,198.01	187,318
	126,968,737.15	214,252
C. Prepaid expenses and deferred charges	4,983,473.13	4,440
D. Positive difference from asset allocation	74,265.75	89
	1,121,778,161.84	1,161,438
EQUITY AND LIABILITIES		
A. Capital and reserves		
I. Capital subscribed	248,656,580.58	248,656
II. Capital reserves	98,400,090.21	98,400
III. Other revenue reserves	61,267.30	61
IV. Goodwill set off against revenue reserves in previous years	-1,775,304.60	-1,775
V. Currency differences	4,651,669.83	9,179
VI. Consolidated accumulated loss	-71,437,769.09	-75,383
VII. Minority interests	1,770,061.25	1,535
	280,326,595.49	280,673
B. Shareholder loans	520,755,022.66	520,755
C. Provisions		
1. Provisions for pensions and similar liabilities	11,275,787.00	10,787
2. Provisions for taxation	6,495,707.46	13,916
3. Other provisions	40,667,193.61	44,009
	58,438,668.07	68,712
D. Liabilities		
1. Bank loans and overdrafts	150,156,002.08	132,750
2. Advance payments received from customers	60,360,305.81	71,183
3. Trade liabilities	23,028,940.44	13,236
4. Liabilities to shareholders	23,683,355.73	70,474
5. Other liabilities	4,877,231.49	3,655
	262,105,835.56	291,298
E. Deferred income	125,583.38	0
F. Deferred tax liabilities	26,436.69	0
	1,121,778,141.84	1,161,438

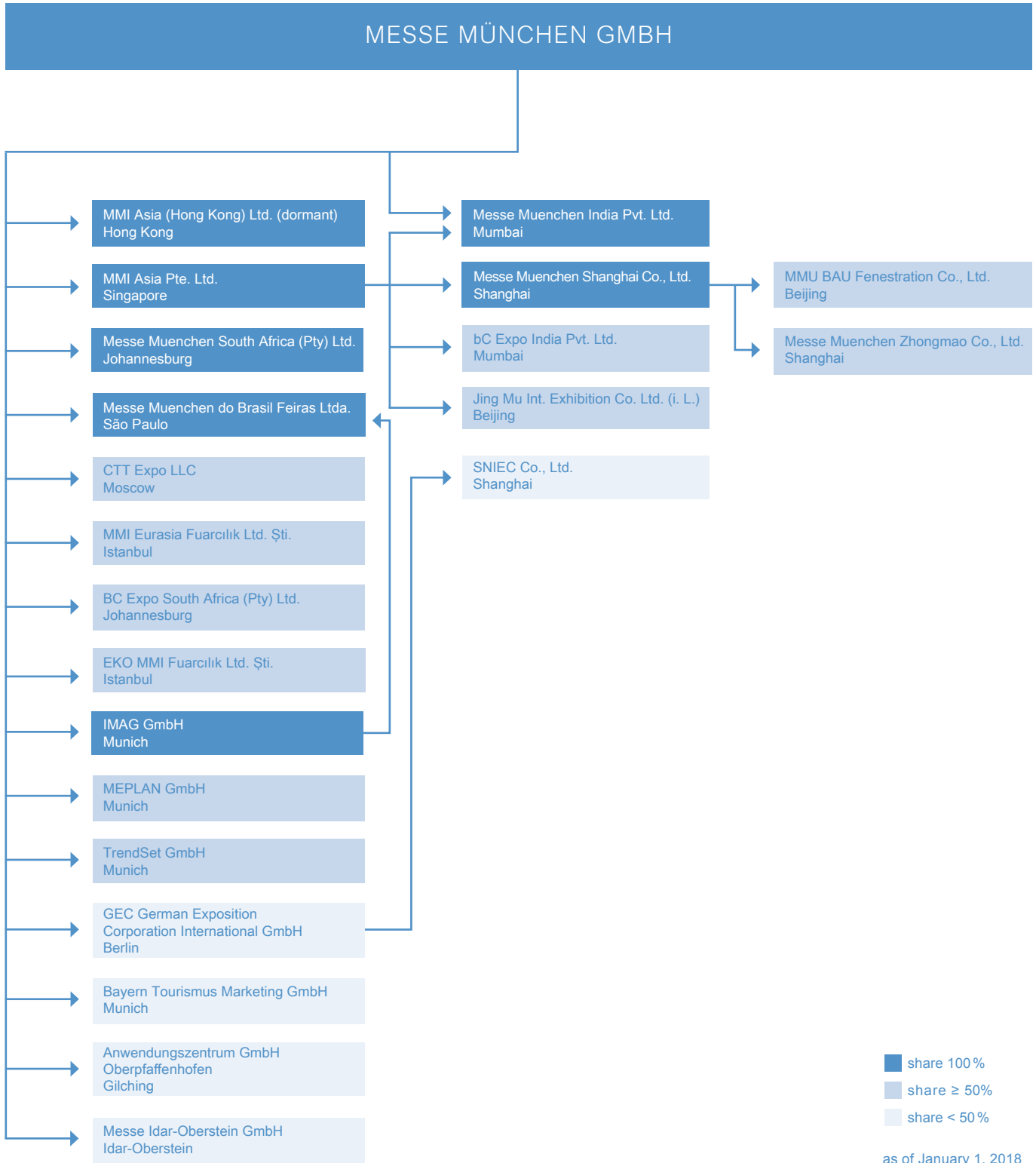
CONSOLIDATED PROFIT AND LOSS ACCOUNT

for the business year from January 1 to December 31, 2017
Messe München GmbH, Munich

	2017 EUR	PREVIOUS YEAR TEUR
1. Sales	332,563,861.46	428,093
2. Change in inventories of finished goods and work in progress	384,156.24	-30
3. Other operating income	3,850,879.32	7,630
	336,798,897.02	435,693
4. Event expenses	-138,049,156.78	-169,532
5. Personnel costs		
a) Wages and salaries	-57,596,928.99	-55,585
b) Social security contributions and pension and support costs, of which pension costs EUR 2,167,203 (previous year: TEUR 1,481)	-12,688,366.22	-11,335
6. Depreciation of intangible fixed assets and tangible assets	-42,906,864.86	-39,570
7. Other operating expenses	-54,859,974.45	-51,375
8. Income from participating interests	0.00	583
9. Result from participating interests in associated companies	6,039,386.91	3,976
10. Other interest and similar income	1,657,290.19	1,923
11. Amortization of financial assets and investments classified as current assets	0.00	0
12. Interest and similar expenses, of which to shareholders EUR 23,666,087.58 (previous year: TEUR 69,747)	-27,274,721.51	-74,572
13. Taxes on income	-2,913,250.04	-15,578
14. Result after tax	8,206,311.27	24,628
15. Other taxes	-3,297,021.27	-4,408
16. Consolidated net income for the year before minority interests	4,909,290.00	20,221
17. Minority interests' share of result	-964,303.76	-796
18. Consolidated net income for the year	3,944,986.24	19,425
19. Consolidated accumulated loss in previous year	-75,382,755.33	-94,807
20. Consolidated accumulated loss	-71,437,769.09	-75,382

SHAREHOLDING STRUCTURE

Messe München GmbH is also well networked through its diverse company shares and subsidiaries.



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