

**Remarks by Gerald Böse,
Chief Executive Officer of Koelnmesse,
at the Koelnmesse Annual Report 2007 Press Conference on 25th June 2008**

- **"The new trade fair halls provide the basis for the further positive development of the Cologne exhibition centre."**
- **"The Cologne exhibition centre is attracting stronger interest on the part of new business sectors."**
- **"Key areas of activity are:**
 - **developing the portfolio of our own trade fairs and guest events**
 - **intensifying marketing of the location at the international level"**
- **"Cologne stands for business and the enjoyment of life."**

Trade fairs thrive on the talents of the people who organize and conduct them. And it is the people at Koelnmesse who are at the heart of the 2007 Annual Report we are presenting today. We invest not only in infrastructure but also in our employees. They also represent an investment that ensures a bright future for Koelnmesse.

I would like to give you my assessment of this company's status — as well as glimpses into the near and more distant future.

What have I learned about Koelnmesse since my arrival?

- We have a strong portfolio that serves an extremely diverse spectrum of sectors and includes leading trade fairs in many important areas. This provides an outstanding basis that will allow us to continue to expand the scope of our main themes, and to transfer satellite events to venues abroad.
- We have a state-of-the-art facility with exemplary quality of service that is virtually unsurpassed worldwide, in addition to a top-class infrastructure. Without these features, Cologne would have long been relegated from the premiere league of trade fair players.
- We have a dedicated team - men and women who deliver excellent results and whose hard work gives us a clear advantage over our competitors.
- Foreign business got off to a late start but then developed positively.
- The Cologne exhibition centre is attracting stronger interest on the part of new business sectors.
- And there are challenges to face: in 2007 the rent payments for the new halls, Congress Centre and administration building represented considerable costs in the annual financial statement. These costs significantly affected our result. Overcoming this situation will be a formidable task in the years ahead.

So, to summarise the results of 2007: On average, the trade fairs posted significant growth compared to the preceding events. This comparison with the preceding events - which is also the one used by AUMA, the Association of the German Trade Fair Industry — is the most meaningful. After all, simply comparing results on a year to year basis is distorted by the fact that some trade fairs are not annual events. Our trade fairs have even developed much better than average in terms of the results posted by German fairs that are important at the national level. According to the figures provided by AUMA, the number of exhibitors attending consumer goods fairs rose by 3.4 percent in 2007, compared to the relevant previous events. By contrast, exhibitor numbers at our fairs increased by 5.4 percent. The difference is even greater with regard to visitor numbers, which rose by 3.8 percent in Cologne, compared to 0.3 percent for Germany as a whole. We also rented out 4.8 percent more stand space, while the national average increase was only 1.6 percent. That shows that we are on the right track and that our trade fairs are doing well.

Our revenue exceeded expectations last year. As planned and expected, however, we recorded a net loss for 2007. Here you must remember that we already earned a significant share of the rent ourselves. Koelnmesse alone bears the burden of this loss; the public coffers and taxpayers are not affected.

The investments in our infrastructure will continue to have an impact on our business results for a long time to come. Nevertheless, one thing is clear: these investments have put Koelnmesse on an equal footing with the competition worldwide.

Without our new exhibition area, we would have long since dropped out of the race.

We have excellent conditions for success. We have outstanding prospects. To announce a rapid return to profitability here today, however, would be misleading and incorrect. Nonetheless, I want to reach this goal as quickly as possible. We also want to continue to earn significant shares of the rent on our own. With this aim in mind, we will permanently optimize both the structure of our consolidated companies and our costs structure. And to do this we will need to achieve savings — but only to a degree that will not have an adverse impact on our customers or our events. And this is why we plan to improve our income — by means of new trade fairs, new services, further growth and the marketing of our infrastructure to guest organisers. Here too, however, we want to - and will - ensure that our customers are not burdened when it comes to financing our infrastructure.

It is not my intention here today to present an entire array of measures, but rather to first concentrate on two essential areas of activity: developing our portfolio of trade fairs and marketing the Cologne exhibition centre.

Let's look first at the trade fair portfolio:

- **The highest priority is to secure and develop existing trade fairs.**

The quality of our trade fairs is our most important asset. Without our trade fairs, total revenue in the city of Cologne would not reach the billion euro level, and there would be dramatically fewer international visitors and therefore far fewer potential investors. Several events contributed outstanding results in 2007. Anuga 2007 was the largest and most international in the event's history. The 32nd International Dental Show (IDS) also achieved record figures across the board, in terms of exhibitors, visitors and exhibition space. And didacta 2007 was the most successful in the history of this touring event.

But unlike roughly ten year ago, there are no longer any events that more or less take care of themselves. We must treat each trade fair as if it were a debut event. We must treat each customer as if he or she were taking part for the first time. We will be taking a proactive approach to managing our portfolio. In other words: we will be making strong events even stronger. However, if necessary, we will also abandon projects that are consistently unprofitable. After all, we would not be fulfilling our responsibilities if we acted otherwise.

- **We will sharpen the profile of the trade fair location and use synergy effects generated by the business units.**

Koelnmesse is the leader in a number of trade fair sectors, but we fail to properly communicate this fact worldwide. Furniture and interior design is a good example: Five trade fairs in Cologne alone are devoted entirely or in part to furnishings: imm cologne, interzum, Orgatec, spoga, and Kind + Jugend. These events account for a combined 3,500 exhibitors and 260,000 visitors, more than at any other trade fair venue in the world in this sector. With global competition as fierce as ever, we must work much harder on communication measures designed to link the Cologne location with the trade fair focus on furnishings and design.

The situation is very similar in the food sector, with 8,700 exhibitors and more than 200,000 visitors, and in IT and Digital Entertainment, with DMS, dmex, gamescom, and guest events such as Anga Cable.

- **Internationalisation continues, profitability is the most crucial goal.**

Abroad, the "gold rush" is over for trade fair companies. The key now is to focus primarily on economic aspects. We will boost our market shares in our areas of expertise worldwide - with a special concentration on Russia, India, the Middle East and Asia. Today we serve the needs of almost 7,000 exhibitors and 350,000 visitors at the events abroad. And the trend here is one of growth. I am determined to be generating 20 percent of the consolidated companies' revenue abroad five years from now

- **We are using more of the exhibition centre's capacity by means of guest trade fairs and special events**

Each satisfied — or thoroughly impressed — organiser of guest events is an indispensable multiplier. Recently, for example, when General Motors presented the latest prototypes to 6,500 contract dealers, we converted several trade fair halls and provided an amphitheatre for presenting these prototypes in the best possible light. One highlight among our 25 guest events this year will be the World Cyber Games in autumn, the world championships for "e-athletes". The premiere of the JAM jeans trade fair is fast approaching. Power-Gen Europe, the biggest technology trade fair for the power station and power supply sector outside the USA, will take place in two further years in Cologne — in 2009 and in 2012. The latest successful acquisition by Koelnmesse Ausstellungen GmbH is Role Play Convention, Europe's largest role-play fair, which will be taking place in Cologne from 2009. Major factors that made these successes possible were not only our outstanding team, but also the excellent accessibility and infrastructure of the Cologne exhibition centre.

To ensure the halls' capacity is used when no trade fairs are scheduled, we will be assembling a special team that will be responsible solely for conceptualising and acquiring such events, working in coordination with KölnKongress and Koelnmesse Ausstellungen GmbH.

I also see great potential in marketing our location:

- **We will take the steps needed to better publicise the trade fairs.**
We must become much more visible in the city and surrounding region. Events like photokina, ART COLOGNE, imm cologne, INTERMOT, and gamescom must also take place in the city itself. This will enable us to more effectively raise awareness of how important Koelnmesse is for the city of Cologne. At the same time this will allow us to give our customers, who are also guests in the region, the feeling that they are part of the overall experience here - and most important, the feeling that they are welcome.
- **We need destination management in which all participants play a role**
This requires working together with the various regional organisations - in other words, representatives from the worlds of politics, business and culture, economic development promotion, chambers of industry and commerce, and city marketing, as well as hotel industry, catering, skilled trades and retail trade associations. And partners from the fields of science, research and education also have important roles to play. The rapidly developing knowledge-based society needs networked communication platforms for the transfer of data between the worlds of science and business. Cologne is actually a brand — one that we must jointly shape and communicate. Cologne stands for business and the enjoyment of life. In my opinion, a lot is already progressing nicely but in parallel. In future Koelnmesse will contribute more actively to an overarching system of destination management.

The individual structures that need to be created will be built upon the work done to date by Koelnmesse and the participating organisations in Cologne and the surrounding region. We must be prepared to put the conditions to the test, change them if needed and work together to communicate the results. In this way, we can establish a long-term basis for the acquisition of new trade fairs, for strengthening the existing programme, for earning the sectors' loyalty to this trade fair location, for new formats and events, and for attracting new conferences and congresses.

I have a very simple request to convey to the city of Cologne, Koelnmesse's shareholders, politicians and media representatives: Give us the room for manoeuvre we need and we will make a good investment pay off in the form of long-term benefits for this community!

I am very confident we can achieve our goals. And this is why:

- As a trade fair location, Cologne is on an equal footing with the global competition.
- The Cologne "brand" is a major bonus at the international level.
- Koelnmesse's operative business is fit and fully prepared for the challenges of the future.
- Our portfolio of trade fairs is developing positively.
- In short, we have at our disposal the basis to still be playing in the "champions' league" in five, ten and 15 years from now. This is my goal. It won't be an easy road, but we are moving forward on it with confidence.