

## Press Release

15 June 2010

Deutsche Messe AG Hannover:

### **Deutsche Messe: Consolidation program bears initial fruit**

**Hannover, Germany.** The concerted consolidation program implemented by the Hannover-based Deutsche Messe group of companies has already produced tangible results. "The enterprise now stands on an extremely solid footing, with outstanding prospects for the future," declared Dr. Wolfram von Fritsch, Managing Board Chairman of Deutsche Messe AG, on Tuesday in Hannover. "Despite recording a loss in 2009, we have managed to achieved a sustained improvement in all of the relevant financial indicators for Deutsche Messe. The measures contained in our 'Hermes+' program are producing results, and we will substantially increase our revenue in 2011 and bring the company back into the profit zone."

In 2009 the group achieved revenues of EUR 222 million — down EUR 19.5 million year on year. This drop in revenue was largely due to repercussions from the global economic crisis as well as to the year's specific portfolio of events.

In 2009 the Deutsche Messe group achieved earnings before interest, taxes, depreciation and amortization of EUR 14 million (EBITDA), compared with EUR 27.2 million in 2008. Net income was a negative EUR 28 million (2008: negative EUR 14 million). "This means we finished around 15 million euros better than our prognosis at the beginning of 2009," commented Managing Board Member with responsibility for Finance Stephan Ph. Kühne. The "Hermes+" efficiency program was the primary factor in this substantial loss curtailment, reported Kühne. Due to a special write-off of the exhibition grounds in the sum of EUR 192

million, the annual report for 2009 revealed a negative EUR 220 million in annual returns (2008: negative EUR 14 million).

In 2009 Deutsche Messe AG produced 66 events in Germany, with 23 100 exhibitors and 2.2 million square meters of display space. These German-based events drew a total of over 2 million visitors, of which 230 000 came from abroad. In the same year Deutsche Messe produced 31 events abroad, featuring 12 100 exhibitors, 461 000 square meters of display space and 1.1 million visitors. Von Fritsch noted that, especially abroad, Deutsche Messe had successfully consolidated its position vis-à-vis other event organizers, despite an increasingly tough competitive climate.

“2009 and 2010 represent transitional years for Deutsche Messe AG. We have made great strides in our organizational restructuring and will continue vigorously down that path,” stated von Fritsch. “By 2011 we will be in a position to experience a substantial jump in revenue and profits. In so doing, we will guarantee the successful achievement of our goal, i.e. to achieve a positive cumulative result within a four-year timeframe from 2011 on.”

In addition the Shareholders’ Meeting made several changes to the composition of the Deutsche Messe AG Supervisory Board. Jens Seidel, Deputy Chairperson of the CDU parliamentary group in the Hannover City Council, has assumed the seat of Rainer Lensing, who passed away last January. Martin Kapp, Managing Partner of Kapp GmbH Maschinenfabrik and the new president of the German Machine Tool Builders’ Association (VDW), was also elected to the Supervisory Board. He succeeds Carl Martin Welcker, who relinquished his seat upon expiry of his term as VDW president at the beginning of February.

The Supervisory Board simultaneously approved the new construction of the southern entrance zone at the Hannover Exhibition Center. A modern new entrance hall is to be erected there by spring 2012. These building measures will increase the flexibility of the Exhibition Center, as they will allow for the southern section of the exhibition center to be used in a modular manner to host additional event formats.

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