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 WE MAKE MARKETS. WORLDWIDE.



Messe Frankfurt Group at a glance

Corporate Group

€ m	1999	2000	2001	2002	2003
Sales	275	311	318	335	353
Personnel expenses	41	45	52	58	69
Amortisation and depreciation	35	30	35	45	47
Pre-tax profit	37	46	40	32	23
Pre-tax profit margin in %	13	15	13	10	7
Net income for the year	16	22	28	22	10
Cash flow	48	52	65	67	57
Additions to fixed assets	20	188	138	43	40
Equity	264	283	299	312	315
Balance Sheet Total	487	691	701	789	706
Employees (total)	779	851	984	1,144	1,213


Shareholders: City of Frankfurt (60 %), State of Hesse (40 %)

Subscribed capital: City of Frankfurt € 108 million, State of Hesse € 72 million

	1999	2000	2001	2002	2003
Basic data					
Total area (m ²)	440,000	476,000	476,000	476,000	476,000
Available covered space (m ²)	291,532	289,931	324,023	324,041	324,225
Available open space (m ²)	75,762	75,762	89,408	83,163	83,163
Number of halls	10	10	10	10	10
Events in Germany					
Number of trade fairs and exhibitions	49	46	38	51	52
Exhibitors (total)	37,129	43,088	36,089	39,777	45,220
Exhibitors (Germany)	17,988	20,529	16,985	17,240	19,619
Exhibitors (foreign)	19,141	22,559	19,104	22,537	25,601
Visitors	2,215,325	1,680,255	2,185,817	1,609,107	2,713,619
Net area (m ²)	1,381,474	1,612,502	1,443,596	1,428,555	1,616,859
Events overseas					
Number of trade fairs	31	43	48	45	60
Exhibitors	5,372	7,136	7,412	9,812	13,345
Visitors	766,236	609,532	584,085	803,527	760,746
Net area (m ²)	159,831	176,264	196,041	217,993	293,572

Trade fair venues worldwide





The Messe Frankfurt corporate group, one of the world's leading exhibition corporations, organises more than 100 trade fairs worldwide and is one of the few global players in the trade fair sector. The basis for its success are a portfolio of showcase events, the third largest exhibition complex in the world and an extensive network of subsidiaries, branch offices and foreign agencies.



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Strategies for the future – management editorial



Michael von Zitzewitz,
Chairman of the Board of Management

Despite all hopes to the contrary, the economic situation in Germany in 2003 remained unsatisfactory, with stagnation and consumer resistance determining the general climate. The Iraq war, the respiratory disease SARS and the threat of terrorist attacks caused additional anxiety among the world population. These factors contributed to unnerved consumers tending to do without even necessary purchases, and not making "pleasure purchases" at all.

At the Frankfurt trade fair venue, which has particularly strong associations with the consumer goods and textiles industries, we clearly felt the effects of this trend. On the other side of the coin, our internationalisation strategy has paid off and made us largely independent of economic trends. The decline in the number of German exhibitors was almost compensated by the increased interest from abroad.

Against this background, 2003 was on the whole a successful year for Messe Frankfurt. We chalked up a number of achievements in the course of the year. For the first time, in conjunction with our subsidiaries, we organised more than 100 trade fairs in one year. With more than 2.6 million visitors, we counted the second highest visitor figure in the company's history and achieved a new record turnover of 353 million euros.

However, one thing is clear: in these economically difficult times, successes are harder to achieve than ever before. The fact that although at 23.3 billion euros our consolidated result before taxes is still satisfactory, albeit lower than the previous year's result, clearly illustrates the trend. And it would be a fatal error of judgement to suppose that the situation is likely to relax in the foreseeable future. Quite the contrary – competition will become tougher.

We see the higher demands that an economy susceptible to ever faster change will make on us in future as a challenge that we are ready to meet with our full commitment. The necessary precondition for this, however, is that we establish a stronger position. In the autumn of 2003, we took the first step towards restructuring the company with the spin-off of the "property management company" Messe Frankfurt Venue GmbH & Co. KG. The company is charged with the upkeep and expansion of the exhibition centre as well as renting out halls and exhibition space and providing services.

In the second half of 2004, we will as planned spin off the "operating company" Messe Frankfurt Exhibition GmbH, which will be responsible for our core area of business, developing concepts for and organising our trade fairs at home and abroad. The

holding company, Messe Frankfurt GmbH, will form a bracket around these two companies. This assumes general management, performs all central administrative services and, most importantly, makes the necessary capital available.

The new corporate structure not only improves cost transparency and consequently the possibilities for optimising operations. It also underlines and promotes entrepreneurial responsibility. Above all, however, we are enhancing our prospects by making ourselves open to financially or strategically attractive partnerships. Together with our shareholders, we can consider on various levels the possibility of entering into well-targeted alliances. This offers us a scope that no other exhibition corporation can currently compete with. Our "Frankfurt Model" – which many consider pioneering – is not without good reason stirring up considerable interest within the international trade fair sector.

With the decision to establish an Asia holding, we have taken a further strategic step towards strengthening our position in one of the core regions of our overseas operations. Messe Frankfurt Asia Holding Ltd. will consolidate and control all activities of our Asian subsidiaries, branch offices and representative agencies. Messe Frankfurt



Dr. Michael Peters, Member of the Board

is, for example, already the strongest foreign trade fair organiser in China. We intend in the coming years to reinforce and expand this lead.

Confident that we are well-positioned to meet future challenges and backed by the good results of the trade fairs in the first few months of 2004, we are optimistic concerning the road that lies ahead. This is helped above all by the knowledge that long-standing, loyal business partners around the globe and a strong and highly motivated crew – our employees at home and abroad – are travelling this road with us.



Uwe Behm, General Manager



Messe Frankfurt connects. Supply and demand. Makers and markets. Number crunchers and innovators. Wholesalers and retailers. Designers and manufacturers. Entrepreneurs and consumers. Visionaries and realists. People.

More than 100 times in 2003, Messe Frankfurt built bridges - across national borders and datelines, spanning cultural boundaries and language barriers. Trade fairs are never just a meeting place for companies and products, but above all for people. And this is what makes trade fairs such a fascinating economic factor.

Partnership



»Messe Frankfurt enables me to build bridges to my customers. It gives me the unique opportunity to exchange ideas, gauge the competition and foster personal contacts.«

Stephan Koziol, owner of the company Koziol, is a long-standing exhibitor and chairman of the exhibitor's committee for Ambiente and Tendance Lifestyle.

Again in 2003, the difficult economic situation took its toll on the German trade fair sector. Competition is becoming keener around the globe. By consistently pursuing a strategy of internationalisation, Messe Frankfurt has created a firm foundation for its events and made them largely independent of economic trends. As a result, it remains a strong, dynamic partner for its customers at home and abroad even in a difficult economic environment.

A strong partner for trade and industry

Review of the trade fair sector

The difficult economic climate in 2003 also had a clear impact on the trade fair sector. But the first shows in 2004 give rise to hopes of improvement. Competition is increasing worldwide – above all in Asia.

A weak domestic market and sluggish consumption in Germany brought the German trade fair sector another challenging year. According to the Ausstellungs- und Messe-Ausschuss der Deutschen Wirtschaft (AUMA) e.V., Berlin (German Exhibition and Trade Fair Committee), 1.5 per cent fewer exhibitors attended the altogether 142 supra-regional events held in the reporting year. The number of German companies declined by six per cent, which the three per cent increase in the number of foreign companies could not fully compensate. The total rented show space and the number of visitors fell behind 2002 by four per cent respectively.*

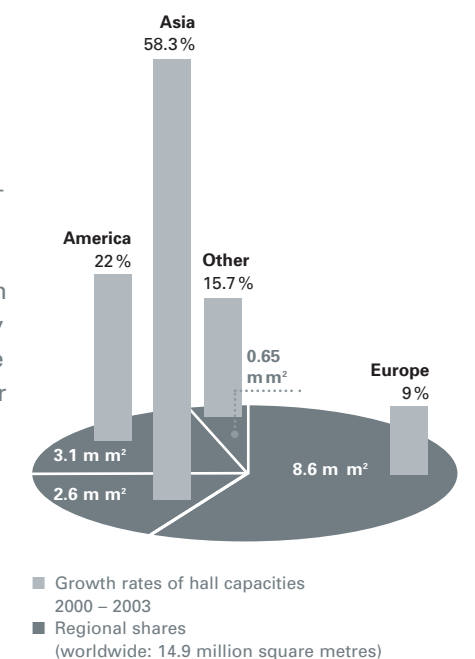
According to AUMA, the first few trade fairs in 2004 give rise to hopes of a slight recovery. The sector also expects the EU enlargement from May 2004 to generate positive stimuli, since on the whole, there is unbroken foreign interest in German trade fairs.

From a global perspective, competition in the trade fair sector is becoming ever keener. With eight of the ten largest exhibition centres in the world located in Europe (four of them in Germany alone), Europe's – and in particular Germany's – pole position in the international trade fair sector is still uncontested. However, while the economic depression in numerous western European countries also adversely affected the trade fair sector in Germany, business in Asia is booming.

A look at hall capacities available worldwide illustrates the point. Of the 33 exhibition centres with 100,000 square metres or more of exhibition space, 25 are to be found in Europe, as is the lion's share of the globally available space, at 57 per cent. Asia and America with 17 and 15 per cent respectively each have a relatively small share.

If we consider the development over the past three years, however, a completely different picture emerges. During this period, hall capacities in Europe grew by nine per cent, in North America by 13 per cent and in Asia by over 58 per cent. Europe's share in the world market has thus declined by four percentage points, while Asia – and China in particular – is growing at a rapid pace.

Hall capacities and growth rates worldwide



* All information: preliminary figures
AUMA, November 2003

A positive year for Messe Frankfurt: more than 100 trade fairs worldwide



With 112 trade fairs around the globe – 41 own and guest events in Frankfurt, eleven in other German cities and 60 abroad – 2003 chalked up the most calendar events in Messe Frankfurt's corporate history. The Frankfurt am Main exhibition grounds were also the venue for 195 congresses and events. The 307 events organised by the Messe Frankfurt Group attracted in total more than 58,500 exhibitors and some 3.9 million visitors worldwide. Another record achievement: group sales rose to the new high of 353 million euros.

More than 2.6 million people visited the trade shows held in Frankfurt am Main alone. Compared to the year 2001, which due to the two-yearly rhythm of the IAA provides a better basis for comparison than 2002, this represents an increase in visitor numbers of 20 per cent. The number of companies exhibiting at the exhibition grounds, at more than 42,000, was 14 per cent above the previous year's figure and 17 per cent above that recorded in 2001. With around 40,300 exhibitors (+ 5.1 % compared to the respective previous events) and 2.4 million visitors (+ 7.7 %), the 24 international trade fairs that make up the core business in Frankfurt showed impressive growth rates.

Success in Frankfurt ...

The 14 own events organised by Messe Frankfurt attracted 21,600 companies, 0.6 per cent fewer exhibitors than the previous corresponding events. This is a direct result of the 6.8 per cent drop in the participation of German companies. By contrast, the number of foreign exhibitors rose by more than three per cent, i.e. their proportion among the overall exhibitors increased to 65 per cent. The level of internationalism was thus 13 per cent above the national average calculated by the Ausstellungs- und Messe-Ausschuss der Deutschen Wirtschaft (AUMA) (German Exhibition and Trade Fair Committee) for Germany as a trade fair venue.

With 773,000 trade visitors, own events registered 2.5 per cent fewer visitors. The proportion of foreign visitors was higher than ever at almost 32 per cent. By way of comparison: the average value for Germany as a trade fair venue is around 20 per cent.

... in the rest of Germany ...

The subsidiary Mesago Messe Frankfurt with headquarters in Stuttgart organised seven trade fairs in 2003, among other places in Düsseldorf, Munich and Nuremberg. Messe Frankfurt Ausstellungen GmbH (MFA), Wiesbaden, staged four shows, for example in Düsseldorf and Cologne.

These eleven events hosted some 3,000 exhibitors on a floor space of 66,000 square metres and drew 87,000 visitors.

... and abroad

Messe Frankfurt's foreign operations reached new heights: a total of 60 trade fairs (2002: 45) were held by the Frankfurt parent and its subsidiaries at 34 venues on four continents. In Asia alone, one of the focuses of Messe Frankfurt's external activities, 30 events were held – ten more than in the previous year. Altogether, the overseas shows attracted more than 13,300 exhibitors and 761,000 visitors.

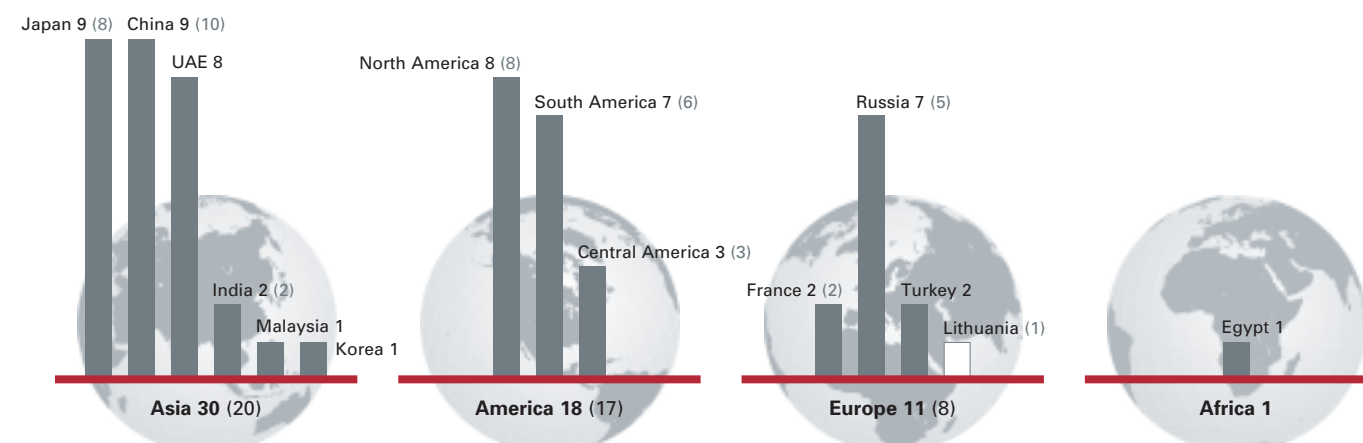
Group sales: new record level

As a direct result of its dynamic business activity, Messe Frankfurt's sales

scaled the record level of 353.3 billion euros. The foreign subsidiaries made a contribution to group earnings of 56.2 million euros – 11.3 per cent higher than in the previous year. This represented a contribution of 16 per cent. Increased marketing expenses for the shows and higher amortisations meant that as expected earnings before taxes lagged behind those of the previous year by 27.7 per cent. By contrast, the EBITDA ratio (Earnings before Interest, Taxes, Depreciation and Amortisation) declined by only 6.5 per cent compared to 2002. At 57.1 million euros, cash flow – despite an earnings-related drop following the record years of 2001 and 2002, was nevertheless the third best cash flow value in the company's history.



Overseas trade fairs 2003: regional weighting





Messe Frankfurt is everywhere. Wherever our customers are, and wherever they want to be. In Frankfurt and Dubai. In Paris and Las Vegas. In Moscow and Beijing. In Hong Kong and Buenos Aires.

In 34 cities on four continents, in 2003 Messe Frankfurt presented market places for its customers, staged events, brought partners together and supplied services. We make markets. Worldwide.

Growth



»Our growth is at the same time qualitative growth. In striving for this, our top priority is to offer our customers a comprehensive range of services that answers their needs.«

Dr. Andreas Winckler, Head of the Service Division at Messe Frankfurt

Bigger, higher, further? – Yes, but as a global marketing partner, Messe Frankfurt always defines the term “growth” in relation to its customers. Be it quantitative growth – more trade fairs, more visitors – or qualitative improvement – better services, new concepts –, growth is not a means to an end, but is oriented towards the wishes and needs of our partners.

Global ideas for progress

Overseas growth and internationalisation at home secure the future

With 60 trade fairs – of which 21 were own events – on four continents, Messe Frankfurt’s external operations reached a new high. The globalisation strategy – growth on foreign markets – goes hand in hand with an increasing level of internationalisation of trade fairs at the home venue, both on the exhibitor and the visitor side. 2003 was also proof that in times of economic instability, internationalism is an essential factor for stabilising trade fair events.

The close correspondence between the flagship trade fairs in Frankfurt and the respective brands in Europe, Asia and America produces synergies for all trade fairs around the globe – to the benefit of exhibitors and visitors alike. By positioning its events in the

world’s growth regions – especially in Asia –, Messe Frankfurt is on the one hand reinforcing the trade fairs at the Frankfurt venue and on the other hand the corporate success of the group as a whole.

The worldwide network of subsidiaries currently includes 15 companies. At the beginning of 2003, Messe Frankfurt intensified its commitment in the Mercosur region through the establishment of Indexport Messe Frankfurt S.A., a new subsidiary in Argentina with headquarters in Buenos Aires. With the acquisition of a 60 per cent interest in Indexport S.A., Messe Frankfurt has set up a cooperation with a company that can boast thirteen years’ experience in developing new markets for its customers.

■ 17 Messe Frankfurt events on the BMWA (Federal Ministry of Economics and Labour) sponsorship programme for 2004

The Federal Ministry of Economics and Labour is sponsoring the participation of German companies in a total of 17 overseas trade fairs being organised by Messe Frankfurt in 2004 in China, the United Arab Emirates, Japan, the USA and Russia.

This provides small and medium-sized enterprises with an opportunity, with a relatively low financial outlay, to present themselves on new markets, test new business opportunities or secure and expand their position abroad.

Messe Frankfurt’s overseas subsidiaries and branch offices



■ Subsidiaries
■ Branch offices

New group structure brings more flexibility



Greater flexibility and transparency are the advantages of the restructuring of the Messe Frankfurt Group to create a property management subsidiary and an operating subsidiary under the roof of a holding company. The first step was taken in 2003 with the transference of the Venue Division into Messe Frankfurt Venue GmbH & Co. KG – a one hundred per cent subsidiary of Messe Frankfurt GmbH.

Competition in the international trade fair sector is becoming increasingly tough. In order to be better prepared to meet future challenges, Messe Frankfurt is currently reorganising its corporate structure. The clearly-defined separation into a property management company, an operating company and a holding company is consistent with the different functions of an exhibition corporation and creates more clarity and transparency. At the same time, the new structure also permits greater flexibility and opens the door to new business models at home and abroad.

The spin-off of Messe Frankfurt Venue GmbH & Co. KG was registered in Frankfurt am Main by a notary public on 29 August 2003 in the presence of representatives of the city and the state of Hesse as well as Messe Frankfurt's Board of Management. Messe Frankfurt Venue is the property management company. It is responsible for

the maintenance and expansion of the exhibition centre and its infrastructure, renting out hall space to the still-to-be-established operating company and to guest organisers, as well as event management for the Festhalle and the Congress Center Messe Frankfurt and the provision of services.

In the next step, it is planned to spin off the operating company Messe Frankfurt Exhibition GmbH in the second half of 2004. This will be responsible for organising Messe Frankfurt's events at home and abroad, managing the global brand strategy and developing and realising new trade fair themes. Messe Frankfurt Exhibition has first option on the use of the Frankfurt facilities. It is open to cooperation projects and joint ventures with third parties.

The "bracket" connecting the two companies will be formed by Holding Messe Frankfurt GmbH, which is to assume all administrative and management functions.

The holding company, property management company and operating company will be run by one Board of Management. This guarantees both uniform decision-making and intra-group communication "with one voice".

Focus on Asia

The Asian market is the focus of Messe Frankfurt's overseas strategy, and on Asia's growth markets, flexibility is one of the key factors of success. Messe Frankfurt has therefore started to reorganise its Asian operations.

The four major regions in Asia – China, India, the ASEAN states and Japan – accommodate more than 3.5 billion people, that is over half of the world's population. In the medium term, the Asian market is dominated by China in the manufacturing sector and India in the services sector.

The Asian countries traditionally depend on export business to the USA and to a lesser extent to Europe. This trend is likely to continue, but in addition, Asian companies are increasingly discovering the Asian consumer. This means that in future, the growth in the volume of trade between the individual Asian countries will intensify. Trade fairs are the ideal platform for promoting an international exchange of goods.

The Asian subsidiaries in Hong Kong, Shanghai, Japan, Korea and India, which have so far operated with a national focus in the respective countries and were controlled centrally from Frankfurt, will in future be concentrated under the roof of Messe Frankfurt Asia Holding Ltd. with headquarters in Hong Kong. This structure

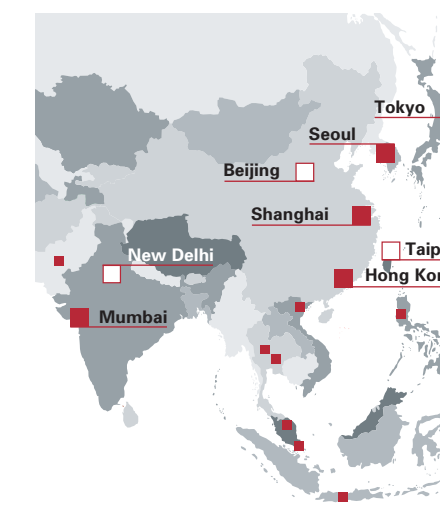
is consistent with the dynamism of the Asian market and will make it possible to react more quickly to changes.

In a first step, the Messe Frankfurt Shanghai subsidiary was incorporated in Messe Frankfurt H. K. Under Chinese law, from 2004 it is possible for companies with headquarters in Hong Kong, which in turn have a subsidiary in China, to organise trade fairs in China without requiring a Chinese partner. This will make Messe Frankfurt more flexible and independent when it comes to developing future events.

Since China began increasingly opening its doors to the West, Singapore's importance for the development of the region has continuously declined. Messe Frankfurt has therefore taken the decision to reduce its commitment in the city state and closed its subsidiary there – founded in 1995 – at the end of the reporting year. The marketing operations in Singapore will be continued through a foreign branch office.



New holding company in Asia



- Five subsidiaries
- Three agencies
- Eight foreign branch offices

Trade fair premières worldwide



In the year under review, Messe Frankfurt's foreign subsidiaries hosted 21 new trade fairs worldwide, in the United Arab Emirates (8), America (7), eastern Asia 5) and Europe (1). In Frankfurt, the "Forum chronische Krankheiten", the Forum for Chronic Diseases, celebrated its premiere. "Material Vision" – a combination of trade fair and conference – for the first time offered an interdisciplinary forum for innovative ideas in materials technology and product development.

The discussions surrounding the future of the health sector leave no doubt about the fact that in future everyone is going to have to bear more responsibility for their own health. The Forum for Chronic Diseases focuses on three major widespread diseases: diabetes, cardiovascular diseases and – incorporating the Allergica trade fair that was already held in 2002 – the wide field of allergies. With its dual concept, the forum addressed both a

specialised and private audience, thus fostering dialogue between patients and physicians. 5,300 visitors took up the offer provided by the exhibitors and in the many lectures and accompanying activities to inform themselves of ways to prevent illness as well as how to cope better with a chronic disease. The integrated trade conference drew 600 experts from the fields of medicine, pharmaceuticals and the nursing professions.

Innovative developments from the field of materials research and their possible uses in practice were at the focus of Material Vision, an event organised by Messe Frankfurt in cooperation with the German Design Council and the German Society for Materials Research. The aim was to bring together highly specialised international exhibitors who usually only present their ideas in the technical and industrial sector, and creative minds – designers and architects. The concept was a winner – with 1,800 visitors, including 400 international conference participants, the show more than met the exhibitors' expectations.

material_vision



New services – the quality advantage

Quantitative, measurable growth is one side of the coin. Of equal importance for both exhibitors and visitors, however, is an added value in terms of quality. This relates to the event itself as well as all ancillary services.

■ The wide choice of hotels available in the city of Frankfurt and its environs is transparently and logically presented in the "Hotelguide Rhein-Main" published for the first time in summer 2003 by Messe Frankfurt Medien und Service GmbH (MFS) in cooperation with Konzept Verlagsgesellschaft, Frankfurt. A logical categorisation according to trade fair category and room rates allows speedy orientation. The reader can see at a glance the hotels on offer for the respective trade fair and in the preferred price category, as well as distance and public transport links to the exhibition grounds. This specially conceived hotel guide is a valuable tool that can help exhibitors and visitors plan their stay in Frankfurt in a more cost-efficient way.

■ On 1 September 2003, Messe Frankfurt took over the catalogue business, that is, the staff and the respective publishing software, of Bröner Verlag and integrated it into the publishing division of Messe Frankfurt Medien und Service GmbH. The catalogues for the first shows in 2004 have already been published as own productions. At MFS, exhibitors thus receive even more services under one roof: ranging from catalogue entries via fair construction to advertising space in the grounds and in various print media relating to the trade fairs.

■ Together with T-Com, the fixed network division of Deutsche Telekom, Messe Frankfurt is realising the public W-LAN for the Frankfurt exhibition complex in 2004. This will create a hotspot covering an area of 476,000 square metres. In future, in all ten exhibition halls and throughout the outdoor grounds, wireless surfing in broadband quality will be possible. Within the hotspot, access and billing systems will be absolutely independent of manufacturer. Whether by voucher, credit card, SMS password, SimPay or via T-Pay, many forms of billing are possible.





Messe Frankfurt is attractive. For trade and industry. Novelties and trends. Consumer worlds and trade conferences. High-tech and tradition. Emotions and business.

In 2003, Messe Frankfurt staged more trade fairs than ever before: 52 in Germany and 60 abroad. This is where cutting-edge companies challenge their competitors and show their strengths. Where they present their latest developments to a trade public. This is where trade visitors can compare what's on offer on the world market. And make new contacts. Messe Frankfurt is where the decision-makers meet.

Market competence



»Nowadays, putting on trade fairs means being abreast of the latest trends and always being one step ahead.«

Nicolette Naumann, Head of Division for Ambiente and Tendence Lifestyle

International trade fairs in Frankfurt and around the world – that means new products, trends, innovative technologies, ideas and future-pointing concepts in the Consumer Goods, Textiles and Technology sectors. Messe Frankfurt's trade fair portfolio at its Frankfurt venue is further enhanced by the internationalism and diversity of established guest events.

Room for competence and emotion

More trade fairs than ever before

With a total of 112 shows in Europe, Asia and North and South America in 2003, Messe Frankfurt hosted more trade fairs worldwide than ever before in the company's history. As many as 41 shows were held at Messe Frankfurt's home venue in Frankfurt, a further eleven at other trade fair venues in Germany and abroad the number climbed to 60 – another record. Eight trade fairs in the United Arab Emirates held under the aegis of Epc Messe Frankfurt were added to the portfolio for the first time.

Messe Frankfurt is the number-one trade fair venue for consumer goods. Ambiente and Tendence Lifestyle are the biggest consumer goods trade fairs in the world and every year in Frankfurt exhibit the trends for the coming season. The textiles fairs with 20 shows worldwide are Messe Frankfurt's most established brands internationally. Three brand names – Heimtextil, Interstoff and Techtexil – stand for the global exportation of successful trade fair themes. The Internationale Musikmesse and Pro-light + Sound are the showcase trade fairs for the musical instruments industry as well as audio, lighting and event technology. Following the success of Music China, Prolight + Sound celebrated its debut in Shanghai in October 2003, and thus established a firm foothold in China.

With its internationally leading flagship fairs in the Automotive, Architecture

and Technology sectors, Messe Frankfurt sets the trend for the demands of the market, rounds off its range of themes with complementary branches and develops new combinations. In the field of Automotive Technology, Automechanika is the world's biggest show for the automotive aftermarket segment (repair shop equipment, retrofitting, maintenance and service) and the original equipment market. In 2003, Automechanika Gulf celebrated its premiere in Dubai. The international showcase fairs Light + Building and ISH form the main pillars of the Architecture and Technology segment. They present in Frankfurt the six major areas of building technology: building and energy technology and the bathroom experience at the ISH, and lighting, electrical engineering and house and building automation at Light + Building. Four international brands have in the meantime become established in China, the United States and South America.

Messe Frankfurt has a long tradition as a partner to guest event organisers. The 2003 trade fair year was a case in point: Every six years, the triennial Achema and the biennial IAA International Motor Show take place in the same year, significantly boosting visitor and exhibitor numbers. A total of 17 guest events were held in Frankfurt in 2003, drawing more than 20,000 exhibitors and 1.9 million attendees.

Consumer goods fairs – trends that go round the world



The number-one trade fair venue for consumer goods – this term is synonymous with the Frankfurt trade fair venue. This is where the world's biggest consumer goods trade fairs are held; this is where the trends for the coming and the following season are presented. What began in 1948 with one big consumer fair in spring and autumn proved in 2003 to be one of the strongest areas of core competence with 16 trend and lifestyle fairs at home and abroad.

For most segments in the Consumer Goods sector, the 2003 business year was anything but satisfactory. A sluggish domestic market, characterised by consumer resistance, led in many places to stagnation and a slump in sales. Nevertheless, there were also isolated areas of growth, with export business above all showing a positive development – a trend that is continuing dynamically in 2004.

Total sales in wholesale and export trade with glass, porcelain and ceramics grew, for example, by three per cent. The share of export business in total sales reached the encouraging level of 31 per cent, one of the reasons why the branch is anticipating continuing signs of economic recovery in 2004. In the retail sector, the situation

was less encouraging. The worst hit product groups were in the tableware segment – glass and porcelain –, which suffered a significant drop in sales, the effects of which could not even be cushioned through a wider product mix. This situation was exacerbated by declining customer figures and discount struggles. Nevertheless, the mood at the consumer goods fairs in Frankfurt was better than the general situation and the exhibitors reported good business.

Ambiente – a high level of internationalism stimulates export business

Innovative spirit and the concentration of trade buyers on safe brands determined the scene at Ambiente. With its three trade fairs "Tavola & Cucina", "Präsent & Carat" and "Domus & Gallery", it defended its position uncontested as the leading branch platform for innovation, communication and information within the consumer goods industry. This is also underscored by the growing international participation on the exhibitor as well as the visitor side. The share of foreign dealers, primarily from core European countries, rose by an encouraging ten per cent and generated strong export sales. Altogether,

some 48,000 of the more than 138,000 trade buyers came from abroad – for the consumer goods fair an unusually high level of internationalism. Ambiente also once again proved to be an international contact point for creative newcomers, designers, trendsetters and innovative companies.

Tendence Lifestyle – successful new launch confirms innovative show concept

Tendence Lifestyle celebrated a successful relaunch in the autumn. The first Lifestyle consumer goods fair made its debut with a new name, new logo and completely new show concept. Together with the exhibitors, Messe Frankfurt was able to offer trade visitors innovative perspectives despite the economically challenging situation. Thanks to new products and trends and a higher level of internationalism of around 25 per cent on the visitor side, the new Lifestyle concept contributed to more optimism in the industry and retail sector. 3,839 exhibitors, of whom almost 60 per cent came from outside Germany, presented their products at the first Tendence Lifestyle; around 100,000 trade visitors travelled to Frankfurt from 108 countries.

Luxury goods for Moscow and Tokyo

For the prospering Russian consumer goods market and its high demand for luxury articles and top-class design, Ambiente Rossija in Moscow is the optimum marketing platform. Fully-booked halls and a successful outcome to the show confirmed the concept. The special German Living presentation, in which 26 German manufacturers participated, was a complete success and is intended in future to continue to encourage small and medium-sized enterprises to venture onto the Russian market. The profile of the Moscow consumer goods fairs will continue to be optimised in 2004. Ambiente Rossija, Christmasworld Rossija and Heimtextil Rossija are to be complemented by a new show for high-quality Asian consumer goods, Passage Asia, and are held concurrently in September. The themes of the new collective trade fairs will cover the entire spectrum of living, home furnishing and interior design and like this lead to greater synergy effects for exhibitors and buyers alike.

In Tokyo, Interior Lifestyle was able to further reinforce its position through an increase in exhibitor and visitor numbers. 407 Japanese and foreign exhibitors – around 60 per cent more than in the previous year – presented their products. Just under 19,300 million visitors were recorded. Under its





aegis, the Ambiente Japan, Heimtextil Japan and Home Design Japan trade fairs exhibited a comprehensive assortment of products for beautiful living. This show, which specifically addresses the Japanese lifestyle, is organised by Mesago Messe Frankfurt Corporation, Messe Frankfurt's Japanese subsidiary.

Paperworld – optimism versus general economic climate

Contrary to the general economic trend, the 2003 business year in the paper, cardboard and plastics processing industry was markedly positive. Following a difficult year in 2002, both industry and the retail sector commenced the year with more restraint than enthusiasm. Nevertheless, a healthy branch optimism made the world's largest trade fair for office supplies a complete success and satisfied both exhibitors and visitors. With more than 66,000 trade visitors, including around 50 per cent from abroad, a new record was even set up. For the 2,398 exhibiting companies, including 1,832 international companies from 32 countries, Paperworld represents the most important meeting place and leading communication platform for the sector. An important new field was added to Paperworld's range with the innovative imaging supply segment, in which brand-leader original manufacturers for EDP and printer supplies exhibited their

products. Digital imaging is considered to be a business field with growing sales potential.

Top branch event in Hong Kong

The Hong Kong International Stationery Fair is the most important fair in Asia for paper, office supplies and stationery. This was once again underlined by the renewed rise in visitor numbers to around 11,500 buyers, just under 43 per cent of whom came from abroad. The show's high level of internationalism coupled with the product quality and design brought the trade fair a resounding success in January 2003. The first-time paper, office supplies and stationery licences trade seminar also received a positive response, attracting 200 participants. The Hong Kong International Stationery Fair is held parallel to Hong Kong Toys & Games, the third largest toys and games fair in the world.

Christmasworld – celebratory mood at the fair of festivals

As a trendsetter for innovative ideas in all areas of seasonal decoration, the fair of festivals generated optimism and full order books. 1,027 exhibitors displayed a unique array of Christmas decorations, festive decorations, floral art, party and fun articles, carnival, fireworks and shop & display articles. With a foreign share of almost 71 per cent on the exhibitor

side, Christmasworld is one of the most international trade fairs held at Frankfurt. Over one third of the more than 24,000 buyers came from abroad, with the result that many exhibitors recorded correspondingly positive export sales.

Beautyworld – successful seasonal start for the branch

Novelties, product trends as well as the search for new product ideas and marketing strategies were the focus of attention at Beautyworld. There was general agreement among exhibitors and buyers that the only way to long-term growth is if companies rethink their corporate concepts. Both sides took advantage of Beautyworld as a platform for communication and pooling of ideas and laid a promising foundation for a fundamental reorientation. Attracting 519 exhibitors from 30 countries as well as more than 11,900 buyers, 30 per cent from abroad, Beautyworld generated positive impulses for the branch and an optimistic start to the year.

Trade fairs in the beauty sector – in the Middle and Far East

Notching up a thirty per cent rise in exhibitor numbers and 25 per cent more visitors, Beautyworld Middle East / Gulf Beauty set up new record figures. The 272 exhibitors from 38 different countries were extremely

satisfied with the outcome of the show, which also attracted international celebrities, for example the German designer Jette Joop and star coiffeur Udo Walz.

Since its premiere in 1998, Beautyworld Japan has become an attractive meeting place for companies from the cosmetics industry. This is all the more encouraging as many exhibiting companies – in particular from China, Taiwan, Hong Kong and Singapore, but also from Japan itself – were prevented from attending the show due to the strict precautionary measures enforced in an effort to contain the SARS respiratory disease.

Dynamic start to 2004

Following the difficult year in 2003, companies in the Consumer Goods sector presented themselves at the Frankfurt trade fairs at the beginning of 2004 as self-confident, full of ideas and with new products. They pitched creativity and innovation against the prevailing economic recession in Germany and sparked a mood for change. This was rewarded by extremely profitable trade fairs.

Demonstrating record growth on the visitor side, Paperworld was once again the branch highlight, and with more exhibitors and buyers, Christmasworld as the fair of festivals did full justice to its name. Ambiente in



■ New consumer goods fairs in 2004

Of the 20 consumer goods fairs on the calendar in 2004, twelve will be held overseas, including two new events in Argentina and Korea. Following the pattern of the Frankfurt Ambiente and Tendence Lifestyle shows, Ambientar Buenos Aires – Regala will take place in spring and autumn respectively (11 to 14 March and 12 to 15 August). 19 to 22 May 2004 will see the launch of the Seoul International Consumer Goods Fair, a joint venture between the previous sole organiser KOTRA (Korean Trade Investment Promotion Agency) and Messe Frankfurt Korea.



February seamlessly prolonged this success. More internationalism, more visitors, more optimism – the consumer goods showcase once again proved to be the international lead fair.

Beautyworld has taken an innovative path in 2004. Not only was the date in March new. Under the name International Frankfurt Beauty Week, Beautyworld joined forces with Lifetime, COSMETICAL and the new show Passione to create a new group of

associated trade fairs. The product spectrum of the four shows covers every aspect of beauty, wellness and individuality. The new joint fair not only provides an optimal platform for industry and the retail sector in the respective branches, it also paves the way to synergy effects and new marketing channels.

National and international consumer goods fairs 2003

Germany	Event	Exhibitors	Visitors	Net area
Frankfurt	Paperworld	2,398	66,304	92,004
	Christmasworld	1,027	24,153	46,484
	Beautyworld	519	11,964	16,651
	Ambiente	4,798	138,285	189,130
	Tendence Lifestyle	3,839	99,467	138,557
International				
Europe	Christmasworld Rossija***	69	9,246	1,646
	Paperworld Rossija	14	**	150
	Ambiente Rossija	188	15,811	3,774
Asia	Hong Kong International Stationery Fair	210	11,492	2,232
	Beautyworld Japan	329	42,711	6,939
	Ambiente Japan*	323	19,272	5,127
	Beauty World Middle East Gulf Beauty	272	6,494	3,290
	Dongguan Autumn Fair	170	5,767	1,666
	FENAVEM	204	50,000	22,306
	Toy Fair Middle East	48	3,476	672
	H & H Housewares & Hometech Middle East	96	6,286	2,600

* Visitors including Heimtextil Japan and Home Design Japan

** For visitors see Christmasworld Rossija

*** Visitors and special show space including Paperworld Rossija

Art Frankfurt, trade fair for young art

Art Frankfurt is the most important trade fair in Europe for young art. This was once again demonstrated by the 15th event held in May 2003, which gathered 152 exhibitors and in excess of 27,000 visitors in Frankfurt. After a difficult start to the year for art galleries, the unexpectedly good reaction at Art Frankfurt brought the branch a spring awakening. Sales were particularly good in the lower and mid-price segment up to 60,000 euros, giving gallery owners at the end of the show reason to look optimistically towards the future.

The focal themes of the 15th Art Frankfurt were once again "Art from 1960" and "New Attitudes". The third edition of the non-commercial "Curator's Choice" exhibition series, which last year put Brazil in the limelight, also met with an overwhelming response.

Within the scope of the special booths, 39 galleries were given the opportunity to allow their artists to display special works or make their trade fair debut. Messe Frankfurt's willingness to enable artists to present projects they would not normally be able to exhibit at other trade fairs at extremely favourable terms received much praise from artists and gallery owners alike. Art Frankfurt is one of the few art fairs to offer such programmes.



The Adam Elsheim Prize for art clubs, which is endowed with 13,000 euros, was conferred on the southern German Kunstverein Wilhelmshöhe, Ettlingen. This prize, which is awarded annually at Art Frankfurt, will change its name in 2004 and exist in future as the "Art Frankfurt Prize".

Art Frankfurt once more proved that it is worth putting quality before quantity and determined the future course of this art fair. Last year's event closed with a higher number of exhibitors and visitors – 167 exhibitors and more than 28,000 visitors.



Musikmesse and Prolight + Sound on the path to growth

Stable visitor numbers, more exhibition space and increased internationalism characterise the Internationale Musikmesse and the parallel event Prolight + Sound. These are the blue chip trade fairs for the musical instruments industry as well as audio, lighting and event technology. Following the success of Music China, Prolight + Sound celebrated its successful debut in Shanghai in October 2003. Held at the same time, the second Music China exceeded all expectations in the branch.

The Internationale Musikmesse in Frankfurt am Main is the world's showcase trade fair for the musical instruments industry. Despite the strained economic situation, it produced an optimistic beat and in tandem with Prolight + Sound was able to expand its leading international position. The level of internationalism at both shows again increased, with some 55 per cent of the total 2,020 exhibitors from 49 countries and a quarter of the over 98,000 visitors coming from outside Germany.

The Musikmesse again noted moderate growth in 2003. The "Zukunftsinitiative für die Musik in Deutschland" (Future Initiative for Music in Germany) was added in 2003 to the list of established

activities through which Messe Frankfurt, in cooperation with the music associations, supports active music making. The initiators include GEMA (the German Copyright and Performing Rights Society), the ver.di trade union and the Bundesverband der deutschen Musikverbände (German Association of Music Societies). One of the committed goals of the Musikmesse is to promote the love of music and music making among children and young people. With this in mind, Music4kids, the hands-on programme specifically directed at children, in which 4,000 young visitors to the show again took part, was extended by the first "School Jam" school band festival. In addition, at 250 concerts the fringe programme surrounding the Musikmesse offered live music in every conceivable style.

Prolight + Sound took place for the first time in 2003 with a more compact structure and shortened by one day. With this, the management is responding to the wish of the majority of exhibitors to cancel one of the public visitor days at the weekend in favour of more activities and business atmosphere for the industry. Over four days, the 627 exhibitors from 32 countries at Prolight + Sound presented the state of the art for mobile acoustic systems and microphone technology, audio studio technology, lighting, stage and events. With the integration of

audiovisual media technology, Prolight + Sound is becoming a flagship trade fair in this field as well. The new concept of Prolight + Sound as a branch-wide trade fair for event and communication technology, audiovisual production and entertainment met with widespread approval among trade visitors.

Musikmesse and Prolight + Sound growth on international markets

Messe Frankfurt has in the meantime firmly positioned the Musikmesse and Prolight + Sound in the Russian and Chinese growth markets. The first Prolight + Sound Shanghai in 2003 created a professional marketing platform in China for producers of audio and lighting technology, laser and special effects for the entertainment industry as well as stage, studio and event technology. This was held simultaneously with the second Music China in Shanghai, which exceeded all expectations. The number of exhibitors grew by 53 per cent to 419 from 16 countries, the exhibition space doubled and the visitor numbers increased by 20 per cent compared to the 2002 event to 22,000. Music China and Prolight + Sound Shanghai are organised by Messe Frankfurt in cooperation with INTEX Shanghai. The China Music Instrument Association (CMIA) is also involved in the organisation of Music China.

Musikmesse/Prolight + Sound St. Petersburg in Russia was the first foreign trade fair for these brands. The biennial fair is the largest presentation forum for musical instruments and accessories as well as lighting, sound and event technology in Russia's North West. The number of exhibitors rose by 58 per cent to 320. More than half the companies came from abroad, in particular from Germany, Spain, Italy, the Czech Republic and the USA. St. Petersburg has the highest density of music schools and institutes in Russia as well as of theatres, concert and event halls. Accordingly high at 47 per cent of the 8,300 trade visitors was the proportion of visitors from the wholesale and retail sector, from conservatories, music schools, orchestras and theatres.



■ The Internationale Musikmesse and Prolight + Sound in Frankfurt am Main in April 2004 have again demonstrated that the concept and positioning of both trade fairs are optimally organised. The level of exhibitor satisfaction at the end of the show was more positive than ever before. According to surveys, 72 per cent of the exhibitors at the Musikmesse and 86 per cent of the exhibitors at Prolight + Sound were satisfied with the outcome of the show.



Musikmesse and Prolight + Sound 2003 on German and international markets

Germany	Event	Exhibitors	Visitors	Net area
Frankfurt	Musikmesse	1,393	79,747	53,028
	Prolight + Sound	627	19,213	23,798
International				
Eastern Europe	Musikmesse/Prolight + Sound St. Petersburg	320	8,372	3,224
Asia	Music China	419	21,496	11,411
	Prolight + Sound Shanghai	112	8,615	2,339

Textiles fairs – innovations and trends in the world of fabrics



With 20 trade fairs worldwide, the textiles fairs as one of Messe Frankfurt's core areas of competence are one of the mainstays of the company's event business. Three brand names – Heimtextil (for textile living culture and home fashions), Interstoff (with apparel fabrics and fashion trends) as well as Techtextil (for technical fabrics and non-wovens) – stand for the exportation of successful trade fair themes from Frankfurt to the rest of the world. Messe Frankfurt laid the foundation for its foreign operations with its inaugural Interstoff Asia show in 1987. In the reporting year, a total of 20 Messe Frankfurt textiles fairs were held in Europe, Asia and America.

The German home textiles and soft furnishings industry started out with promising prognoses in 2003 and indeed, by mid-year had achieved an average sales increase of 1.7 per cent. In the second half of the year, however, the hesitant upswing again came to a halt. A lack of willingness on the part of consumers to part with their money combined with a further decline in production of more than 5 per cent clouded the picture. The continuing losses suffered by small and medium-sized specialist retail stores to the

benefit of aggressively priced chain-stores and discount stores, as well as the home furnishings departments in furniture stores, had an increased impact.

Technical textiles, by contrast, which in recent years have been continuously able to boast growth in the upper single-digit bracket, were able to more or less maintain their sales and turnover level. Indeed, the share of technical textiles in the industry output even managed to stabilise above the 40 per cent mark.

The most important trade partners for the German textiles and clothing industry have so far been the member countries of the European Union prior to May 2004. However, in order to remain competitive in the international arena, the branch will in future have to concentrate its marketing efforts on new strong markets both within and beyond Europe. The new member states in the European Union, Russia and Asia – China to the fore – present an enormous growth potential here.

Heimtextil – Turning crisis into opportunity

The textiles fair season kicks off in Frankfurt with Heimtextil in January. In 2003, the biggest and oldest trade fair for home and commercially used textiles started with new impulses and ideas and the aim to turn the general crisis situation to the best advantage. 3,224 exhibitors from 67 countries defied the economically difficult situation and brought the 33rd Heimtextil a new record. With 82 per cent of the exhibiting companies coming from abroad, Heimtextil is one of the most international trade fairs in Frankfurt am Main. On the visitor side, too, the interest of foreign trade buyers remained high at 46 per cent. By contrast, the number of German visitors fell slightly. Altogether, Heimtextil and Heimtextil Sunday 2003 attracted more than 95,000 visitors.

The partner country at Heimtextil 2003 was the USA. Special events and special exhibits provided emotional focal points and turned the fair into an experience-oriented industry-wide event. The 2003/04 international interior decoration trends of Dutch trend researcher Gunnar Frank and the extensive trend programme of the Deco Team formed information and communication highlights.



One year later, the industry exhibited a more optimistic and buoyant mood: at Heimtextil 2004, the general feeling amongst both exhibitors and visitors was unexpectedly positive. The sectoral trend was gauged more accurately than had been the case one year previously, even though the long-awaited turnaround is still not really in sight.

Success in the Middle Kingdom: Intertextile Beijing and Intertextile Shanghai

Asia, and China in particular, is one of the biggest growth markets for textiles. For some ten years now, Chinese textiles companies have been among the biggest and most important producers and exporters. The booming economy and relaxation of foreign trade restrictions gave the Chinese textiles industry a significant boost last year, creating an optimum environment for the Intertextile Beijing and Shanghai



■ **Heimtextil Sunday – new perspectives for final consumers**
More than 6,300 private visitors took home inspiration from the second public Sunday of the international textile world of living in 2003 and in 2004, the latest furnishing trends drew almost 7,000 visitors to the Frankfurt exhibition centre. Nevertheless, from 2005 it has been decided to no longer hold Heimtextil Sunday. The integration of the day for the public in the trade fair concept had led to a lack of transparency for trade buyers. In a new concept for 2005, the active involvement of the final consumer will, however, continue to be an important factor.



textiles fairs. In order to cover the Chinese market in its full breadth and depth, Messe Frankfurt holds two yearly international trade fairs for apparel fabrics, home textiles and accessories at different dates and venues.

Intertextile Beijing in March is the most important platform for the apparel fabrics sector in the north-eastern region of China. For European and Chinese companies alike, the trade fair offers an opportunity to penetrate the promising northern and north-eastern domestic markets. Correspondingly, 90 per cent of the more than 12,700 buyers came from continental China, in particular from Beijing itself and the adjacent neighbouring regions. Almost half of the 476 exhibitors had travelled from Europe; the majority of the Chinese exhibitors came from the major textiles production centres, i.e. from Shanghai and the adjacent provinces in the South. The focal point of the trade fair were two trend forums for the 2004 spring and summer season.

Intertextile Beijing is a good example of the advantages foreign trade fairs have for an industry in general and for a region and individual companies in particular. The geographical origins of the Intertextile exhibitors and visitors and the operational structure of the participating companies are evidence that not only German and European companies see their future potential in Asian markets. Trade fairs in their

own regions in particular offer small and medium-sized Asian companies that are unable to attend the big European flagship fairs new impetus and opportunities for growth.

With two-digit growth rates, Intertextile Shanghai, which has so far covered the themes of home textiles and soft furnishings as well as fashion textiles, was further able to secure its leading role. For foreign textiles manufacturers, Intertextile Shanghai has since 1995 been an important gateway to the Chinese market. One special point of attraction for the visitors was the international Heimtextil design competition, which was initiated by Messe Frankfurt's Hong Kong subsidiary and sponsored by the Haining government. This aimed to prepare Chinese designers and home textiles manufacturers for the anticipated surge in demand for home textiles in the run-up to the 2008 Olympic Games in Beijing and the 2010 World Expo in Shanghai.

The event's rapid growth to more than 46,000 visitors and 1,216 exhibitors, coupled with the staggered buying seasons for fashion and home textiles, prompted Messe Frankfurt to bow to the wishes of the buyers and from 2004 split the event into two separate fairs. Intertextile Shanghai Home Textiles will in future take place every year in September and Intertextile Shanghai Apparel Fabrics and Accessories in October.

Heimtextil Rossija, 2004 – a quartet with synergies

Heimtextil Rossija will present itself in the autumn of 2004 in good company and a new environment. Flanked by the consumer goods fairs Ambiente Rossija, Christmasworld Rossija and Passage Asia (trade fair for high-quality Asian consumer goods), it forms a show quartet in Moscow in September that covers the themes of "living, furnishing and decorating" in their breadth and depth and will thus lead to greater synergy effects for exhibitors and trade buyers. The new venue of the joint fair is the modern Krokus Expo exhibition centre.

Techtextil – innovative driving force of the textiles industry

"Hightex. It's our future" – under this motto, the international trade fair for technical textiles and non-wovens again confirmed its position in Frankfurt as

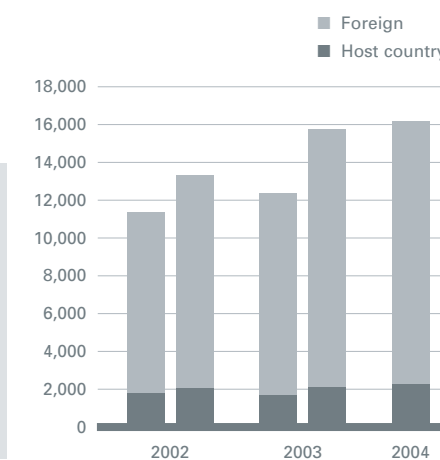
flagship fair and driving force of the industry. With 882 exhibitors, of whom around 38 per cent came from abroad, the 2003 event drew around eight per cent more companies to the metropolis on the Main. Around 19,000 trade buyers, including more than 9,000 visitors from abroad, also signalled increased interest. Eight per cent more visitors from Germany and seven per cent more from abroad again underscored the showcase function of the Frankfurt Techtextil. Innovative spirit and commitment among both exhibitors and visitors generated plenty of optimism and new impulses. In over 90 lectures, renowned international speakers informed the participants in the Techtextil symposium held alongside the trade fair of the latest developments in research and technology.



■ Texworld on the road to success

Texworld, the international trade fair for apparel fabrics in Paris, has been part of Messe Frankfurt's portfolio since 2002; in 2003 it was the most successful trade fair of the Interstoff brand. Twice a year – in February and September respectively – Texworld is the meeting place for the international clothing industry. In February 2004, 629 exhibitors from 42 countries presented the latest trends and ideas for the spring/summer season 2005. With 16,173 trade visitors from four continents, Texworld achieved a 30 per cent growth over the previous year's spring edition. Behind France as host country, Italy, the UK, Germany and Spain topped the visitor list.

Visitor development Texworld





Techtextil South America – established fixture on the market

Following the promising start to the textiles fairs year in January and April, the foreign textiles fairs were also able to further expand their positions – a trend that continued into 2004.

The third Techtextil South America in São Paulo in November 2003 pointed to growth. As a meanwhile established fixture on the technical textiles market, the South American trade fair recorded an increase in both exhibitor and visitor numbers. An exceptionally good atmosphere amongst the 181 exhibitors – a quarter more than at the previous event – and the high quality of the approximately 4,700 visitors resulted in extremely positive trade. Messe Frankfurt's aim is to continue to improve the quality of the visitors by more intensively promoting the exchange of information between companies and trade buyers in the various sectors.

Techtextil Rossija – successful première in Moscow

Under the best possible conditions, the inaugural Techtextil Rossija, international trade fair for technical textiles, non-wovens and protective clothing,

celebrated its premiere in September 2003. With a predicted four to five per cent growth in the next ten years, Russia is one of the fastest growing economies in Europe. In the textiles sector, domestic production is not sufficient to meet the growing demand. A shortage is to be expected above all in the area of technical textiles, since only around one quarter of the effective demand is produced by local companies. Techtextil Rossija achieved its aim to position itself in the Russian market as a new international platform for technical textiles: 75 exhibitors from all over Europe and 47 companies from Russia presented a comprehensive product, information and contact platform to just under 2,000 trade visitors from 41 countries.

The latest developments in terms of products and materials were the focus of the accompanying Techtextil Symposium Rossija, at which 36 European experts provided some 150 participants with a survey of the market.

Techtextil North America 2004 – top fair for high-tech textiles

Techtextil North America is in the meantime an established feature on the North American textiles market, as the third event from 30 March to 1 April in Atlanta, Georgia, testified.

Exhibitors from 25 countries as well as highly qualified buyers from all over the world underlined the positioning as the major event for business, further education and public relations. North America is considered the biggest market for technical textiles and therefore offers the best

possible conditions for further growth. A high-end symposium for technology and marketing, at which the latest research findings were presented in an understandable manner, was held parallel to the trade show. One of the main topics was intelligent textiles – a growing area not only in the technical textiles sector.



National and international textiles fairs in 2003

Germany	Event	Exhibitors	Visitors	Net area
Frankfurt	Heimtextil Frankfurt	3,224	95,221	163,149
	Techtextil	882	18,995	21,904
International				
Europe	Texworld (Spring)	633	12,441	11,421
	Texworld (Autumn)	628	15,758	11,614
	Heimtextil Rossija	192	9,849	3,613
	Techtextil Rossija	122	1,943	936
North/South America	International Window Coverings Expo	232	6,463	6,113
	Pacific Home Fashion Fair	24	1,944	316
	Intima America (Summer)	182	2,502	2,035
	Intimate Apparel Salon (Autumn)	127	1,378	726
	Intimate Apparel Salon (Autumn)	86	111,005	509
	Techtextil South America	181	4,680	3,436
Asia	Heimtextil India	176	8,674	4,121
	Heimtextil Japan*	34	19,272	1,185
	Home Design Japan	50	**	638
	Intertextile Shanghai	1,216	46,434	28,473
	Intertextile Beijing Spring	476	12,783	7,116
	Interstoff Asia Autumn, Hong Kong	351	12,003	4,846
	Interstoff Asia Spring, Hong Kong	266	6,966	3,693
	Intima Japan	33	2,632	1,139

* Visitors and special show space including Ambiente Japan and Home Design Japan

** For visitors see Heimtextil Japan

Technical fairs – world novelties in the Automotive, Architecture and Technology sectors

Automechanika shapes the future



In the area of Automotive Technology, all eyes are focused on the upcoming Automechanika in September 2004. With more than 4,000 exhibitors and 160,000 attendees, Automechanika is the world's biggest show for the automotive aftermarket segment (repair shop equipment, retrofitting, maintenance and service) and the original equipment market. Automechanika is represented with twelve shows worldwide. In 2003, Automechanika Gulf celebrated its premiere in Dubai.

Messe Frankfurt has consistently pursued its strategy to expand the original equipment segment at the Automechanika fair. The management of Messe Frankfurt sees the supply industry as one of the mainstays of Automechanika. In 2002, it already positioned itself as a trade fair for original equipment at which international companies present themselves with both their aftermarket and original equipment segments. System suppliers nowadays not only produce parts, but entire systems, which are integrated in cars in a complex electronic control system. This production complexity presents automobile mechanics with new challenges when carrying out repairs.

Automechanika 2004 in Frankfurt

This change in the automotive sector corresponds to the new structure of Automechanika being held from 14 to 19 September 2004 in Frankfurt. The exhibitors can select between the product segments "parts & components", "systems & modules", "accessories & tuning" and "repair & automotive services". The new product groups mirror the three mainstays of the modern Automechanika: the supply industry, suppliers of repair shop and service station equipment and the manufacturers of auxiliary equipment.

Beyond Germany, Messe Frankfurt has successfully exported the Automechanika brand worldwide with eleven shows on four continents: Istanbul, St. Petersburg, Cairo, Dubai, New Delhi, Beijing, Shanghai and Kuala Lumpur. These offer small and medium-sized enterprises in the Automotive sector access to the markets of the future, open the door for local companies to the world markets and reinforce the position of international market leaders. The product spectrum of Automechanika is geared to the respective market and exhibitors can rely on the same quality standards at all the shows. The classic Automechanika fair programme is almost always accompanied by the Automechanika Academy and a matchmaking programme, a high-profile conference programme dealing with

themes of relevance for the regional and international automotive markets, combined with the opportunity for local and foreign producers to find suitable business partners. In 2003, the nine overseas Automechanika events were attended by a total of more than 2,200 exhibitors and some 164,000 visitors. Messe Frankfurt will continue to consistently expand the brand concept and develop new branches of industry in the field of mobility.

Première in Dubai

In Dubai, the re-export centre for vehicles to the entire Middle East and trade fair metropolis of an economic region with one of the highest levels of spending power in the world, Messe Frankfurt successfully launched Automechanika Gulf in 2003. Despite the restrictions imposed by the Iraq war, the inaugural event was attended by over 5,000 visitors, 30 per cent more than anticipated. In the United Arab Emirates, the high standard of living is also expressed through the purchase of accordingly expensive automobiles. Combined with the rapidly growing population, this provides excellent sales opportunities for the automotive industry and producers of car parts.



Growth in Russia

The Russian market for replacement parts is huge. In 2002, 450,000 used passenger cars were imported to Russia. 40 per cent of these came from Germany alone. 60 per cent of these vehicles were built prior to 1995 – and will soon necessitate a large number of replacement parts. Auto + Automechanika St. Petersburg is geared specifically to the local needs. Due to the booming automobile market in Russia, it is both a trade fair for car components, repair shop equipment and automotive chemistry and a fair for marketing vehicles. For the first time at Auto + Automechanika St. Petersburg, the division into the new Automechanika product groups was introduced. The result, with an increase on both the exhibitor and visitor side, was proof that with the new orientation of the Automechanika trade fairs, Messe Frankfurt is on the right track.



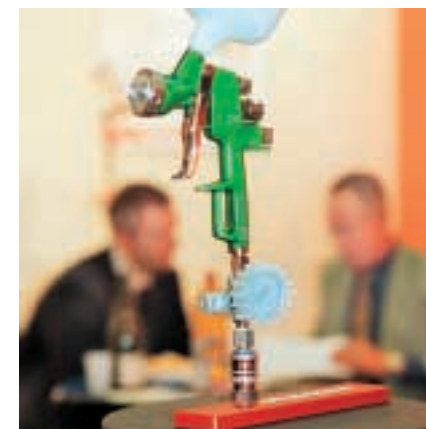
Automechanika Argentina, scheduled again for November 2004, is the most important meeting place. Here, the aftermarket sector predominates. With the integration of Expo Lubricentro, the leading Argentine trade fair for repair shop equipment and maintenance, lubricants and bodywork and Expomecánica, Automechanika Argentina has systematically developed its position in South America.

New: Automechanika Shanghai

On the young Chinese automobile market, more than 900,000 passenger cars were sold in the first half of 2003, more than ever before in China's history. Although this figure is relatively low compared to the classic automobile nations such as the USA or Germany, the industry is nevertheless placing high hopes in the future of this dynamic market. Automechanika China in Beijing reflects this growth. Compared to the previous year, the number of attendees rose by 17 per cent to around 16,000. Thanks to the success of Automechanika in the capital, Messe Frankfurt is for the first time holding Automechanika Shanghai at the Shanghai New International Expo Center in December 2004. More than 350 million people live in Shanghai and the surrounding

In the lead in Central and South America

With growing success, PAACE Automechanika Mexico and Automechanika Argentina offer the automotive industry trade platforms in Central and South America. PAACE Automechanika Mexico, organised in cooperation with the Mexican car component association INA, is the leading trade event for the original equipment market in Central America. With 411 exhibitors, the fifth show in 2003 marked a rise of 73 per cent over the previous year's event. For the automotive industry in South America, in particular for the Mercosur countries,



area. The city is China's finance and trade metropolis and the most important site for car production. International automobile manufacturers and suppliers have in the meantime realised that every region of China requires individual marketing strategies. With Automechanika, Messe

Frankfurt specifically targets regional areas of concentration and in this way creates the right offer for exhibitors and visitors. The Automechanika network with twelve shows worldwide is the innovation forum of the industry. This is where companies present their world novelties.

International automotive fairs 2003

Venue	Event	Exhibitors	Visitors	Net area
Europe	Automechanika Istanbul*	407	19,453	6,060
	Petroleum Istanbul	81	**	5,810
	Auto + Automechanika St. Petersburg	309	74,542	6,471
Central/ South America	PAACE Automechanika Mexico	411	11,600	5,823
	Expo Transporte	286	26,587	16,053
Asia	Automechanika India	51	3,150	609
	Automechanika China	362	15,805	6,877
	Automechanika Gulf	119	5,176	2,138
	Automechanika Asia	112	3,515	2,029
	Automechanika Africa	92	4,215	1,440

* Visitors including Petroleum Istanbul

** For visitors see Automechanika Istanbul

Architecture and Technology form a dual concept



Architecture and Technology are represented at Messe Frankfurt by the international flagship fairs Light + Building and ISH. In an annually alternating rhythm, they present in Frankfurt the six major areas of building technology: building and energy technology and the bathroom experience at the ISH, and lighting, electrical engineering and house and building automation at Light + Building. Beyond Germany, four foreign fairs have in the meantime established themselves in China, the United States and South America. In 2004, the world's second largest lighting show after Light + Building will open in Guangzhou in South China, and in the United Arab Emirates the ISH Kitchen-Bathroom Gulf and Lightstyle will celebrate their premiere.

In 2003, it was the ISH, the international trade fair for building and energy technology, the bathroom experience and air conditioning and ventilation technology, that with approximately 2,400 exhibitors and some 179,000 trade visitors from 93 countries proved that in times of crisis the only way to shape the future is to look ahead. Despite the weak sectoral trend, the ISH underscored its importance for the industry worldwide and increased the share of international visitors to

25 per cent. The successful return of air conditioning and ventilation technology from Light + Building to the ISH confirmed the concept of the ISH. The high level of satisfaction among exhibitors and visitors also expresses the general confidence that the industry is well-prepared for when the market promises fuller order books. The ISH provided new impulses and informed the industry extensively about new developments.

Light + Building continues to grow

The second pillar in the Architecture and Technology business field is Light + Building, the international trade fair for lighting, electrical engineering and building automation and the world's biggest and most important trade fair for architecture and technology. In the "lighting" segment alone, it represents the biggest lighting fair the world has ever seen, with over 76,000 m² net area and more than 1,300 exhibitors. From the very first show in the year 2000, all internationally relevant companies from the fields of lighting, electrical engineering and house and building automation have been represented. Hence, exorbitant growth rates as regards exhibitors and rented space are no longer to be expected. The concept

of the event is continuously being further developed, however. From 2004, for example, under the motto "architecturally relevant systems", it will show elevator systems, sun protection systems, façade technology and daylight systems. This segment will in future be developed into a separate product area. Light + Building's unique offer draws around 20,000 architects and planners to Frankfurt from around the world. The third show from 18 to 22 April 2004 scored a new record with more than 116,000 trade visitors.

As a separate cultural event, Luminale was launched parallel to Light + Building in 2002. This is not a Messe Frankfurt event, but a separate open cultural project in which each participant is responsible for their own project. Luminale is a happening that optimally illustrates how synergies between business and culture can be developed. In some 90 events, exhibitors, designers, artists, dealers and scientists embarked on new cultural paths and dimensions and transported all those who wanted to be seduced and abducted into fascinating worlds of light.

Architecture and Technology goes global

Beyond Germany, the Architecture and Technology business area is represented in China, the United

States, the United Arab Emirates and South America. ISH China in Beijing has been offered on the Chinese market since 1996 and is one of Messe Frankfurt's leading overseas fairs. The focal points of ISH China are heating, air conditioning and ventilation technology. In 2002, the "Bath-Kitchen-China" sanitaryware segment was successfully integrated. In the United States, ISH North America continued to expand in 2003 following its promising debut two years ago. An internationally oriented event with the combined ISH concept does not exist to date in North America. Messe Frankfurt's goal in the medium term is to group other significant fairs under the umbrella of the ISH. With BIEL Light + Building Buenos Aires, the new trade fair for lighting, building installations, energy production and distribution, a trade platform was created in 2003 where the South American industry can present its products and innovations to buyers from around the world. The fair was organised for the first time by Messe Frankfurt's subsidiary Indexport Messe Frankfurt S.A., founded in 2003. BIEL Light + Building combines the leading South American fair since 1987 for electrical engineering, which has to date been organised every two years by CADIEM, with the Light + Building concept.





New markets in 2004

The Architecture and Technology brands will be positioned in further key markets in 2004. In May, the Epcoc Messe Frankfurt subsidiary is for the first time hosting the ISH Kitchen + Bathroom Gulf and Lightstyle Gulf Light at the Dubai exhibition centre in the United Arab Emirates. Both fairs are specifically geared towards the Middle East region, whose countries have recorded a massive population explosion during the past ten years. Hand in hand with rising prosperity and the development of the tourism industry, this has triggered a sustained building boom in the Gulf states. As a result, there is a growing demand for kitchen and bathroom fittings as well as decorative lighting for homes, business premises, hotels and restaurants. In Abu Dhabi, Construct Light + Building 2003 managed to gain a successful foothold in a new market in 2003. Under the general theme of

integrated planning, building and running of buildings, Messe Frankfurt is currently preparing the second show in Abu Dhabi for April 2005 in cooperation with the state-run General Exhibition Corporation (GEC).

In June in Guangzhou, South China, Messe Frankfurt is organising the world's second largest lighting show after Light + Building in Frankfurt in cooperation with the Guangya Exhibition & Trade Co.. Guangdong province is the most important production location for light fittings, lamps and accessories in China. Under the new name International Lighting Exhibition, the fair, which has been a firm fixture since 1996, is complemented by the special "Electrical Building Technology China" show for electrical building installations and control systems. A concept borrowed from Light + Building in Frankfurt am Main. Messe Frankfurt intends to further develop the fair's building segment and increase the level of internationalism.

With ISH and Light + Building, Messe Frankfurt has developed a unique international concept for architecture and technology, which is continuously being widened.

National and international architecture and technology trade fairs 2003

Germany	Event	Exhibitors	Visitors	Net area
Frankfurt	ISH	2,380	178,955	155,332
	Lightstyle	197	6,331	11,419
International				
North/South America	ISH North America	534	11,811	10,314
	BIEL Light + Building Buenos Aires	270	30,523	8,734
Asia Middle East	Construct Light + Building Abu Dhabi	92	1,848	1,530

Technology spectrum 2004 –

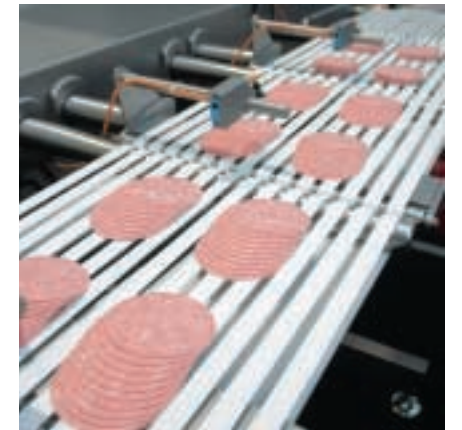
IFFA and Texcare International

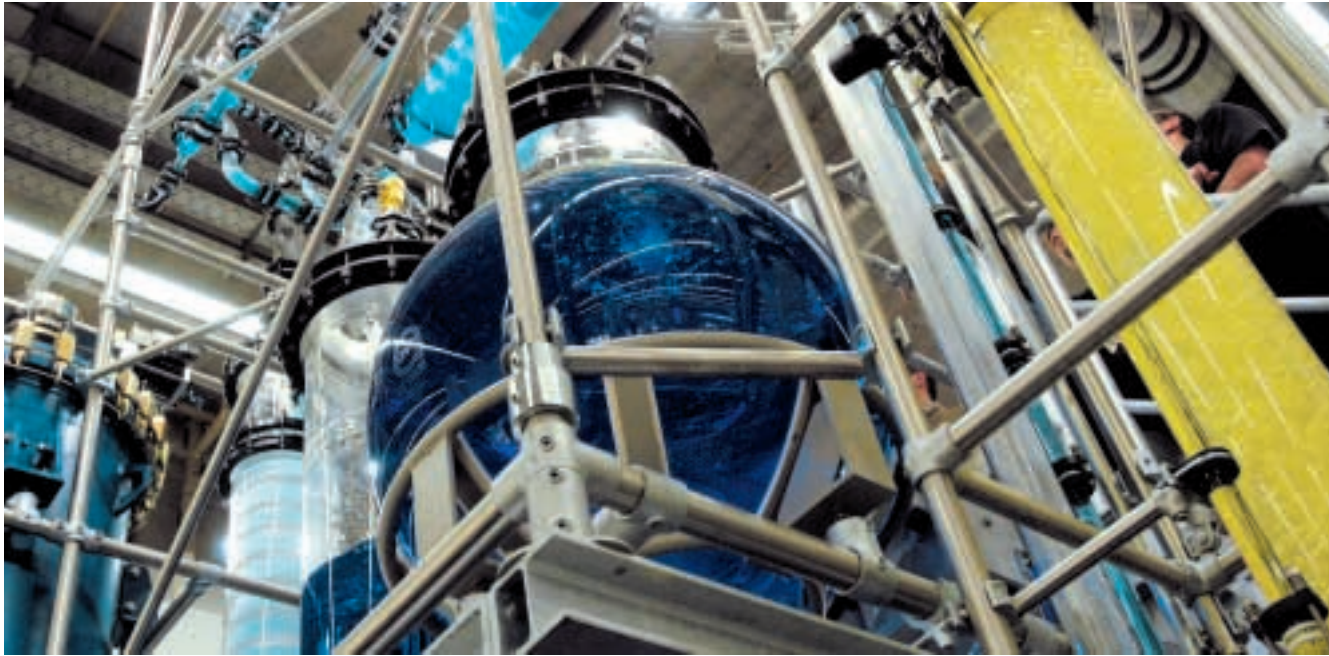
The scope of technical fairs offered by Messe Frankfurt extends far beyond the Automotive, Architecture and Technology areas of concentration. From 15 to 20 May 2004, the triennial IFFA/IFFA-Delicat features on the programme and from 6 to 10 June Texcare International, which is held in a four-yearly rhythm.

IFFA is the blue chip fair for the international meat-processing industry, bringing together around 850 exhibitors on an exhibition area of 120,000 square metres. It is the international meeting place for the sector, with around 50 per cent of the exhibitors and just under 40 per cent of the visitors coming from outside Germany. Barely two weeks after the expansion of the EU, Frankfurt is the central venue for discussing the impact of this historical event on the meat-processing industry. Companies take advantage of the IFFA to showcase machines and equipment covering the entire process chain, from slaughter, via jointing and processing, to packaging and selling. From experience, the retail butcher trade makes up the biggest group of trade visitors at 24 per cent, followed by the meat processing industry with 15 per cent. At the IFFA 2004, Messe Frankfurt is for the first time holding an international conference on the topics of EU

enlargement and globalisation in the meat-processing industry. Like this, it is intended to reinforce the technology transfer that takes place at the IFFA. IFFA-Delicat is an integral part of the fair and is directed above all at the retail butcher industry. In 2004, IFFA-Delicat is focusing on final consumers and their requirements. An "Action Pathway" showcasing different consumer worlds illustrates the latest consumer trends.

The world market for modern textiles care will be presented at Texcare International in Frankfurt from 6 to 10 June. Approximately 240 companies from the laundry, dry cleaning and finishing segments take advantage of this forum to display their machines, products and innovations. Some 17,000 international trade visitors are expected to attend, who will be able to experience special know-how, new products and the most important trends for the coming years. Parallel to the fair, a number of high-calibre events dealing with topics of current interest will impart hands-on practical knowledge. Texcare International in Frankfurt, in conjunction with Texcare Asia, is the platform for product launches in the field of textiles care and has for years been a recognised instrument for international customer aftersales care.





ACHEMA



Book Fair

IAA



2003: The year of guest shows

Since its inception, Messe Frankfurt has specialised in hosting guest fairs. A total of 17 guest events were held in Frankfurt in 2003, attracting more than 20,000 exhibitors and 1.9 million visitors. This success is the result of the interplay of professional hosting, decades-long experience in trade fair marketing and optimum infrastructure.

Messe Frankfurt's guest show project team sees itself as a partner for trade fair planning, offering an extensive range of services and a modern, centrally located exhibition centre. The members of the team place the expertise gained through the organisation of Messe Frankfurt's own fairs at the disposal of guest organisers. Personal support and cooperation geared towards continuity are top priorities, since the common goal is the success of the respective show.

2003 was the "year of guest shows". All four major events were held last year, drawing more than 20,000 exhibitors and 1.9 million visitors: the triennial ACHEMA, the International Motor Show (IAA) held every two years and the annual guests the Frankfurt Book Fair and EuroMold. Together with smaller fairs and special shows, as well as the newly added IMEX, a trade fair for incentive travel, meetings and events, our guests occupied a net exhibition area totalling 628,000 m² at 17 events. Our

guest shows with their broad range of themes enhance the Frankfurt trade fair calendar. The spectrum ranges from new literary publications to high-profile technical achievements.

As the world's largest trade fair and point of contact for chemical engineering, biotechnology and environmental protection, ACHEMA 2003 put on an impressive show that more than satisfied the expectations of exhibitors and visitors. The 27th ACHEMA was the second largest in its 83-year history, despite the strained economic environment. The uncertainties caused by SARS and the impact of the Iraq war in the run up to the show did nothing to dampen this success. The proportion of exhibitors from outside Germany rose again compared to the previous event to 41 per cent. The high degree of internationalism among the 192,000 trade visitors, as well as their high level of competence, are considered to be special quality characteristics of ACHEMA. The conference programme featuring future-pointing topics such as nanotechnology, microreaction technology or fuel cells offers in tandem with the fair an extremely efficient forum for discussing trends and helping new developments gain their breakthrough. ACHEMA 2003 in Frankfurt once again proved its international importance as a pacesetter for innovations and investments.



The extent to which a trade fair can influence the mood on the market became apparent in September with the IAA. The success of the IAA 2003 was already tangible while the fair was still running. The international automotive industry presented itself in a self-confident mood in Frankfurt and despite difficult market conditions, successfully displayed its new models and top technical achievements. With just under one million attendees, a new record was set. The first IAA effect could already be felt shortly after the end of the show. In September, a total of 277,000 vehicles were registered in Germany, that is four per cent more passenger cars than in the previous year. Incoming domestic orders in September outperformed the previous year's level by 16 per cent. Rarely has a trade fair so clearly ushered in a change of mood within a sector of industry as the IAA 2003.

The buoyant mood generated by the IAA could still be felt at the beginning of the Book Fair in October. For the first time, Messe Frankfurt was responsible as "Professional Fair Organiser" for the entire organisation of the Book Fair, providing one-stop services from stand construction through to organisational services – a new model that proved successful from the outset. With more exhibitors, more visitors and more events than one year earlier, the 55th Frankfurt Book Fair filled the publishing branch with optimism.

Although it celebrated its tenth anniversary last year, EuroMold is, by comparison with the Book Fair, one of the newer guest shows in Frankfurt. Since its inception in Frankfurt in 1993, the international showcase for tool and mould making, design and product development has recorded continuous growth and in 2003 reached a new high point with over 57,000 visitors, a rise of more than eight per cent compared to the previous year. As a specialised fair for turning technology, turntec has been run alongside EuroMold since 2002. It, too, has grown and recorded a more than 50 per cent rise in visitor numbers compared to the inaugural event. The organiser of EuroMold and turntec, Demat GmbH, has already booked an additional hall level for 2004 in order to accommodate the growing number of exhibitors.



Competent partners for trade fair marketing and services: the "Guest Shows" team places its extensive know-how at the disposal of guest organisers from Germany and abroad. In 2003, Messe Frankfurt welcomed 27 guest events at the Frankfurt exhibition centre.

IMEX 2004 will also be requiring more exhibition space. The successful premiere of the trade fair for incentive travel, meetings and events at the Frankfurt exhibition centre last year illustrated the economic factor represented by the conference and congressing branch. Messe Frankfurt presented itself at the fair with its Congress Center and at the same time as host showed off its modern Hall 3 and the exhibition complex.

As a new member in the family of Frankfurt guest fairs, we welcome Export 21 with its accompanying

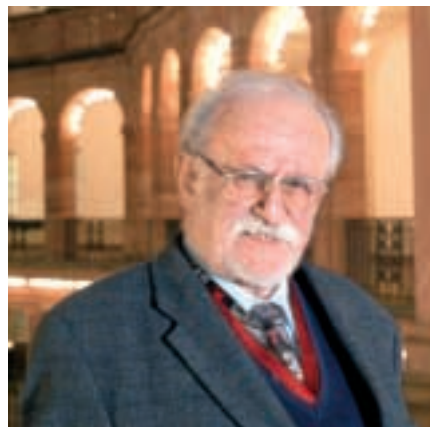
conference from 7 to 8 December 2004, organised by Reed Exhibitions Deutschland GmbH. This fair for export-oriented companies concentrates on the development of new markets for the mid-market corporate sector. The goal is to create a forum at which the entire spectrum of foreign trade services is represented. Thus, a new facet has been added to the thematic variety of the Frankfurt guest fairs.



Messe Frankfurt presents. Show and fascination. Music and sport. Insights and exchanges. Variety and stimuli. Innovation and creativity. Stage and stars. Entertainment and celebrities. Excitement.

More than 150 concerts, sporting events, congresses and conferences in 2003 received an enthusiastic response from the organisers and public alike. The Festhalle, Congress Center and Forum, in conjunction with the exhibition halls, offer an individual stage and fascinating ambience for every conceivable event.

Fascination



»To my mind, there can be no more attractive venue than the Festhalle. It lends just the right atmosphere to any event.«

Fritz Rau, concert organiser, staged the first ever rock concert in the Festhalle in 1970 with Led Zeppelin and in 1994, 2003 and 2004 presented a total of 27 performances of Peter Maffay's "Tabaluga".

What do Justin Timberlake, the international football federation FIFA, Vodafone D2 and the metalworkers' union IG Metall have in common? They were all convinced in 2003 by the advantages of the Frankfurt exhibition centre and its event trio Festhalle, Congress Center and Forum. The events in the Festhalle alone attracted as many as 330,000 visitors. New business in the congressing sector grew significantly.

Stage for talent and fascination

Festhalle – quick-change artist with a sporting spirit

Again in 2003, the Festhalle was the attractive focal point for musical, sporting and cultural highlights at the Frankfurt exhibition centre. A total of 51 concerts, sporting highlights and events drawing more than 330,000 visitors were held in the Festhalle.

Constructed in 1909, the domed building has a unique atmosphere and with up to 13,500 seats is one of the most well-patronised event venues in Germany. The unique combination of state-of-the-art technical equipment and an atmosphere steeped in history make the Festhalle a very special venue that is extremely popular with all event organisers. Whether for international sporting events, rock-pop concerts, folk music festivals, congresses, corporate presentations, gala evenings or AGMs of major companies – time and again Messe Frankfurt's Festhalle sets the scene to suit the occasion.

In 2003, world stars such as André Rieu or Harry Belafonte, Shakira, Westlife, David Bowie and Justin Timberlake enthralled audiences with their concerts.

The Festhalle is not just perfectly tuned in to the music world, however. It also demonstrates top form as a backdrop for international sporting events.

In keeping with the slogan "A time to Make Friends", the FIFA World Cup qualifying draw at the beginning of December 2003 turned the Festhalle into an international football arena. For 400 million television viewers in more than 100 countries, the event placed the Festhalle and the city of Frankfurt in the international media spotlight of the football world.

Another sporting highlight also celebrated a premiere, the 22nd Eurocity Marathon Messe Frankfurt, which Messe Frankfurt once again sponsored in name. In 2003, the finishing line for the first time led via a red carpet directly into the Festhalle, providing the spectators and the more than 13,000 participants from 61 countries with a triumphant climax. Like this, the sports event captivated the audience in the same way as the traditional international Festhalle Riding Tournament or the yearly Holiday on Ice skating show. As in the previous year, the Deutsche Sporthilfe (German Sports Aid) once again invited its guests to the Festhalle in 2003 for one of Germany's major social events of the year, the Sports Ball.

Congresses and conferences – scope for variable concepts



The most important corporate identity events included the REWE “Happy Family” weekend and – for the tenth time – the Thomas Cook Reisesommer (Travel Summer). The tour operator

presented itself to a trade audience in the Festhalle and in Halle 3 in a large-scale event with promotion and activity areas and a lavish multimedia presentation.

Highlights of the 2003 event calendar in the Festhalle

January	Holiday on Ice André Rieu	July	REWE “Happy Family”
February	Sports Ball	October	Eurocity Marathon Messe Frankfurt David Bowie
March	Harry Belafonte		Tabaluga
April	Tattoo Shakira	November	Thomas Cook Reisesommer (Travel Summer) Eros Ramazzotti Howard Carpendale
May	Superstars HDI Westlife	December	Nokia Night of the Proms Festhalle Riding Tournament FIFA World Cup preliminary round qualifying draw 2006 ECB Christmas Party
June	Barmer Sports Ball Pedigree Dog Show Personal 2003 (Staff 2003)		

Congressional activities have become an important pillar in Messe Frankfurt’s operations. In the 2003 business year, – independently of trade fairs – 108 congresses and conferences were held at the Frankfurt exhibition centre, attracting a total of some 80,000 participants.

On a year-for-year basis (2002: 110 congresses and conferences, 88,500 participants), this represents a consistently high level. The variable functions and excellent combination possibilities offered by the Congress Center, Forum and Festhalle venues persuaded new clients such as EMC Deutschland, Kabel Deutschland, Ernst & Young or Vodafone D2 to invite their employees, partners or customers to attend their events in Frankfurt. New business in the congressing segment in general gathered momentum in 2003: compared to the previous year, the ratio of new to regular clients increased from 39 to 50 per cent.

The enormous flexibility for creating variable room arrangements also for the first time enabled Deutsche Bank and Commerzbank to successfully hold their respective AGMs back to back and thus exploit potential synergies. As well as other AGMs, numerous partner meetings, works and staff meetings and guest congresses were held at the Congress Center,

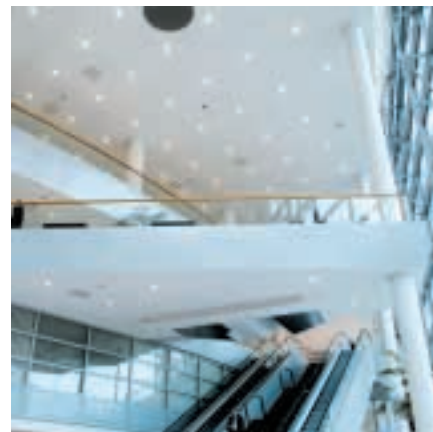
Forum and Festhalle in 2003. These included the IG Metall Trade Union Day in August, which thanks to a flexible services concept was added to the calendar of events at very short notice, the Deutsche Schmerztag (German Pain Day), the Europäisches Forum Zahnmedizin (European Dentistry Forum) and the Deutsche Marketing-Tag (German Marketing Day).

The strained economic situation, above all in the financial and IT sector, had a perceptible impact on congressing activities in the reporting year. Companies made their enquires at shorter notice, calculated more carefully and deliberated precisely where, on what scale and with what purpose to hold their events.

Despite these challenging conditions, Messe Frankfurt’s congressing activities once again showed good results. This is the merit of Messe Frankfurt’s congress team, which has continued to develop the range of services in order to guarantee maximum flexibility, and at the same time offer a central location that provides the right backdrop whatever the nature of the function.

The exceptionally strong 2003 exhibition year set natural limits on further occupancy in the congress and conference segment. Alone due to the three large-scale events IAA, Achema and the Book Fair, the Frankfurt grounds





were booked to capacity over longer periods of time. In addition, a total of 1,136 congressional and special events were held within the scope of trade fairs held in Frankfurt. The overall occupancy through trade fairs,

congresses and special events thus amounted to 255 conference days and 182 event days for the Congress Center, and 289 occupancy days and 117 event days for the Forum.

Some of the guest congresses held at the Frankfurt exhibition centre in 2003

February	VII Baurecht- & Brandschutzsymposium (VII Building Law and Fire Protection Symposium) 4th Frankfurter Tierärztekongress für Kleintiere (4th Frankfurt Veterinarian Congress for Domestic Animals)
March	Der Deutsche Schmerztag 2003 (German Pain Day 2003) International Derivatives Exhibition
April	7th Climalit-Partner Bauglastag (7th Climalit Partners Glazing Glas Day)
June	25th DGI-Online Tagung und Messe ComInfo (DGI Online Conference and ComInfo Fair)
August	20th Ordentlicher Gewerkschaftstag (20th Statutory Trade Union Day)
October	Deutscher Marketing-Tag (German Marketing Day)
November	5th SAPOS Symposium Europäisches Forum Zahnmedizin (European Dentistry Forum) BIO-Europe Deutsches Eigenkapitalforum (German Equity Forum)



Conventure – “Your Personal Congress Organiser”

The Conventure Team, Messe Frankfurt’s Professional Congress Organiser (PCO), complements the congressing activities with a comprehensive range of services from conception and budget planning through to the entire event technology and fringe programme. In 2002, Conventure supervised the staff and press accreditation for the Sports Ball (2,700 people) in the Frankfurt Festhalle, the registration of participants for the Internationaler Kongress der Union der Hörgeräteakustiker (International Congress of the Union of Hearing Aid Acousticians) in Nuremberg and the management of a stand party with 500 people within the framework of the Cphi pharmaceuticals trade fair in Frankfurt.

In order to further extend the range of services in this area, Messe Frankfurt has decided to reinforce its Conventure Team: since the beginning of 2004, Messe Frankfurt’s clients and guests have received more expertise and personal service for all events such as congresses, inaugural celebrations and award presentations.



Neue Dependance

Büro- und Wirtschaftsgebäude



<p>Bauherr Messe Frankfurt GmbH Lohweg-Erhard-Anlage 1 60327 Frankfurt am Main Tel. +49 69 75 75-0</p>	<p>Projektplanung Englisch + Partner Ingenieurgesellschaft mbH Bayerstrasse 40 60487 Frankfurt am Main Tel. +49 69 75 61 60-0</p>	<p>M&E Technik / GLT Ingenieurhaus Fiebig Za. Weidenhof 23a 60487 Frankfurt Tel. +49 67 27 23 44-04</p>	<p>Baugrunder ARGE Baugrunder Grunder & Pfalzhaus L. Kuhn GmbH, AG</p>
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Messe Frankfurt grows. Through quality and further development. With new tasks and in the competitive arena.

No trade fair is the same as the previous event. To stay new and up-to-date, trade fairs have to be continuously redefined. The people who make trade fairs at Messe Frankfurt enjoy new challenges and lifelong learning.

Innovation



»The competencies of our employees guarantee creative customer solutions and innovation.«

Johann Thoma Head of the Human Resources Management Division at Messe Frankfurt

Employees are a company's capital and a key to its success. A highly motivated and qualified crew works more efficiently, provides better service and reacts more flexibly to change. Messe Frankfurt offers its employees an attractive workplace, a generous network of social security and company benefits and a future-pointing training and further training programme.

Professionals for creative productions

Attractive place of work with future prospects

Messe Frankfurt is a responsible employer that offers its employees good prospects for the future, at the Frankfurt location and elsewhere. Once again in the year under review, Messe Frankfurt recognised its employees as its key success factor and granted its staff a generous benefits as well as training and further training package.

The company and social security benefits Messe Frankfurt provides for its employees remained unchanged. Within the framework of the collective wage agreement, every employee receives a Christmas and holiday bonus. In addition, Messe Frankfurt offers its employees a profit-participation bonus – last year this amounted to 110 per cent of a month's salary. Messe Frankfurt guarantees its employee pension scheme by making a mainly employer-financed monthly contribution to the supplementary pension fund of the city of Frankfurt. In addition, the company makes interesting salary conversion schemes available to its employees as a means of supplementing their private provisions for old age. Contributions to saving schemes and subsidised public transport travel to work, the possibility of an interest-free loan as well as allowances towards costs for certain medical treatments and personal needs complete the benefits package.

A flexible system of working hours which does away with fixed core times on the one hand guarantees an optimal customer and service orientation, and on the other hand, given the 60% share of women among the employees, contributes considerably to enabling them to juggle the commitments of family and job. In this connection, Messe Frankfurt has continuously raised its quota of part-time staff to in the meantime eleven per cent. The planned introduction of teleworking for selected workplaces will create additional flexibility.

Since its office premises are somewhat out on a limb, Messe Frankfurt caters to the creature comforts of its employees in the in-house canteen "Intermezzo", which is run by a highly professional team from Messe Frankfurt's catering subsidiary Accente Gastronomie Service GmbH. As well as breakfast and snacks, the restaurant offers a subsidised lunch with a daily choice of three set menus and a generous salad bar. A second restaurant for trade fair employees and services providers of Messe Frankfurt is also due to open in the new Dependence due to be completed in 2004.

Balanced nutrition is only one aspect of the health management scheme Messe Frankfurt has set itself as a goal with respect to its employees: sport unites, is communicative and



Print media for trade fairs, publications and since recently also catalogues, websites or the design of advertising space in the exhibition grounds – the colleagues from the publishing division of Messe Frankfurt Medien und Service GmbH (MFS) offer customers a wide range of one-stop publishing services.

strengthens the sense of belonging. Currently offering six groups – football, outdoor sports, volleyball, skittles, golf and diving – company sports at Messe Frankfurt is written with a capital letter and financially subsidised by the company. Some 150 employees currently take advantage of the sports opportunities. At the annual staff party, the entire workforce was made familiar with the topic of fitness for everyone and sensitised to the link between personal wellbeing and occupational efficiency. The weekly consulting hour with the company physician, various vaccination programmes, an addiction prevention programme and intensive first aid training are additional elements of the company's healthcare activities.

Qualification through training and further training

Employee knowledge, commitment, flexibility and motivation are the pillars of profitable corporate activities. In an increasingly tougher competitive environment and persistently difficult market situation, what counts in the struggle to stand out from the competition are the competence and services a company and its employees provide. Investing in the qualified training and further training of all employees is therefore also investing in the future of the company – by no means a matter of course in today's times of crisis.

Messe Frankfurt spent more than 700,000 euros in 2003 on training and further training (not including initial training), that amounts to more than 900 euros per person. In total, around 3,500 seminar days were offered, an average of five days per employee. "Fit for Fair" is the title of Messe Frankfurt's wide-ranging further training scheme, which in addition to foreign languages and IT courses, covers all aspects of "customer relations". To support and update specialised knowledge, marketing, project management and business administration seminars round off the programme. With the help of a training requirement analysis conducted at the end of every year, the Human Resources Development Team

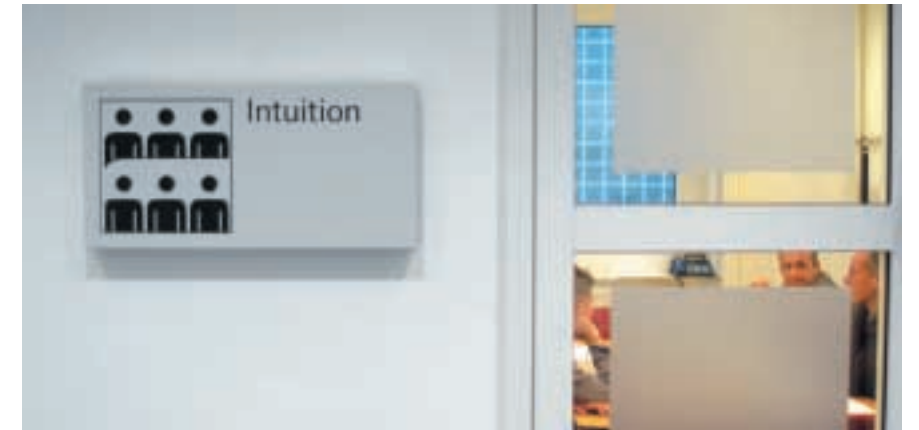


adapts the offer of seminars each year to the needs of the employees. Furthermore, Messe Frankfurt supports part-time sandwich courses such as additional training courses leading to Chamber of Industry and Commerce qualifications (IHK) or study courses at the Management Academy (VWA).

Complementary to this, the systematic management development aims to support the executive staff in their challenging tasks and commit them to the company on a long-term basis.

Training for a qualified new generation

Messe Frankfurt qualifies employees in a number of training occupations and like this fulfils its social commitment to provide young people with promising future prospects. In 2003, two new places raised the number of trainees to 18; five young adults



successfully completed their training and were taken on by the company.

Messe Frankfurt offers training leading to the qualification of office clerk, event manager, energy electronics engineer for administration and maintenance, specialist information scientist as well as graduate in business administration (BA) with a focus on trade fair and congress management. Examinations are held by the Frankfurt Chamber of Industry and Commerce or Ravensburg University of Cooperative Education, with which a close cooperation has existed for the past seven years. The largely practice-oriented three-year course of study in "Trade Fair and Congress Management" offered here gives the company the opportunity to win qualified junior executives.



Messe Frankfurt is remarkable. For more than 750 years. Through tradition and visions. Through experience and inquisitiveness. For our international partners and for our shareholders. For Frankfurt as a business location and for visitors from all over the world. And in the future, too.

The efforts have paid off. In terms of sales, Messe Frankfurt is the second largest exhibition corporation in the world. To keep pace with increasing competition, Messe Frankfurt adopts a new structure and continues to concentrate on growth.

Financial Statements



»Our performances speak for themselves. Messe Frankfurt occupies a leading position in the comparison of international trade fair venues.«

Klaus Münster-Müller, head of Messe Frankfurt's Controlling, Development and Finances Division

With 112 trade fairs worldwide and Group sales revenues of 353 million euros, Messe Frankfurt pulled off two new historical records in 2003. The successful spin-off of Messe Frankfurt Venue GmbH & Co. KG at the Frankfurt venue marked the first step in the new corporate structure. Overseas, the foundation of Messe Frankfurt Asia Holding in Hong Kong and a further subsidiary in Argentina reinforced the company's foreign operations.

Report of the Supervisory Board

During the course of the business year, the Supervisory Board of Messe Frankfurt GmbH informed itself of the company's position in regular meetings with the Board of Management as well as through written or oral reports and discussed important issues with the Board.

The Supervisory Board has examined the annual financial statements and consolidated annual financial statements of Messe Frankfurt at 31 December 2003 for the business year from 1 January to 31 December 2003, as well as the reports of the Board of Management on the position of the company and the group for the 2003 business year, which have been audited and issued an unqualified opinion by the auditing company BDO Deutsche Warentreuhand Aktiengesellschaft.

It recommends that the Annual General Meeting should approve the annual financial statements and consolidated annual financial statements of Messe Frankfurt GmbH as at 31 December 2003 and adopt the reports on the position of the company and the group for the business year from 1 January to 31 December 2003.

Frankfurt am Main, 30 June 2004

The Supervisory Board

pp Petra Roth

Group management report

Messe Frankfurt GmbH 2003

Business development

General economic conditions

The political uncertainties triggered above all by the Iraq war meant that the global economic development at the beginning of 2003 was not very dynamic. In the further course of the year, signs of a gradual upturn increased. This was reflected not only in the recovery on the stock markets in the major industrialised nations, but also in the brightening global economic climate. Helped by low inflation rates and favourable financing conditions, global production in 2003 showed a growth rate of 3.5%. Above all the Asiatic nations – led by China – contributed to this positive development. In Europe and Germany, the general economic trend was considerably more restrained. According to preliminary calculations by the ifo Institute for Economic Research, lacking external impulses coupled with weak domestic demand resulted in economic growth rates of only 0.5% or – 0.1% respectively. After stagnating volumes in 2001 and + 3.2% last year, the world trade indicator, which is particularly important for the trade fair sector, grew by 4.5% in 2003.

Virtually independently of the respective economic development, the international trade fair industry continued to invest in expanding exhibition hall capacities. According to a study conducted by AUMA (Ausstellungs- u. Messe-Ausschuss der Deutschen Wirtschaft e.V.) (German Exhibition and Trade Fair Committee), around 2.1 million m² of additional hall space has been created worldwide in the past three years, around 1.0 million m² or almost half of this in Asia. This represents an increase in hall capacity in Asia between 2000 and 2003 of 58%. Although with 7.8 million m², Europe already had 61% of the world's hall capacity, a further 0.7 million m² of hall space was added here, too. In Germany, the increase in hall space amounted to 140,000 m² or 5%, which corresponds to almost half of the area of the Frankfurt exhibition centre. These figures make three things clear:

1. Exhibition corporations around the world are confident that trade fairs and exhibitions are still deemed to be a suitable and indispensable instrument within the scope of exhibiting companies' marketing mix and hence also their business-to-business communication.
2. Due to their dynamism with respect to economic growth and hall capacities, the Asian markets are becoming increasingly interesting for internationally operating exhibition corporations.

3. Although even today only a few exhibition corporations within Europe are able to utilise their grounds profitably, the competition over capacity utilisation stands to become fiercer in view of surplus hall capacities.

As in the communications and advertising sector in general, the German trade fair industry did not escape the impact of the slowdown in the economy. At the 142 international trade fairs in 2003, according to preliminary figures established by AUMA 161,000 exhibitors, including 84,500 from outside Germany, around 6.3 m² of rented space and around 9.6 million attendees were counted. The exhibitor numbers were on average 1.5% lower than at the respective previous events. Once again a significant gap could be noted between the development of domestic and foreign exhibitor numbers. The downward trend in the number of German exhibitors continued in 2003 and was at around 6% compared to the previous events. The number of foreign exhibitors at German trade fairs grew by contrast by around 3% (2002: + 2.2%). The share of foreign companies at German trade fairs thus for the first time amounted to more than 50%. Rented space went down by a further 4% per cent (2002: – 3.4%). On the visitor side, the decline in numbers eased off slightly in 2003 at only 4% compared to 6% in 2002.

Objectives and strategies of the Messe Frankfurt consolidated group

The corporate policy of Messe Frankfurt continues to aim at growth both at home and overseas. Top priority in this field is attributed to securing and further developing the events at the Frankfurt venue and the exhibition centre. In line with the respective sectoral development and the changing marketing requirements of exhibitors and buyers, Messe Frankfurt's portfolio of events is permanently updated and further developed.

Messe Frankfurt's presence and activities abroad allow it within the framework of its brand strategy – proceeding from the flagship Frankfurt fairs – to offer its trade fairs in all relevant growth regions in the world. The relevant show theme is positioned and realised as a "brand" around the globe, while maintaining the Frankfurt quality standards and taking account of the various regional and specific national requirements.

Messe Frankfurt corporate group



With this strategy Messe Frankfurt pursues several objectives:

1. It offers exhibiting clients additional marketing and sales platforms in promising new markets and supports them in entering the market and like this strengthens customer retention and brand loyalty.
2. It places the Messe Frankfurt brands in suitable markets worldwide, thereby occupying the relevant markets.
3. It generates a new clientele abroad for the events in Frankfurt.

In order to enable Messe Frankfurt to pursue this internationalisation strategy even more intensively than before and reinforce its market presence in Asia in particular, Messe Frankfurt Asia Holding Ltd. with headquarters in Hong Kong was established at the end of 2003 as a management holding. Its mission is to consolidate and control the trade fair activities of all the Asian subsidiaries. The scope of consolidation was further expanded in 2003 through the addition of the Argentine company Indexport Messe Frankfurt S.A., Buenos Aires. Like this, Messe Frankfurt has a worldwide marketing network of 22 companies and branches abroad as well as 49 foreign agencies operating for a total of 150 countries.

At the Messe Frankfurt parent company, a structural change was introduced in the reporting year. Under the umbrella of a holding company, the Messe Frankfurt Group will in future be represented by two new companies, "Messe Frankfurt Venue GmbH & Co. KG" and "Messe Frankfurt Exhibition GmbH".

First, in 2003, Messe Frankfurt Venue GmbH & Co. KG was spun off. Its mission is to manage the technical and services side of events, to market the exhibition centre including the Congress Center Messe Frankfurt and the Festhalle to guest organisers and to assure the maintenance and further expansion of the exhibition complex. The service companies Messe Frankfurt Medien und Service GmbH and Accente Gastronomie Service GmbH were also incorporated in Messe Frankfurt Venue GmbH & Co. KG.

All own events as well as all domestic and foreign subsidiaries that organise trade fairs will be included in Messe Frankfurt Exhibition GmbH, which it is

intended to spin off in 2004. This will be responsible for managing the world-wide brands of Messe Frankfurt as well as developing new exhibition themes.

The bracket surrounding the two independent companies is formed by the holding company under the name of Messe Frankfurt GmbH, which controls the activities of the two companies. The executive management of Messe Frankfurt will act on behalf of the two companies and the holding company.

Performance figures

Again in 2003, Messe Frankfurt's main business was the conception, organisation and hosting of its own events at home and abroad, renting out exhibition space to guest organisers as well as providing virtually all services at the Frankfurt exhibition centre. The main focus of the group's trade fair activities was on the economic sectors consumer goods, textiles, automotive technology and communications & leisure.

With 112 trade fairs and exhibitions worldwide – 52 in Germany and 60 abroad – Messe Frankfurt further expanded its pole position in the trade fair market. In conjunction with 195 congresses and other events, a total of 307 events were held, which attracted around 58,600 exhibitors and 3.9 million visitors and accounted for 1.9 million m² of net rented show space.

Overall activities of Messe Frankfurt in 2003

	Events	Exhibitors	Net area* (in thousand m ²)	Visitors (in thousands)
Fairs and exhibitions				
at the Frankfurt exhibition centre	41	42,312	1,551	2,627
at other venues in Germany	11	2,908	66	87
Total Germany	52	45,220	1,617	2,714
Fairs and exhibitions				
abroad	60	13,345	294	761
Other events	195			415
Total	307	58,565	1,911	3,890

* including special show space

The 41 trade shows, exhibitions and public events in Frankfurt – 16 shows organised by Messe Frankfurt itself and 27 guest shows – attracted 42,312 exhibitors and 2.6 million visitors. Core business included 24 international trade shows which alone attracted 40,300 exhibitors (+ 5.1 % in comparison with previous events) and around 2.4 million visitors (+7.7 %).

With 21,647 exhibitors, Messe Frankfurt's own events recorded a drop of 0.6 % compared to the respective previous events. At almost 65 %, the share of foreign exhibitors was significantly higher than the 50 % average figure determined by AUMA for German trade fairs overall. The Frankfurt flagship shows again achieved top-class results in the reporting year in terms of internationalism, for example Heimtextil with 82 % (79 %), Paperworld with 76 % (74 %) and Christmasworld with 71 % (72 %) foreign participation. A total of around 773,000 trade visitors were registered at Messe Frankfurt's own events in 2003. That is a drop of 2.5 % over the previous year's events. At more than 31 %, the share of foreign trade visitors was higher than ever (for comparative purposes: the estimated value for trade fairs in Germany as a whole is around 20 %). The events with the highest level of internationalism among visitors were Techtextil and Paperworld with more than 48 % and Heimtextil with more than 46 %.

Every six years – again in 2003 – the IAA-Pkw and AACHEMA are held in the same year. These two big guest events made a major contribution to Messe Frankfurt's success in the reporting year. For the Frankfurt Book Fair, whose possible change of venue came under discussion in the media in the spring of 2003, the organisers and Messe Frankfurt jointly developed a new concept for renewed cooperation, thus guaranteeing the continuation of the Book Fair in Frankfurt on a long-term basis.

Apart from the annually held EuroMold, which celebrated its tenth anniversary in 2003, a further 23 events – including a number of highly specialised trade fairs – were held at the Frankfurt exhibition centre. A total of around 20,700 exhibitors and almost 1.9 million visitors were registered at the guest events.

Eleven other events – including six international trade fairs predominantly in the field of high technology – were successfully organised at other trade fair venues in Germany by Messe Frankfurt Ausstellungen GmbH in Wiesbaden and Mesago Messe Frankfurt based in Stuttgart. These attracted more than 2,900 exhibitors and around 87,000 visitors.

Trade fair operations overseas were overshadowed especially in the first six months of the year by the armed conflict in Iraq and the SARS respiratory disease. The uncertainties and restrictions posed by these were particularly felt at the trade fairs in Asia and the Middle East, since travel to and from the affected regions was at times heavily restricted. None of Messe Frankfurt's events had to be cancelled as a result of these restrictions, but exhibitor and visitor numbers at some fairs fell below expectations. With 60 trade fairs – including 21 premieres – in other European countries, in America and in Asia, it was nevertheless possible to achieve new top-class results compared to the previous years. Messe Frankfurt's subsidiaries demonstrated their efficiency even under these difficult conditions with the solicitation of more than 13,300 exhibitors and around 761,000 visitors at the foreign fairs. Messe Frankfurt thus held fairs at a total of 34 locations around the world.

The Congress Center Messe Frankfurt (CMF) together with the Forum, which was completed in 2001, have established a permanent place in the international conference sector. The 114 congresses and conferences, six of which were organised by the in-house Professional Congress Organiser "Conventure", drew a total of 83,550 participants to the exhibition centre.

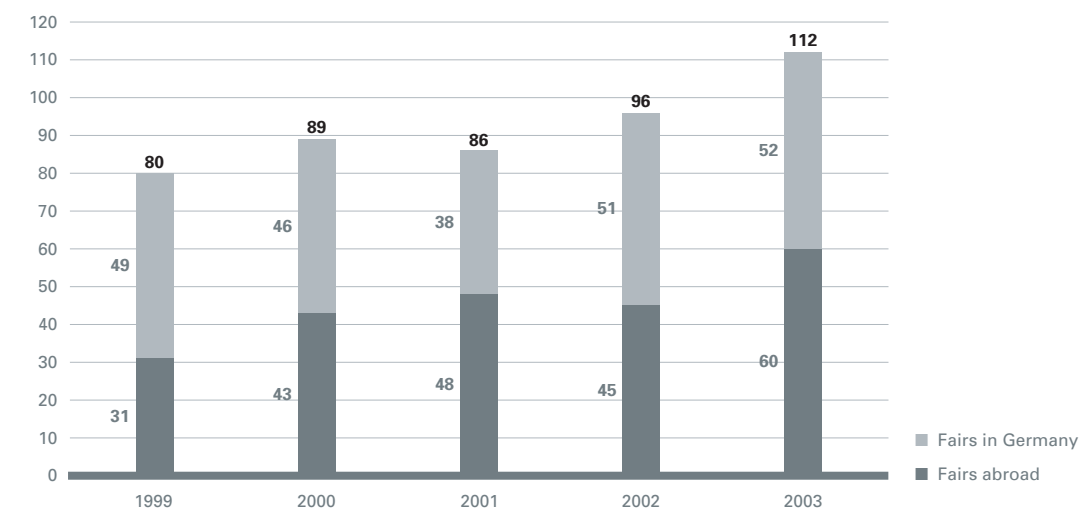
2003 got off to a glamorous start with the annual Holiday on Ice show and the Sports Ball, held in Frankfurt's "parlour", the Festhalle, for the second time. Additional highlights included the fairy tale Tabaluga, the Festhalle Riding Tournament and the Eurocity Marathon Messe Frankfurt. The international artists appearing in the Festhalle included, for example, Shakira, David Bowie and Eros Ramazotti. With a total of 51 cultural and sporting events as well as corporate presentations, which were attended by around 331,700 guests, Messe Frankfurt made a major contribution to the diversity and attraction of the Rhine-Main region.

The services offered by the two subsidiaries Messe Frankfurt Medien und Service GmbH – stand construction, publishing and advertising service and Akademie Messe Frankfurt (exhibition training academy) – and Accente Gastronomie Service GmbH round off the range of services that Messe Frankfurt provides for its customers at the Frankfurt exhibition centre.

The Messe Frankfurt Internet service under www.messefrankfurt.com was further developed as a supplementary communication platform as part of the exhibitor and visitor service and is a fully integrated element in the "live" trade fairs. As well as offering comprehensive information and online meeting points for members of the respective trade, it permits trade fair services to be ordered electronically using the Easy Order system. The acceptance of this medium is reflected in the continuously growing order volume. Whereas in the year of its introduction (2000), the service was used by 3 – 5 % of exhibitors, at some fairs as many as 50 % of exhibitors took advantage of this online offer.

Messe Frankfurt corporate group

Number of fairs in Germany and abroad



Sales revenue

The successful 2003 business year is mirrored in the increase in sales revenue of Messe Frankfurt. At around 353.3 million euros, group sales reached an all-time high in the company's history. The increase compared to the prior period amounted to € 18.5 million, or 5.5%. Measured against the year 2001, which is more comparable because of its events structure, this means an increase of as much as € 35.4 million or 11.1%.

The greatest share in the sales revenue of the corporate group before consolidation was achieved by the parent company, Messe Frankfurt GmbH and the new Messe Frankfurt Venue GmbH & Co. KG. Sales of the parent company fell to € 195.5 million, since in the spin-off the service and marketing operations were transferred to Messe Frankfurt Venue, which totalled sales of € 165.2 million. The figures are therefore not comparable with those of the previous years.

Mesago Messe Frankfurt GmbH, which is included in the scope of consolidation for the second time, contributed to the consolidated result with € 12.2 million and Messe Frankfurt Ausstellungen GmbH with € 8.9 million. Due to the rotation of events, the latter recorded an increase in turnover of more than 50% compared to the previous year. The service companies Messe Frankfurt Medien und Service GmbH and Accente Gastronomie Service GmbH again increased their sales by virtue of the high number of events. Accente with € 24.7 million (€ 19.3 m) and Messe Frankfurt Medien und Service GmbH with € 25.9 million (€ 22.4 m) achieved new sales records.

Business was also encouraging on the international front. With a total of € 56.2 million, the turnover of the foreign subsidiaries was € 5.7 million or 11.3% higher than in the preceding period. This can on the one hand be attributed to the new companies EPOC Messe Frankfurt GmbH with its branch office in Dubai and Indexport Messe Frankfurt S.A. in Buenos Aires and on the other hand to the increase in turnover realised by the French subsidiary. The main contributors to the result were the subsidiaries in Hong Kong/China (€ 14.4 million), Atlanta (€ 9.5 million) Paris (€ 9.5 million) and Tokyo (€ 5.2 million). The Mexican subsidiary also successfully organised three smaller fairs in the second year since it was set up and turned in a business volume of € 3.4 million. The share of the foreign subsidiaries in group sales was around 16%, compared to 15% in the previous year.

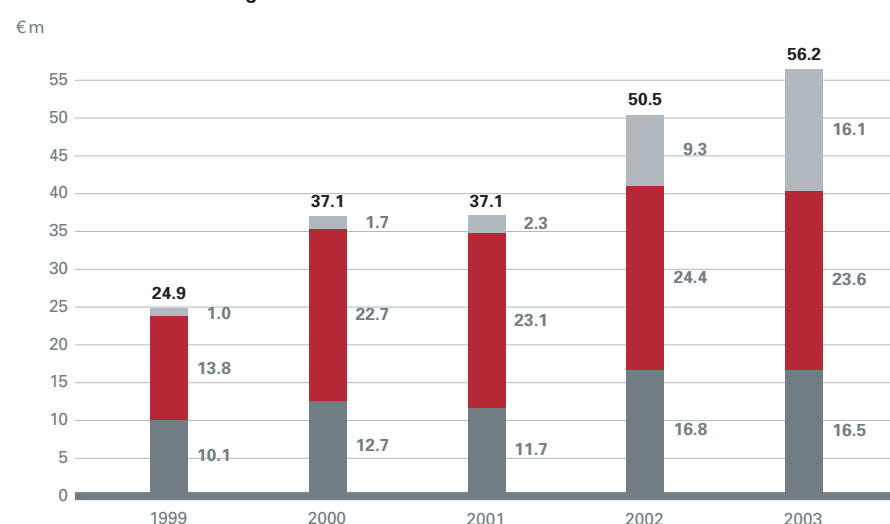
Increase in sales 2001 -2003

Germany	2001 € m	2002 € m	2003 € m	Changes in 2003 compared to	
				2002 in %	2001 in %
Messe Frankfurt GmbH, Frankfurt	258.0	256.8	195.5	-23.9	-24.2
Messe Frankfurt Venue GmbH & Co. KG, Frankfurt			165.2	++	++
Messe Frankfurt Ausstellungen GmbH, Wiesbaden	9.0	5.9	8.9	50.8	-1.1
Mesago Messe Frankfurt GmbH, Stuttgart ¹⁾		12.8	12.2	-4.7	++
Messe Frankfurt Medien und Service GmbH, Frankfurt	15.7	22.4	25.9	15.6	65.0
Accente Gastronomie Service GmbH, Frankfurt	21.5	19.3	24.7	28.0	14.9
Messe Frankfurt Grundbesitz GmbH & Co. KG, Frankfurt	5.1	12.7	13.1	3.1	++
Foreign					
Messe Frankfurt France S.A.S., Paris		6.2	9.5	53.2	++
Messe Frankfurt Italia Srl., Milan	1.9	2.2	2.3	4.5	21.1
Messe Frankfurt Istanbul L.S., Istanbul	0.4	0.6	1.0	66.7	++
O.O.O. Messe Frankfurt RUS, Moscow		0.3	0.9	++	++
EPOC Messe Frankfurt GmbH, Frankfurt/Dubai			2.4	++	++
Mesago Messe Frankfurt Corp., Tokyo	6.3	5.3	5.2	-1.9	-17.5
Messe Frankfurt Asia Holding Ltd., Hong Kong ¹⁾			14.4	++	++
Messe Frankfurt (H.K.) Ltd., Hong Kong ²⁾	14.7	15.5		--	--
Messe Frankfurt (Shanghai) Co. Ltd., Shanghai ²⁾		0.5		--	--
Messe Frankfurt Singapore Pte. Ltd., Singapore	0.0	0.1	0.4	++	++
Messe Frankfurt Trade Fairs India Pvt. Ltd., Mumbai	1.8	2.2	2.2	0.0	22.2
Messe Frankfurt Korea Ltd., Seoul	0.3	0.8	1.4	75.0	++
Messe Frankfurt Inc., Atlanta	6.7	11.4	9.5	-16.7	41.8
Messe Frankfurt Mexico S. de R. L. de C.V., Mexico City		3.4	3.4	0.0	++
Messe Frankfurt do Brasil Ltda., São Paulo ¹⁾	5.0	2.0	2.5	25.0	-50.0
Indexport Messe Frankfurt S.A., Buenos Aires			1.1	++	++
Inter-company sales	-28.5	-45.6	-148.4	--	--
Group sales	317.9	334.8	353.3	5.5	11.1

¹⁾ sub-group

²⁾ from 2003 sub-group Messe Frankfurt Asia Holding Ltd.

Increase in sales of foreign subsidiaries



Operating result

With a figure of € 23.3 million prior to taxes on earnings, the consolidated group's profit was € 8.9 million or 27.7 % below the previous year's level. The reasons for this were predominantly the increased marketing expenses for events, higher write-downs and higher personnel costs, as well as higher reserve requirements for maintenance measures. After deduction of taxes on earnings, group net income for the year amounts to € 10.2 million. The relatively high taxes on earnings burden is due to non-tax deductible reserves.

Profit development 2001 – 2003

	2001 € '000	2002 € '000	2003 € '000	Changes in 2003 compared to	
				2002 in %	2001 in %
Pre-tax profit	40,246	32,169	23,272	-27.7	-42.2
Taxes on earnings	11,800	10,455	13,055	24.9	10.6
Group net income for the year	28,446	21,714	10,217	-52.9	-64.1

If the earnings ratio EBITDA (Earnings before Interest, Taxes, Depreciation and Amortisation) is taken into consideration, Messe Frankfurt achieved its fourth best result so far. Compared to the previous years, only slight declines result of 6.5 % and 1.5 % respectively.

EBITDA 2001 – 2003

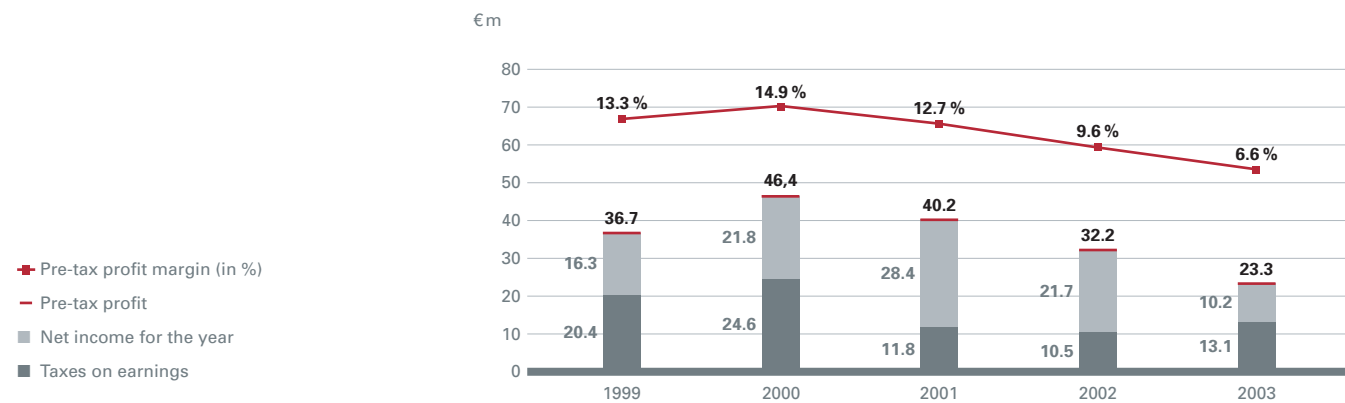
	2001 € '000	2002 € '000	2003 € '000	Changes in 2003 compared to	
				2002 in %	2001 in %
Group net income for the year	28,446	21,714	10,217	-52.9	-64.1
Taxes on earnings	11,800	10,455	13,055	24.9	10.6
less financial result	-2,848	-1,338	(-999)	++	++
Amortisation and depreciation	34,867	45,328	46,900	3.5	34.5
Group net income for the year	72,265	76,159	71,171	-6.5	-1.5

The parent company, Messe Frankfurt GmbH, contributed € 31.4 million to group income prior to consolidation. However, this figure includes € 27.7 million capital gains arising from the transfer of the subsidiaries in Hong Kong and Shanghai to the new Asia Holding. These intragroup unrealised profits are to be eliminated again within the scope of consolidation. Drawing up an independent balance sheet for the first time, Messe Frankfurt Venue GmbH & Co. KG also showed a positive result amounting to € 8.3 million. Under existing profit and loss transfer agreements, the results of both Messe Frankfurt Medien und Service GmbH and the payouts from the Accente subsidiary have been included in this figure.

Against the background of the Iraq war and SARS, coupled with the ensuing uncertainties with respect to trade fair attendance, the situation of the foreign subsidiaries must be viewed more differentiatingly. Increased investment in the local markets aimed at the further establishment of trade fair themes in a still difficult economic environment resulted – particularly in Central and South America as well as Russia – in scheduled losses. Due to front-end costs for trade fairs taking place the following year, in particular Messe Frankfurt Inc. in the USA and Indexport Messe Frankfurt, Argentina, recorded losses. In view of the unsatisfactory situation in Brazil, Messe Frankfurt is still trying to find a solution with its current fifty-per cent partner.

Particularly encouraging was the operating result of Messe Frankfurt (H.K.) Limited in Hong Kong, which, once again, made a positive contribution to group earnings of € 1.5 million. This also applies to Messe Frankfurt France S.A.S., which by virtue of the successful Texworld textiles fair made the second-highest profits among the foreign subsidiaries. The equally positive earnings results of the companies in Italy, Turkey, Dubai, Japan, Singapore, India and Korea once again on balance made it possible to achieve a positive net income for the year outside Germany.

Pre-tax profits and profit margin on sales 1999 – 2003



Investments

Investments in 2003 principally comprise initial expenditure for the construction of a new commercial building (€ 12.1 million) and for the acquisition of trade fairs (€ 10.0 million). In connection with the redesign of the outside facilities in the eastern part of the site, as well as smaller infrastructure measures and various renewals of furniture, fixtures and office equipment, additions to group fixed assets came to around € 39.6 million in the 2003 business year.

Financing

Investments were financed by existing liquidity and the positive cash flow. As the sum of the annual surplus, amortisation and provision for pension fund liabilities, this figure was around € 57.1 million for the whole group.

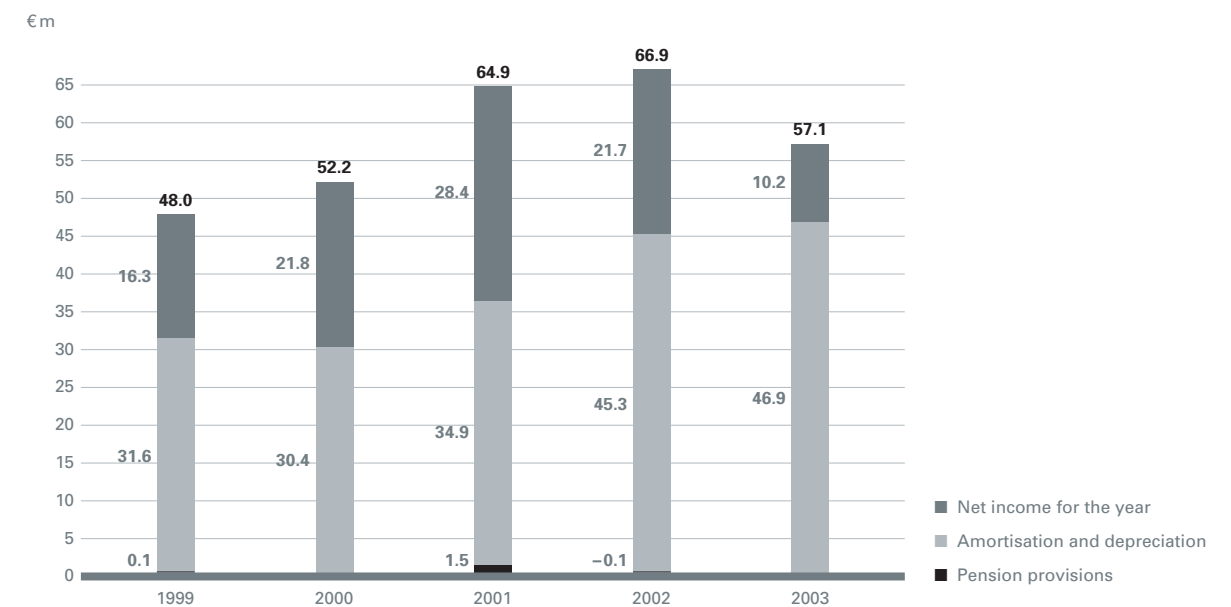
Despite an earnings-related drop compared to the previous years, this was nevertheless the third best cash flow value in the company's history following the record years of 2001 and 2002.

Statement of cash flows 2001 – 2003

	2001 €'000	2002 €'000	2003 €'000	Changes in 2003 compared to	
				2002 in %	2001 in %
Net income for the year	28,446	21,714	10,217	-52.9	-64.1
Amortisation and depreciation	34,867	45,328	46,900	3.5	34.5
Pension provisions	1,548	-148	-2	++	--
Group cash flow	64,861	66,894	57,115	-14.6	-11.9

The short-term bank loan taken out in 2002 could be fully repaid by virtue of the good liquidity situation in the group as a whole.

Cash flow



Human resources

As at 31.12.03, 1,213 people were employed in the Messe Frankfurt consolidated group worldwide, 69 more than at the end of 2002. The further increase can be explained on the one hand by the new subsidiary in Argentina and on the other hand by the expansion of activities in the publishing segment. In this connection, the responsible Messe Frankfurt Medien und Service GmbH took over the Brönnner publishing house and its staff from the Breidenstein Group. EPOC Messe Frankfurt GmbH in Dubai, as well as Messe Frankfurt (H.K.) Ltd. in Hong Kong and in China also significantly intensified their trade fair activities and engaged additional personnel. After several years of high personnel growth at the parent company, a consolidation took place. The number of trainees was raised from 16 to 19, partly in order to contribute Messe Frankfurt's part to the social commitment to provide young people in Germany with promising future prospects.

With respect to personnel deployment, first steps were taken to introduce more flexible structures. In view of the high success risk for new trade fair themes, this avoids high upfront investments in personnel and nevertheless guarantees that the expertise of an experienced project team is available for the launch. Within the framework of employee health care, the focus was placed on a programme for addiction prevention that sensitises executive staff and employees alike to this often underestimated topic.

In its human resources development, Messe Frankfurt GmbH has set up a programme for promoting executive managers. In a demand-oriented and systematic way, necessary qualification measures are carried out and potentials for further-reaching assignments identified. One important goal of this programme is also to tie key staff to the company on a long-term basis.

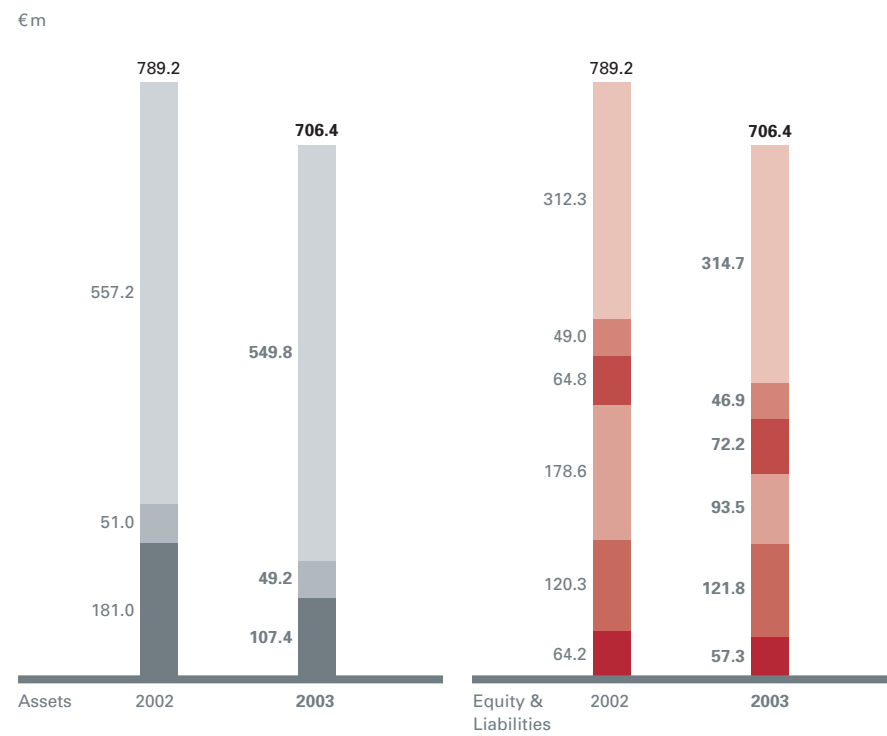
In a continuing difficult market situation, the employees of the Messe Frankfurt corporate group once again demonstrated in 2003 that with a lot of motivation as well as unswerving and flexible efforts, notable successes can be achieved in spite of the negative general trend in the sector. The Board of Management would like to take this opportunity to thank all employees for the good work done in the period under review. Thanks are also due to the works council for its constructive cooperation.

Growth in employee numbers*

	2001	2002	2003
Messe Frankfurt GmbH, Frankfurt	663	695	479
Messe Frankfurt Venue GmbH & Co. KG, Frankfurt			229
Mesago Messe Frankfurt GmbH, Stuttgart		55	57
Messe Frankfurt Ausstellungen GmbH, Wiesbaden	24	30	31
EPOC Messe Frankfurt GmbH, Frankfurt		12	17
Messe Frankfurt Medien und Service GmbH, Frankfurt	38	44	56
Accente Gastronomie Service GmbH, Frankfurt	83	100	98
Messe Frankfurt France S.A.S., Paris, France		8	10
Messe Frankfurt Italia Srl., Milan, Italy	11	12	14
Messe Frankfurt Istanbul L.S., Turkey	4	7	10
O.O.O. Messe Frankfurt RUS, Moscow, Russia		12	15
Mesago Messe Frankfurt Corp., Tokyo, Japan	15	15	15
Messe Frankfurt (H.K.) Ltd., Hong Kong, China	44	42	50
Messe Frankfurt (Shanghai) Co. Ltd., Schanghai, China		12	12
Messe Frankfurt Singapore Pte. Ltd., Singapore	4	5	4
Messe Frankfurt Trade Fairs India Pvt. Ltd., Mumbai, India	18	16	13
Messe Frankfurt Korea Ltd., Seoul, South Korea	4	6	6
Messe Frankfurt Inc., Atlanta, USA	22	24	23
Messe Frankfurt Mexico S. de R.L. de C.V. Mexico City, Mexico	9	15	15
Messe Frankfurt do Brasil Ltda., São Paulo, Brazil	45	34	31
Indexport Messe Frankfurt S.A., Buenos Aires, Argentina			28
Messe Frankfurt Group	984	1,144	1,213
Increase in number of employees		160	69

* including management personnel, trainees and passive employees such as employees on parental leave or in part-time pre-retirement schemes

Year-for-year comparison of group balance sheet structure



- Assets
- Fixed assets
- Receivables and other current assets
- Liquid assets and securities
- Equity & Liabilities
- Equity
- Unrealised gains
- Provisions
- Bank loans
- Other liabilities
- Deferred income

Risk management

In line with the Act on Controls and Transparency in Enterprises (KonTraG), Messe Frankfurt GmbH in 1999 consolidated all the measures taken within the company to control risk in a uniform and consistent risk management system which also encompasses the subsidiaries. Early-warning signals were defined to enable risks in future development to be identified in good time. These include, for example, developments in the industry, activities by competitors and exhibitor and visitor development.

The risk management manual defines in particular the risk principles, the risk management process and the documentation and monitoring of the risk management system. Risk management is conceived as a continuous process and is reviewed at regular intervals to ensure appropriateness.

Against the background of repeated terrorist attacks and the still unsettled situation in the Middle East, risks arise with respect to the practicability of holding fairs in the catchment area of the crisis region (in particular in Dubai and Turkey). It is also to be expected that the uncertainties kindled by the attacks will on the one hand limit the propensity of international exhibitors and visitors to travel and on the other hand impact the future economic development.

Since the cyclical decline in Germany has still not been overcome, this gives rise to risks especially for the German retail trade and the associated trade fairs.

Other than these, no risks that pose a threat to the existence or future development of the company are anticipated.

Outlook

Business policy/Sales revenue

Both world trade and the global gross domestic product are seen despite risks (double deficit of the US current account and the US national budget, terrorism, consumer uncertainty etc.) to be on a growth path. For Germany, the Ifo Institute for Economic Research is anticipating a restrained but steady increase in production (GDP in real terms: + 1.8%).

Despite the continued difficult general economic situation, Messe Frankfurt is looking to the future with cautious optimism. Through growth, internationalism and solidarity, it is hoped to further secure Messe Frankfurt GmbH's pole position on the markets in the future. The grounds for this optimism are the sustained interest – especially on the part of foreign companies – in the leading fairs in spring 2004 and as a result the increased demand for exhibition space. In response to the ongoing challenging situation in many parts of the consumer goods industry, the showcase event Tendence has been newly positioned and now appears on the market with a revised concept and under the new brand name Tendence Lifestyle. Nevertheless, it is possible that in individual product areas there is likely to be a further drop in exhibitor numbers and sales at this fair.

In its external operations, Messe Frankfurt is striving towards further expansion with new trade fair acquisitions and investments. The transfer of the subsidiaries in Japan, India and Korea from Messe Frankfurt GmbH to Messe Frankfurt Asia Holding Ltd. and the closing of the Singapore company complete the restructuring of operations in Asia.

Based on these assumptions, group sales are expected to top € 355 million in 2004. The planning for 2005 anticipates a further increase in sales.

Investments/Financing

The new Dependence commercial building being built immediately next to Hall 3 will be utilised on its expected completion in August 2004 by the in-house catering company Accente Gastronomie Service GmbH. The plan submitted by the London-based architecture bureau Grimshaw & Partners for an "industrial building with a human touch" is for a light-flooded, linear, five-storey building that echoes the shapes used in Hall 3 – also designed by Grimshaw. As well as kitchens and utility rooms, Dependence will also provide around 10,000 m² of office space.

As part of the further development of the exhibition site in Frankfurt, the Group is on the point of purchasing a parcel of land measuring around 100,000 m² to the south-west of the exhibition site. Step by step, new halls are to be constructed here as part of the long-term Messe Frankfurt master plan. These projects will tie up considerable investment resources in the coming years.

Investments for 2004 can be secured through existing liquidity and cash flow. There are no plans to take up loans until 2005.

Operating result

A positive group result is expected both in 2004 and in subsequent years.

Overall activities of Messe Frankfurt in 2003 (Supplementary information to the Management Report)

Trade fairs and exhibitions at the Frankfurt exhibition site in 2003

Event	Number of events	Exhibitors			Net area incl. special show space	Visitors		
		Germany	Other countries	Total		Germany	Other countries	Total
■ AICHEMA		2,269	1,550	3,819	138,514	192,161		192,161
■ Ambiente		1,778	3,020	4,798	189,130	90,336	47,949	138,285
■ Art Frankfurt *)		121	31	152	7,716	27,750		27,750
■ Beautyworld		192	327	519	16,651	8,378	3,586	11,964
■ Buchmesse		2,735	3,876	6,611	76,800	288,887		288,887
■ Christmasworld		298	729	1,027	46,484	15,117	9,036	24,153
■ CleanRooms Europe		75	88	163	2,200	1,496		1,496
■ CPhi		139	1,093	1,232	34,436	2,576	8,821	11,397
■ EuroMold		1,040	490	1,530	49,921	49,558	7,668	57,226
■ European Banking & Insurance Fair		269	45	314	8,079	7,356		7,356
■ FI - Food Ingredients Europe		227	813	1,040	24,500	17,803		17,803
■ FUR & FASHION FRANKFURT		99	49	148	6,450	5,868	2,487	8,355
■ Heimtextil		590	2,634	3,224	163,149	51,311	43,910	95,221
■ IAA		622	366	988	155,475	897,850	98,650	996,500
■ Imex		355	1,845	2,200	10,599	3,711	1,913	5,624
■ ISH		1,091	1,289	2,380	155,332	134,575	44,380	178,955
■ Lightstyle		80	117	197	11,419	4,827	1,504	6,331
■ Marketing Services		522	56	578	11,601	13,884		13,884
■ Musikmesse		521	872	1,393	53,028	59,645	20,102	79,747
■ Paperworld		566	1,832	2,398	92,004	34,393	31,911	66,304
■ Prolight + Sound		272	355	627	23,798	12,411	6,802	19,213
■ Techtexil		329	553	882	21,904	9,839	9,156	18,995
■ Tendence Lifestyle		1,576	2,263	3,839	138,557	73,307	26,160	99,467
■ turntec		166	70	236	4,771	9,434	645	10,079
■ International trade fairs	24	15,932	24,363	40,295	1,442,518	2,012,473	364,680	2,377,153

- International trade fairs
- Trade exhibitions
- Exhibitions open to the public

Event	Number of events	Exhibitors			Net area incl. special show space	Visitors		
		Germany	Other countries	Total		Germany	Other countries	Total
■ ACS		212	6	218	6,151	7,580		7,580
■ Forum Chronische Krankheiten Allergica/Diabetes/Herz-Kreislauf		145	6	151	2,670	4,736		4,736
■ Hair & Beauty		233	56	289	13,888	27,050	5,950	33,000
■ LinuxWorld Conference & Expo		128	14	142	2,636	13,966	891	14,857
■ Material Vision		51	9	60	599	1,719	46	1,765
■ Media-Tech Showcase & Conference		25	72	97	1,761	840	569	1,409
■ Other trade exhibitions	3	612		612	28,100	14,350		14,350
■ Trade exhibitions	9	1,406	163	1,569	55,805	70,241	7,456	77,697
■ Marathon Mall **)		88	4	92	1,855	30,000		30,000
■ Sales marts and exhibitions	7	356		356	50,300	142,000		142,000
■ Exhibitions open to the public	8	444	4	448	52,155	172,000		172,000

Trade fairs and exhibitions at the Frankfurt exhibition site in 2003

■ International trade fairs	24	15,932	24,363	40,295	1,442,518	2,012,473	364,680	2,377,153
■ Trade exhibitions	9	1,406	163	1,569	55,805	70,241	7,456	77,697
■ Exhibitions open to the public	8	444	4	448	52,155	172,000		172,000
	41	17,782	24,530	42,312	1,550,478	2,254,714	372,136	2,626,850

* including vernissage and other free entries

** entry free of charge for visitors to and participants in the Frankfurt Marathon

Trade fairs and exhibitions outside the Frankfurt exhibition site in 2003

Event	Exhibitors			Net area incl. special show space	Visitors			
	Number of events	Germany	Other countries		Total	Germany	Other countries	Total
■ EMV		71	42	113	1,068	1,869	255	2,124
■ FACILITY MANAGEMENT		134	9	143	2,006	3,167	120	3,287
■ Fascination			457	457	4,649	6,518		6,518
■ handarbeit & hobby		84	84	168	6,891	5,669	1,556	7,225
■ Haus Energie Umwelt		124	1	125	2,636	9,468		9,468
■ MICRO SYSTEM Technologies		23	4	27	302	216	103	319
■ Parken		60	10	70	1,200	1,000		1,000
■ PCIM		113	133	246	3,958	3,411	1,326	4,737
■ Public Design		52	6	58	1,952	1,600		1,600
■ SMT/HYBRID/PACKAGING		369	210	579	11,428	16,896	5,953	22,849
■ SPS/IPC/DRIVES		807	115	922	30,291	25,145	2,497	27,642
	11	1,837	1,071	2,908	66,381	74,959	11,810	86,769

Fairs and exhibitions in Germany in 2003

Event	Exhibitors			Net area incl. special show space	Visitors			
	Number of events	Germany	Other countries		Total	Germany	Other countries	Total
■ International trade fairs	30	17,376	25,404	42,780	1,500,803	2,071,981	376,267	2,448,248
■ Trade exhibitions	14	1,799	193	1,992	63,901	85,692	7,679	93,371
■ Exhibitions open to the public	8	444	4	448	52,155	172,000		172,000
	52	19,619	25,601	45,220	1,616,859	2,329,673	383,946	2,713,619

- International trade fairs
- Trade exhibitions
- Exhibitions open to the public

Overseas events in 2003

Event	Exhibitors			Net area incl. Special show space	Visitors			
	Number of events	Host country	Other countries		total	Host country	Other countries	Total
Consumer goods fairs								
Ambiente								
Ambiente Japan		133	190	323	5,127			*
Ambiente Rossija		102	86	188	3,774	14,389	1,422	15,811
	2	235	276	511	8,901	14,389	1,422	15,811
Paperworld								
Hong Kong International Stationery Fair		71	139	210	2,232	6,516	4,976	11,492
Paperworld Rossija		2	12	14	150			**
	2	73	151	224	2,382	6,516	4,976	11,492
Christmasworld								
Christmasworld Rossija***		59	10	69	1,646	8,589	657	9,246
	1	59	10	69	1,646	8,589	657	9,246
Beautyworld								
Beautyworld Japan		259	70	329	6,939	41,557	1,154	42,711
Beauty World Middle East Gulf Beauty		17	255	272	3,290	4,077	2,417	6,494
	2	276	325	601	10,229	45,634	3,571	49,205
Musikmesse								
Music China Shanghai		328	91	419	11,411	19,796	1,700	21,496
Musikmesse/Prolight + Sound St. Petersburg		97	223	320	3,224	7,803	569	8,372
	2	425	314	739	14,635	27,599	2,269	29,868
Other consumer goods fairs								
Dongguan Autumn Fair		79	91	170	1,666	4,041	1,726	5,767
FENAVEM		202	2	204	22,306	49,700	300	50,000
H&H Housewares & Hometech Middle East		14	82	96	2,600	4,021	2,265	6,286
Toy Fair Middle East		19	29	48	672	2,260	1,216	3,476
	4	314	204	518	27,244	60,022	5,507	65,529
Total consumer goods fairs	13	1,382	1,280	2,662	65,037	162,749	18,402	181,151

* For visitors see Heimtextil Japan

** For visitors see Christmasworld Rossija

*** Visitors and special show space including Paperworld Rossija

Textiles fairs		Exhibitors			Net area	Visitors		
Event	Number of events	Host country	Other countries	total	incl. Special show space	Host country	Other countries	Total
Heimtextil								
Heimtextil India		175	1	176	4,121	5,553	3,121	8,674
Heimtextil Japan*		8	26	34	1,185	18,661	611	19,272
Heimtextil Rossija		117	75	192	3,613	9,849		9,849
Home Design Japan		49	1	50	638			**
International Window Coverings Expo		204	28	232	6,113	6,096	367	6,463
Intertextile Shanghai***		829	387	1,216	28,473	37,135	9,299	46,434
Pacific Home FashionFair		24		24	316	1,854	90	1,944
	7	1,406	518	1,924	44,459	79,148	13,488	92,636
Interstoff								
Interstoff Asia Autumn, Hong Kong		79	272	351	4,846	8,852	3,151	12,003
Interstoff Asia Spring, Hong Kong		38	228	266	3,693	5,370	1,596	6,966
Intertextile Beijing Spring		246	230	476	7,116	11,243	1,540	12,783
Texworld (Spring)		5	628	633	11,421	1,668	10,773	12,441
Texworld (Autumn)		3	625	628	11,614	2,112	13,646	15,758
	5	371	1,983	2,354	38,690	29,245	30,706	59,951
Intima								
Intima America (Summer)		124	58	182	2,035	2,141	361	2,502
Intima Japan		22	11	33	1,139	2,460	172	2,632
Intimate Apparel Salon (Spring), NY		100	27	127	726	1,182	196	1,378
Intimate Apparel Salon (Autumn), NY		70	16	86	509	907	98	1,005
	4	316	112	428	4,409	6,690	827	7,517
Techtextil								
Techtextil Rossija		47	75	122	936	1,886	57	1,943
Techtextil South America		117	64	181	3,436	4,544	136	4,680
	2	164	139	303	4,372	6,430	193	6,623
Total textiles fairs	18	2,257	2,752	5,009	91,930	121,513	45,214	166,727

* Visitors and special show space including Ambiente Japan and Home Design Japan

** For visitors see Heimtextil Japan

*** Intertextile Shanghai also belongs to the Interstoff brand

Technical fairs		Exhibitors			Net area	Visitors		
Event	Number of events	Host country	Other countries	total	incl. Special show space	Host country	Other countries	Total
Prolight + Sound								
Prolight + Sound Shanghai		86	26	112	2,339	8,012	603	8,615
	1	86	26	112	2,339	8,012	603	8,615
Architecture + Technology								
ISH								
ISH North America		434	100	534	10,314	10,477	1,334	11,811
	1	434	100	534	10,314	10,477	1,334	11,811
Light + Building								
BIEL Light + Building Buenos Aires		255	15	270	8,734	29,298	1,225	30,523
Construct Light + Building Abu Dhabi		40	52	92	1,530	1,393	455	1,848
	2	295	67	362	10,264	30,691	1,680	32,371
Automotive + Technology								
Automechanika								
Automechanika Africa		43	49	92	1,440	4,128	87	4,215
Automechanika Asia		51	61	112	2,029	2,617	898	3,515
Automechanika China		320	42	362	6,877	15,125	680	15,805
Automechanika Gulf		32	87	119	2,138	3,261	1,915	5,176
Automechanika India		33	18	51	609	2,727	423	3,150
Automechanika Istanbul *		374	33	407	6,060	17,119	2,334	19,453
Automechanika St. Petersburg		257	52	309	6,471	71,761	2,781	74,542
Expo Transporte		231	55	286	16,053	25,309	1,278	26,587
PAACE Automechanika Mexico		164	247	411	5,823	10,154	1,446	11,600
Petroleum Istanbul		80	1	81	5,810			**
	10	1,585	645	2,230	53,310	152,201	11,842	164,043
Total technical fairs	14	2,400	838	3,238	76,227	201,381	15,459	216,840

* Visitors including Petroleum Istanbul

** For visitors see Automechanika Istanbul

Other trade fair themes overseas					Net area incl. Special show space	Visitors		
Event	Number of events	Host country	Other countries	total		Host country	Other countries	Total
Hardware & Tools Middle East		12	61	73	1,050	3,982	2,365	6,347
Materials Handling Middle East		19	28	47	754	1,747	1,539	3,286
APS/SC		56		56	1,225	10,146		10,146
Ippex		35		35	882	9,218		9,218
Micromachine		231	7	238	1,047	8,697	96	8,793
Open Building Automation System Expo		63		63	204	2,432	12	2,444
ABF Franchising Show		156	7	163	5,085	25,441	59	25,500
Canadian Waste Recycling/Public Works Expo		227	53	280	5,784	3,361	333	3,694
COMDEX SUCEsu		315	15	330	15,274	53,539	239	53,778
EMT		256	66	322	5,491	11,760	194	11,954
Expo Ferreteria		170		170	3,715	15,037	288	15,325
Fehab		147	1	148	7,373	21,340	66	21,406
Intersec		38	131	169	2,599	2,842	1,847	4,689
Media-Tech Expo USA		97	83	180	5,570	1,641	791	2,432
Railways & Logistics Fair Korea		120	42	162	4,325	16,496	520	17,016
Total other trade fair themes overseas	15	1,942	494	2,436	60,378	187,679	8,349	196,028

Overall activities of Messe Frankfurt abroad	60	7,981	5,364	13,345	293,572	673,322	87,424	760,746
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Conferences, events and other activities in 2003

Event	Number of events	Exhibitors			Net area incl. Special show space	Visitors		
		Germany	Other countries	Total		Germany	Other countries	Total
Congresses and conferences at the exhibition centre not linked to trade fairs	108					79,250		79,250
Congresses and events (supervised by "Conventure")*	6					4,300		4,300
Events (concerts, sporting events, religious, political and other events)	51					331,697		331,697
German pavilions (planning and implementation of show participations)	10							
Akademie Messe Frankfurt	20					280		280
	195					415,527		415,527

* The total number of participants amounts to approx. 6,300, of whom approx. 2,000 were already included under own events.

Overall activities of Messe Frankfurt in 2003

Event	Number of events	Exhibitors			Net area incl. Special show space	Visitors		
		Germany	Other countries	Total		Germany	Other countries	Total
Trade fairs and exhibitions at the Frankfurt exhibition site	41	17,782	24,530	42,312	1,550,478	2,254,714	372,136	2,626,850
Trade fairs and exhibitions in Germany outside the Frankfurt exhibition site	11	1,837	1,071	2,908	66,381	74,959	11,810	86,769
Overseas events	60	7,981	5,364	13,345	293,572	673,322	87,424	760,746
Conferences, events and other activities	195					415,527		415,527
	307	27,600	30,965	58,565	1,910,431	3,418,522	471,370	3,889,892

Consolidated Balance Sheet of Messe Frankfurt GmbH at 31 December 2003

Assets	Notes	€	At 31.12.2003 €	At 31.12.2002 € '000
A. Fixed assets	(1)			
I. Intangible assets		39,613,839.16		36,638
II. Tangible assets		510,173,163.17		520,546
III. Financial assets		20,453.19		20
			549,807,455.52	557,204
B. Current assets				
I. Inventories	(2)		573,331.99	655
II. Receivables and other assets				
Trade receivables	(3)	20,304,306.48		15,754
Amounts due from shareholders		809.62		3
Amounts due from other investees and investors	(4)	0.00		510
Other assets	(5)	24,089,617.79		28,587
			44,394,733.89	44,854
III. Securities	(6)		15,080,311.65	6,534
IV. Cheques, cash in hand and on deposit with financial institutions	(7)		92,363,927.69	174,529
			152,412,305.22	226,572
C. Prepaid expenses			4,186,903.01	5,461
			706,406,663.75	789,237

Equity & Liabilities	Notes	€	At 31.12.2003 €	At 31.12.2002 € '000
A. Equity	(8)			
I. Subscribed capital		180,000,000.00		180,000
II. Share premium		85,219,009.35		85,219
III. Retained earnings Other revenue reserves		1,034,679.46		1,102
IV. Adjustment from foreign currency translation		- 1,284,481		- 2,454
V. Profit available for distribution		49,082,708		47,257
VI. Minority interest		642,876		1,158
			314,694,791.34	312,282
B. Unrealised gains from financial contribution to fixed assets	(9)		46,884,800.00	49,032
C. Provisions				
Provisions for pensions		9,488,648.80		9,491
Tax provisions		12,128,869.24		9,286
Other provisions	(10)	50,580,577.10		46,025
			72,198,095.14	64,802
D. Liabilities	(11)			
Liabilities to banks		93,509,801.90		178,561
Payments on account		91,545,383.79		90,350
Trade and other payables		22,385,395.54		23,619
Payable to shareholders		1,073,712.96		1,074
Other liabilities - of which taxes: € 2,388,922.33 (previous year € 1,610,000) - of which relating to social security: € 1,207,451.06 (previous year € 238,000)		6,846,541.63		5,334
			215,360,835.82	298,938
E. Deferred income	(12)		57,268,141.45	64,183
			706,406,663.75	789,237

Consolidated Income Statement of Messe Frankfurt GmbH for the 2003 business year

	Notes	€	2003 €	€ '000	2002 € '000
Sales	(14)	353,309,562.89		334,771	
Other operating income	(15)	13,401,981.34		17,038	
			366,711,544.23		351,809
Event-related expenses	(16)	171,452,027.56		162,384	
Personnel expenses	(17)	68,701,356.55		62,696	
Amortisation and depreciation	(18)	46,899,975.67		45,328	
Other operating expenses	(19)	52,266,929.86		47,587	
			339,320,289.64		317,995
Net financial income	(20)		-999,031.32		1,338
Profit (loss) from ordinary operating activities			26,392,223.27		35,152
Taxes	(21)		16,174,894.27		13,438
Consolidated net income for the year			10,217,329.00		21,714
Minority interest			-388,463.62		-741
Minority loss			86,834.15		0
Consolidated income brought forward			47,256,965.18		32,847
Advance dividends on the result of the current period			-6,491,754.70		-6,493
Appropriations to retained earnings			-5,614.32		-25
Currency adjustment			-1,592,588.08		-45
Consolidated profit available for distribution			49,082,707.61		47,257

Consolidated Statement of Changes in Equity of Messe Frankfurt Group and Minority Interest

Values in € '000	Subscribed capital	Share premium	Retained earnings	Adjustment from foreign currency translation	Profit available for distribution	Group shares	Minority interest	Total
Balance at 01.01.2002	178,952	86,267	219	0	32,847	298,285	451	298,736
Capital contributions	1,048	-	-	-	-	1,048	-	1,048
Dividends paid	-	-	-	-	-6,493	-6,493	-225	-6,718
Withdrawals from share premium	-	-1,048	-	-	-	-1,048	-	-1,048
Appropriations to retained earnings	-	-	25	-	-25	0	-	0
Enlargement of scope of consolidation	-	-	-	-	0	0	191	191
Currency adjustments	-	-	834	-2,454	-45	-1,665	-	-1,665
other changes	-	-	24	-	-	24	-	24
Result after tax	-	-	-	-	20,973	20,973	741	21,714
Balance at 01.01.2003	180,000	85,219	1,102	-2,454	47,257	311,124	1,158	312,282
Dividends paid	-	-	-	-	-6,492	-6,492	-739	-7,231
Appropriations to retained earnings	-	-	6	-	-6	0	-	0
Enlargement of scope of consolidation	-	-	-	-	0	0	-78	-78
Currency adjustments	-	-	-	1,169	-1,592	-423	-	-423
other changes	-	-	-73	-	-	-73	-	-73
Result after tax	-	-	-	-	9,916	9,916	302	10,218
Balance at 31.12.2003	180,000	85,219	1,035	-1,285¹⁾	49,083	314,052	643	314,695

¹⁾ In connection with the founding of Messe Frankfurt Asia Holding Ltd., Hong Kong/China and the capital contribution of Messe Frankfurt (H.K.) Ltd., Hong Kong/China, the item Translation differences from foreign currency translation was adjusted and a partial amount (€ 1,759,000) appropriated to retained earnings.

Consolidated Statement of Changes in Group Fixed Assets of Messe Frankfurt GmbH

Values in € '000	Acquisition and production costs					Balance at 31.12.2003
	Balance at 01.01.2003	Additions	Add. ext. scope of consolidation	Disposals	Transfers	
Intangible assets						
Concessions, industrial and similar rights and assets, and licences in such rights and assets	41,037	10,331	13	5,736	2,418	48,063
Goodwill arising from capital consolidation	29,239	1,001	0	0	0	30,240
	70,276	11,332	13	5,736	2,418	78,303
Tangible assets						
Land and leasehold rights and buildings, including buildings on third-party land	831,982	4,409	83	101	27	836,400
Technical plant and machinery	66,928	2,378	0	0	252	69,558
Furniture, fixtures and office equipment	66,308	7,549	58	1,863	125	72,177
Payments on account and buildings and plant under construction	4,680	13,980	0	78	-2,822	15,760
	969,898	28,316	141	2,042	-2,418	993,895
Financial assets						
Investments	41	0	0	0	0	41
	41	0	0	0	0	41
	1,040,215	39,648	154	7,778	0	1,072,239

Balance at 01.01.2003	Accumulated amortisation and depreciation			Carrying amounts		
	Additions	Add. ext. scope of consolidation	Disposals	As at 31.12.2003	As at 31.12.2003	As at 31.12.2002
20,615	8,898	11	5,728	23,796	24,267	20,422
13,023	1,870	0	0	14,893	15,347	16,216
33,638	10,768	11	5,728	38,689	39,614	36,638
346,167	27,448	5	6	373,614	462,786	485,815
53,073	2,386	0	0	55,459	14,099	13,855
50,112	6,298	51	1,812	54,649	17,528	16,196
0	0	0	0	0	15,760	4,680
449,352	36,132	56	1,818	483,722	510,173	520,546
21	0	0	0	21	20	20
21	0	0	0	21	20	20
483,011	46,900	67	7,546	522,432	549,807	557,204

Explanatory notes to the 2003 consolidated financial statements

General information

The consolidated financial statements of Messe Frankfurt GmbH have been drawn up in accordance with the statutory requirements for consolidated financial statements and generally accepted accounting principles, while taking account of trade fair-related specificities.

Scope of consolidation

As well as Messe Frankfurt GmbH, Frankfurt am Main as parent company, the consolidated financial statements also embrace the following subsidiaries

Messe Frankfurt Ausstellungen GmbH, Wiesbaden
 Messe Frankfurt Medien und Service GmbH, Frankfurt am Main
 Accente Gastronomie Service GmbH, Frankfurt am Main
 Messe Frankfurt Grundbesitz Verwaltung GmbH, Frankfurt am Main
 Messe Frankfurt Grundbesitz GmbH & Co. KG, Frankfurt am Main
 Messe Frankfurt Venue GmbH & Co. KG, Frankfurt am Main
 Messe Frankfurt Exhibition GmbH, Frankfurt am Main
 EPOC Messe Frankfurt GmbH, Frankfurt am Main
 Mesago Messe Frankfurt GmbH, Stuttgart
 Messe Frankfurt Italia Srl., Milan/Italy
 Messe Frankfurt France S.A.S., Paris/France
 O.O.O. Messe Frankfurt RUS, Moscow/Russia
 Messe Frankfurt Istanbul L.S., Istanbul/Turkey
 Mesago Messe Frankfurt Corporation, Tokyo/Japan
 Messe Frankfurt Asia Holding Ltd, Hong Kong/China
 Messe Frankfurt (H.K.) Ltd., Hong Kong/China
 Messe Frankfurt Singapore Pte. Ltd., Singapore
 Messe Frankfurt Trade Fairs India Pvt. Ltd., Mumbai/India
 Messe Frankfurt Korea Ltd., Seoul/South Korea
 Messe Frankfurt (Shanghai) Co. Ltd./China
 Messe Frankfurt Inc., Atlanta/USA
 Messe Frankfurt Mexico S. de R.L. de C.V., Mexico City/Mexico
 Indexport Messe Frankfurt S.A., Buenos Aires/Argentina
 Messe Frankfurt do Brasil Ltda., São Paulo/Brazil
 which are either collectively managed by Messe Frankfurt GmbH or in which
 Messe Frankfurt GmbH directly or indirectly holds the majority of voting rights.

In addition, the 50 % share in Guazzelli Feiras Messe Frankfurt Ltda. held by Messe Frankfurt do Brasil Ltda. is also included in accordance with the regulations for pro rata consolidation on the basis of the sub-group accounts of the Brazilian holding company.

The 100 % share in Mesago Messemanagement GmbH, Stuttgart, 100 % share in ZM-Communications International Publishing Marketing Conferences GmbH, Nuremberg, as well as a further 100 % share and the 75 % share in SMT/ASIC/Hybrid MESAGO Messe & Kongreß GmbH & Co. OHG, Nuremberg are also included in the consolidated financial statements on the basis of sub-group accounts. In addition, one associated company in which Mesago Messemanagement holds an indirect share of 50 % was included for the first time in the consolidated financial statements pursuant to Section 312 HGB (Commercial Code).

Messe Frankfurt Asia Holding Ltd., Hong Kong/China was founded with effect from 27.12.2003, and Messe Frankfurt (H.K.) Ltd., Hong Kong/China was sold by Messe Frankfurt GmbH to Messe Frankfurt Asia Holding Ltd., Hong Kong/China. Messe Frankfurt (Shanghai) Co. Ltd./China was sold by contract of 22.12.2003 to Messe Frankfurt (H.K.) Ltd., Hong Kong/China.

In the year under review, Messe Frankfurt GmbH founded Messe Frankfurt Exhibition GmbH, Frankfurt am Main and acquired 60 % of the shares in Indexport Messe Frankfurt S.A., Buenos Aires/Argentina.

Both companies were included in the reporting year for the first time in the consolidated financial statements on the basis of a sub-group financial statement.

The change in the scope of consolidation has not resulted in any material changes.

An adjustment item is shown in equity as "Minority interest" to indicate shares held by other shareholders in the on-balance sheet equity capital of a fully consolidated company.

Consolidation principles

The balance sheet date for the consolidated financial statements is 31 December.

The assets and liabilities of the companies included in the consolidated financial statements were drawn up according to the accounting and valuation policies applicable for the group as a whole.

The relevant companies are consolidated under the book value method by offsetting the cost of equity investments against the pro rata equity capital at the time of acquisition. Intercompany receivables, payables, expenses and revenue were offset. Interim results were eliminated. The equity of the subsidiaries included in the consolidation is translated at historical cost. Resulting currency differences are recognised directly in Equity under Translation differences from foreign currency translation.

Where capital consolidation resulted in goodwill, this was written down on a scheduled basis in conformance with Section 309, Sub-section 1 HGB (Commercial Code) over the term of the relevant contract or over a useful life of 15 years or on a non-scheduled basis at the recoverable amount on the balance sheet date. The associated company was recognised at book value in conformance with Section 302 HGB (Commercial Code) on the basis of the valuations at the time of acquisition of the shares.

Accounting and valuation policies, currency translation

The consolidated financial statements were drawn up in compliance with the German GAAP applicable for the reporting year provided that these do not inhibit statutory options and require additional disclosures not mandatory by law.

Intangible assets and tangible assets acquired against payment are stated at historical cost, less accumulated depreciation for wear and tear as well as any non-scheduled write-downs and special allowances permitted under tax law. Depreciation for wear and tear is calculated on a straight-line basis in line with unchanged principles. In the case of new additions in the period 1989 to 1993, use was made of the right to opt for a higher depreciation value for buildings in accordance with Section 7, Sub-section 5 EStG (Income Tax

Law). The simplification rule in accordance with Section 44 EStR is applied. Assets of minor value are written down in full in the year of acquisition.

Investment in associate is stated at cost or the recoverable value, whichever is lower.

Inventories are stated at historical cost – using permitted valuation simplification procedures – or at the lower of cost or market value. In the case of trade and other receivables, recognised individual risks are accounted for through valuation adjustments. As in the previous year, no general bad-debt provisions were formed in the reporting period.

Other assets are shown in the balance sheet at nominal value. Securities were valued at historical cost using the lower-of-cost-or-market principle. Liquid resources are disclosed at the nominal amount.

Pension provisions are valued according to the Projected Unit Credit Method in line with IAS 19. Based on the “1998 Mortality Tables” and the “1988 Morbidity Tables” published by Dr Klaus Heubeck, an interest rate of 5.5% p.a. as well as a pension trend of 3.0% p.a. and a life expectancy trend of 4.0% p.a. were assumed. Contrary to other pension obligations, neither pension and employment trends nor fluctuations were taken into account with respect to provisions for pension obligations from salary conversion schemes.

Insofar as pension obligations exist in the subsidiaries, these are valued according to the rules pursuant to Section 6a. EStG, or, in the case of foreign subsidiaries, according to the relevant national regulations.

Other provisions take account of all recognisable risks and contingent obligations. Provisions are also formed for necessary maintenance work where scheduled events prevent this from being carried out immediately. Provision has also been made for possible indemnification claims by commercial agents. The provisions were formed in an extent sufficient to cover the anticipated claims. Provisions for pre-retirement part-time employment as well as provisions for seniority were formed on the basis of the “1998 Mortality Tables” drawn up by Dr Klaus Huebeck with an interest rate of 5.5%.

Payables are valued at their repayment amount.

Receivables and payables in foreign currencies are translated at the mid-rate on the acquisition date or balance sheet date in accordance with the lower- or higher-of-cost-or-market principle. End-of-year statements of the foreign subsidiaries prepared in a foreign currency are translated at the (mid) rate on the balance sheet date.

Incurred costs for press, advertising and public relations work for events in subsequent years were posted throughout the group as expenses in the reporting year.

Notes to the consolidated balance sheet

(Values in €'000 unless otherwise indicated)

(1) Fixed assets

The breakdown of the fixed asset items contained in the consolidated balance sheet and their development trend (Statement of Changes in Group Fixed Assets) in 2003 is attached to the notes.

A breakdown of share ownership at 31.12.03 has been placed with the Commercial Register of the District Court of Frankfurt am Main under number HRB 6640.

(2) Inventories

This covers materials and supplies.

(3) Receivables and other assets

Amounts due with a residual term of more than one year are not included in this item.

(4) Amounts due from other investees and investors

	Consolidated group	
	up to one year	more than one year
Total for 2003	0	0
Total for 2002	510	0

(5) Other assets

	Consolidated group	
	up to one year	more than one year
Taxes	19,158	0
Payments on account	1,994	0
Other	1,696	1,242
Total for 2003	22,848	1,242
Total for 2002	28,587	0

(6) Securities

Securities include shares in annuity and real estate funds, shares in money market funds, commercial papers and fixed interest-bearing securities.

(7) Cheques, cash in hand and on deposit with financial institutions

	Consolidated group 2003	2002
Cash	354	184
Deposits with financial institutions ¹⁾	92,010	173,963
Cheques	0	382
	92.364	174.529

¹⁾ For lodging as security see text (13)

(8) Equity

The breakdown of equity and minority interests are attached to the notes.

(9) Unrealised gains from financial contribution to fixed assets

A tax-equalisation item was formed in 2000 containing the financial contribution made by the city of Frankfurt in relation to the exhibition centre car park. The adjustment item is written back on a straight line basis over the useful life of the car park.

(10) Other provisions

Other provisions mainly include outstanding purchase invoices and liabilities, repairs and refurbishment, indemnification claims from agent employed abroad and claims from employees.

(11) Liabilities

	Consolidated group up to one year	up to five years	more than 5 years
Liabilities to banks ¹⁾	250	25,564	67,696
Payments on account	91,545	0	0
Trade and other payables	22,385	0	0
Payable to shareholders	1,074	0	0
Other liabilities	6,847	0	0
- of which taxes:	(2,389)	(0)	(0)
- of which relating to social security	(1,207)	(0)	(0)
Total for 2003	122,101	25,564	67,696
Total for 2002	120,138	102,895	75,365

¹⁾ For lodging as security see text (13)

(12) Deferred income

The once-off payments received in advance in the years 1988 and 1996 for 35 years respectively for two building leases and a payment for a 99-year joint usufruct in parts of buildings were recorded under Liabilities in Deferred income.

The three partial amounts of the Deferred income are written down on a straight-line basis over the specified terms.

(13) Other financial commitments and contingent liabilities

Other financial commitments totalled € 46,600,000. These are primarily made up of commitments from orders related to investments and commitments relating to the acquisition of additional company shares.

In addition, Messe Frankfurt is required to pay annual ground rents of € 2,404,000. The ground rents have a remaining term of 70, 34 and 29 years. As security for the loan to an affiliated company, Messe Frankfurt GmbH has issued a parent guarantee.

For two affiliated companies, Messe Frankfurt has issued financial support letters.

Since these relate to general commitments to make liquid resources available, no quantification is possible.

To cover the liability of an affiliated company, an amount of €256,000 was lodged as security.

Notes to the income statement

(Values in €'000 unless otherwise indicated)

(14) Sales

according to type	Consolidated group 2003	2002
Stand rents	208,701	213,930
Halls, site and other rents	37,097	20,776
Entry fees and exhibitor fees	13,193	13,487
Services and other income	94,319	85,578
	353,310	334,771

according to region	Consolidated group 2003	2002
Germany	445,485	329,827
Europe (not incl. Germany)	16,032	9,376
Asia	23,671	24,465
America	16,526	16,737
	501,714	380,405
of which intragroup	- 148,404	- 45,634
	353,310	334,771

(15) Other operating income

This account mainly includes revenue unrelated to the accounting period (€9,810,000), relating in particular to the reversal of provisions and income from the payment of written down receivables as well as the pro rata temporis write-down of deferred income (€2,099,000) and the unrealised gains from the financial contribution to fixed assets (€2,147,000).

(16) Event-related expenses

	Consolidated group 2003	2002
Cost of materials and supplies and of goods purchased	13,938	12,293
Cost of services purchased	157,514	150,091
	171,452	162,384

The Cost of services purchased comprises in particular expenses for hall and site rental, hall fitting, maintenance of the exhibition grounds and expenses for public relations work.

(17) Personnel expenses

	Consolidated group 2003	2002
Wages and salaries	56,527	51,951
Social security and costs for pensions and benefits	12,174	10,745
of which in respect of old age pensions	(2,775)	(2,170)
	68,701	62,696
Staff (annual average)		
Heads of division	39	42
Other salaried employees ¹⁾	1,049	1,029
Wage-earning employees	61	2
	1,149	1,073

¹⁾ of whom 99 are in companies included on a pro rata basis

(18) Amortisation and depreciation of intangible assets and tangible assets

Where capital consolidation resulted in goodwill, this was written down on a scheduled basis in conformance with Section 309, Sub-section 1 HGB (Commercial Code) over the term of the relevant contract or over a useful life of 15 years or on a non-scheduled basis at the recoverable amount on the balance sheet date. Amortisation and depreciation include € 1,938,000 pursuant to Section 7, Sub-section 5 EStG (Income Tax Law)

(19) Other operating expenses

Apart from space rentals and office costs, Other operating expenses principally include legal, consulting and auditing costs, expenses for promotional activities and allowances for doubtful accounts.

(20) Net financial income

	Consolidated group 2003	2002
Interest and similar income	3,186	4,364
Interest and similar expenses	3,964	3,021
Expenses arising from		
- Transfer of losses	0	5
- Amortisation of investments classified as current assets	221	0
	4,185	3,026
	-999	1,338

(21) Taxes

	Consolidated group 2003	2002
Taxes on income and revenue	13,055	10,455
Other taxes	3,120	2,984
	16,175	13,439

Additional disclosures**Supervisory Board**

The members of the Supervisory Board are listed on pages 116 and 117.

Emoluments of the executive bodies of the company

In 2003, the members of the Board of Management received total remunerations of € 1.086 m, taking account of all declarable sums. Superannuation benefits of € 499,000 were paid to former managing directors and surviving dependents. Pension provisions and provisions for other payment liabilities up to 31 December 2003 were accumulated for the latter group of persons to a total of € 6,339,000. The members of the Supervisory Board receive no emoluments. The expense allowance paid to them amounted to a total of € 6,000.

Board of Management

Gerhard Gladitsch, businessman, Frankfurt am Main (until 31.03.2004)

Dr Michael Peters, Graduate in Business Studies, Wehrheim

Michael von Zitzewitz, Graduate in Economics, Kronberg,

Frankfurt am Main, 05 April 2004



Michael von Zitzewitz



Dr. Michael Peters

Auditor's report

We have examined the consolidated financial statements drawn up by Messe Frankfurt GmbH, comprising the balance sheet, income statement and notes, and the consolidated management report for the business year from 1 January 2003 until 31 December 2003. The preparation of the consolidated financial statements and the management report in compliance with the provisions set forth under German commercial law is the responsibility of the company's legal representatives. Our responsibility is to express an opinion on the consolidated financial statements and the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with Section 317 HGB (German Commercial Code) and the generally accepted accounting principles for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) (Institute of German Independent Auditors). Those standards require that we plan and perform the audit such that misstatements and irregularities having a material effect on the presentation of the net assets, financial position and results of operations as conveyed by the consolidated financial statements in compliance with generally accepted accounting principles and by the group management report can be detected with reasonable assurance. In determining the audit procedures, the auditor's understanding of the business activity and the economic and legal environment of the group, as well as evaluations of possible misstatements, are taken into account. The audit examines, primarily on a test basis, the effectiveness of the accounting-related internal control system and evidence supporting the amounts and disclosures in the consolidated year-end financial statements and the group management report. The audit includes assessing the annual financial statements of the companies included in the consolidation, the definition of the scope of consolidation, the accounting and consolidation policies applied and material estimates made by the legal representatives, as well as evaluating the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit did not lead to any objections.

In our opinion, the consolidated annual financial statements give a true and fair view of the net assets, financial position and results of group operations in accordance with generally accepted accounting principles. On the whole, the group management report provides an accurate understanding of the group's position and accurately presents the risks of future development.

Frankfurt am Main, 21 May 2004

BDO Deutsche Warentreuhand
Aktiengesellschaft
Auditors

Simon-Heckroth Auditor	Rudolph Auditor
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Supervisory Board of Messe Frankfurt GmbH

Petra Roth, Chairperson

Presiding Mayor of the city of Frankfurt am Main, Frankfurt am Main

Dieter Posch, Vice-chairperson (until 05.04.2003)

Minister for Economics, Transport and State Development for Hesse, Wiesbaden

Dr. Alois Rhiel, Vice-chairperson (from 05.04.2003)

Minister for Economics, Transport and State Development for Hesse, Wiesbaden

Volker Bouffier

Minister of the Interior and Sport for the State of Hesse, Wiesbaden

Josef A. Beckmann

CEO IBENA Textilwerke Beckmann GmbH, Bocholt

Wendelin von Boch

Managing Director of Villeroy & Boch AG, Mettlach

Horst Förster

Director, Messe Frankfurt GmbH, Wiesbaden

Horst Hemzal

City treasurer of the city of Frankfurt am Main, Frankfurt am Main

Thomas Kastl

Director, Messe Frankfurt GmbH, Seligenstadt

Dr. Gerhard Kurtze

Former chairman of the Association of German Booksellers, Hamburg

Sven Kusnik

Electrical energy engineer, Messe Frankfurt GmbH, Frankfurt am Main

Ulrike Lübbring

Project manager, Messe Frankfurt GmbH, Frankfurt am Main

Klaus J. Maack

CEO of ERCO Leuchten GmbH, Lüdenscheid

Fritz Wilhelm Pahl

Graduate engineer, managing partner Bette GmbH & Co. KG, Delbrück

Franz Porstner

Project manager, Messe Frankfurt GmbH, Gründau

Peter Saalmüller

Project manager, Messe Frankfurt GmbH, Idstein

Edwin Schwarz

Member of the city council of the city of Frankfurt am Main, Frankfurt am Main

Lutz Sikorski

Councillor of the city of Frankfurt am Main, Frankfurt am Main

Joachim Vandreike

Mayor of the city of Frankfurt am Main, Frankfurt am Main

Karlheinz Weimar

Minister for Finance for the State of Hesse, Wiesbaden

Jürgen Weis

Graduate designer, director, Messe Frankfurt GmbH, Wiesbaden

Detlef Wittig

Member of brand management Volkswagen executive manager of Volkswagen AG, Wolfsburg



Trade fairs in 2003

January

Hong Kong International Stationery Fair, Hong Kong
07.01.–10.01.2003

Heimtextil, Frankfurt am Main
08.01.–11.01.2003

Heimtextil Sunday, Frankfurt am Main
12.01.2003

Haus Energie Umwelt, Karlsruhe
16.01.–19.01.2003

Construct Light + Building, Abu Dhabi
19.01.–22.01.2003

Materials Handling Middle East, Dubai
20.01.–22.01.2003

Automechanika India, New Delhi
21.01.–24.01.2003

Beautyworld, Frankfurt am Main
25.01.–28.01.2003

Paperworld, Frankfurt am Main
25.01.–29.01.2003

Christmasworld, Frankfurt am Main
25.01.–29.01.2003

Intersec, Dubai
27.01.–29.01.2003

Pacific Home Fashion Fair, Las Vegas
28.01.–29.01.2003

February

Texworld, Paris
11.02.–14.02.2003

Public Design, Düsseldorf
12.02.–14.02.2003

Ambiente, Frankfurt am Main
14.02.–18.02.2003

Fascination, Offenbach
14.02.–18.02.2003

March

The Intimate Apparel Salon, New York
02.03.–04.03.2003

Prolight + Sound, Frankfurt am Main
05.03.–08.03.2003

Musikmesse, Frankfurt am Main
05.03.–09.03.2003

Automechanika China, Beijing
11.03.–14.03.2003

Intertextile Beijing (Spring), Beijing
17.03.–19.03.2003

Interstoff Asia (Spring), Hong Kong
25.03.–27.03.2003

ISH, Frankfurt am Main
25.03.–29.03.2003

April

EMV, Augsburg
01.04.–03.04.2003

International Window Coverings Expo, Baltimore
03.04.–05.04.2003

Handarbeit & Hobby, Cologne
04.04.–06.04.2003

Techtextil-Symposium, Frankfurt am Main
07.04.–10.04.2003

Techtextil, Frankfurt am Main
08.04.–10.04.2003

IMEX, Frankfurt am Main
08.04.–10.04.2003

Fur & Fashion, Frankfurt am Main
10.04.–13.04.2003

Automechanika Istanbul
10.04.–13.04.2003

Petroleum Istanbul
10.04.–13.04.2003

Lightstyle, Frankfurt am Main
26.04.–29.04.2003

Hair & Beauty International, Frankfurt am Main
27.04.–28.04.2003

Art Frankfurt
27.04.–01.05.2003

Marketing Services, Frankfurt am Main
28.04.–30.04.2003

May

SMT/Hybrid/Packaging, Nuremberg
06.05.–08.05.2003

Media-Tech Expo, Las Vegas
13.05.–15.05.2003

The Middle East Toy Fair, Dubai
17.05.–19.05.2003

Automechanika Gulf, Dubai
17.05.–20.05.2003

Housewares & Hometech Middle East, Dubai
17.05.–20.05.2003

Hardware & Tools, Dubai
17.05.–20.05.2003

Achema, Frankfurt am Main
19.05.–24.05.2003

Facility Management, Düsseldorf
20.05.–22.05.2003

PCIM Europe, Nuremberg
20.05.–22.05.2003

Beautyworld Japan, Tokyo
26.05.–28.05.2003

Intima Japan, Tokyo
26.05.–28.05.2003

Korea Railways & Logistics Fair, Busan
28.5.–01.06.2003

June

Beautyworld Middle East/ Gulf Beauty, Dubai
02.06.–04.06.2003

ABF Franchising Expo, São Paulo
04.06.–07.06.2003

CleanRooms Europe, Frankfurt am Main
16.06.–18.06.2003

Interior Lifestyle, Tokyo
17.06.–19.06.2003

• **Ambiente Japan, Tokyo**
17.06.–19.06.2003

• **Heimtextil Japan, Tokyo**
17.06.–19.06.2003

• **Home Design Japan, Tokyo**
17.06.–19.06.2003

**Musikmesse Prolight + Sound,
St. Petersburg**

18.06.–20.06.2003

Parken, Wiesbaden

25.06.–26.06.2003

July

Bed & More, Frankfurt am Main

03.07.–04.07.2003

**PAACE Automechanika Mexico,
Mexico City**

16.07.–18.07.2003

Open Building Automation

System Expo, Tokyo

16.07.–17.07.2003

APS/SC, Tokyo

30.07.–01.08.2003

August

Intima America, New York

03.08.–05.08.2003

Fenavem, São Paulo

04.08.–08.08.2003

Comdex Sucesu, São Paulo

19.08.–22.08.2003

Tendence Lifestyle, Frankfurt am Main

22.08.–26.08.2003

September

Expo Ferretera, Buenos Aires

04.09.–07.09.2003

Fehab, São Paulo

08.09.–13.09.2003

Paperworld Rossija, Moscow

10.09.–13.09.2003

Christmasworld Rossija, Moscow

10.09.–13.09.2003

IAA Pkw, Frankfurt am Main

09.09.–21.09.2003

Texworld, Paris

16.09.–19.09.2003

Heimtextil Rossija, Moscow

23.09.–26.09.2003

Techtextil Rossija, Moscow

23.09.–26.09.2003

EMT, Mexico City

24.09.–27.09.2003

October

ISH North America, Las Vegas

01.10.–03.10.2003

Ambiente Rossija, Moscow

02.10.–05.10.2003

Heimtextil India, New Delhi

04.10.–07.10.2003

**Micro System Technologies,
Munich**

07.10.–08.10.2003

Interstoff Asia (Autumn), Hong Kong

07.10.–09.10.2003

Buchmesse Frankfurt

08.10.–13.10.2003

Intertextile Shanghai (Autumn)

14.10.–16.10.2003

Wireless Technologies, Sindelfingen

15.10.–16.10.2003

Music China, Shanghai

15.10.–18.10.2003

Prolight + Sound Shanghai

15.10.–18.10.2003

Media-Tech Showcase &

Conference, Frankfurt am Main

21.10.–22.10.2003

Dongguan Autumn Fair

23.10.–26.10.2003

Marathon Mall, Frankfurt am Main

24.10.–26.10.2003

CPhI worldwide mit ICSE,

Frankfurt am Main

27.10.–29.10.2003

European Banking & Insurance Fair,

Frankfurt am Main

27.10.–29.10.2003

Conference&Expo, Frankfurt am Main

27.10.–29.10.2003

Auto+Automechanika St. Petersburg

29.10.–02.11.2003

Material Vision, Frankfurt am Main

30.10.–31.10.2003

November

**The Intimate Apparel Salon,
New York**

02.11.–04.11.2003

BIEL Light + Building Buenos Aires

04.11.–08.11.2003

Expo Transporte, Guadalajara

05.11.–07.11.2003

Techtextil South America, São Paulo

11.11.–13.11.2003

IPPEX, Makuhari New City

11.11.–13.11.2003

Micromachine, Tokyo

12.11.–14.11.2003

Automechanika Asia, Kuala Lumpur

12.11.–15.11.2003

**Forum chronische Krankheiten,
Frankfurt am Main**

• **Dialog Diabetes**

14.11.–16.11.2003

• **Allergica**

14.11.–16.11.2003

• **Fokus Herz-Kreislauf**

14.11.–16.11.2003

FI Europe, Frankfurt am Main

18.11.–20.11.2003

ACS, Frankfurt am Main

19.11.–21.11.2003

SPS/IPC/DRIVES, Nuremberg

25.11.–27.11.2003

December

**Canadian Waste & Recycling,
Toronto**

03.12.–04.12.2003

**Canadian Public Works Expo,
Toronto**

03.12.–04.12.2003

EuroMold, Frankfurt am Main

03.12.–06.12.2003

turntec, Frankfurt am Main

03.12.–06.12.2003

Automechanika Africa, Cairo

06.12.–09.12.2003

As at: 28.04.2004

Trade fairs in 2004

January

Hong Kong International Stationery Fair
06.01.–09.01.2004
Heimtextil, Frankfurt am Main
14.01.–17.01.2004
Heimtextil Sunday, Frankfurt am Main
18.01.2004
TrauDich, Frankfurt am Main
24.01.–25.01.2004
Intersec, Dubai
25.01.–27.01.2004
Paperworld, Frankfurt am Main
31.01.–04.02.2004
Christmasworld, Frankfurt am Main
31.01.–04.02.2004

February

EMV, Düsseldorf
10.02.–12.02.2004
Ambiente, Frankfurt am Main
20.02.–24.02.2004
Texworld Spring, Paris
24.02.–27.02.2004
Intima America, New York
29.02.–02.03.2004

March

International Frankfurt Beauty Week
05.03.–08.03.2004
• **Beautyworld**
• **Lifetime**
• **Passione**
• **COSMETICA**
Top Hair Event, Frankfurt am Main
07.03.2004
Ambientar, Buenos Aires
11.03.–14.03.2004
Fur & Fashion, Frankfurt am Main
11.03.–14.03.2004
Tattoo Convention, Frankfurt am Main
12.03.–14.03.2004
Interstoff Asia Spring, Hong Kong
23.03.–25.03.2004

Source It, Hong Kong
23.03.–25.03.2004
Techtextil North America, Atlanta
30.03.–01.04.2004
Intertextile Beijing Spring
31.03.–02.04.2004
Musikmesse, Frankfurt am Main
31.03.–03.04.2004
Prolight + Sound, Frankfurt am Main
31.03.–03.04.2004
CAVIS Congress, Frankfurt am Main
31.03.–02.04.2004
Yarn Expo, Beijing
31.03.–02.04.2004

April

handarbeit & hobby, Cologne
02.04.–04.04.2004
International Window Coverings Expo, Baltimore
15.04.–17.04.2004
Light + Building, Frankfurt am Main
18.04.–22.04.2004
Public Design, Frankfurt am Main
18.04.–22.04.2004
Beautyworld Middle East/Gulf Beauty, Dubai
26.04.–28.04.2004

May

Art Frankfurt
07.05.–10.05.2004
Marketing Services, Hamburg
12.05.–14.05.2004
IMEX, Frankfurt am Main
12.05.–14.05.2004
IFFA/IFFA-Delicat, Frankfurt am Main
15.05.–20.05.2004
Middle East Toy Fair, Dubai
16.05.–18.05.2004
Housewares & Hometech Middle East, Dubai
16.05.–19.05.2004
Hardware & Tools, Dubai
16.05.–19.05.2004

ISH Kitchen & Bathroom Gulf, Dubai
16.05.–19.05.2004
Lightstyle Gulf Light, Dubai
16.05.–19.05.2004
GardenX, Dubai
16.05.–19.05.2004
Windows & Doors, Dubai
16.05.–19.05.2004
Beautyworld Japan, Tokyo
17.05.–19.05.2004
Intima Japan, Tokyo
17.05.–19.05.2004
Seoul International Consumer Goods Fair, Seoul
19.05.–22.05.2004

Automechanika Gulf, Dubai

23.05.–26.05.2004
Media-Tech Expo, Frankfurt am Main
25.05.–27.05.2004
PCIM Europe, Nuremberg
25.05.–27.05.2004

June

Gerontologica, Wiesbaden
02.06.–05.06.2004
Texcare International, Frankfurt am Main
06.06.–10.06.2004
Guangzhou International Lighting Exhibition + Electrical Building Technology China
09.06.–12.06.2004
SMT/Hybrid/Packaging, Nuremberg
15.06.–17.06.2004
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15.06.–17.06.2004
IT-Forum der Sparkasseninformatik, Frankfurt am Main
15.06.–17.06.2004
ABF Franchising Expo, São Paulo
16.06.–19.06.2004
Optatec, Frankfurt am Main
22.06.–25.06.2004

Interior Lifestyle, Tokyo
23.06.–25.06.2004
• **Ambiente Japan, Tokyo**
• **Heimtextil Japan, Tokyo**
• **Home Design Japan, Tokyo**
ITeG, Frankfurt am Main
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July

PAACE Automechanika Mexico, Mexico City
14.07.–16.07.2004
APS/SC, Tokyo
21.07.–23.07.2004

August

Intima America, New York
01.08.–03.08.2004
Ambientar, Buenos Aires
12.08.–15.08.2004
Scantech, São Paulo
15.08.–20.08.2004
Comdex Sucesu-SP, São Paulo
17.08.–21.08.2004
Tendence Lifestyle, Frankfurt am Main
27.08.–31.08.2004

September

Cinte Techtextil China, Shanghai
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Intertextile Shanghai Home Textiles
01.09.–03.09.2004
ISH China, Beijing
14.09.–17.09.2004
Automechanika, Frankfurt am Main
14.09.–19.09.2004
Fehab-Anamaco, São Paulo
21.09.–25.09.2004
Tecno Fidta, Buenos Aires
21.09.–24.09.2004
Texworld Autumn, Paris
21.09.–24.09.2004

Heimtextil Rossija, Moscow
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Christmasworld Rossija, Moscow
22.09.–25.09.2004
Ambiente Rossija, Moscow
22.09.–25.09.2004
Passage Asia, Moscow
22.09.–25.09.2004
EMT, Mexico City
23.09.–25.09.2004
Licensing Forum, Munich
23.09.–24.09.2004

October

Wireless Technologies, Sindelfingen
05.10.–06.10.2004
Frankfurter Buchmesse
06.10.–10.10.2004
Interstoff Asia Autumn, Hong Kong
06.10.–08.10.2004
Heimtextil India, New Delhi
10.10.–13.10.2004
ISH North America, Boston
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ACS, Frankfurt am Main
20.10.–22.10.2004
Music China, Shanghai
20.10.–23.10.2004
Prolight + Sound Shanghai
20.10.–23.10.2004
PRO SIGN, Frankfurt am Main
21.10.–23.10.2004
LinuxWorld Conference & Expo 2004, Frankfurt am Main
26.10.–28.10.2004
European Banking & Insurance Fair, Frankfurt am Main
26.10.–28.10.2004
Intertextile Shanghai
Apparel Fabrics and Accessories
26.10.–29.10.2004
Auto + Automechanika, St. Petersburg
27.10.–31.10.2004

November

Automechanika Argentina, Buenos Aires
17.11.–20.11.2004
Expo Transporte, Guadalajara
17.11.–19.11.2004
SPS/IPC/Drives, Nuremberg
23.11.–25.11.2004

December

Auto South China, Guangzhou
02.12.–04.12.2004
turntec, Frankfurt am Main
01.12.–04.12.2004
EuroMold, Frankfurt am Main
01.12.–04.12.2004
Automechanika Shanghai
02.12.–04.12.2004
export 21, Frankfurt am Main
07.12.–08.12.2004

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