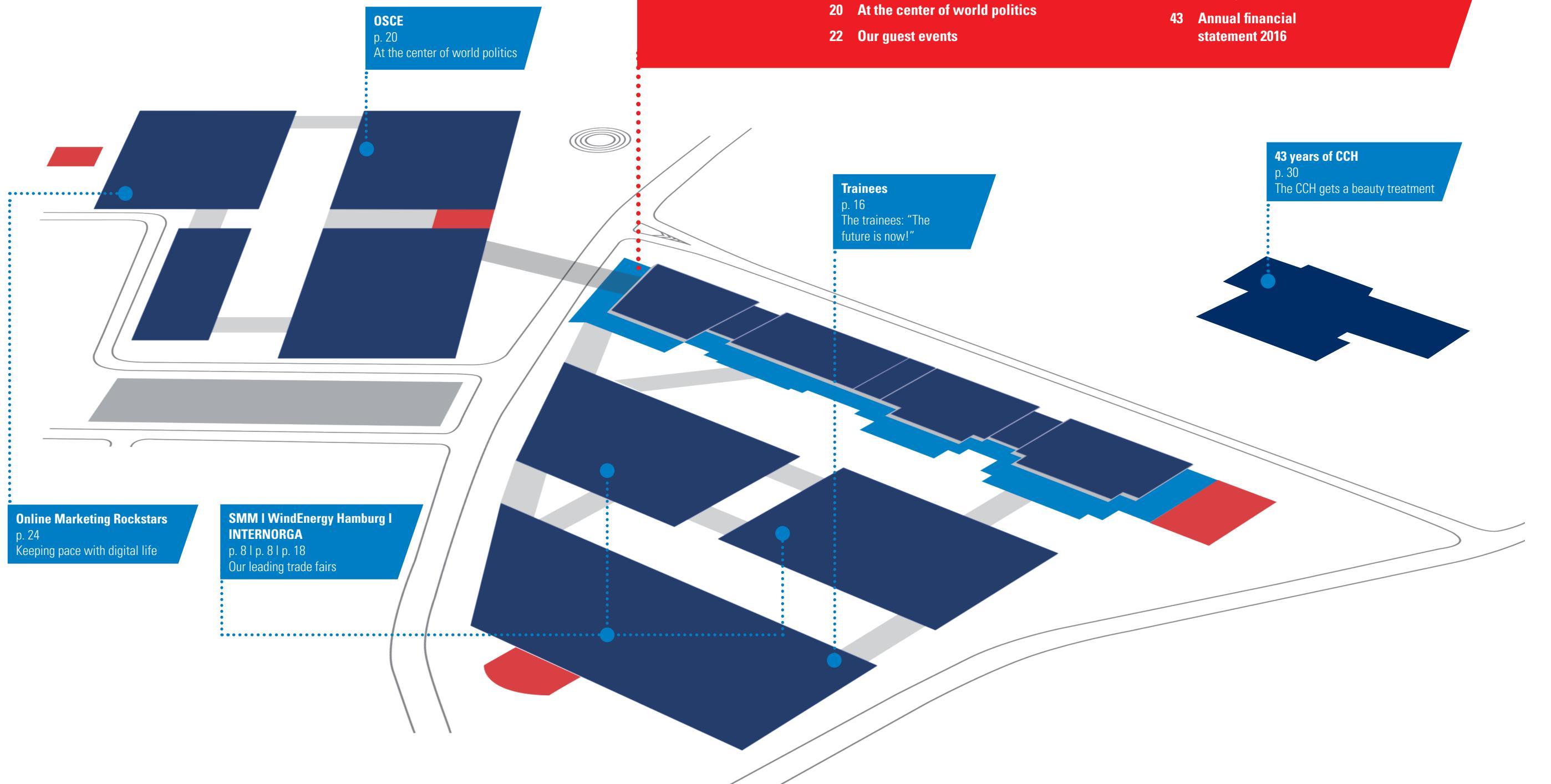




**Discover.
Experience.
Understand.**

The Table of Contents is here ➔

Table of Contents



Discover.
Experience.
Understand.

Hamburg Messe und Congress GmbH in figures

	2016	2015	2014	2013	2012
Financial figures (in millions of euros)					
Turnover	110.9	62.0	99.8	55.2	94.4
Balance sheet total	117.2	114.8	116.5	113.5	117.8
Staff					
Number of employees (full-time / FT)	262	257	250	244	242
Number of trainees (average)	20	21	20	20	20
Hamburg Messe					
Sum total of trade fair exhibitors	15,277	9,751	14,138	9,907	12,547
of which own events	8,217	3,317	8,372	3,626	6,901
of which guest events	7,060	6,434	5,766	6,281	5,646
Sum total of trade fair visitors	766,314	568,142	831,388	789,697	742,469
of which own events	443,548	253,381	518,629	339,697	473,047
of which guest events	322,766	314,761	312,759	450,000	269,422
Sum total gross area used (excl. outside exhibition area) in m²	1,041,409	816,322	982,829	815,998	850,265
Number of trade fairs and exhibitions	44+1*	42+1*	41+1*	43+1*	36+1*
of which own events	10+1*	6+1*	11+1*	6+1*	10+1*
of which guest events	34	36	30	37	26
Abroad					
Number of trade fairs and exhibitions	14	26	13	17	20
of which joint events	14	25	13	17	18
Sum total of exhibitors	404	1,150	594	640	589
of which joint events	404	788	594	640	589
CCH – Congress Center Hamburg					
Sum total of events	226	224	247	241	245
of which congresses and conferences	130	120	141	128	156
of which other events	96	104	106	113	89
Sum total of participants	292,763	326,307	390,101	353,580	332,392
of which congresses and conferences	150,041	161,720	213,588	196,010	192,156
of which other events	142,722	164,587	176,513	157,570	140,236

Discover. Experience. Understand.

This three-part title not only describes the typical succession people undergo at a trade fair or convention, it is also the guideline for what is awaiting you in the 2016 Annual Report of Hamburg Messe und Congress GmbH (HMC). We would like to lead you through this report as if you were visiting a trade fair or attending a convention, helping you to first discover the event, then to experience it, and finally to better understand the theme or subject. Discover our exciting company in the first section, experience the wide variety of our activities in the second, and understand in the end how all this is converted into figures.

Hamburg Messe und Congress GmbH hopes you enjoy reading our report.

Discover.

Highlights of the business year

2016

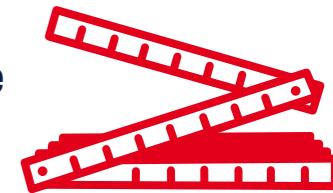


110.9 million euros

mark the highest amount of revenue in the history of Hamburg Messe und Congress GmbH. The company continues to revel in its more than ten-year success streak. Since 2006, it has been possible to achieve an average annual growth of six percent.

1,041,409 m²

of booked floor space



make for a new company record. For the first time in history, the one million mark was surpassed. The available hall space of around 87,000 square meters was turned over twelve times in the course of the year. A top result!

43 years of CCH



15,277 exhibitors

presented their products on the Hamburg fairgrounds in 2016, a record high. Nearly one-third of these exhibitors came to the three major, leading HMC trade fairs, the SMM, the WindEnergy Hamburg, and the INTERNORGA. Compared to the reference year, the number of exhibitors rose by more than 1,100.

45 events

held by Hamburg Messe gave the company some record figures and the best economic year in its history. The OSCE Ministerial Council and the Online Marketing Rockstars are sure to be counted among the most unusual in caliber.

Congress Center Hamburg: After four decades, during which it hosted more than 16,000 events and more than 17 million guests, the keys were handed over to the Free and Hanseatic City of Hamburg in late 2016. Now Germany's oldest convention center is being converted into a modern, competitive building for 194 million euros.

Introduction

The Hamburg Messe und Congress GmbH is once again looking back on the most successful year in its history. This is a statement you have been reading here about us in this or a similar form for years. Please forgive us for intending to greet you in this way in the future. However, what may come across as a kind of tongue-in-cheek witticism is actually the result of hard work and a deliberately implemented growth strategy. We would, therefore, like to thank our employees, in particular, for their tireless efforts. We would also like our exhibitors, visitors, and business partners to accept our thanks for their loyalty and trusting cooperation.

We had the great good fortune to enjoy a superb year in 2016. It was exciting, intense and full of variety. For the first time, we were able to book more than one million square meters (gross) in a single year. Revenues noticeably surpassed the 100-million-euro mark. And, we were able to welcome more than 15,000 exhibitors to the fairgrounds – outdoing our former best business year by more than 1,100.

The most important pillars of success were our own events, first and foremost our leading trade fairs, the SMM, the WindEnergy Hamburg, and the INTERNORGA, which we were able to expand and which between them drew one-third of all exhibitors to our Hanseatic city.

Young and dynamic is how our oldest trade fair, the INTERNORGA showed itself for its 90th anniversary in the year under review. With its constant innovations, it is the European trendsetter in the out-of-home dining sector, where much of which we take for granted today was presented to a wider public for the first time.

A leading international trade fair is what the SMM, the trade fair for the maritime industry, proved to be once again. We were able to welcome more than 2,200 exhibitors – two-thirds from abroad. In addition, we chalked up new records for the second WindEnergy Hamburg: 1,400 exhibitors filled the halls, 44 percent of them from abroad. Hamburg became the ultimate wind capital thanks to the WindEurope summit being held at the same time in our Hanseatic city.

The CCH will also be modernized – Congress Center Hamburg, the convention center with the richest tradition in all of Europe. After 43 successful years, we handed the keys of the



BERND AUFDERHEIDE,

has been CEO of Hamburg Messe und Congress GmbH since 2004. He was appointed President in 2007.

building to the Hamburg Ministry of Economic Affairs and Employment, which immediately began the revitalization of the center. By 2019, there will be a building at the old location that will meet the very highest standards in terms of space and technology, and is thus sure to be a sought-after venue for international conventions.

Constant changes and unprecedented, new situations demand the highest level of creativity, flexibility, and problem-solving competence from our highly motivated team over and over again. Like the OSCE Ministerial Council in 2016, which we are convinced was in many ways a great gain for Hamburg and Germany. We are proud to be allowed to welcome the heads of state of the major industrial and emerging countries to the G20 Summit only seven months later – in the summer of 2017. It is a great distinction that two such significant events are being held at the Hamburg fairgrounds in such close succession.

Likewise in the summer of 2017, the EXPO 2017 is opening its doors in Astana, Kazakhstan. HMC employees are looking after the German Pavilion there for the third time at a world's exhibition. This year's theme is "Energy of the Future: Meeting humanity's greatest challenge".

However, the backbone of HMC and the basis of our commercial success has for many years been the growth of our own events mentioned above. Furthermore, we also expect guest events to grow substantially, since more and more large organizers are getting enthused about Hamburg Messe. The appeal of the city, our services, the flexible infrastructure, very easy accessibility, and the extraordinary location in the heart of the metropolis are what make these exhibition halls so coveted. Not only are major trade fairs held here, but also the new digital format Online Marketing Rockstars or the GOLDEN CAMERA gala.

To stay competitive in the contest for such attractive events, we have to act preemptively. To stay fit for the future, we are now making digitalization a central part of the strategic orientation of Hamburg Messe und Congress. This includes digital concepts that enhance traditional



DR. ULLA KOPP,

has been a member of the Management Board of Hamburg Messe und Congress

exhibition formats. We are taking advantage of the opportunities offered by new technologies to create more value added for our customers. Focusing on the latest digital opportunities will serve to advance our work for many years to come.

This can be seen, for instance, in our annual reports: this 2016 report is the last printed report you will ever hold in your hands. Starting in 2017, we will be providing you with information on the business year in digital form only.

We thank you for your interest in HMC.

Sincerely,
Bernd Aufderheide Dr. Ulla Kopp



SMM

— **SMM** Optimism despite rough seas: the 27th edition of the world's leading maritime trade fair once again gave wings to the industry in September. Digitalization was the general theme. The more than 2,200 exhibitors and 50,000 visitors were thrilled.
smm-hamburg.com

— **GET Nord** Everything under one roof: the fifth edition of the GET Nord scored points in every respect. For three days last November, the only joint trade fair for electrical engineering, sanitary installations, heating, and air conditioning in the North presented the whole range of building engineering.
get-nord.de



WindEnergy Hamburg

— **WindEnergy Hamburg** 35,000 visitors, 1,400 exhibitors: the world's leading trade fair for the wind industry has strengthened its position as a top business platform. This industry meeting offered an ideal atmosphere for further developing the onshore and offshore sector. At the same time, the first WindEurope summit conference was also being held in Hamburg.
windenergyhamburg.com

Our own events

Welcome to Hamburg!

From anchors to glittering gems, and from green tea to 3D printers, wind turbines, yachts, and bridles for our four-legged friends: Hamburg Messe und Congress offers a broad spectrum of new products, services, and technologies for the general public as well as for professionals at its events.



HansePferd Hamburg

— **HansePferd** Remarkable increase in visitors: more than 53,000 people came to North Germany's most important trade fair for equestrian sports. They gave it ratings to dream about, thanks to the comprehensive program with so many forums, lectures, and demonstrations, not to forget the gala "Dreams" show.
hansepferd.de



— **COTECA** Anything but stale coffee: the new collaboration between the COTECA Coffee, Tea and Cocoa Global Industry Expo and the Kaffee Campus of the German Coffee Roaster's Guild was a smashing success. Along with the new products, the supporting program was also very well received.
coteca-hamburg.com



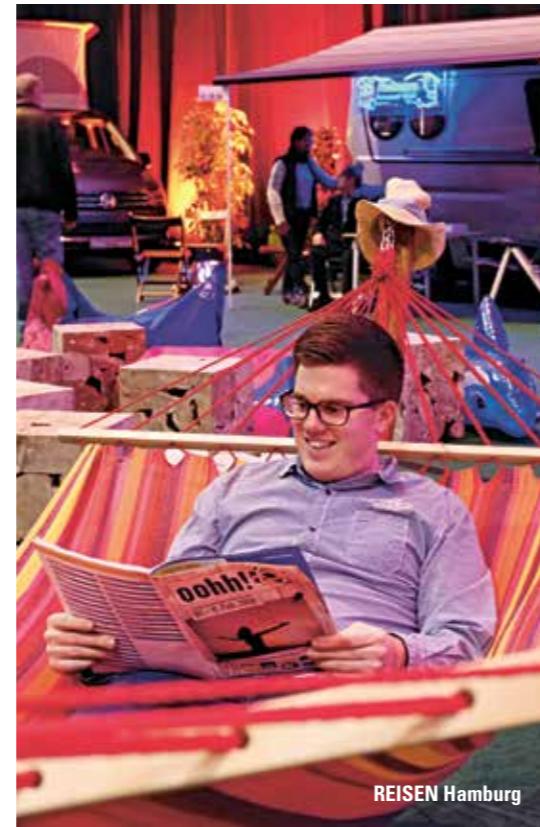
— **hanseboot** Water festival: boats and yachts, all sorts of equipment and accessories, fun and action, as well as new opening hours were all on offer at the 57th edition of the hanseboot. One special attraction was viewing the boats at Sandtorhafen in front of the historic Speicherstadt warehouse district and the Elbphilharmonie Concert Hall. hanseboot.de

— **NORTEC** High tech: Now counting 450 companies, the NORTEC had more exhibitors than ever – a sign of the strength of North Germany as a location for industry. On display were pioneering technologies and solutions related to Industry 4.0. nortec-hamburg.de



NORTEC

— **REISEN Hamburg** Dreaming of traveling: for five days, around 900 exhibitors presented their new ideas for the coming season in ten halls. The main theme of "Alpine Dreams" sent spirits soaring to high peaks, and the caravanning section was expanded. reisenhamburg.de



REISEN Hamburg

In 2018, the "oohh! Die FreizeitWelten der Hamburg Messe" will be held for the first time. This new umbrella brand will bring together the REISEN HAMBURG, which will focus exclusively on tourism in the future, and the RAD HAMBURG, the CARAVANING HAMBURG, and the KREUZFAHRTWELT HAMBURG. oohh-freizeitwelten.de



hanseboot ancora boat show

— **hanseboot ancora boat show** Sun, water, wind, and waves: the conditions couldn't have been better for the seventh in-water boat show in Neustadt. The center of attention, of course, was the 150 boats and yachts in the ancora Marina. hanseboot-ancora.de



— **Mineralien Hamburg** The magic of stones: this trade fair featured rare minerals, fascinating gemstones, jewelry, and fossils to be admired and purchased. The special shows also dazzled and invited visitors to a "Rendezvous" – for instance, with the prehistoric past. mineralien-hamburg.de



Seatrade Europe

— **Seatrade Europe** Cast off: the "who's who" of the booming cruise industry meets regularly at this leading European trade fair and at the symposium held simultaneously. The trade fair is held at regular two-year intervals, the next being September 2017. seatrade-europe.com



— **Routine is rare.** Detlef Müller has been working for HMC for thirteen years.

Portrait

Detlef Müller: the contact partner to keep everything safe, clean, and orderly

Sometimes he is a "director", sometimes a "firefighter", but for exhibitors and organizers, he's always the person to contact on site: Detlef Müller, Deputy Head of the Engineering, Trade Fair, and Exhibitions Department (T-MA) has a multifaceted job. In the thirteen years that he has been working for Hamburg Messe und Congress, he has experienced all sorts of situations and covered a good few miles around the fairgrounds – whether in his function as hall manager or afterwards as group leader. "Every event always poses new challenges to our team and our very reliable external service providers," says Detlef Müller. Among other things, his duties include planning, implementation, and review of medical services and security force concepts. Weighing up the changes, the

48-year-old says, "The topic of security has become ever more important in recent years. Today, we hire a much larger security force than we did thirteen years ago, and we go on far more patrols in the context of events."

The OSCE Ministerial Council in 2016 required more than usual to be coordinated with the Hamburg Ministry of the Interior, he says. Inspections at the event were so strict that he even had to show ID to get into his own office and the halls. However, Detlef Müller is happy to report that "in the end, everything went smoothly."

The two lightweight halls for the SMM were also built without a hitch. "We have a strong team whose

members come from a variety of different trades. This team is the customers' guarantee that they will be well cared for on the fairgrounds. We help whenever necessary. For instance, when escape and emergency routes have to be laid out in conformance with venue regulations, or when beams and exhibition booths have to be professionally installed," explains Müller, who is responsible for the inspection of all eleven halls at the Hamburg fairgrounds.

In addition, his purview also includes keeping the halls clean. This was especially important when more than a thousand refugees were given accommodations in Hall B6 for two months in 2015 – a huge task! "We had only two days' time to set up the reception shelter and prepare a security service concept," the former metalworker remembers. During this period, which was not only very busy but also very emotional for him, he was available around the clock and always open to the concerns and needs of the helpers, asylum seekers, and employees – whether as comforter or as

director of the many offers of help pouring in for the people. "This was a very intense and instructive experience," Müller says.

Detlef Müller finds not only his job exciting, but also the many different events at the fairgrounds, which he long ago came know like the back of his hand. The hanseboot, the INTERNORGA, and the SMM are among this Hamburg native's favorites. What is more, he is a big fan of the HSV sports club. He has hardly missed a single game of his beloved team at the Volksparkstadion since 1977. Although he did need some comforting now and then! To offset the excitement of soccer and his work, Detlef Müller likes to go fishing in his free time. Or he and his family will drive their camper van to Europe's North – where there is a bit less hustle and bustle.

"Every event always poses new challenges to our team and our external service providers."

— **Not staged:** When it is time to start setting up an exhibition, the forklifts show up in droves.



Experience.



The trainees: “The future is now!”



TOBIAS ROESENBERGER (21)
IS BECOMING AN EVENT ENGINEERING SPECIALIST.

He started his dual training in August 2016. This trainee loves everything involving technology. It is no surprise that he likes to spend his free time tinkering with his old Yamaha XT 600.

Young people looking for training are keen on Hamburg Messe und Congress GmbH: Jarka Luther and Tobias Roesenberger are two trainees currently learning the ropes at HMC.

In their careers, Jarka Luther and Tobias Roesenberger are setting their sights high. They are laying the best foundation for this with their training. Jarka Luther took a roundabout path before finding her way to HMC. After finishing school, she first worked as a show jumper. Then this native of Plön joined the German Federal Voluntary Service and started college. However, she was lacking in practical experience, so she changed her

course. Now she is training to be a management assistant in event organization at HMC. “I get to learn about several interesting and different areas of work here, like exhibitor service, marketing, or technology,” she raves. At the HansePferd, where she was able to combine her hobby with her career, she learned how many details have to be considered to plan and hold an exhibition. “Not only the exhibitors but also the horses felt comfortable with us,” Jarka reflects. Another challenge was being able to organize the “Recruiting Day” for the WindEnergy, where companies presented themselves as attractive employers. “I was able to work quite independently. This taught me a lot.” She also liked marketing, where she had the opportunity to help work on an image film about the WindEnergy. She says that was exciting – especially the studio work.

For his training, Tobias Roesenberger also moved to Hamburg. He grew up in Laboe and got his high school diploma in Kiel. “I was already taking care of the technical equipment at school events, so I caught the technology bug at an early age,” Tobias tells us. Event engineering specialists are responsible for developing the technical concepts of events. They plan and supervise technical processes, and set up and configure the systems – such as lighting and sound systems. Moreover, they operate the control panels and mixer consoles. At HMC, they also organize the construction and “demolition” of special areas. “You’ll never hear us say something can’t be done.” Tobias Roesenberger worked in the CCH for the first few months of his training. There he carried out technical work assignments for Project Management. He says some of the events there were really “cool” – especially the Chaos Computer Club conference. He also thought the Beiersdorf general meeting, which was held on the fairgrounds for the first time, was exceptional, and it was a great success thanks to the latest technology.

In order to get an idea of the bigger picture, Tobias worked as an intern for an HMC service provider. There he was able to familiarize himself with the installation of ceiling suspensions in the exhibition halls, working at heights of up to eighteen meters on the platform. “It’s better not to be scared of heights for this line of work,” says Tobias, who is already well versed in inspecting trade fair stands, where safety is given top priority.

JARKA LUTHER (23)
IS IN HER THIRD YEAR OF DUAL TRAINING AS A MANAGEMENT ASSISTANT IN EVENT ORGANIZATION.

Having chosen Hamburg as her new home town, this fan of equestrianism will finish her training in early 2018.

No effort was spared by Tobias, Jarka, and the other trainees when it came to independently planning the HMC presence at the Einstieg training fair. Of course, they were on hand to answer the many questions visitors asked them. Jarka says, “I hope our enthusiasm was contagious. Organizing large trade fairs and events really is something special.”



— **HMC frequently wins awards as an employer.** Among others, the “Hamburgs beste Ausbildungsbetriebe” (“Hamburg’s best training companies”) award.



FOREVER YOUNG: THE 90th INTERNORGA

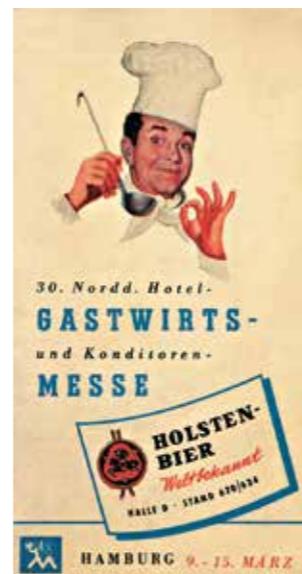
For many years, the INTERNORGA has stood for innovative power, excellent business opportunities, pioneering trends, and sharing specialist knowledge.



Albert Lubisch had the trailblazing idea: in 1921 the editor of the hospitality magazine "Deutsche Gastwirtschaft" organized the "northwest German spring fair for all the needs of hotels, restaurants, cafés, and commercial kitchens" in the Ernst Merck Hall at the Zoological Garden of Hamburg. Many technical and culinary innovations were exhibited for the first time at this trade fair. The event was entirely to the taste of the clientele. In fact, the resonance was so great that the fair was followed by another, even more successful, event just a few months later.

After the war, in 1950, Lubisch again took up the tradition of the 1920s with the "Barkeepers', Hoteliers', and Confectioners' Show" in Planten un Blomen in his function as Director of the "Exhibition Park of the Free and Hanseatic City of Hamburg". Today's INTERNORGA is a direct successor to the gastronomy fair established by Lubisch. For decades, it has constantly been setting new standards in the out-of-home dining market, as well as being a talent pool and hotbed of trends presenting innovations, product premieres, and pioneers in the world of gastronomy. So the trade fair for the hotel, restaurant, baking, and confectionery trades became a popular, must-go meeting place for the industry.

As fresh as ever, the INTERNORGA celebrated its 90th anniversary – and once again surpassed itself with its keen sense of current topics and tomorrow's developments. The extraordinary new formats at the INTERNORGA



— INTERNORGA 2016 Next Chef Award, winner of the third challenge: Julius Josef Reisch (left) and Kevin Romes (right) with celebrity chef Johann Lafer.



demonstrated its accustomed pioneering spirit from March 11 to 16, 2016, and what is more, encouraged the promotion of young talent. For instance, the "Gastro Startup" competition, moderated by Tim Mälzer, which the INTERNORGA organized together with the Leaders Club Concepts GmbH, whet the appetite for more. Here everything revolved around gastronomy in the world of the future and the success stories of the industry's gifted visionaries. The "Next Chef Award" cooking competition initiated in collaboration with Johann Lafer, where up-and-coming young chefs could compete live at the fair, was also convincing right down the line. The celebrity chef went home having realized that many talented young chefs belong to the "crème de la crème" in Germany, Austria, and Switzerland.

A total of 1,300 exhibitors from 25 nations were present at the anniversary edition of the INTERNORGA. Trade visitors numbering 95,000 came from Germany and other countries. Their internationality was still at a high level of seven percent, so there's good reason for the Association of the German Trade Fair Industry (AUMA) to classify the INTERNORGA as the only international trade show for the HORECA sector in Germany.

Aiming to please palates from around the world, Food Truck Village sent out invitations to everybody. Following the successful premiere in 2015, visitors this time were enticed by organic burgers, vegan food, and premium hot dogs. An important international stage for sharing ideas has always been the INTERNORGA convention program. Consequently, the food service forum was on everyone's lips. Europe's biggest convention for professional gastronomy was "dished up" for the 35th time in 2016 and its 2,300 visitors set a new record.

The best interdisciplinary speakers on topics of major concern to the industry met at the German catering congress. And, at the school catering forum, such prominent guests as Christian Schmidt, German Federal Minister of Food and Agriculture, and television chef Sarah Wiener discussed the ideal school cafeteria of the future.



At the center of world politics



— December 9, 2016:
German Foreign Minister Frank-Walter Steinmeier (right) thanks CEO Bernd Aufderheide for the good work done by the HMC employees. Since March 19, 2017, Steinmeier has been the twelfth President of the Federal Republic of Germany.

The OSCE Ministerial Council in December 2016 and the G20 Summit in July 2017 are putting Hamburg at the focal point of world attention. And, at the center of all this: Hamburg Messe.

Former German Foreign Minister Frank-Walter Steinmeier brought the two-day Ministerial Council in the exhibition halls to an end on December 9, 2016 by thanking the residents of Hamburg for their hospitality, saying that Hamburg stands for cosmopolitanism, tolerance, and diversity. Before the gathering, he made his hopes clear, saying, "May the spirit of this city inspire the deliberations", speaking in the name of all fifty foreign ministers at the end, said, "We all felt very comfortable here."

Around 13,200 police from all over Germany were on hand to attend to security and keep things running smoothly. At the venue itself, HMC employees were joined by many others involved in ensuring that the conference rooms were perfectly prepped and that there were no technical glitches.

Before the conference began, more than a few people had expressed worries that it would bring traffic to a standstill and endanger the citizenry. After all, the venue differed from many others in that it was located in the very center of town.

When all was over, however, Hamburg's First Mayor Olaf Scholz was more than satisfied with the outcome. Hamburg, he stated, had once again proved itself to be an ideal host city for large-scale events. Hamburg, he said, was an open-minded, cosmopolitan city and obliged by its constitution to keep the peace. He considered it quite fitting that the foreign ministers had been here to talk about security



and cooperation in Europe. "This is the kind of thing we need in these times – and it's good that it took place here," the mayor said.

In a similar vein, the G20 Summit of the major advanced and emerging economies is being held in Hamburg on July 7 and 8, 2017. Once more, the exhibition halls are the chosen venue.



— Concrete walls, concrete floor: it is hard to imagine that the plenary assembly room for the OSCE council (left) was built in a mundane exhibition hall. Top: the personal thanks of former German Foreign Minister Frank-Walter Steinmeier.



Our guest events

Action, glamour, records and an anniversary

Trade fairs, public exhibitions, corporate events, conventions, sports, and a huge gala: the HMC fairgrounds hosted 34 guest events in 2016.

The guest events not only made a substantial contribution to the success of HMC in the year under review, but also brought glamour to the Hanseatic city, such as the 51st GOLDEN CAMERA awards, which afforded plenty of thrills with the 1,200 guests from the German and

international film, television, and music industries. Nor was there any lack of sports and action: around 26,000 runners ran along one of the world's most beautiful marathon courses with an enormous number of spectators enthusiastically applauding them in Hamburg's Haspa Marathon. At the very beginning of the year, bikers were already being encouraged to step on the gas at the biggest motorcycle trade fair in the North, the Hamburg Motorrad Tage. Messe Frankfurt's two Nordstil order fairs, the first Online Marketing Rockstars Festival, the

Arbeitsschutz Aktuell safety and health conference and trade fair, and the INTERGEO Conference and Trade Fair for Geodesy, GeoInformation, and Land Management were also outstanding.

The Aircraft Interiors Expo was able to chalk up a new record in numbers of visitors and exhibitors. Here everything revolved around aircraft cabins. As this leading international exhibition was being held, the World Travel Catering and Onboard Services Expo was also attracting large numbers of trade visitors to the centrally located fairgrounds. At the end of the year, the HOLY SHIT SHOPPING celebrated its tenth anniversary. The 7,000 square meters of floor space in Exhibition Hall B1 provided the perfect setting for the lifestyle products of the creative scene.

The HMC team was also very creative, preparing and supervising the events in close cooperation with the guest organizers on site. Twice, in fact, there were four events running at the same time. This once again proved that the Hamburg fairgrounds have all you need to set up and take down parallel exhibitions and to grant access to tens of thousands of visitors through different entrances and exits without any problems – even a red carpet event!



British actor Gerard Butler at the 51st GOLDEN CAMERA

In touch with digital life

Online Marketing Rockstars



The Online Marketing Rockstars Festival (OMR) enabled Philipp Westermeyer and his two partners to attract nearly 17,000 marketers in 2016 and created a trendsetting new trade fair and convention format besides. The term "rockstar" could be understood literally in this case, since the afternoon of the second day saw Jan Delay and Udo Lindenberg on stage. An interview with the man at the head of the OMR.



— Cool duo: Udo Lindenberg with OMR maker Philipp Westermeyer



Mr. Westermeyer: Online marketing? How do you tell your grandma what you do?

The events speak for themselves. The topic itself is more difficult to explain. But she has heard of the "Internet". The bottom line is, we are trying to put some transparency into the world of digital marketing.

Where did the idea for the OMR come from?

I had been holding seminars on the topic of "online", including how to be found on Google. The participants eventually started asking me more frequently when we would see one another again. There were 200 people attending the first meeting in 2011. This turned into a conference. It needed a name. "Online Marketing Rockstars" was just an idea. We first held a trade fair in 2015, and combined the trade fair with the conference in the exhibition halls one year later.

We are talking about online marketing – why don't you just hold OMR on the Web?

I think there is a huge need for real life. I go to the Karl May Festival in Bad Segeberg every year. And, every year they have a new visitor record. In 2005, everyone would have said this festival would soon be defunct. Now we have people who met at OMR bringing their babies. That is something you really cannot do on the Web.

Does OMR turn Hamburg into a world-scale digital metropolis, or do you only grow here and then go on to one of the other big cities?

We have the feeling that we are getting strong

encouragement from the city. The highest levels give us a feeling of importance. This is certainly a requirement for creating something big. After all, the World Economic Forum in Davos also took years to grow to its present dimensions. We are doing something special here. So, we've booked the exhibition halls until 2019 for a start.

Then it will not be much longer before you have Mark Zuckerberg, Larry Page, or Tim Cook on your and our stage?

It is not inconceivable. If we do a good job, it will be a long, successful journey, and we will be glad of any support we can get.

What questions would you ask yourself?

Why does someone do this sort of thing? Answer: it is totally cool to do business without any competition. We are doing something that is truly new.

"The bottom line is, we are trying to put some transparency into the world of digital marketing."

Understand.

Hamburg, the place for exhibitions Medium sized and very special

With its 87,000 square meters of hall space, the Hamburg Messe is solidly in the middle as regards size compared to other German fairgrounds. Nonetheless, it is something very special.

The grounds with their eleven halls are more centrally located than any other fairgrounds in Europe. Situated in the heart of the metropolis of Hamburg, three subway and suburban train stations, as well as an ICE station, make them optimally accessible. International guests can take a taxi from the airport and be at one of the four entrances in a matter of only twenty minutes. In addition, thirty of the many hotels in this Hanseatic city are located within a kilometer of the fairgrounds.

30

**hotels are located
within one kilometer**

But that isn't all: the most beautiful park in the city stretches between the CCH – Congress Center Hamburg and the Hamburg Messe. Therefore, rest and recreation amidst the green leaves and grassy lawns are only a few steps away for trade fair visitors and convention attendees. Nevertheless, there are also plenty of other attractions and sights to

see, such as the port district, the Alster river, nightlife on the Reeperbahn, the Elphilharmonie concert hall, St. Michael's church ("Michel"), the quaint warehouses of the Speicherstadt, shopping districts in the city center, and more than a few trendy hotspots are within easy walking distance.

So visiting the Hamburg Messe also means taking a trip through one of Europe's most beautiful cities. Guests have more than 330 hotels with a good 54,000 beds to choose from, and these are all inside the city limits. The year 2016 saw around thirteen million overnight stays, more than five percent of which, or 660,000, were accounted for by visitors to the Hamburg Fairgrounds and the CCH – Congress Center Hamburg.

660,000

**times, visitors to trade fairs and
conventions stayed overnight in
the Hanseatic city in 2016.**

4

**entrances
make the
fairgrounds
flexible and
especially
easy to reach.**



Interview

Edgar Hirt: designer and good host

Hardly anyone knows their way around the convention industry like Edgar Hirt. A business administration graduate, he has been controlling the fate of the CCH – Congress Center Hamburg since 2007. Before that, he was the head of the ICM – International Congress Center in Munich for over a decade and entrusted with expanding the convention center in Baden-Baden.

Mr. Hirt, you moved from Munich to Hamburg ten years ago. Do you think that was a good decision?

Absolutely! Even though I was not very familiar with Hamburg at the time. I didn't hesitate for very long, however, thanks to the good reputation of the CCH – what is more, there was an exciting task awaiting me here. Following the expansion of the fairgrounds and the CCH between 2005 and 2007, it was time to get down to revitalizing the building. Being an impatient person, I was really put to the test. The development of a room and function program was a great, exciting challenge. This also holds for the three-stage "CCH – history designs future" communication campaign that started in January 2015 and pays into the CCH brand. And, both of these activities were going on at the same time as events were being held. Around 250 events per year is no small matter! But, I had an amazing team to rely on.

What events particularly stick in your memory?

There are too many to count, actually. However, I was particularly impressed by meeting the Dalai Lama when he came to the CCH in 2014. The German Protestant Kirchentag (Church convention) in 2013 was grand, as was the Lions Club Convention with 25,000 guests that same year. The annual conventions of the Chaos Computer Club were a real hit. I am genuinely proud to be a co-creator here in Hamburg, to get things going and be a host.

How do you feel being an outspoken Bavarian here in Hamburg?

I love the city's maritime touch, and the fresh breeze off the North Sea. But actually, I'm a big fan of



"Trust and credibility grow when people meet in person."

to keep the MICE industry down (*MICE = Meetings Incentives Conventions Events*). People still want to get together and share their ideas. Trust and credibility grow where people meet in person. However, digitalization has a firm hold on all of us. In this respect, we are noticing a certain nervousness among event organizers. Some of them are wondering how much digital technology has to be put to use. Or whether technology is not in some cases becoming an end in itself and pushing content, which should be the focus of attention, into the background. We can expect exciting times in this regard.

Where is the MICE sector heading?

The Fraunhofer Institute, along with the German Convention Bureau (GCB), of which we are a founding member, has defined eight megatrends: globalization and internationalization, resource depletion, urbanization, demographic change, sustainability, security, mobility, and the growing dependence on technology. These trends are also affecting our industry. Events and conventions are becoming ever more international, good accessibility and a secure, vibrant and urban environment are becoming increasingly important. What is more, organizers can no longer avoid making use of local catering, for instance, along with reusable dishes.

What are your hopes for the new CCH?

A creative, tasteful opening ceremony in August 2019, preferably with enough lead-time to test all systems. It is going to be a magnificent building, with 36,000 square meters of floor space to use, and up to fifty halls: inviting, radiant, flooded with light, multifunctional – a meeting place for science and research, for cultural and social events. The CCH will be an ideal gathering place for sophisticated customers with high expectations. We already have around 150 reservations. I am convinced that customers will not be disappointed. Everybody involved is doing their very best to ensure this.

3,387,058

Besucher hat das CCH in den vergangenen zehn Jahren gehabt.

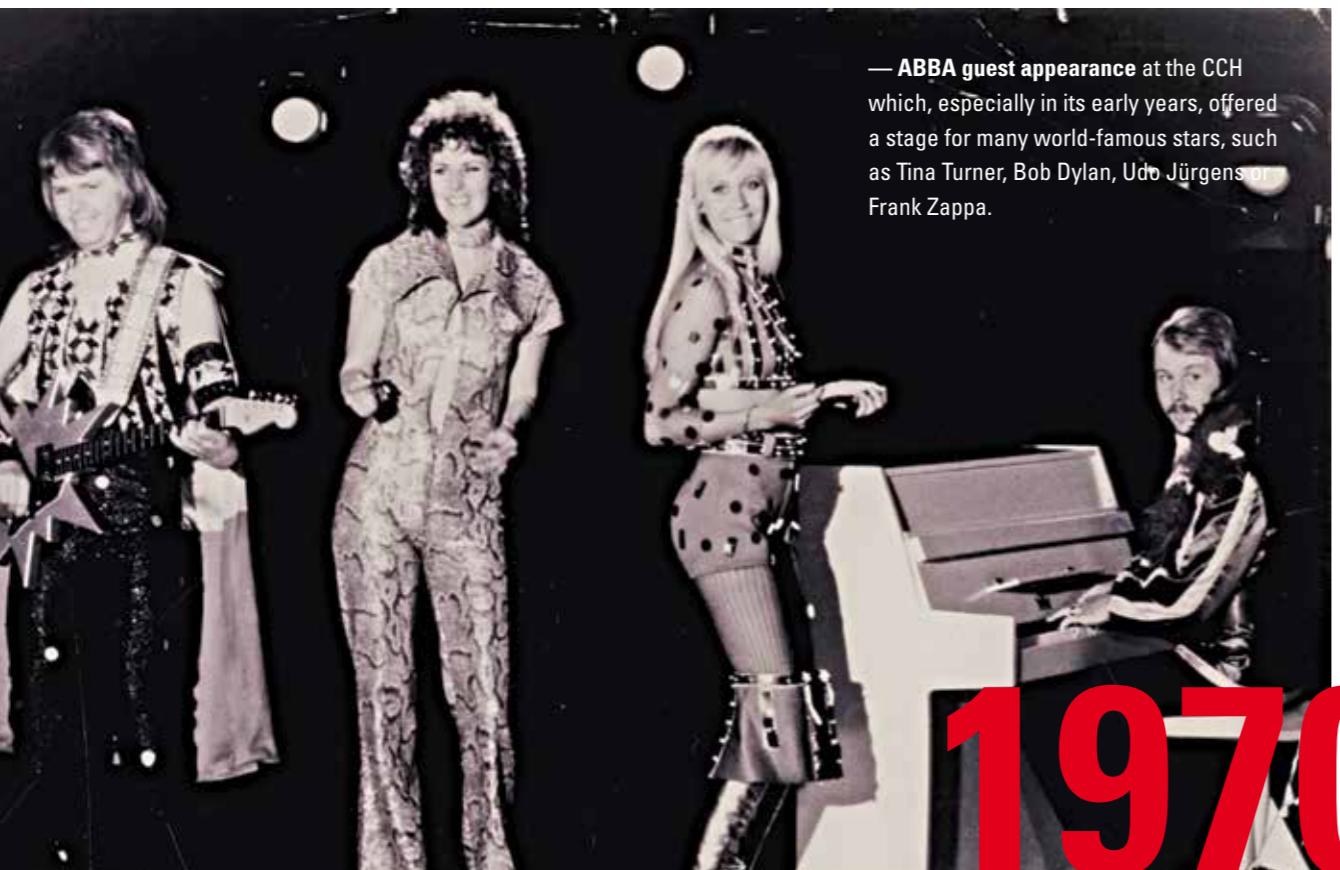
skiing and hiking in the mountains, so you could say I'm more mountain goat than water rat. Besides, true Bavarians and Hamburgers have something in common: we only talk when it is absolutely necessary, and when we meet somebody new, we know within a few minutes whether we can get on with them or not.

What developments have characterized your industry in recent years?

Despite the digital revolution, crises like the collapse of the New Economy or 9/11, and even the current geopolitical upheavals, nothing has nor will it ever be able

The CCH gets a beauty treatment

In late 2016, the HMC handed over the keys of the CCH – Congress Center Hamburg to the Free and Hanseatic City of Hamburg. The building, which opened in 1973, will be closed until 2019, while being revitalized to the tune of 194 million euros. These photographs recall the five momentous decades in which more than seventeen million people visited more than 16,000 CCH events.



1970s

— ABBA guest appearance at the CCH
which, especially in its early years, offered
a stage for many world-famous stars, such
as Tina Turner, Bob Dylan, Udo Jürgens or
Frank Zappa.

1980s

— Anticipating the future.
A robot fascinates those
attending a communication
fair in 1982.



1990s

— The world's big issues were also
discussed at the CCH. As in 1997 at
the Confintea UNESCO's international
conference on adult learning.



2000s

— Every performance
a hit: here we see
American singer Whitney
Houston arriving for the
Women's World Awards
ceremony in 2004.



2010s

— Volkswagen AG held its annual general meeting in Hamburg twenty times. A feature of the meeting was the automotive exhibition lasting several days, where all the corporation's brands were on display.



The HMC around the world

FOREIGN EVENTS



— The entrance passageway to the German Pavilion at the EXPO 2017 in Astana narrows down to create a strong suction effect pulling visitors inside.



The Foreign Events Department also had a lot to keep them busy in the year under review. A total of fourteen joint participations had to be organized and carried out for the roughly 400 German exhibitors, for instance, at the Cruise Shipping in Miami, the FHA Food & Hotel Asia in Singapore, the Sea Japan in Tokyo, the Dubai Airport Show, the Media East Africa in Nairobi, the Rio Oil & Gas, the OSEA trade exhibition for oil and gas technology in Singapore, and the SIAL food exhibition in Paris.

The HMC also furnished us with a premiere, being the first German event management company to organize two EXPO participations simultaneously. With only a few months' time, the Hamburg experts on foreign countries were commissioned by the German Federal Ministry of Food and Agriculture to put together the German participation at the EXPO 2016 in Antalya, Turkey, while at the same time preparing for the German Pavilion at the EXPO 2017 in Astana, Kazakhstan. The client for this project is the

German Federal Ministry for Economic Affairs and Energy.

The theme in Antalya was "Flowers and Children – a green life for future generations". The exhibit in the pavilion focused on the innovative power and future potential of renewable resources, as well as the subject of sustainability in everyday life. On the outdoor grounds, flower beds, bodies of water, and numerous benches invited visitors to spend some time resting in the shade. The gratifying conclusion was that the contribution of the Federal Republic of Germany won the "Antalya Theme Prize" in gold and the "EXPO 2016 Antalya Special Prize" in the category of sustainability.

In 2017, HMC will be managing around seventeen events abroad. The largest project involves organizing the German Pavilion at the EXPO 2017 in Astana. The world exposition from June 10 to September 10, 2017 will have the overall motto "Energy of the Future: meeting the greatest challenge ever to confront humanity". Among other things, the German Pavilion will feature technical innovations under the heading "Energy on Track", exhibiting sustainable processes and pioneering solutions related to the topics of renewable energy sources, energy efficiency, and electromobility.

After managing the German Pavilion in Zaragoza, Spain in 2008 and in Yeosu, South Korea in 2012, the Hamburg House at the 2010 World Exhibition in Shanghai, and the German participation in Antalya, Astana will mark the fifth time that the HMC has participated in an EXPO.





HMC has added two attractive events to its portfolio and thereby enriched the Hanseatic city with two crowd pullers. The home² exhibition for real estate, building, and modernizing celebrated its premiere on the Hamburg Fairgrounds from January 27 to 29, 2017. The HAMBURG MOTOR CLASSICS classic car exhibition will start up in October 2017.



Heading for growth

A twin pack of exhibition premieres

SUCCESSFUL START FOR THE HOME²

The foundation has been laid. The home², Hamburg's new public exhibition for all those interested in real estate, moved into the Hamburg Fairgrounds from January 27 to 29, 2017.



More than 160 exhibitors in Hall A1 provided an overview occupying 10,000 square meters of products, solutions, and services related to building, buying, or modernizing properties. Visitors had an opportunity to obtain professional consulting, compare offers, and get to know service providers in person. An extensive support program with numerous special shows, campaigns, and more than fifty professional lectures rounded off the wide range on offer at the exhibition.

The time for the premiere could not have been better, since the building boom in the Hamburg metropolitan area is unabated and real estate is more sought after than ever before. As a consequence, there is a great demand for information and professional consulting. The results of a representative survey of visitors showed that the HMC concept for the home² was just right, with 91 percent of the visitors stating that the exhibition gave them ideas and inspiration for their properties and presented good opportunities to obtain useful information. So be sure to mark the dates of the next home² on your calendar: January 26 to 28, 2018.

— No other exhibition in the metropolitan area covers the entire subject of real estate as comprehensively as the home².

HAMBURG MOTOR CLASSICS: A must for fans of the chrome-plated car culture

The interest in "antique" cars was never as great as it is today, especially in Hamburg. This city has the second largest inventory of classic and modern classic cars of all German cities. A good reason for HMC to rev up the HAMBURG MOTOR CLASSICS fair from October 13 to 15, 2017.

Whether classic cars of times gone by, classic motorbikes, or modern classic cars, spare parts, accessories, literature, art, or retro toys, the HAMBURG MOTOR CLASSICS, HMC's second new public exhibition in 2017, made dreams of chrome and steel come true. The fair is aimed at admirers, fans, and prospective buyers with a penchant for automotive culture and lifestyle. Well-known exhibitors from all over Germany turned the halls at the Hamburg Fairgrounds into an impressive showroom for three days. However, visitors not only had an opportunity to acquire a rare or useful vehicle, or even their absolute dream of a car, but also to talk shop with kindred spirits. The event was rounded off by a varied program of information forums, tours, and professional

lectures, as well as a private vehicle sales exchange. Owners of classic vehicles could drive to the fair, park on an area of the fairgrounds set aside for them, and thus become part of the exhibition themselves – you can hardly get more collaborative than that! Some of the highlights of the fair were the "First ADAC HAMBURG MOTOR CLASSICS" on October 14, which centered around the "TRÄUME WAGEN" (Dream Car) cup of ADAC Hansa e. V., the conceptual sponsor of the three-day event. The rally, in which sixty vehicles took part, started at ten in the morning on the fairgrounds and also finished there. One of two of the rare cars not only had a striking look, but also an impressive sound.



— The fair is aimed at fans of classic cars.

HAMBURG MOTOR CLASSICS



„Die Vierte Wand“: Hamburgische Staatsoper

More than just a job

Activities related to sports, health promotion, and the arts are firmly anchored in the corporate culture of Hamburg Messe und Congress. They not only offer a chance to offset the demands of today's workaday world, but also encourage, thrill, and bring together people in many different ways.

New perspectives: “The Fourth Wall”

Following the two photography exhibitions in the previous years, the fair halls became Hamburg's longest gallery once again in 2016. Hamburg photographer Klaus Frahm presented “The Fourth Wall” on more than 100 meters from mid-June to mid-November, a look at theaters and opera houses from an entirely new perspective: that of the actors viewing the empty auditorium.
art.klaus-frahm.de

Since May 18, 2017, HMC has been making a further contribution to art in public spaces with the photo exhibition “Tropic Ice – Dialog between Places Affected by Climate Change” by Barbara Dombrowski in the very same place. Passers-by can marvel at the exhibition free of charge, as usual, as they walk past the glass facade of the fair halls along Karolinenstraße. A must-see! tropic-ice.com



Tropic Ice

MOPO team relay race: Reach a goal together

Hamburg is a runner's city, but it doesn't always have to be a marathon. The MOPO team relay race, in which five contestants each run five kilometers in a relay, has been a permanent feature of Hamburg's running calendar for eleven years now. What makes it so special is its combination of sports, sociability, and a good cause. Its time came round again at the end of August 2016. Around 10,000 runners in 2,000 teams stepped up to the starting line in the Stadtpark, Hamburg's “Central Park”. Among them were nine teams from HMC: an internal participation record! HMC will again be taking part in 2017 – for the ninth time in a row.



“MOPO Team Staffellauf” - Relay Race



“Gesundheitstag” - Health Day

Fit for the future – thanks to healthy employees

Corporate health management (German abbr. BGM) is increasingly gaining in importance – including at HMC. For instance, the first HMC health conference was held in July 2016. The program included back workshops, “exercising during breaks”, spine screenings, and a lecture on burnout prevention. The response induced management to further expand the BGM program. Employees can now choose from a variety of new opportunities, such as “lunch hour workout”, mobile massage from a massage therapist, and various expert workshops. “Lunch hour workout” is a holistic concept for preventing or alleviating back pains. The workshops cover stress management, healthy eating, and the prevention of cardiovascular diseases. HMC bears the costs of the “lunch hour exercising” and the workshops.

But that's not all. To still those between-meal hunger pangs, the event management company's employees can enjoy free organic fruit. What is more, there are collaborations with a health insurance company and a fitness club, not to mention the many opportunities on offer to participate in company sports.

Management



— **Bernd Aufderheide**
President and CEO

— **Dr. Ulla Kopp**
CFO

— **Edgar Hirt**
CCH Senior Vice President
Congresses and Events

— **Volker Müller**
Senior Vice President
of Finance

— **Ulas Boyaci**
Senior Vice President of Sales
and Business Development

— **Lars Kanbach**
Senior Vice President of
Technology and Infrastructure

Annual financial
statement of
Hamburg Messe
und Congress GmbH
2016

Balance sheet

	2016	2015
Assets as of December 31, 2016 (in EUR'000)		
1. Fixed assets	81,099	80,260
2. Current assets	36,110	34,586
Total assets	117,209	114,846
 Equity and liabilities as of December 31, 2016 (in EUR'000)		
1. Equity	11,679	11,679
2. Liabilities	105,530	103,167
Total equity and liabilities	117,209	114,846

Income statement

	2016	2015
For the financial year from January 1 to December 31, 2016 (in EUR'000)		
1. Total revenue	112,863	63,970
2. Personnel expenses	19,431	18,233
3. Other expenses	95,343	78,937
4. Profit/loss before loss absorption	-1,911	-33,200

FIDES Treuhand GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft (FIDES, auditing and consulting firm), a branch office of FIDES Kemsat, issued an unqualified auditor's report for the unabridged annual financial statements and the management report on March 22, 2016.

CONDENSED MANAGEMENT REPORT 2016

A. Business and economic environment

1. THE GERMAN TRADE FAIR AND EXHIBITION MARKET

According to preliminary calculations of the exhibition and trade fair committee of the Association of the German Trade Fair Industry (AUMA), 2016 was an extraordinarily good year for international and national trade fairs in Germany. In 2016, 186 international and national trade fairs were held, with +1.0 percent more exhibitors compared to the respective previous events. The figure of 191,000 exhibitors distinctly surpassed the former record of nearly 181,000 in 2012. Rented stand space increased by +0.5 percent. Here, as well, the 7.5 million square meters of stand space rented in 2016 exceeded the previous record of 7.1 million square meters in 2012. Only the visitor figures dipped slightly, falling -0.5 percent compared to the respective previous events. For 2017, the AUMA is expecting stable to slightly rising exhibitor and visitor numbers for the planned 159 international and national trade fairs. This estimate is bolstered by a survey of exhibitors taken by the TNS Emnid market research institute commissioned by the AUMA. This predicts that on average a German exhibitor company will be spending a total of +1.5 percent more on trade fair participations in 2017 and 2018 compared to 2015 and 2016.

2. FOREIGN BUSINESS

The German Ministry for Economic Affairs and Energy (BMWi), as well as the Ministry for Food and Agriculture (BMEL), have a foreign trade fair program to support German exhibitors at trade fairs abroad. The number of participations at foreign trade fairs amounted to 246 in 2016. For 2017, 286 participations are planned so far, of which 56 are to be held in China, 38 in Russia, 23 in North America, 50 in the Middle East (18 of these in Iran), 19 in Africa, and 18 in Latin America. In addition, participation in 13 trade fairs is planned as part of the renewable energies/energy efficiency export initiative. This initiative aims to help German companies, especially SMEs, open up foreign markets and export renewable energy technologies.

3. THE NATIONAL AND INTERNATIONAL CONVENTION AND CONFERENCE BUSINESS

As yet, we have no conclusive figures for the development of the national and international convention and conference market in 2016. According to the 2016 Meeting and Event Barometer, 2015 saw growth of +2.6 percent, to 393 million, in the number of participants compared to the previous year. Especially gratifying was the +8.3 percent increase in the number of international participants to reach a total of 27.7 million for German conventions. Hence, this proportion has nearly doubled in the past ten years. The excellent infrastructure is ideal for holding successful conferences and conventions. Of increasing significance in deciding on a venue, apart from the infrastructure of the conference and convention center itself, are the conditions at the place of the event, such as accessibility, hotels, security, and price-performance ratio.

B. Business development of HMC

By the end of the year, 2016 had proved to be HMC's best year for revenue since the company was founded. Revenue rose compared to the reference year of 2014 by 11.1 million euros to 110.9 million euros. The Own Events and Guest Events Trade Fair divisions accounted for the largest portion, around 59 percent, of revenue.

1. HAMBURG MESSE DIVISION

The NORTEC continued to prove its value as a production trade fair focusing on trade visitors from the cluster industries of the North German States. Both the number of exhibitors as well as the rented space increased compared to the previous event. The visitor figures were at the same level as that of the previous event.

The REISEN HAMBURG once again featured a link to the Hamburg Autotage. In 2016, investments were made in adventure islands with the themes of "Alpine Dreams", "Cruise Dreams", "Young Travel", and "Camping by Night". While the number of foreign exhibitors rose slightly, the number of German exhibitors sank. Visitor figures were up by +12 percent compared to the previous event.

The INTERNORGA was also able to enhance its edge as the leading German food service trade fair. On the whole, 1,256 exhibitors occupied the entire fairgrounds, including a purpose-built lightweight hall. Visitor figures remained constant compared to the previous event.

The number of visitors to the HANSEPFERD grew considerably compared to the previous event (+17 percent). Around 53,500 persons visited the fair, including the evening gala shows. The number of exhibitors dropped slightly, while the rented space remained constant.

The 2,238 exhibitors at the SMM (136 more than the previous event) took up the entire fairgrounds, including two lightweight halls. Visitor figures were 47,286, slightly below (-3 percent) the previous event. The overriding theme of the SMM 2016 was digitalization. The SMM was the first maritime trade fair to be dominated by the topic of Industry 4.0.

The COTECA was able to increase its rented space considerably, especially thanks to the collaboration with the German Coffee Roaster's Guild. Visitor figures also rose.

The WINDENERGY HAMBURG was held for the second time in 2016 and occupied nine halls, one more than the first event. Exhibitor figures rose by 227 to 1,421, and visitors to 35,086. At the same time as WINDENERGY HAMBURG, the WindEurope Summit was held, the leading industry convention in the CCH.

The declining sailboat market affected the HANSEBOOT by causing large exhibitors from this sector to drop out. Due primarily to this development, the 2016 HANSEBOOT suffered losses in exhibitors (-9 percent), in rented space (-8 percent), and visitors (-9 percent). In addition, HMC organized the HANSEBOOT ANCORA BOAT SHOW for the sixth time, with 129 exhibitors (-7 percent) and a net space of 8,628 square meters (-8 percent) on the premises of the ancora Marina in Neustadt/Holstein.

The GET NORD, trade fair for electrical engineering, sanitary installations, heating, and air conditioning in the North, was held for the fifth time in 2016. The 41,152 visitors made for an increase of +6 percent. Moreover, exhibitor numbers grew by +4 percent to a total of 516. In addition, the 23,527 square meters of rented space showed an increase of +5 percent from the previous event in 2014.

The MINERALIEN HAMBURG, Northern Europe's biggest mineral exchange, recorded a drop in the rented exhibitor space (-8 percent) compared to the previous year. This was basically due to pushing the date for the MINERALIEN HAMBURG ahead at short notice to accommodate the OSCE Ministerial Council. Visitor figures remained at the level of the previous event. The portion of foreign exhibitors remained constant at 41 percent.

The Guest Events division developed better than planned in the year under review (revenue +22 percent). A total of 34 guest events (2014: 30) were held on the HMC grounds. The biggest events were the AIRCRAFT INTERIORS EXPO and the OSCE Ministerial Council.

In business year 2016, a total of 45 trade fairs and exhibitions (2014: 42) were held, including eleven own events (ten on our own grounds, one in Neustadt, Holstein). At 766,314, the total number of visitors was down by 65,074 compared to the reference year of 2014 (831,388), due primarily to dropping the DU UND DEINE WELT, which was last held in 2014 and drew around 82,000 visitors. The gross rented space rose slightly (+5 percent) compared to the reference year of 2014, amounting to 1,041,409 square meters.

2. FOREIGN BUSINESS DIVISION

Every year, HMC organizes a large number of joint participations in trade fairs, most of which are carried out on behalf of

the Federal Ministry for Economic Affairs and Energy and the Federal Ministry of Food and Agriculture. The main focus was on the areas of the maritime industry, oil and gas, hotels and food service, as well as airport construction and engineering. In the year under review, HMC carried out eleven joint participations on behalf of the Federal Ministry for Economic Affairs and Energy and one on behalf of the Federal Ministry of Food and Agriculture. Some of the highlights of the activities abroad were the successful organization and implementation of the German Pavilion at the EXPO in Antalya on behalf of the Federal Ministry of Food and Agriculture and the German participations at the OTC Houston with 79 exhibitors on around 750 square meters of floor space, as well as the SIAL in Paris with 76 exhibitors on around 1,700 square meters.

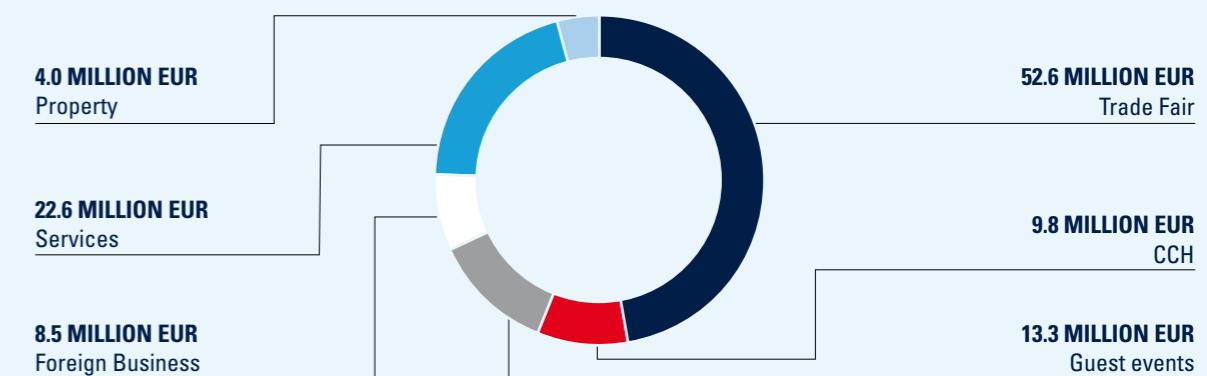
3. CCH DIVISION

During business year 2016, a total of 130 national and international conventions, conferences, exhibitions, and presentations were held at the CCH (2015: 120). Attendance figures dropped from 161,720 in 2015 to 150,041 participants in 2016. The content of the convention and conference business was concentrated primarily in the areas of medicine and other scientific conventions. Some of the most outstanding events were the 33rd Chaos Communication Congress (12,000 participants), the DIVI 2016 (5,700), and the DGVS Metabolism (5,500).

There were 96 cultural and social events, eight fewer than in the previous year. Attendance sank from 164,587 in 2015 to 142,722 in 2016. Owing to the upcoming revitalization of the CCH, a few concert promoters were already booking alternate venues in 2016.

HMC'S TOTAL REVENUE IN 2016: 110.9 MILLION EUROS

The total 2016 revenue was distributed among the sales divisions as follows:



C. Economic situation

1. DEVELOPMENT OF REVENUE

HMC posted revenue amounting to 110.9 million euros in 2016 (2014: 99.8 million euros). This total 2016 revenue was distributed among the various sales divisions as follows: Trade Fair 52.6 million euros, CCH 9.8 million euros, Guest Events 13.3 million euros, Foreign Business 8.5 million euros and Services 22.6 million euros. Revenue from the Property division totaled 4.0 million euros.

2. PROFIT/LOSS FOR THE YEAR

Business year 2016 closed with a loss of around -1.9 million euros before loss absorption by HGV (2014: -3.9 million euros). Compared to the reference year of 2014, the main reasons for this improvement were the higher gross income resulting from an increase in revenue by 11.1 percent. The loss in 2016 was exacerbated by the upkeep of halls B1 to B4 in the amount of four million euros, and the complete contribution of the BilMoG (German Accounting Law Modernization Act) readjustment amounts to the pension obligations (0.8 million euros).

3. EMPLOYEES

At the close of 2016, HMC had 292 employees (2015: 283), of which 257 had permanent contracts and 35 had fixed-term contracts (2015: 256 permanent and 27 fixed-term). Expressed in FTEs, HMC had 262 employees at the close of the year (2015: 257). HMC also created an average of twenty trainee positions for promising assistants in event, office and IT management, event technology specialists, and Bachelor of Arts (B.A.) students.

HMC would like to further expand the proportion of women at management levels below executive management. The goal of reaching forty percent by 2017 was already achieved in 2016 (42 percent).

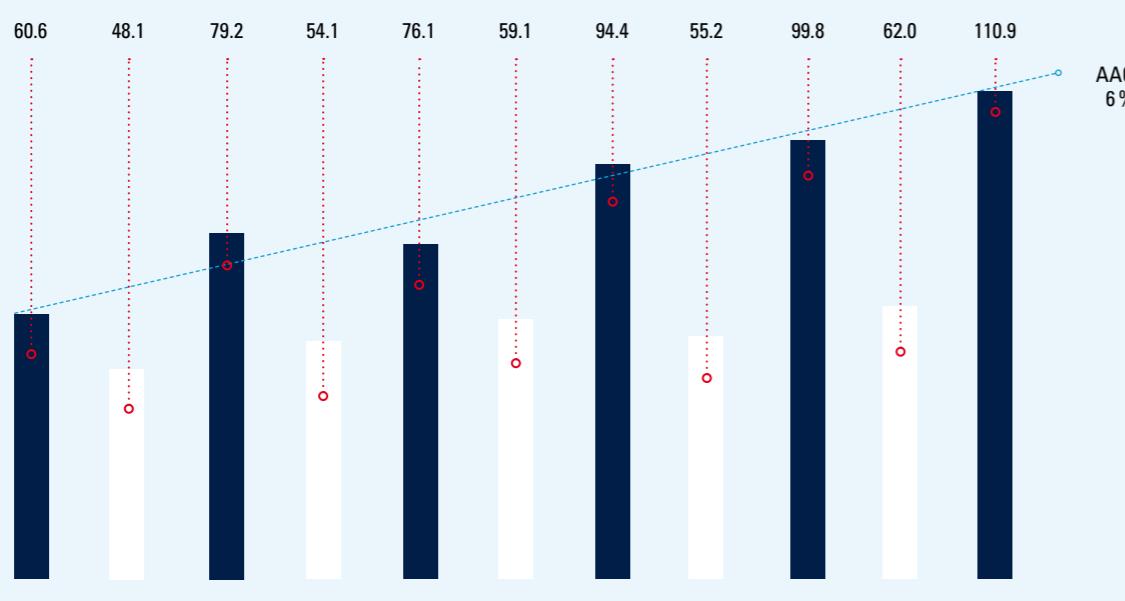
4. NET ASSETS

In the year under review, total assets increased by 2.4 million euros to 117.2 million euros, as a result of which the equity ratio decreased from 10.2 percent to 10.0 percent.

5. FINANCIAL POSITION

The company has a control and profit transfer agreement, as well as a group clearing agreement with HGV, its parent, which ensures its liquidity at all times.

REVENUES (IN MILLIONS OF EUROS)



* Average annual growth

D. Outlook, risks and opportunities

1. OUTLOOK

Fewer HMC events are scheduled for 2017 than in even-numbered years. HMC is planning to continue its profitable growth and break even over a two-year period by 2025. Hence, a strategy entitled "ROAD TO 2025" was developed, which describes the challenges, goals, and fields of action to reach this goal. Growth will be primarily achieved through the expansion of HMC's own trade fairs and the acquisition of profitable guest events. Collaborations with other domestic and foreign trade fair organizers will also be considered and larger numbers of events acquired for the uneven years wherever possible.

2. EARNINGS

HMC expects revenue of 68.9 million euros for the 2017 business year, which means that revenue is anticipated to increase by 11.1 percent compared to the reference year of 2015.

Owing especially to the significant financing costs for leasing the "Neue Messe", the company expects to post a net loss before loss absorption of around thirty million euros. Property costs will continue to have a negative impact on earnings in the coming years. Higher losses are also expected in the future, especially in uneven years. Current strategy calls for HMC to break even over a two-year period by 2024-25.

HGV will absorb the losses that are expected in the coming years within the scope of the existing profit and loss transfer agreement.

3. RISK REPORT

HMC maintains a risk management system that enables timely and systematic analyses and assessments of the company's exposure to risk as well as the development of pertinent countermeasures. These analyses and assessments relate to both strategic and operational risks.

HMC is at present unaware of any risks that might jeopardize its future development.

HMC is, at present, unaware of any risks that might jeopardize its future development. At the start of the revitalization of the CCH (early 2017), the ownership of this former HMC property was transferred to CCH Immobilien GmbH & Co. KG, Hamburg. The EU Commission is imposing strict conditions when it comes to granting aid for the revitalization of the CCH. As far as is currently known, this will also include a public, non-discriminatory, generally accessible competitive tendering procedure for running the CCH (concession contract). Here HMC is at risk of suffering defeat in the competitive tendering procedure.

No financial risks are apparent.

Hamburg, March 29, 2017

BERND AUFDERHEIDE

President and Chief Executive Officer

DR. ULLA KOPP

Chief Financial Officer

Report of the Supervisory Board

The Supervisory Board reviewed the situation and development of Hamburg Messe und Congress GmbH and HMC International GmbH on a regular basis during the business year. It carried out the tasks allocated to it, both by law and by the Articles of Association during the reporting year. The Supervisory Board advised and monitored the managements of Hamburg Messe und Congress GmbH and HMC International GmbH on an ongoing basis.

The Supervisory Board has complied with the specifications of the Hamburg Corporate Governance Code and has issued a statement of compliance in cooperation with the managements of the companies.

Management provided regular, timely, and comprehensive reports – both in writing and verbally – to the Supervisory Board regarding relevant issues of corporate planning, strategic development, and results achieved, as they relate to the individual companies, including the risk situation.

The Supervisory Board held four meetings during the business year from January 1 to December 31, 2016. The Finance Committee and the Construction Committee each met twice, while the Human Resources Committee met four times. Furthermore, one resolution of the Human Resources Committee was adopted by written circular.

On June 15, 2016, the Annual General Meeting of Shareholders of Hamburg Messe und Congress GmbH and HMC International GmbH elected FIDES Treuhand GmbH & Co. KG (FIDES) to audit the company's annual financial statements and to ensure due and proper conduct of business for the business year from January 1 to December 31, 2016. FIDES audited the annual financial statements, comprising the balance sheet, the income statement, and the notes, together with the bookkeeping system and the management report for the business year from January 1 to December 31, 2016.

There are no reservations regarding the audits. In the opinion of FIDES, based on the findings of the audits, the companies' annual financial statements comply with legal provisions – and in the case of HMI, also with the supplementary provisions of the articles of association – and give a true and fair view of the companies' net assets, financial positions, and results of operation in accordance with the principles of proper accounting. The management reports are consistent with the annual financial statements, provide a suitable understanding of the companies' situations, and suitably present the opportunities and risks of future development. The Finance Committee examined the annual financial statements, management reports, and audit reports from FIDES in detail at its meeting on May 31, 2017, as did the Supervisory Board at its meeting on June 27, 2017. The Supervisory Board has no objections to these documents and therefore agrees with the results of the auditor's report. The Supervisory Board approves both the management reports of the Managing Directors and the annual financial statements as of December 31, 2016.

The Supervisory Board wishes to thank the Managing Directors and the company's employees for their dedication and for the best year in the history of the company so far.

Hamburg, June 2017

JOHANN C. LINDENBERG

Chairman of the Supervisory Board

Supervisory Board 2016

Johann C. Lindenberg

Chairman of the Supervisory Board, former National Chairman of Unilever Deutschland

Brigitte Engler

Managing Director, City Management Hamburg

Jutta Hartung

Unit Head, Fundamental and Cross-section Tasks of Investment Management,
Finance Authority Hamburg

Hartmut Hofmann

Head of the Convention and Event Technology department, Hamburg Messe und Congress GmbH

Kai Hollmann

Managing Director, Gastwerk Hotel Hamburg Verwaltungsgesellschaft mbH

Claudia Jeske

Project Manager, Hamburg Messe und Congress GmbH

Dr. Rainer Klemmt-Nissen

Managing Director, HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH

Martin Köppen

Office Manager for Economic Development, Foreign Trade, and Agriculture of the Department for Economics, Transport and Innovation of the Free and Hanseatic City of Hamburg

Dr. Renate Krü默mer

Owner of KRÜ默MER fine art e. K.

Loretta Marsh

Chairperson Works Council of Hamburg Messe und Congress GmbH

Frank Minak

Technical Project Manager, Hamburg Messe und Congress GmbH

Prof. Dr. Hans-Jörg Schmidt-Trenz

General Manager of the Hamburg Chamber of Commerce

Statement of Compliance with the Hamburg Corporate Governance Code (HCGC)

The Executive Management and the Supervisory Board of Hamburg Messe und Congress GmbH (HMC) hereby declare:

"With two exceptions, Hamburg Messe und Congress GmbH complied with all the regulations of the Hamburg Corporate Governance Code, for which the Executive Management and the Supervisory Board were responsible during the 2016 business year. The following items were not observed:

Section 5.1.5:

The six-week period for distributing the minutes regarding resolutions made by the Supervisory Board could not be adhered to at all times as the draft minutes had to be approved prior to their publication and the approval processes were not completed in time.

Section 5.4.5:

One member of the Supervisory Board took part in less than half of the meetings of the Supervisory Board in the 2016 business year.

The company's subsidiary, HMC International GmbH, complied with all the regulations of the Hamburg Corporate Governance Code for which the Executive Management was responsible for the 2016 business year. This subsidiary has no Supervisory Board.

In the 2016 business year, Mr. Aufderheide received total gross compensation in the amount of 295,904.32 euros. Dr. Kopp received total gross compensation in the amount of 274,565.06 euros. The breakdown of the total compensation can be viewed online at www.hamburgmesse.de.

Hamburg, June 2017

Johann C. Lindenberg

Chairman of the Supervisory Board

Bernd Aufderheide

President and Chief Executive Officer

Dr. Ulla Kopp

Chief Financial Officer

Publishing information

PUBLISHER

HAMBURG MESSE UND CONGRESS GMBH
Messeplatz 1
20357 Hamburg
Germany

Phone +49 40 3569-0
Fax +49 40 3569-2203
info@hamburg-messe.de
hamburg-messe.de

RESPONSIBILITY FOR EDITORIAL CONTENT
Karsten Broockmann

CONCEPT, REALIZATION, AND EDITING
Karsten Broockmann, Irene Tagmi, Sabrina Neumann

IDEA, CONSULTING, AND DESIGN
TEMPUS CORPORATE GmbH
Buceriusstraße, Eingang Speersort 1
20095 Hamburg

TEXTS
Karsten Broockmann
Chan Sidki-Lundius

PRINTING
Bruns Druckwelt GmbH & Co. KG
Trippeldamm 20
32429 Minden

PHOTO CREDITS

TITLE PAGE Shutterstock
p. 6, 7 Julian Rentzsch
p. 8, 9 HMC / Michael Zapf, HMC / Stephan Wallocha (2),
HMC
p. 10, 11 HMC / Hartmut Zielke (2), HMC / Nico Maack,
HMC / Stephan Wallocha (2), HMC / Michael Zapf (2)
p. 12, 13 HMC / Hartmut Zielke, HMC / Michael Zapf,
HMC
p. 15 HMC
p. 16, 17 HMC / Hartmut Zielke (2)
p. 18, 19 HMC / Michael Zapf (2), HMC (3)
p. 20, 21 Auswärtiges Amt / photothek.de (3)
p. 22, 23 Rolf G. Wackenberg, Messe Frankfurt Exhibition
GmbH, Ami Jassal, GOLDENE KAMERA
p. 24, 25 Rajko Hess, Hannes Holtermann (3)
p. 28, 29 HMC / Hartmut Zielke (2)
p. 30, 31 HMC (4), HMC / Romanus Fuhrmann
p. 32, 33 HMC (3), insglück/gtp2/mac
p. 34, 35 HMC / Stephan Wallocha (2)
p. 36, 37 HMC / Stephan Wallocha (2)
p. 38, 39 Klaus Frahm, Barbara Dombrowski, HMC
p. 42 Julian Rentzsch

HAMBURG MESSE UND CONGRESS GMBH

Messeplatz 1 | 20357 Hamburg | Germany

Phone +49 40 3569-0 | Fax +49 40 3569-2203

info@hamburg-messe.de | hamburg-messe.de