

Trade Fairs Brno

2003

ANNUAL REPORT

BVV

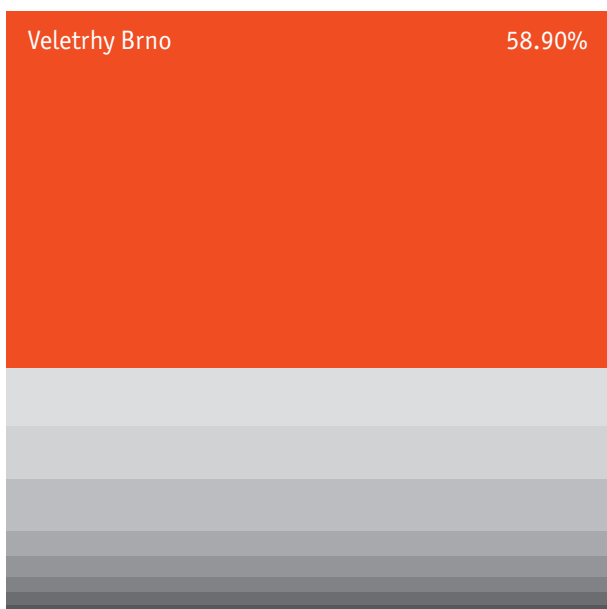


Veletřhy
Brno

The cover features a background with a vertical orange-to-yellow gradient. A horizontal yellow bar spans the width of the page, intersecting the vertical gradient. Several small squares are scattered across the page: a yellow square in the upper right, a yellow square on the left side, a red square in the center, a yellow square below the title, a yellow square in the lower left, and a red square in the lower right.

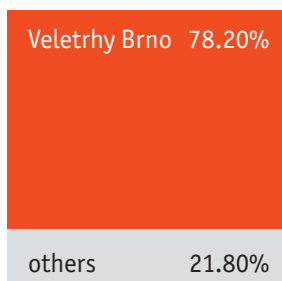
ANNUAL REPORT

with a 58.9% share on the Czech audited market
the standing of Trade Fairs Brno is dominant

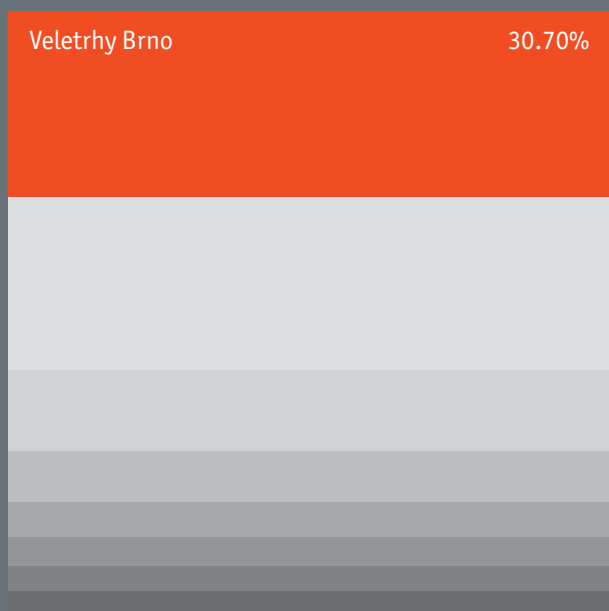


Veletrhy Brno	58.90%
Incheba Praha	9.70%
ABF Praha	8.80%
České Budějovice	8.60%
Ostatní	4.00%
Výstavy Litoměřice	3.50%
Ostravské výstavy	2.40%
Progres Partners	2.30%
Flora Olomouc	1.70%

the share of Trade Fairs Brno in the segment of
international fairs



Trade Fairs Brno still the leading company also in Central Europe



Organisers with more than 50,000 m² of rented out space

Veletrhy Brno	30.70%
MTP Poznaň	28.80%
Hungexpo Budapešť	13.40%
Targi Kielce	8.40%
Agrokomplex Nitra	5.80%
Incheba Bratislava	4.80%
ABF Praha	4.10%
Incheba Praha	4.10%

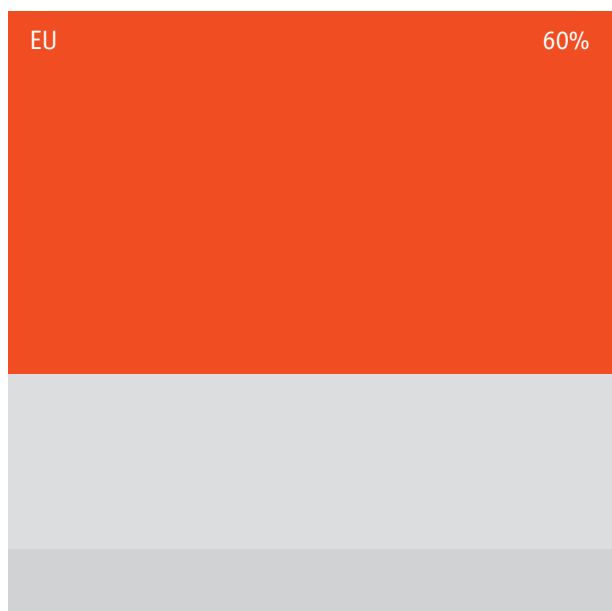
23 fairs organised by Trade Fairs Brno won a dominant position among the largest and most important fairs in Central Europe

the structure of foreign visitors to trade fairs in Brno in 2003



in 2003 the share of foreign visitors from countries of Central Europe increased by 7%

the structure of foreign firms exhibiting at trade fairs in Brno in 2003



EU	60%
Central Europe	29%
others	11%

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t h e t i m e i s f i t t o p r e p a r e
a n d i m p l e m e n t c h a n g e s
f o c u s e d o n t h e
e x p l o i t a t i o n o f t h e
p o t e n t i a l o f t h e
e m p l o y e e s

In the annual report of Trade Fairs Brno for the year 1999, my first address one year after the entrance of the majority owner Messe Düsseldorf to the Trade Fairs Brno, I formulated the following objective: “Thanks to the merger of the two companies – Messe Düsseldorf and Trade Fairs Brno it is expected that at the moment of the Czech Republic’s entrance into the EU Brno will become the centre of fair activities in Central and South-East Europe”.

In 2003 the company Trade Fairs Brno rounded off 75 years of successful business. At the same time this anniversary marks the culmination of our hitherto activities. The accession of 10 new countries to the EU was a historical act and from this moment on Europe is beginning to write a new page in her history. For us and for our Czech colleagues it is an occasion to look back and to evaluate our achievements over this relatively short period of five years of joint activities. And also to see how we managed to reach and fulfil our objectives.

Brno, the centre of trade fair

The 2003 business results give evidence and confirm the present standing of the company on the domestic and European exhibition market. The blunt language of figures and statistical data cannot express very well all the prerequisites and conditions, which were so important in this process. And we must not forget the hitherto implemented investments into the infrastructure of the fairs, which can easily compete with the established European fair centres. Also accommodating to the requirements of branches represented in Brno is worth mentioning, as is the competent and customer-oriented management. By and large, our company is well prepared for the future.

Karlheinz Wismer

Chairman of the Board of Directors

activities



the quality of the fair infrastructure already stands up
to established European exhibition centres

Karlheinz Wismer

Trade Fairs Brno

In the present Annual Report the company Trade Fairs Brno, which linked up with the business activities of Brno Trade Fairs and Exhibitions at the end of 2001, is balancing another year of business on the Czech fair and exhibition market.

One year in the life of a human being or a company may just be a mere lapse of time, if approached passively. By contrast, the elapsed business year of our company was an intensive year when we managed to continue in our major business plans. It is gratifying to be able to say that our strategic objectives, accepted after the entrance of the foreign owner Messe Düsseldorf, were sufficiently visionary also in terms of EU membership of the Czech Republic. In this connection our company's creed "Partner for Euro Business" is acquiring a new charge, represented by an offer of a full-service for our clients on their entrance to the enlarged EU market.

We rank among the important European fair administrations. In Central Europe we have a ca 30% share among organisers of fairs and exhibitions with more than 50.000 m² of rented out space. Our priority is to organise fairs as a competent centre for the respective branch on the enlarged EU market. Our main mission is to mediate business opportunities and seek solutions, which the customer wants and is expecting.

What sort of year was 2003?

- As in the preceding year our company took up a position among the first ten companies in the prestigious "The best Czech 100" and was placed third in the competition "The Czech Top 100".
- Our economic results were very good. We had an annual turnover of 1.44 billion CZK and investments of 385 million CZK. The most important investment was pavilion F, i.e. 330 million CZK, built in a record-short time.
- We established a good starting position on entrance to the EU. Trade Fairs Brno is the leading Czech company in the fair industry with a nearly 59% share on the Czech audited market.
- Very satisfying is the interest of foreign exhibitors and visitors in fairs held in Brno. Based on the UFI criteria, in the segment of international fairs the share of our company in rented out space is 78%.

– Partner for Euro Business

- The following fairs were at the absolute top of the list in 2003:

IDET was the most successful armament fair in its history with an unequalled number and standard of delegations from abroad. **AUTOSALON** reached the highest level in the hitherto history of motor shows in the Czech Republic. **The International Engineering Fair** together with **Transport + Logistics** again proved its power and attracted the attention of experts from a wide range of the engineering industry. **IBF** confirmed its standing and showed its greatest developmental potential. **INVEX** has changed its conception with striking force and with great success offered the clients space for business and addressed the final user.

In 2003 the German consulting firm Roland Berger Strategy Consultants worked out a study on the macro-economic effects of our activities on Brno and the region. The results of the study confirmed that the financial effects many times exceeded BVV's turnover and that they have a positive effect on the economic development. One year of our business activities increases the gross domestic product of the Czech Republic by 4 billion CZK and nearly one billion CZK in revenue collection to the Treasury. In the Brno region more than 9000 jobs are linked to the activities of 600 employees of the company. The activities of Trade Fairs Brno are building up and strengthening the image of the City of Brno; the quality of the people's lives as well as the city's infrastructure are improving, and new firms interested in doing business are being established.

Meeting this vision is dependent in the first place on the people – the employees. The determinant is quality; the quality of the management, the quality of the employees, the quality of the trade fair team. The present annual report is not only the showcase of our company, but also of the people who are preparing the "Fairs For Your Success".

Jiří Škrála

General Director of Trade Fairs Brno



the Trade Fairs Brno company is essentially focused
on the customers, participants in the fairs

Jiří Škrla

the fairs are a its atmosphere, culture

For many years the Brno region has benefited from the company Trade Fairs Brno, particularly in terms of the intensification and expansion of relationships among commercial and industrial firms, initiating new job opportunities in the connected services, and generally bringing the city substantial economic income. The fairs have become the key component, stable and stabilising, of the economic infrastructure of Brno and the surroundings, especially in the recent years. Through the fair activities the city can establish many important political contacts, the fair activities help to develop commercial and business activities in the enlarged EU. All this naturally has many multiplication effects on the life of the city.

component of the city, and inhabitants

The Company Trade Fairs Brno owns and runs an exhibition centre, which is unique worldwide in terms of town planning and architecture, and which is a show of singular town exhibition architecture from the end of the 20th century to the present. The exhibition centre as a complex was evaluated as the Czech construction of the century. At the same time it is a fair and exhibition infrastructure, which is up to the present European standard and which was built mainly thanks to the prosperity of the company Trade Fairs Brno.

Not only the general public but particularly the professional visitors and exhibitors must continue to be firmly convinced that the Brno exhibition centre is the right and ideal place to present their firms, that it is the place where their image is created and where they can successfully display their products and conclude contracts. It is undeniable that even in the new conditions of EU, for the visitors and businesspeople the company Trade Fairs Brno will serve as an irreplaceable place of contact with their products, but also with the exhibition grounds and their geographical and cultural setting – the city, its atmosphere, its culture and its inhabitants.

Richard Svoboda
Chairman of the Supervisory Board



the fairs have become a firm stable and stabilising component of the economic infrastructure of Brno and its environs, particularly in recent years

Richard Svoboda

Principal Stockholders

Principal stockholders as of 31 December 2003

Stockholder's name	No. of shares	Ownership interest (%)
Messe Düsseldorf GmbH	65,434,400	60.39
Statutory City of Brno	36,609,600	33.79
small shareholders	6,293,535	5.82
Total	108,337,535	100.00

The Company has been entered in the Company Register kept by the Regional Court in Brno in section B, entry 3137.

In conformity with the final and conclusive resolution of the Regional Court in Brno of 24 October 2001 (Ref. No. F 22304/2000, F 22654/2000, B 3137/4/3) Trade Fairs Brno took into possession any and all corporate assets and liabilities of the company Brno Trade Fairs and Exhibitions accounted for as of 31 October 2001 for reasons of the merger.

Company Profile

Company Profile

Name of company: Trade Fairs Brno
Head Office: Brno, Výstaviště 1, CZ – 647 00
Company Reg. No.: 25582518
VAT No.: CZ25582518

The legal successor of Brno Trade Fairs and Exhibitions (BVV) is Trade Fairs Brno. An extraordinary General Assembly of Brno Fairs and Exhibitions held on 22 November 2000 decided to terminate the existence of the joint-stock company without winding-up and to merge with Trade Fairs Brno as of 31 December 2000. As the assignee of BVV, the company Trade Fairs Brno took into possession all corporate assets and liabilities of the dissolved joint-stock company as of the date of the merger.

The final and conclusive resolution of the Regional Court in Brno adopted on 24 October 2001 and relating to the merger of companies Brno Trade Fairs and Exhibitions and Trade Fairs Brno came into force as of 1 November 2001. The majority stockholder in Trade Fairs Brno is Messe Düsseldorf with an equity share of 60.39%. The Statutory City of Brno is an important stockholder with a blocking minority of 33.79%. Other small shareholders possess 5.82% of the shares

The main scope of business activities of Trade Fairs Brno is providing commercial (exhibition) services, especially for legal entities. The company is also involved in leasing its own real estates.

The Brno Trade Fairs Company owns and operates exhibition grounds covering 667.000 m² with 16 (sixteen) pavilions. The total gross exhibition area as of 31 December 2003 was 194.512 m², of which 113.544 m² is ground floor inside the pavilions, and 80.968 m² the gross open-air exhibition space.

The company Trade Fairs Brno has a majority share in eight subsidiary companies. All their business activities are associated with the main sphere of business and are focused on the expansion of services offered to participants in the fair projects, which the company organises.

As of 1 December 2003 the existence of the World Trade Centre daughter company was terminated and all assets were transferred to the only shareholder, Trade Fairs Brno.

Trade Fairs Brno

Daughter Companies

BRNO INN,
a.s.

Expo Restaurace,
a.s.

Kongresové
centrum Brno, a.s.

BD-EXPO,
s.r.o.

BVV Fair Travel,
s.r.o.

BVV,
s.r.o.

Vlečka BVV,
s.r.o.

Vystavki
Brno 000

Company Position on the Market

Company Position on the Market

The quality of the fair projects is the keystone of the quality of the business results and particularly at the present time a necessary prerequisite for being successful in business on the highly competitive trade fair and exhibition market. It is the prevailing resource for a further strengthening of the standing and prestige of the company Trade Fairs Brno in the economic region of its business activities. Trade Fairs Brno organise 49 fairs of different periodicity and independent topics; 36 of these fairs are the largest and most important fairs in the Czech Republic and out of them 23 have established top positions in Central Europe.

	2003	2002
Number of projects held in Brno	30	38
Rented out net exhibition area	405.951 m ²	415.013 m ²
Number of exhibitors	11.456	12.741
Total number of visitors	1,038,388	1,047,486

In the odd year 2003, according to the Fair calendar the “less busy” year, Trade Fairs Brno organised 30 fairs and exhibitions. On top of that they rented out exhibition space to two guest events and 25 congresses, cultural and sports events organised by the Division for Off-Fair Activities. Another three fairs were organised outside the Brno exhibition centre.

Nearly 11.5 thousand firms from 57 countries participated in fairs organised by Trade Fairs Brno. The total attendance to the fair projects was 801,229 paying visitors. On the basis of data obtained from registration cards 47,496 of the visitors came from 85 countries around the world. Their share in the total number of paying visitors is nearly 6%, increasing by 5.5%

compared to 2002. The highest increase, i.e. by 14.5%, was reported for visitors from Slovakia. Another positive aspect and impulse for the development of commercial activities at the fair is the participation of professional visitors, decision-makers in the area of acquisition of investments, goods and services. Their share is stable and ranges around 70%.

The Division for Designing and Building Stands Expo Expert represents an advantage for Trade Fairs Brno in terms of competition; as an integral component of the company it acts as the customers' partner in the process of designing and building the stands and providing services. At the Brno exhibition centre 3,250 customers availed of the offer of the Division, which designed and built stands on an area of 125,000 m² and achieved a turnover of 239 million CZK. The market share in this area is 38.3%.

The economic results mirror the successful business year. With an average number of 600 employees the company showed a trade turnover of 1,445.4 million CZK. In 2003 the income was 1,549.2 million CZK. With overall costs of 1,412.7 million CZK the economic result before tax was 136.5 million CZK and the net profit after tax was 97.3 million CZK.

At the end of 2003 the total assets of Trade Fairs Brno amounted to 3,044.4 million CZK, of which equity capital was 1,031.8 million CZK. In association with finances for building the new pavilion F, which was launched at the International Engineering Fair, the syndicated bank credit was increased by 300 million CZK to 2,100 million CZK. Out of this amount 962.5 million CZK were paid back and as of 31 December 2003 the credit balance was 1,137.5 million CZK. In 2003 the innovation of assets amounted to 385 million CZK.

In 2003 the process of reducing the outstanding debts from commercial relations continued. The situation as of 31 December 2003 was 39.1 million CZK, and the financial assets as of the same date were 218.1 million CZK.

The achieved level of tangible and intellectual potential affords the opportunity to formulate the basic priorities of the company for the oncoming period. The fairs will be conceived as competent centres of the respective branches in the enlarged EU and through them we shall address the new market, which consists of 70 million customers. We intend to seek solutions for the customers, which will satisfy their individual requirements. In the framework of mediation of commercial opportunities we shall offer the respective branches added benefits in the form of accompanying programmes, events and congresses; we shall promote meetings of businesspeople with representatives of state administration. One other objective is to improve the perception of the value of fairs and to make the participation of exhibitors at the fair more effective.

Membership of Trade Fairs Brno in organisations and associations

UFI – The global association of the fair and exhibition industry, the International Union of Fairs, is a non-governmental organisation based in Paris and associating organisers of fairs and exhibitions from around the globe. Membership in this prestigious organisation is an orientation guideline and good reference for the exhibitors and visitors and one of the guarantees of the high quality of the fair and exhibition projects for which UFI lays down binding criteria on incorporation in the category of international fairs. The Brno fair management has been a member of the Union since 1960. The following fairs organised by Trade Fairs Brno are UFI members: MSV, EmbaxPrint, FOND-EX, GO, IDET, INVEX, SALIMA, VINEX, WELDING and WOOD-TEC. At present the UFI management is discussing the membership of the MOBITEX fair.

SOVA ČR – The Association of Organisers of Fairs and Exhibitions in the Czech Republic was established in late 2001 as a result of the consolidation of the SOVA Association of Organisers of Fairs and Exhibitions in the Czech Republic and Slovak Republic, the CVVS Czech Fair and Exhibition Association, and the division of fairs and exhibitions of the Czech Economic Chamber. It is a voluntary association of firms doing business in the Czech fair and exhibition industry.

The main objectives, which Trade Fairs Brno are actively enforcing through their representatives, is integration and formation of the fair and exhibition industry in the Czech Republic in relation to international market, promotion of professionalism of all the subjects of the Czech fair and exhibition market, implementation of international standards and, finally, protection of economic interests and prestige of the organisers of fairs and exhibitions in the Czech Republic. SOVA enforces the audit of statistics of fairs and enforces a positive image of the Czech fair and exhibition industry in mass media.

CENTREX – The International Union for Exhibition Statistics was established in 1997 and was initiated by top organisers of fairs and exhibitions in Central and Eastern Europe (Brno Fairs and Exhibitions, Poznan International Fair, INCHEBA Bratislava and HUNGEXPO Budapest). CENTREX has been a member of UFI since 1999. Today it groups together 12 prominent organisers of fairs and exhibitions from the Czech Republic, Slovakia, Poland, Hungary, Ukraine and Romania.

CENTREX's main mission is to support the transparency, reliability and the actual market value of fair and exhibition statistics through independent audits based on international standards and in the area of the exhibition industry to support co-operation between member countries within the entire European continent. Jiří Knop, Manager of the Department of Foreign Trade Agencies of Trade Fairs Brno, holds the position of Executive Director of CENTREX.

INTEREXPO – Association of Organisers of Collective National Participation in international fairs and exhibitions.

OSPI – International Association of Octanorm Representatives of which Trade Fairs Brno is the exclusive representative for the Czech Republic and Slovakia.

Through individual membership the Trade Fairs Brno participates in activities of **XM Europe**, the European Association of Fair Administrations. Since its establishment in 1999 the Association has grouped the leading world fair and exhibition companies and has been its platform. International conferences, which the Association holds in various parts of the globe, provide information about the present developmental trends in the exhibition industry and evaluate the standing of marketing in the area of organisation of fairs and exhibitions.

Foreign groupings, which co-operate in the projects of Trade Fairs Brno:

CECIMO – European Committee for Co-operation in the Machine Tools Industry

COPE – Confederation of Organisers of Packaging Fairs

EHI – Association of the European Heating Industry

EUMABOIS – European Association of Producers of Wood Processing Machines and Equipment

F.I.M.A. – World Association of Fairs in Automation and Measuring Technology

O.I.C.A. – International Association of Automobile Manufacturers



Ing. Bronislav Rek
pavilion manager

Loyalty to the firm is a family tradition. Like my father, I also enjoy working with people and I stand on details.



Eva Ptáčková
visitors' service, off-fair activities

The Chinese say that a person who should not set up a shop. This is what I do in business and in life.



Yvona Schreiberová

assistant to the economic manager

At the beginning I was a bit apprehensive.
But now I can say that I made an excellent choice
of my German boss.

Does not smile
at I abide by.



Marian Volkner jr.

fitter

...to the customer's aid at midnight if necessary...



Ing. Tomáš Uherek

senior project manager, INVEX fair

Modern communication technologies will not
replace personal contact with people – not
That is what I am finding out every day.



Barbora Jurčková

commercial officer, Sport Life fair

In commerce as in collective sports; only teamwork will lead to success. I like being part of this party.

ever
even in IT.

Groupings in the Czech Republic Co-operating in Projects of Trade Fairs Brno

A ACN – Association of Czech Furniture-Makers * AEM – Association of Energy Managers * AFCEA Czech Republic – Armed Forces Communication and Electronics Association * Agrarian Chamber of the Czech Republic * ALS – Association of Leasing Societies * AOP – Association of the Defence Industry, Grouping of Defence Industry Enterprises * APTT – Association of Heating Engineering Firms * Association of Accountants * Association of Agricultural Machines Importers * Association of Air Operators of the Czech Republic (ALP CR) * Association of Assembly Firms TZB * Association of the Automobile Industry * Association of Building Entrepreneurs of the Czech Republic * Association for Business Innovation in the Czech Republic * Association of Cooks and Confectioners of the Czech Republic * Association of Czech Opticians and Optometrists * Association of Czech Travel Offices and Agencies (ACCKA) * Association of Employers and Entrepreneurs in Transport * Association of Forging Shops of the Czech Republic * Association of the Glass and Ceramics Industry of the Czech Republic * Association of Industrial Mills * Association of Industry and Transport of the Czech Republic * Association of Manufacturers and Suppliers of Engineering Technology * Association of Private Security Services * Association of Producers and Dealers of Sanitary Products * Association of Producers and Dealers of Weapons and Ammunition * Association of Producers of Soft Drinks * Association of Real Estate Agencies of Bohemia, Moravia and Silesia * Association of the Regions of the Czech Republic * Association of Sewage-Treatment Experts * Association of Textile Haberdashers * Association of Towns and Communities of the Czech Republic * Association of Travel Agencies of the Czech Republic (ACK CR) * Association of Undertakers in the Czech Republic * ATOK – Association of the Textile, Clothing and Leather Industry * AVDK – Association of Producers and Importers of Bicycles and Velo-Material

B BIG – Bohemian-Moravian Dairy Union * Bohemian-Moravian Union of Viticulture Enterprises * Bohemian-Moravian Viticulture and Wine Union * Brewery and Malting Research Institute Prague * Brno Building Society attached to SPS * Business International Group * Business Union of Bakers and Confectioners in the Czech Republic *

C CAPPO – Czech Petroleum Industry and Trade Association * Centre for Traffic Research * CESMAD Bohemia – Association of Forwarders * Chamber of Veterinary Surgeons * CIVOP – Centre for

Information and Education in Labour Protection * CKAIT – Czech Chamber of Chartered Engineers and Technicians Operating in the Building Industry * Chamber of Commerce and Economy Brno * CLA – Czech Logistic Association * CSSI – Czech Union of Civil Engineers * Czech Association of Businesspeople in Forest Management * Czech Association of Confectioners * Czech Association of Commerce and Tourism * Czech Association for Transport Telematics * Czech Chamber of Food * Czech Committee of the European League for Economic Co-operation * Czech Design Centre Brno * Czech Ecological Managerial Centre * Czech Foundry Association * Czech Fruit Growing Union * Czech Marketing Association * Czech Medical Association of J.E.Purkyně * Czech Medical Chamber * Czech Office for Occupational Safety * Czech Shoemaker Association * Czech Technical University in Prague * Czech Tourist Authority * Czech Trade * Czech Union of Breweries and Malting Houses * Czech Union of Employers in Power Engineering * Czech Union of Meat Processors * Czech Union of Small and Independent Breweries

E ELA – Bohemian-Moravian Electro-Technical Association

F Foundry Union of the Czech Republic

G Gremium Alarm Association * Guild of Heating and Sanitary Engineers of the Czech Republic * Guild of Upholsterers and Decorators

H HO.RE.KA Czech Association of Businesspeople in the Hotel and Travel Industry * Heating Association

I IBEC – International Building Exhibitions Committee * Integrated Automobile Technical School

J Jan Perner Transport Faculty of the University in Pardubice

L League for the Rights of Wheelchair Users

M Management of Czech Centres * Mendel University of Agriculture and Forestry in Brno

N National Hotel and Restaurant Federation of the Czech Republic

O OSCAR – Professional Union of Importers, Dealers, Producers and Users of Caravans, Mobile Homes, Accessories and Spare Parts

P Professional Group of Motor Trucks, attached to the Czech Association for Material Handling

P SISA – Association of Importers of Automobile Components of the Czech Republic * Society of Friends of Cremation * SPIS – Association for the Information Society * SPP – Association of Entrepreneurs in the Printing Industry * SPPaC – Union of the Paper and Cellulose Industry * SPPC – Association of the Paper and Cellulose Industry * SSL CR – Union of Forwarding Agencies and Logistics of the Czech Republic * STP – Association of Environmental Technology of the Czech Republic * SYBA – Packaging Association, Union of Producers and Dealers in Packages, Packaging Material and Packaging Machines * SYMAS – Association of Firms of Handling and Storage Systems

T Technical University in Brno

U UICB – International Union of Building Centres * Union of Automobile Importers * Union of Bohemian and Moravian Producer Co-operatives * Union of the Chemical Industry * Union of Cooling and Air-Conditioning Technology * Union of Czech Feed Producers * Union of the Gas Industry * Union of Producers of Plastic Materials * Union of Producers of Wood-Processing Machines and Equipment

V Veterinary and Pharmaceutical University in Brno

Z ZeT – Association of Agricultural and Forest Technology

Statutory Bodies of the Company

Statutory Bodies of the Company

Board of Directors:

Karlheinz Wismer Chairman of the Board
of Directors

Jiří Škrla Vice-Chairman of the Board

Members of the Board:

Werner Matthias Dornscheidt

Egbert F. Zündorf

Petr Duchoň

Herbert Vogt

Manfred Kotschedoff

Miloslav Humpolíček

Rostislav Slavotínek

Supervisory Board:

Richard Svoboda Chairman of the
Supervisory Board

Joachim Erwin Vice-Chairman of the
Supervisory Board

Petr Mayer Member of the
Supervisory Board

Top Management:

Jiří Škrla General Manager

Egbert F. Zündorf Managing Director of Finance
and Administration

Aleš Pohl Managing Director

Board of Directors

Karlheinz Wismer (*1936)

Chairman of the Board of Directors

He graduated from Cologne University, Faculty of Economics and Social Science with a degree in Political Economics (Dipl-Volkswirt) and a degree in Industrial Economics (Dipl-Kaufmann).

He specialised in the field of Foreign Trade.

He has been working with Messe Düsseldorf since 1962. From 1975 on he held the position as Managing Director, from 1979 until 1999 also as Deputy General Manager and until the end of 2001 he was General Manager of Messe Düsseldorf.

Until now he represents Messe Düsseldorf as Senior Consultant. Since 1999 he has held the position of Chairman of the Board of Directors in Trade Fairs Brno.

Jiří Škrla (*1949)

Vice-Chairman of the Board

Graduated from the Faculty of Business of the University of Economics in Prague. He has been working with Brno Trade Fairs and Exhibitions since 1975. From 1987 to 1999 he held the position of Business Manager. In 1999 he was appointed General Manager of Brno Fairs and Exhibitions. At present he holds this position in Trade Fairs Brno.

Werner Matthias Dornscheidt (*1954)

Member of the Board

Graduated from the University in Aachen with marketing as his major and with a degree in economics. In 1979 – 1999 he was employed in Messe Düsseldorf, his last position was deputy to the general director of Messe Düsseldorf International. In 1999 he accepted the position of general director in the Messe Leipzig Company. As of 1 January 2004 he was appointed General Director of the Messe Düsseldorf Company.

Egbert F. Zündorf (*1953)

Member of the Board

Graduated from Düsseldorf Municipal Grammar School. While working in the Revenue Office in Düsseldorf he finished his studies as tax assistant and then he studied controlling. In 1985 he entered employment with Messe Düsseldorf where he was in charge of foreign interest partnerships until 2002. Since 2002 he is CFO of Trade Fairs Brno.

Petr Duchoň (*1956)

Member of the Board

Graduated from the Faculty of Natural Sciences of Masaryk University Brno. From 1997 to 1998 he held the position of Vice Mayor and in 1998 he was elected Lord Mayor of the City of Brno. He was again elected Lord Mayor of the City of Brno in the 2002 elections.

Herbert Vogt (*1947)

Member of the Board

Graduated from the University in Frankfurt am Main with a degree in business economics, economic policy, finance sciences, statistics and economic legislation. In 1974 – 1989 he held different positions in tax and financial departments of the Wiesbaden Regional Authority and in 1989 – 2000 was head of the Budget and Finance Department of the Düsseldorf Regional Authority.

In Messe Düsseldorf he has held the position of Economic Manager and Secretary

Manfred Kotschedoff (*1941)

Member of the Board

In 1975 he graduated from the Free University Berlin, Faculty of Economic and Social Sciences and took his doctor's degree in political sciences. He then worked with a number of companies, at the Economic University in Berlin, in a publicity agency, since 1976 he has been employed in Messe Düsseldorf. Since 1989 he has held the position of Executive Director of Messe Düsseldorf.

Miloslav Humpolíček (*1961)

Member of the Board

Since 1998 a member of the Brno – Královo pole district Local Municipal Board, from 2000 a member of the Council. Since 2002 he has chaired the Club of Councillors, at present he holds the position of Vice-Chairman of the Financial Department and is on the committees for social and health affairs, education, culture and the environment.

In 2002 he was elected member of the Municipal Board of the City of Brno, holding the position of vice-chairman of the Committee for Social and Health Affairs. He is also on the committees for culture, supervision, safety and public order. His present position is at the Teaching Hospital of St. Anna where he is a member of the top management of the hospital in charge of the area of safety and emergency control. He is reading social pedagogic at the University of T. Baťa in Zlín.

Rostislav Slavotínek (*1944)

Member of the Board

Graduated from the Faculty of Mechanical Engineering of Technology in Brno. After graduation he worked with the company ORGREZ. Since 1990 he has worked at the Town Hall, first as a member of the City Council, then of the City Council Board. In December 2000 he was elected First Deputy to the Lord of Mayor of the City of Brno.

Supervisory Board

Richard Svoboda

Chairman of the Supervisory Board

Born in Zlín in 1964.

After graduation from the Gymnasium in Zlín he studied the Faculty of Philosophy in Brno (PhD. Degree in 1988). After one-year military service he worked as editor in Sušice, after 1989 as researcher of the Czechoslovak Academy of Sciences, later the Academy of Sciences of the Czech Republic.

In 1989 elected to office of the City Council of Brno – Královo Pole, since 2000 Vice-Mayor. He is a member of the Council of the South Moravian Region.

Joachim Erwin (*1949)

Vice-Chairman of the Supervisory Board

At Ruhr University in Bochum he studied law, sports and hispanistic. From 1976 he worked as attorney in Düsseldorf. In 1999 he was elected Lord Mayor of the City of Düsseldorf.

Petr Mayer (*1947)

Member of the Supervisory Board
(representative of the employees)

Graduated from the University of Technology Brno, Faculty of Electric Engineering. He has worked for Trade Fairs Brno since 1977, at the present time in the Department for Visitors Service and Between-Fairs Activities.

Top Management

Jiří Škrla (*1949)

General Manager

Graduated from the Faculty of Business of the University of Economics in Prague. He has worked with Brno Trade Fairs and Exhibitions since 1975. From 1987 to 1999 he held the position of Business Manager. In 1999 he was appointed General Manager of Brno Fairs and Exhibitions. At present he holds this position in Trade Fairs Brno.

Egbert F. Zündorf (*1953)

Managing Director of Finance and Administration

Graduated from Düsseldorf Municipal Grammar School. While working in the Revenue Office in Düsseldorf he finished his studies as tax assistant and then he studied controlling. In 1985 he entered employment with Messe Düsseldorf where he was in charge of foreign interest partnerships until 2002. Since 2002 CFO of Trade Fairs Brno.

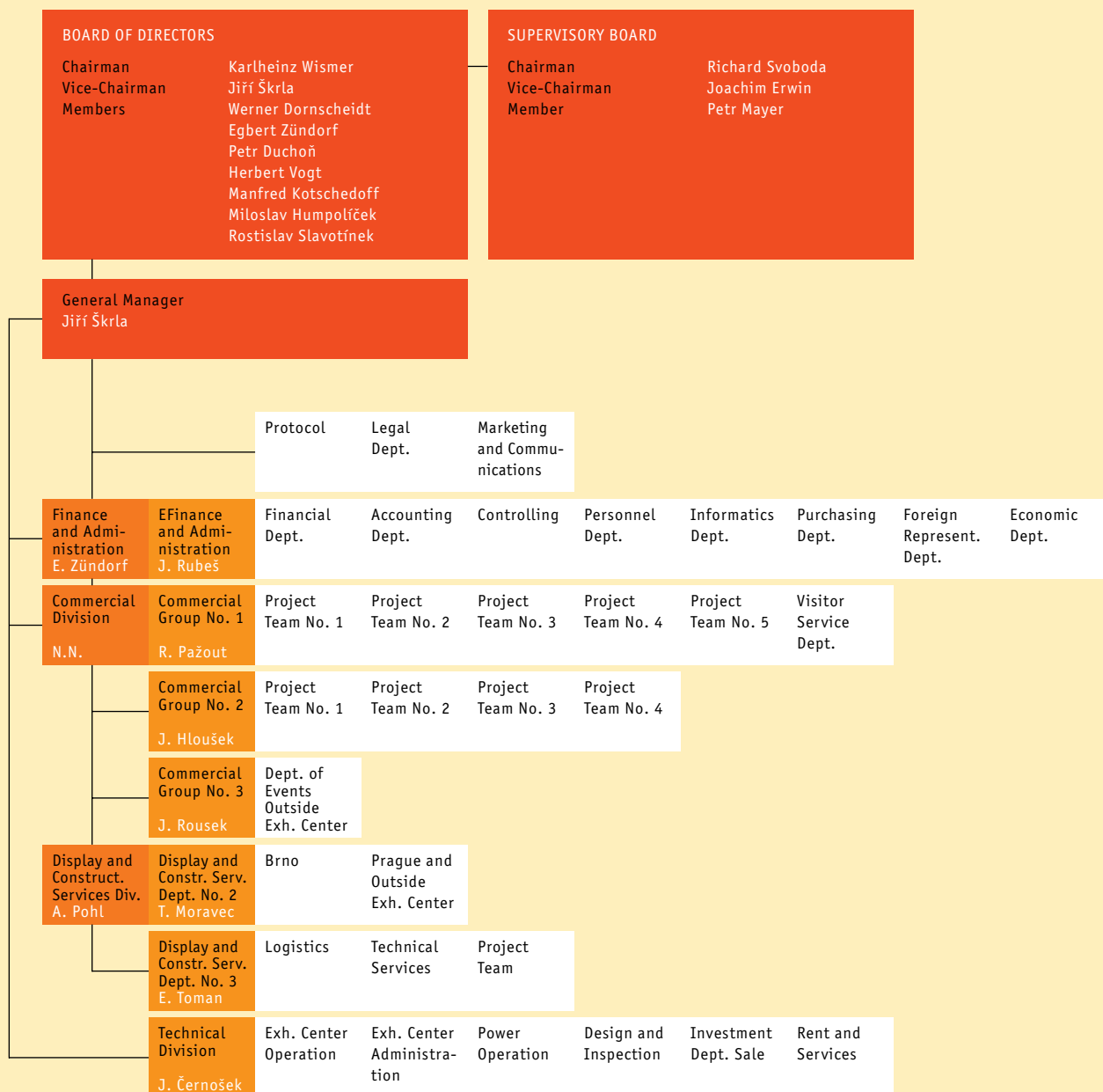
Aleš Pohl (*1966)

Managing Director

Graduated from the University of Technology Brno, Faculty of Civil Engineering. Since 2001 he has held the post of Assistant to the Technical Director of Trade Fairs Brno. In November 2001 he was appointed Managing Director of the Department of Stand Construction and Services.

Trade Fairs Brno

Organisation Chart



Statement of the Supervisory Board

Statement of the Supervisory Board on the annual financial statement and proposal for the distribution of the 2003 profit and on the relationships between the controlling and controlled partners

In 2003 the following persons were members of the Supervisory Board:

Richard Svoboda

from 13 June 2003 member

since 13 October 2003 Chairman

Joachim Erwin

Vice-Chairman

Petr Mayer

member

Ladislav Koukal

Chairman before 13 June 2003

In 2003 the Supervisory Board convened 4 times. The Supervisory Board's starting point was to control the implementation of the resolution adapted by the Board of Directors. Among others, the agenda included supervision of the company's business activities, dissolution of the WORLD TRADE CENTER BRNO without liquidation, preparation of land for sale in the locality Kamechy, Brno-Bystrc, and the business plan of the company for 2004.



Bc. Dita Brančíková
press worker, Press Centre

I enjoy communicating with people. Here I have enough opportunities to establish communication, but what is more important, to mediate it.



Marian Volkner sr.
fitter

Nothing doing. Without us it would be no go.



JUDr. Eliška Svobodová

Head of the Protocol Department

The first impression means a lot. And we are usually the first people that our prominent guests meet. That is why we want them to feel at home with us.



Ing. Petr Kamenický

PR and Publicity Manager

I try to be straightforward in relations and in communication. For me this is very important.

The Supervisory Board states that the business activities were carried out in conformity with legal regulations, Articles of Association and General Assembly resolution.

The Supervisory Board of the joint-stock company reviewed the annual financial statement submitted on 22 March 2004 and came to the final conclusion that there are no reasons for objections in the company accounting and that the accounting is in compliance with the relevant legal regulations. The Supervisory Board recommend the General Assembly to approve the annual financial statement.

The Supervisory Board discussed the proposal for the distribution of profit and assents to the proposal as put forward by the Board of Directors of the company, i.e.:

Profit for distribution	97 344 642.33 Kč
Allocation to the reserve fund	4 867 232.10 Kč
Allocation to the social welfare fund	2 500 000.00 Kč
Compensation for losses of previous years	89 977 410.23 Kč

At their meeting on 22 March 2004 the Supervisory Board reviewed the Report on the Relationships between the Controlling and Controlled Partners and stated that no harm was inflicted to the controlled partner.

Brno, 18 June 2004

PhDr. Richard Svoboda
Chairman of the Supervisory Board

Report on the Relationships between the Controlling and Controlled Partners

in compliance with § 66a, para 9 of Law No. 513/1991 of the Collection of Laws, Commercial Code, as amended

Messe Düsseldorf GmbH

404 74 Düsseldorf, Messeplatz

Federal Republic of Germany

- controlling partner

the share in voting rights of the controlled partner: 60.39%

Veletrhy Brno, a.s. (Trade Fairs Brno)

647 00 Brno, Výstaviště 1

Czech Republic

Company registration number (IČO): 25582518

- controlled partner

In the last accounting period the controlling and controlled partners concluded the following contracts:

- Co-operation agreement for the fair SHK Brno 2004, the subject matter of which is the obligation of the controlling partner to perform acquisition on the territory of Europe, with the exception of the Czech Republic and the Slovak Republic, co-ordination and arrangement of matters of business in relation to representatives abroad, with the exception of commerce representation of the Czech Republic and the Slovak Republic, setting up a medial plan in terms of advertising, maintaining current contacts and establishing new contacts with

international unions, establishing contacts with media, with the exception of the Czech Republic and the Slovak Republic, scheduling the entire event in co-ordination with the controlled partner, proof-reading of German-language texts, and the obligation of the controlled partner to compensate the controlling partner for this performance with a contractual remuneration.

This contract does not inflict any harm to the controlled partner by the controlling partner.

- Contracts on building exhibition stands by the controlled partner for the controlling partner on the exhibition grounds in Moscow in return for payment from the controlling partner, within the mutually agreed material and financial conditions on the grounds of the individual partial orders made out by the controlling partner.

This contractual co-operation did not inflict any harm to the controlled partner by the controlling partner.

- Contract on building an exhibition stand by the controlled partner for the controlling partner in return for payment from the controlling partner for the fair KATOWICE 2003 in Poland, within the mutually agreed material and financial conditions on the grounds of an order made out by the controlling partner.

This contractual co-operation did not inflict any harm to the controlled partner by the controlling partner.

- Contract concerning participation in fairs organised by the controlling and controlled partners. The subject matter of the contracts is renting out exhibition space and providing any other associated services in

return for payment. The character of this contractual co-operation is reciprocal.

The contractual relations concern the participation of the controlled partner in the following fairs organised in 2003 by the controlling partner

- NEWCAST 2003
- A+A 2003
- IBA 2003
- GDS I 2003 and GDS II 2003

and participation of the controlling partner in these fairs organised by the controlled partner in 2003

- Kabo I 2003 and Kabo II 2003

This contractual co-operation did not inflict any harm to the controlled partner by the controlling partner.

No other legal action or measures in the interest of these persons were adopted or carried out by the controlled partner.

The following contracts were concluded between the controlled partner and other partners controlled by the same controlling partner in the past accounting period:

- Contract on commerce representation concluded between the controlled partner and the company **o.o.o. Messe Düsseldorf Moscow**, based Krasnopresnenskaja Embankment 14/2, pavilion 7, 123 100 Moscow, Russian Federation (hereinafter only commercial representative), the subject of which is the obligation of the commercial representative to carry out on the territory of the Union of Independent States for the controlled partner targeted acquisition of new exhibitors and to attend



Anna Hanáková
storage operator

Květoslava Kodymová
storage operator

We too are here for you, even though you may not meet us in person.



Ing. Rudolf Böhm

Senior Project Manager of the Building Fairs

Like buildings, business relationships must also have a strong foundation. And I definitely have a firm footing.



Ing. Jan Krahulec

PR and Publicity Manager for the STYL and KABO fashion fairs

Fashion itself is a unique tool of communication. For me personally it is interesting to encourage this communication.

to current exhibitors, to carry out advertising focused on visitors, to increase the standard of recognition of international fairs and exhibitions organised by the controlled partner and the obligation of the controlled partner to return in payment the commercial representative a commission based on the size of the rented exhibition space, a commission based on the size of the built exhibition stands and an annual financial contribution towards the running of the office of the commercial representative.

This contract did not inflict any harm to the controlled partner.

- Contracts with the company **Messe Düsseldorf North America**, based 150 North Michigan Avenue Suite 2920, Chicago, Illinois 60501, USA concerning:
 - Messe Düsseldorf North America to perform the contract within a supra-national campaign for the fair Idet 2003 organised by the controlled partner in return for payment from the controlled partner consisting in promotion and acquisition activities for the benefit of this fair
 - Messe Düsseldorf North America to perform the contract within a supra-national campaign for the International Engineering Fair (MSV) 2003 organised by the controlled partner in return for payment from the controlled person consisting in acquisition activities for the benefit of this fair

This contractual co-operation did not inflict any harm to the controlled partner.

No other legal action or measures in the interest of these persons were adopted or carried out by the controlled partner.

Auditor's Report

for shareholders of the company

We carried out an audit of the attached financial statement of the company Trade Fairs Brno as of 31 December 2003. The statutory body of the company is responsible for the compilation of the financial statement. Our task was to carry out an audit and on its basis to issue the auditors' opinion on the present financial statement.

The audit was carried out in compliance with the Act on Auditors and guidelines issued by the Chamber of Auditors of the Czech Republic. The auditing guidelines require that the audits are scheduled and carried out so that the auditor would have adequate confidence that the financial statement does not contain any major non-conformances. The audit consists of selective verification of the completeness and evidence of financial data and information included in the financial statement. The audit also contains the assessment of accounting methods and significant estimates and the evaluation of the overall presentation of the financial statement. We are confident that the present audit provides an adequate basis for us to give the auditors' opinion.

In our opinion the financial statement on all important aspects gives a credible and honest account of all fixed assets, liabilities, equity and financial situation of the company Trade Fairs Brno as of 31 December 2003 as well as business results for the accounting period of 2003 in compliance with the Act on Accountancy and the respective regulations of the Czech Republic.

We verified the compliance of information on the audited company for the past period, as stated in the annual report, with the audited financial statement. In our opinion this information is, in all the important respects, consistent with this financial statement, from which it was taken.

The statutory body for the company is responsible for the completeness and correctness of the report on the relationships among the respective partners. We verified the objective correctness of data presented in this report and we found no incorrectness of consequence.

Plzeň, 31 May 2004

BDO Finkonsult, s.r.o.

Masarykova 102, 312 00 Plzeň

Certificate of the Czech Chamber of Auditors Nr. 069

Ing. Ivana Pechmannová

Auditor

Certificate Nr. 1645

FAIRS AND EXHIBI- TIONS HELD IN 2003

EVENT	EXHIBITION AREA (m ²)			
	TOTAL	of which from abroad	Rented out	Demonstra- tion area
GO				
13th International Travel Fair	4 356	280	3 686	670
REGIONTOUR				
12th International Fair of Regional Tourism	5 023	437	4 823	200
OPTA				
9th International Fair of Eye Optics & Ophthalmology	3 552	56	3 102	450
STYL I.				
21st International Fashion Show	13 239	2 493	11 775	1 464
KABO I.				
21st International Fair of Footwear & Leatherware	3 737	537	3 707	30
MOBITEX				
International Fair of Furniture, Home Textiles & Interior Accessories	12 207	1 381	10 831	1 376
DOMO				
International Fair of Household Articles	5 773	268	5 773	0
X-ART				
International Fair of Children's Goods and Toys, Office and School Articles, Gifts & Promotional Gifts, Hobby and Sports				
FISHING				
International Show of Fishing Tackle	1 279	0	947	332
IBF				
8th International Building Fair	49 797	3 132	47 197	2 600
SHK BRNO 2003				
4th International Fair for Sanitation, Heating & Air-Conditioning (in cooperation with Messe Düsseldorf GmbH)	8 703	1 037	8 703	0
URBIS				
Investment Opportunity Forum, Technology & Equipment for Towns & Communities	5 388	14	3 488	1 900
IDET				
7th International Fair of Defence & Security Technology and Special Information Systems	29 950	2 745	12 707	17 243
G+H				
1st International Trade Fair for Hotels, Restaurants & Catering	3 704	161	3 104	600
EMBAX PRINT				
International Fair of Packaging, Printing & Reprography – materials, machines and technologies	15 132	1 889	13 874	1 258
AUTOSALON BRNO 2003				
International Motor Show	47 072	787	36 335	10 737
PROPET				
8th International Pet Supply & Horse Equipment Exhibition	10 597	51	1 877	8 720
STYL II.				
22nd International Fashion Fair	12 666	2 825	11 190	1 476
KABO II.				
22nd International Fair of Footwear & Leatherware	3 570	714	3 558	12
MSV				
45th International Engineering Fair	69 653	9 495	67 199	2 454
Transport a Logistika				
2nd International Fair of Transport & Logistics				
INVEX				
13th International Fair of Information & Communications Technology	27 336	875	24 856	2 480
WOOD-TEC				
8th International Fair of Machinery, Equipment & Materials for the Wood Industry	11 773	942	11 397	376
MEFA				
11th International Fair of Medical Technology & Pharmacy	4 397	147	4 197	200
REHAPROTEX				
12th International Fair for Rehabilitation, Prosthetics & Health	3 488	0	3 388	100

EXHIBITORS				VISITORS			
TOTAL	of which from abroad	Other firms represented	Number of participating countries	TOTAL	of which from abroad	Paying	Others
194	20	137	16	37 038	995	36 388	650
320	49	422	12				
91	11	165	22	4 157	610	3 898	259
617	138	55	19	18 197	2 026	17 333	864
205	48	3	8				
227	50	37	12	57 007	1 780	56 427	580
130	25	5	9				
53	0	1	1				
856	112	62	18	96 001	4 203	94 243	1 758
166	28	19	9				
112	1	9	2				
272	133	56	24	21 797	2 059	17 340	4 457
162	13	19	8	30 870	3 797	29 731	1 139
502	144	92	25				
307	32	25	10	124 585	6 530	122 335	2 250
115	5	7	4	21 339	28	21 273	66
602	159	58	19	16 857	2 051	15 473	1 384
194	61	6	13				
1 868	432	347	36	105 586	12 141	103 588	1 998
487	57	114	16	135 026	9 655	133 003	2 023
267	46	64	13	22 467	1 474	21 649	818
185	15	285	25	19 354	1 108	18 082	1 272
141	0	65	14	0	0	0	0

FAIRS AND EXHIBI- TIONS HELD IN 2003

EVENT	EXHIBITION AREA (m ²)			
	TOTAL	of which from abroad	Rented out	Demonstra- tion area
SPORT LIFE				
2nd International Sports Fair	28 197	532	5 424	22 773
boat Brno				
International Boat & Water Sports Show	3 018	685	2 848	170
Caravaning Brno				
International Caravanning Show	3 914	373	3 854	60
CHRISTMAS MARKET				
	6 357	27	5 860	497
SC EDEN 3000				
Centre of Model Family Houses	5 197	0	5 189	8
PROJECTS OF TRADE FAIRS BRNO				
	399 075	31 883	320 889	78 186
MVP				
International Dog Show	5 853	9	5 853	0
INTERCANIS				
37th International Dog Show	4 920	0	4 920	0
GAUDEAMUS				
European Fair for Higher Education	2 966	0	0	2 966
9th Fair for Gymnasiums, Secondary, Technical & Vocational Schools	3 082	0	0	3 082
Other Guest Events *)	74 285	0	0	74 285
GUEST EVENTS IN THE EXHIBITION CENTRE				
	91 106	9	10 773	80 333
TOTAL EVENTS IN THE EXHIBITION CENTRE				
	490 181	31 892	331 662	158 519
SCHOLA NOVA				
10th International Specialised Fair - School, Training & Equipment	1 000	27	770	230
INTERIER PRAHA				
12th International Contracting & Sales Exhibition - Furniture, the Interior & Design	1 641	70	1 620	21
PŘEROV				
International Show of Farm Animals and Agricultural Technology	4 235	100	4 235	0
PROJECTS OUTSIDE OF THE EXHIBITION CENTRE				
	6 876	197	6 625	251
TOTAL FOR 2003				
	497 057	32 089	338 287	158 770

Pozn.: *) Congresses, Dancing & Music Events, Presentations of Firms etc.

EXHIBITORS				VISITORS			
TOTAL	of which from abroad	Other firms represented	Number of participating countries	TOTAL	of which from abroad	Paying	Others
199	16	28	6	30 831	803	30 171	803
82	13	11	8				
37	6	5	4				
388	3	136	0	75 314	0	75 314	0
186	0	0	0	129 215	0	0	129 215
8 965	1 617	2 233	57	945 641	49 260	796 248	149 536
NOT MONITORED				8 087	0	0	8 087
				see PROPET			
				27 138	0	0	27 138
				12 163	0	0	12 163
				33 945	0	0	33 945
				81 333	0	0	81 333
8 965	1 617	2 233	57	1 026 974	49 260	796 248	230 869
106	3	1		5 706	0	2 039	3 667
43	1	22		5 708	0	2 942	2 766
82	1	4					
231	5	27		11 414	0	4 981	6 433
9 196	1 622	2 260	57	1 038 388	49 260	801 229	237 302

Financial Part

BALANCE SHEET

in full form as of 31 December 2003 (in thousands CZK)

Ind.	ASSETS	L. No.	Current accounting period			Previous
			Gross	Adjustment	Net	accounting period Net
	TOTAL ASSETS (l. 02+03+31+62)	001	4 692 154	-1 647 773	3 044 381	2 765 104
A.	Unpaid capital	002	0	0	0	0
B.	Fixed assets (l. 04+13+23)	003	4 281 296	-1 610 776	2 670 520	2 410 899
B.I.	Intangible fixed assets (l. 05 to 12)	004	95 935	-69 872	26 063	28 707
B.I.	1. Incorporation expenses	005	0	0	0	0
	2. Research and development	006	0	0	0	0
	3. Software	007	90 873	-67 237	23 636	16 035
	4. Valuable rights	008	3 400	-2 619	781	1 342
	5. Goodwill (+/-)	009	0	0	0	0
	6. Other intangible fixed assets	010	127	-16	111	0
	7. Intangible fixed assets not yet in use	011	1 535	0	1 535	11 330
	8. Advance payments for intangible fixed assets	012	0	0	0	0
B.II.	Tangible fixed assets (l. 14 to 22)	013	3 958 018	-1 497 936	2 460 082	2 195 304
B.II.	1. Land	014	112 594	-33 072	79 522	79 523
	2. Buildings	015	2 825 005	-962 045	1 862 960	1 575 549
	3. Machines, tools & equipment, vehicles, furniture and office equipment	016	549 267	-436 156	113 111	85 244
	4. Orchards and forests	017	0	0	0	0
	5. Breeding and working animals	018	0	0	0	0
	6. Other tangible fixed assets	019	891	0	891	946
	7. Tangible fixed assets not yet in use	020	8 719	0	8 719	27 972
	8. Advance payments for tangible fixed assets	021	30	0	30	453
	9. Difference in valuation to acquired assets (+/-)	022	461 512	-66 663	394 849	425 617
B.III.	Long-term financial investments (l. 24 to 30)	023	227 343	-42 968	184 375	186 888
B.III.	1. Shares in controlled and controlling partners	024	176 116	-984	175 132	177 430
	2. Shares in accounting entities and associated companies	025	36 012	-35 584	428	464
	3. Other long-term securities	026	0	0	0	0
	4. Loans and credits to controlled and controlling partners and associated accounting entities	027	6 400	-6 400	0	0
	5. Other financial investments	028	8 815	0	8 815	8 994
	6. Purchased financial investments	029	0	0	0	0
	7. Advance payments for financial investments	030	0	0	0	0

Ind.	ASSETS	L. No.	Current accounting period			Previous accounting period
			Gross	Adjustment	Net	Net
C.	Current assets (l. 32+39+47+57)	031	361 224	-36 997	324 227	302 880
C.I.	Inventory (l. 33 to 38)	032	9 572	-728	8 844	13 752
C.I.	1. Materials	033	0	0	0	0
	2. Work in progress and semi-finished products	034	0	0	0	0
	3. Finished products	035	136	0	136	398
	4. Animals	036	0	0	0	0
	5. Merchandise	037	9 402	-728	8 674	13 301
	6. Advance payments for inventory	038	34	0	34	53
C.II.	Long-term receivables (l. 40 to 46)	039	26 334	0	26 334	10 005
C.II.	1. Trade receivables	040	1 700	0	1 700	0
	2. Receivables against controlled and controlling partners	041	0	0	0	0
	3. Receivable against associated company	042	0	0	0	0
	4. Receivables against partners, members of society & consortiums	043	0	0	0	0
	5. Estimated receivables	044	0	0	0	0
	6. Other receivables	045	7 192	0	7 192	10 005
	7. Deferred taxes	046	17 442	0	17 442	0
C.III.	Short-term receivables (l. 48 to 56)	047	107 188	-36 269	70 919	72 755
C.III.	1. Receivables from partners and consortiums	048	65 731	-35 879	29 852	42 419
	2. Receivables against controlled and controlling partners	049	0	0	0	0
	3. Receivables against associated company	050	0	0	0	0
	4. Receivables against partners, members of society & consortiums	051	0	0	0	0
	5. Social security	052	0	0	0	0
	6. Tax receivables	053	30 266	0	30 266	12 985
	7. Other advance payments	054	9 716	-390	9 326	16 702
	8. Estimated receivables	055	743	0	743	0
	9. Other receivables	056	732	0	732	649
C.IV.	Short-term financial investments (l. 58 to 61)	057	218 130	0	218 130	206 368
C.IV.	1. Cash	058	6 251	0	6 251	7 108
	2. Bank accounts	059	211 879	0	211 879	199 260
	3. Short-term securities and shares	060	0	0	0	0
	4. Short-term financial investments	061	0	0	0	0
D.I.	Accruals and deferrals (l. 63 to 65)	062	49 634	0	49 634	51 325
D.I.	1. Deferred expenses	063	47 203	0	47 203	47 353
	2. Complete deferred expenses	064	0	0	0	0
	3. Accrued revenues	065	2 431	0	2 431	2 947
	Active exchange difference	000	0	0	0	49
	Estimated receivables	000	0	0	0	976

Ind.	LIABILITIES	L. No.	Current accounting period	Previous accounting period
	TOTAL LIABILITIES (l. 67+84+117)	066	3 044 381	2 765 104
A.	Equity (l. 65+69+74+78+81)	067	1 031 861	931 359
A.I.	Registered capital (l. 69 to 71)	068	1 083 375	1 083 375
A.I.	1. Registered capital	069	1 083 375	1 156 051
	2. Purchase of own shares	070	0	0
	3. Changes in registered capital	071	0	-72 676
A.II.	Capital funds (l. 73 to 76)	072	28 110	24 953
A.II.	1. Share premium	073	1 444	1 444
	2. Other capital funds	074	26 887	23 750
	3. Gains or losses from revaluation of assets and liabilities	075	-221	-241
	4. Gains or losses from company transformations	076	0	0
A.III.	Reserves, indivisible fund and other profit funds (l. 78 + 79)	077	3 766	329
A.III.	1. Legal reserve fund / Indivisible fund	078	3 766	329
	2. Statutory and other funds	079	0	0
A.IV.	Profit (loss) of previous years (l. 81+82)	080	-180 735	-246 033
A.IV.	1. Retained earnings from previous years	081	0	129 600
	2. Accumulated losses from previous years	082	-180 735	-375 633
A.V.	Profit (loss) of current period (l. 01-68-72-77-80-84-117)	083	97 345	68 735
B.	Liabilities and reserves (l. 85+90+101+113)	084	2 000 980	1 718 438
B.I.	Reserves (l. 86 to 89)	085	32 839	-24 136
B.I.	1. Special legal regulations reserves	086	0	0
	2. Pensions and other obligation reserves	087	0	0
	3. Income tax reserves	088	0	0
	4. Other reserves	089	32 839	32 489
	Deferred tax	000	0	-56 625
B.II.	Long-term liabilities (l. 91 to 100)	090	458 933	447 533
B.II.	1. Trade liabilities	091	0	0
	2. Liabilities to subsidiary companies and partners	092	458 933	447 533
	3. Liabilities to associated companies	093	0	0
	4. Liabilities to partners, members of society and consortiums	094	0	0
	5. Long-term advance payments received	095	0	0
	6. Bonds issued	096	0	0
	7. Long-term bills of exchange	097	0	0
	8. Estimated payables	098	0	0
	9. Other liabilities	099	0	0
	10. Deferred tax	100	0	0

Ind.	LIABILITIES	L. No.	Current accounting period	Previous accounting period
B.III.	Short-term liabilities (l. 102 to 112)	101	371 762	311 470
B.III.	1. Trade creditors	102	64 600	76 947
	2. Liabilities to controlled and controlling partners	103	0	0
	3. Liabilities to associated companies	104	0	0
	4. Liabilities to partners, members of society and consortiums	105	81	1 759
	5. Liabilities to employees	106	153 155	147 741
	6. Social security liabilities	107	7 949	7 075
	7. Due to state - taxes and subsidies	108	3 159	2 450
	8. Short-term reserves received	109	101 571	73 724
	9. Bonds issued	110	0	0
	10. Estimated payables	111	38 193	0
	11. Other liabilities	112	3 054	1 774
B.IV.	Bank loans (l. 114 to 116)	113	1 137 446	983 571
B.IV.	1. Long-term bank loans	114	947 803	983 571
	2. Short-term bank loans	115	189 643	0
	3. Short-term financial assistance	116	0	0
C.I.	Accruals and deferrals (l. 118 to 119)	117	11 540	115 307
C.I.	1. Accrued expenses	118	3 606	4 610
	2. Deferred revenues	119	7 934	5 486
	Unrealised exchange rate losses	000	0	52 775
	Estimated payables	000	0	52 436

PROFIT AND LOSS ACCOUNT

in full form as of 31 December 2003 (in whole thousands of CZK)

Ind.	TEXT	L. no.	Balance in the accounting period	
			Current	Previous
I.	Revenues from merchandise	01	20 454	23 624
A.	Cost of goods sold	02	15 885	18 571
+	Sales margin (l. 01-02)	03	4 569	5 053
II.	Production (l. 05+06+07)	04	1 422 321	1 557 557
II.1.	Revenues from own products and services	05	1 418 435	1 553 718
II.2.	Change in inventory of own production	06	0	0
II.3.	Capitalisation of own production	07	3 886	3 839
B.	Production consumption (l. 09+10)	08	826 237	863 543
B.1.	Materials and energy consumption	09	128 839	131 820
B.2.	Services	10	697 398	731 723
+	Value added (l. 03+04-08)	11	600 653	699 067
C.	Personnel expenses (l. 13 to 16)	12	308 569	298 076
C.1.	Wages and salaries	13	219 162	212 493
C.2.	Remuneration of board members	14	4 060	2 124
C.3.	Social security and health insurance	15	73 970	72 606
C.4.	Social expenses	16	11 377	10 853
D.	Taxes and fees	17	18 632	20 561
E.	Depreciation of intangible and tangible fixed assets	18	136 870	99 571
III.	Revenues from sale of fixed assets and materials (l. 20+21)	19	2 409	5 110
III.1.	Revenues from sale of fixed assets	20	582	4 683
III.2.	Revenues from sale of materials	21	1 827	427
F.	Net book value of fixed assets and materials sold (l. 23+24)	22	102	2 424
F.1.	Net book value of fixed assets sold	23	0	2 340
F.2.	Material sold	24	102	84
G.	Changes in reserves and adjusting items in the operating area and complex future costs	25	-18 754	9 755
IV.	Other operation revenues	26	26 830	10 663
H.	Other operating expenses	27	25 237	83 790
V.	Transfer of operating revenues	28	0	0
I.	Transfer of operating expenses	29	0	0
*	Operating profit / loss			
	(l. 11-12-17-18+19-22-25+26-27-28+29)	30	159 236	200 663

Ind.	TEXT	L. no.	Balance in the accounting period	
			Current	Previous
VI.	Revenues from sales of shares and similar securities	31	34	12 200
J.	Cost of shares and similar securities sold	32	34	2 000
VII.	Revenues from long-term financial investments (l. 34+35+36)	33	0	2 317
VII.1.	Revenues from shares in controlled and controlling partners and in accounting entities	34	0	0
2.	Revenues from other shares and similar securities	35	0	2 017
3.	Revenues from other financial investments	36	0	300
VIII.	Revenues from short-term financial investments	37	99	2 410
K.	Current liquid assets losses	38	0	0
IX.	Revenue from revaluation of securities and derivates	39	0	0
L.	Losses from revaluation of securities and derivates	40	0	0
M.	Changes in reserves and adjustments in the financial sphere	41	-8 002	-51 420
X.	Interest income	42	8 956	10 168
N.	Interest expense	43	100 475	112 386
XI.	Other financial revenues	44	43 513	3 905
O.	Other financial expenses	45	6 249	7 656
XII.	Transfer of financial revenues	46	0	0
P.	Transfer of financial expenses	47	0	0
*	Profit / loss from financial activities (l. 31-32+33+37-41+42-43+44-45-46+47)	48	-46 154	-39 622
Q.	Income tax on income from ordinary activities (l. 50+51)	49	39 182	63 872
Q.1.	– due	50	0	-44
2.	– deferred	51	39 182	63 916
**	Income after tax from ordinary activities (l. 30+48-49)	52	73 900	97 169
XIII.	Extraordinary revenues	53	24 263	4 451
R.	Extraordinary expenses	54	818	32 885
S.	Income tax on income from extraordinary activities (l. 56+57)	55	0	0
S. 1.	– due	56	0	0
2.	– deferred	57	0	0
*	Income after tax from extraordinary activities (l. 53-54-55)	58	23 445	-28 434
W.	Transfer of profit or loss to partners (+/-)	59	0	0
***	Profit / loss of current accounting period (+/-) (l. 52+58-59)	60	97 345	68 735

CASH FLOW OVERVIEW

as of 31 December 2003 (in thousands of CZK)

	31.12.2002	31.12.2003
P. Opening balance of cash	226 695	206 368
Z. Accounting profit from regular activities before tax	161 041	113 082
A.1. Adjustments by non-financial operations (A.1.1. to 5)	329 971	150 480
A.1.1. Depreciation of fixed assets	130 338	136 893
A.1.2. Adjustments, reserves, temporary accounts	114 685	-77 350
A.1.3. Profit from sales of fixed assets	-12 543	-582
A.1.4. Revenues from dividends	-4 727	0
A.1.5. Accounted paid and received interest	102 218	91 519
A.* Net cash flow from operating activities (Z.+A.1.)	491 012	263 562
A.2. Working capital requirements (A.2.1. to 3)	-147 192	58 595
A.2.1. Receivables in operating activity	-99 052	45 869
A.2.2. Short-term liabilities of operating activity	-49 403	7 856
A.2.3. Change to inventory	1 263	4 870
A.2.4. Short-term current liquid assets not within financial means and equivalents	0	0
A.** Net cash flow from operating activity (A.*+A.2)	343 820	322 157
A.3. Expenses from interest payment except for capitalised interest	-112 386	-100 475
A.4. Interest received	10 168	8 664
A.5. Income tax paid for common activity and for re-allocations	-43 180	-22 531
A.6. Extraordinary accounting items, incl. tax from extraordinary activities	-28 434	23 445
A.7. Dividends and shares received	4 727	0
A.8. Dividends paid - re-distribution	0	0
A.*** Net cash flow from operating activities (A.**+A3 to 6)	174 715	231 260
B.1. Expenses on fixed assets	-230 770	-388 526
B.2. Income from sale of fixed assets	16 883	616
B.3. Loans and credits to relatives	0	0
B.*** Net cash flow from investment activities (B.1. to 3.)	-213 887	-387 910
C.1. Change to the balance of liabilities	-109 521	165 275
C.2. Impacts of changes to equity on cash flow (C2.1. to 6.)	128 366	3 137
C.2.1. Increase of registered capital or reserve funds	239 379	0
C.2.2. Payment of share on the equity to associates	0	0
C.2.3. Monetary gifts and allocations to equity + C.2.2. and further	23 750	3 137
C.2.4. Loss payment by associates	0	0
C.2.5. Direct payment to the debit of funds	-133 085	0
C.2.6. Paid dividends and shares to profit, incl. tax	-1 678	0
C.*** Net cash flow from financial activities (C.1. to 3.)	18 845	168 412
F. Net cash flow (A.***+B.***+C.***)	-20 327	11 762
R. Final balance of cash flow (P.+ F.)	206 368	218 130

Appendix to the Annual Financial Statements as of 31 December 2003

1. General information

Company name:	Trade Fairs Brno
Company Headquarters:	Brno, Výstaviště 1, 647 00
Date of establishment:	26 November 1999
Prevailing sphere of business:	Organising and presenting fairs

1.1. Principal stockholders as at 31 December 2003

Name of stockholder	Shares [pcs]	Ownership Interest [%]
Messe Düsseldorf GmbH	65 434 400	60.39
Chartered City of Brno	36 609 600	33.79
Small shareholders	6 293 535	5.82
Total	108 337 535	100.00

The Company has been entered in the Company Register kept by the Regional Court in Brno, Section B, entry 3137.

1.2. The following changes were made in 2003

- ◆ to the Board of Directors
 - 12.6.2003 Wilhelm Giese resigned from the Board of Directors
 - 13.6.2003 Václav Božek discharged
 - 13.6.2003 Werner Matthias Dornscheidt elected
 - 13.6.2003 Miloslav Humpolíček elected

- ◆ to the Supervisory Board
 - 13.6.2003 Ladislav Koukal discharged
 - 13.6.2003 Richard Svoboda elected
 - 21.11.2003 Richard Svoboda elected Chairman of the Supervisory Board

- ◆ procuration
 - 10.2.2003 by decision of the Board of Directors the procuration of Jaromir Hažmuka was withdrawn

- ◆ By resolution of 30 June 2003 the Regional Court in Brno made a decision to enter the reduction of the registered capital of Trade Fairs Brno in the Commercial Register. The resolution in question came into force on 24 July 2003. The Company then requested the Centre for Securities to erase 7 267 595 own shares. The Centre for Securities notified the Company in an official letter of 18 November 2003 that the number of shares had been reduced.
- ◆ By resolution of 5 November 2003 the Regional Court in Brno made a decision to dissolve the WORLD TRADE CENTRE BRNO Company (WTC), based Brno, Výstaviště 1, Reg. No. 63488434 and to transfer the capital to the principal shareholder Trade Fairs Brno. The Resolution in question came into force on 25 November 2003. WTC was terminated as of 1 January 2003.

1.3. Articles of Association

On 13 June 2003 the General Assembly approved the changes in the Articles in Provision § 5 art. 16 and 24; the new wording is:

- ◆ Prov. § 5 art. 16
16. Leasing and lending chattels
- ◆ Prov. § 5 art. 24
24. Organising professional courses, training and other educational events, incl. training activities

1.4. Company organisation chart

chart: see Appendix

1.5. Members of Statutory Body and other bodies of the Company as of 31 December 2003

Board of Directors

Karlheinz Wismer	Chairman
Jiří Škrla	Vice-Chairman
Petr Duchoň	members
Rostislav Slavotínek	
Werner Matthias Dornscheidt	
Herbert Vogt	
Manfred Kotschedoff	
Egbert Zündorf	
Miloslav Humpolíček	

Prokurators

Jiří Škrta

Egbert Zündorf

Aleš Pohl

Jaroslav Rubeš

Jaromír Hažmuka – procuration withdrawn by decision of Board of Directors of 10 February 2003

Kamil Trávníček – constituted a proctor by decision of the Board of Directors of 13 February 2004.

Supervisory Board

Richard Svoboda Chairman

Joachim Erwin Vice-Chairman

Petr Mayer member

1.6. Trading Companies with Trade Fairs Brno Ownership Interest over 20%

Name of Company	HQ	Share of RC [%]	Registered capital [thousands Kč]
Alberga a. s., in liquidation	Brno	49.00	41 010
Brno Inn a. s.	Brno	74.17	240 000
BVV Brněnské veletrhy a výstavy, s.r.o.	Brno	100.00	100
BVV Fair Travel s.r.o.	Brno	100.00	2 400
BVV Hotel Service a. s., in liquid.	Brno	49.05	31 600
CENTREX International Association	Budapešť	25.00	100 HUF
EXPO restaurace a. s.	Brno	100.00	1 500
Pražské veletrhy s.r.o. in liquidation	Praha	50.00	200
Vlečka BVV s.r.o.	Brno	100.00	100
VVB-Veltrhy a výstavy Bratislava s.r.o., in liquidation	Bratislava	100.00	1 130
MQI s.r.o.	Brno	49.00	300
Vila Tugendhat Foundation	Brno	49.90	501
BD-Expo Kft.	Budapešť	51.00	4000 HUF
Kongresové centrum Brno a. s.	Brno	66.00	1 000
Vystavki Brno, o.o.o.	Moskva	100.00	500

1.7. Employees

Average number of employees		2002	2003
Total of employees		621	600
of which:			
top executives:	GM, managing directors, managers,	13	11
	managerial personnel at the 3 rd level	37	34

Personnel expenses in thousands of Kč

	Employees total in 2002	of which: executives	Employees total in 2003	of which: executives
Payroll costs	212 493	26 776	219 162	27 210
Bonuses to members of Company bodies	2 124	594	4 060	1 224
Social security expenses	72 606	7 724	73 970	7 690
Social expenses	10 853	- x)	11 377	- x)
Total of personnel expenses	298 076	- x)	308 569	- x)

x) not monitored

Other bonuses to members of statutory & supervising bodies	2002	2003
Royalties	0	0
Loans	0	0
Bonds granted	0	0

Loans granted to employees in thousands of Kč	2002	2003
Total of employees	1 913	1 713
of which:		
top executives	500	500

Balance of loans	2002	2003
Total of employees	10 005	7 192
of which:		
top executives	1 378	874

2. Information on Accounting Methods and General Principles

- ◆ **Purchased inventory** is evaluated with acquisition price using the FIFO method, minus adjustments.
- ◆ **Intangible fixed assets** are assets of usable life longer than one year and valued at more than 3,000.00 Kč. Intangible fixed assets are evaluated with the acquisition price, depreciations in costs on the basis of the expected service life of the individual items.
- ◆ **Tangible fixed assets** are assets with acquisition price 3 000.00 Kč and higher and usable life longer than one year. Tangible fixed assets are evaluated with the acquisition price and replacement cost. The acquisition cost includes the cost of acquisition, transportation costs, duty and other costs associated with acquisition. Credit interest is not part of the acquisition price. The replacement cost is based on the value of similar assets already filed in the property file.

If the use value of the depreciated tangible fixed assets is temporarily considerably lower than the written-down value, a rectifying item is made to such property.
- ◆ **Exhibition equipment** of a value of less than 100.00 Kč is shown as the cost of the company at the moment of acquisition. Exhibition equipment of less than 10 000.00 Kč is shown as the cost in the year of acquisition and following two years (in the form of accruals and deferrals).

Exhibition equipment of acquisition price higher than 10 000.00 Kč is considered as tangible fixed assets if the usable life is longer than one year.
- ◆ **Long-term current liquid assets** are loans granted with an expiration date longer than one year and ownership interest essential and decisive.

Ownership interest in companies where the accounting unit performs essential or decisive influence is evaluated with the acquisition price.
- ◆ **Deferred tax liability** is assessed on the basis of all temporary differences between the balance and the tax base of the accounting unit. The deferred tax receivable is recorded at the sum presumably realised against expected taxable profit in future periods.
- ◆ **Transformations of the companies**

The WORLD TRADE CENTER Brno expired as of 1 December 2003 by transfer of assets to its only shareholder Trade Fairs Brno. Inasmuch as in this case there was only one shareholder, the WTC assets were not revaluated.
- ◆ Financial leasing means purchase of long-term or small tangible assets in such a way that after the expiration or during the agreed time of considered use of the assets by the user, the ownership of the assets is transferred from the owner to the user and the user will make the payment for the acquisition of property within the framework of the costs.

The acquisition cost of property acquired in the form of this financial leasing is not activated and is expensed uniformly over the entire period of the financial leasing.

The relevant value of the leased property is activated at the time when the leasing contract is coming to an end. Extraordinary instalments (or other charges) of the leasing paid in advance differ in time during the period of the leasing.

◆ **Changes in accounting methods**

Information on changes in accounting methods in relation to § 7 art. 5 of the accounting directives law stating the effect on property and obligations, on the financial situation and trading income of the accounting unit as of the balance day.

Method of evaluation	2003	2002
Unrealised exchange differences	Nominal account	Account balance
Credit interest	Nominal account	Activated into PC DHM

2.1. Types of secondary acquisition costs included under acquisition prices of purchased inventory

freight and customs charges

2.2. Changes to the determination of adjustments of fixed assets

no changes

2.3. Method of determination of adjustments to fixed assets

Adjustment	Method of determination
Securities	100% in companies in bankruptcy or liquidation
Receivables	Based on the Act on Reserves and Act on Accounting <ul style="list-style-type: none"> ■ over 180 days from due date up to 100 % ■ between 120 and 180 days from due date up to 50% ■ between 60 and 120 days from due date up to 30% ■ flat rate of 2 % per value of receivables to which no adjustment was added
Inventory	Based on the Act on Accounting <ul style="list-style-type: none"> ■ low-turnover inventory in the amount of 50% ■ inventory with no turnover in the amount of 90%
Land	Based on expert estimate of real-estate offices

2.4. Method of compilation of depreciation plans and methods applied

Compilation of depreciation plan based on the anticipated service life of fixed assets.

Anticipated service life determined as follows / depreciation rate:

Type of fixed asset	Periodicity of depreciation	Method (linear / degressive)	%
Long-term intangible assets:			
Software, licence, other	4	Degressive	25
Software na zakázku	8	Degressive	12.5
Tangible fixed assets:			
Buildings	30 – 45	Linear	2.2 – 3.3
Cultural monuments	15	Linear	6.6
Machines and equipment	4 – 15	Degressive	6.6 – 25
Means of transport	4 – 15	Degressive	6.6 – 25
Inventory	2 – 8	Degressive	12.5 – 50
Exhibition equipment	2 – 5	Linear	20 – 50

2.5. Method applied for the conversion of foreign currency into Czech crowns

- For the conversion of foreign currency into Czech crowns at the date of execution of an accounting operation, the accounting unit applies a fixed monthly exchange rate of the Czech National Bank valid at the date of the last working day of the previous month.
- For conversion of foreign currency into Czech crowns for operations on the crown and foreign currency markets carried out by the Financial Division, the currently valid exchange rate will be applied for the performed operation – the Financial Division will supply complete accounting documents necessary for correct booking (description of transactions, contracts, transaction rates of exchange etc.).
- The receivables and payables, existing at the date of 31 December 2003, were converted using the valid exchange rate of the Czech National Bank and accounted nominally.
The balance of unrealised rate of exchange profits and losses found on the basis of evaluation of receivables, obligations and short-term financial assets in foreign currency at the exchange rate of the Czech National Bank at the balance date is shown as unrealised profit in foreign currency in the economic activities.

2.6. Events after balance day

The impact of events between the balance day and day of signing the final accounts is stated in the accounting statement in the case that these events provided supplementary information on the facts already existing on the balance day. Other events, which occurred after the balance day and which concern facts occurring after the balance day, are not charged in the accounting statements. The consequences are described below:

On the 8 January 2004 the business share in the company MQI Media Quality International Brno in an amount of 49% of the registered capital of this company was sold.

The profit on this sale amounted to 353 thousand Kč.

3. Additional information to the balance sheet and profit / loss account

3.1. Tangible and intangible fixed assets other than receivables

The assets with market evaluation different from the accounting evaluation include especially the intangible assets of the company. The assets not recorded in the Balance Sheet are kept in the operation records on acquisition prices.

3.1.1. Main groups of individual tangible and intangible assets

Account	Asset type	Depreciation group	Acquisition price [thous.Kč]	Adjustments [thous.Kč]
02110	buildings and halls	4,5	2 488 941	819 931
02120	other structures	4,5	336 064	142 114
02230	power machinery	1,2,3	54 696	8 985
02240	working machinery	1,2,3	25 045	21 760
02250	instruments	1,2,3	269 296	241 036
02260	means of transport	1,2,3	90 528	66 396
02270	inventory	1,2,3	32 433	28 234
002280	exhibition equipment	-	5 267	5 267
02291	other tangible FA	-	68 041	63 197
02292	other tangible FA	-	3 771	1 208
02293	exhibition equipment	-	190	73
02710	difference in valuation of property	-	461 512	66 663
03110	land	-	112 594	0
03210	art works and collections	-	891	0
042	acquisition of tangible FA	-	8 719	0
052	deposits for tangible FA provided	-	30	0

3.1.2. Intangible assets

account	asset type	depreciation group	acquisition price [thous.Kč]	adjustments [thous.Kč]
01310	software	1,2	80 912	57 912
01320	low-value intangible FA	-	9 961	9 325
01410	rights with value	-	3 400	2 619
01910	other low-value intangible FA	-	127	16
041	acquisition of IFA	-	1 535	-

3.1.3. Assets acquired in the form of financial leasing

3.1.3.a Analysis of lease instalments

	Buildings	Working machines and equipment	Others
Actually remitted lease payments on the date of balance day	72 736	0	18 123
Lease payments due within one year	18 270	0	2 492
Lease payments due in 2 nd to 5 th year	72 987	0	1 295
Lease payments due after the 5 th year	214 398	0	0
Total value of leasing contracts in force	378 391	0	21 910

3.1.3.b Important new leasing contracts made

Object of leasing	Lease term	Lease price in Kč
Fiat MAVE CiBus ENA – 2.8	36 months	2 469 644.00
Fiat MAVE CiBus ENA – 2.8	36 months	2 442 854.00

3.1.4. Overview of assets under lien

Description of the lien

All property of Deed of Title No.344 except land plots 358 and 359 and building in Hlinky No. 41	creditor: WestLB AG	2.4 bill.Kč + attachments
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A mortgage contract was concluded on 26 June 2003 between Trade Fairs Brno as the mortgager and WestLB AG based in Germany, Düsseldorf, Herzogstrasse 15 as the bond creditor, for the creation of a lien on all real estate in the possession of Trade Fairs Brno entered in the real estate cadastre kept by the Land Registry for the South-Moravian Region based in Brno, cadastre workplace Brno-město, Deed of Title No. 344, cadastre Pisárky, municipality Brno, except plots Nos. 358 and 359 and building Hlinky No. 41 on plot No. 358 entered ibidem, to secure the outstanding debt of

3.2. Receivables

3.2.1. Receivables past due [in thousands of Kč]

	at 31. 12. 2002	at 31. 12. 2003
Total	78 599	51 855
of which past due:		
by 60 days	9 528	10 699
61 – 90 days	15 633	4 525
91 – 120 days	4 197	3 767
121 – 180 days	1 548	998
181 – 360 days	3 575	2 731
over 360 days	44 118	29 135

3.2.2. Receivables past due in foreign currency [in thousands of Kč]

	at 31. 12. 2002	at 31. 12. 2003
Total	11 017	8 507
listed by foreign currencies		
CHF	117	105
USD	569	473
EUR	10 331	7 929

3.2.3. Inter-company receivables accounted for [in thousands of Kč]

Company name	2003
Brno Inn a. s.	1 504
BVW Fair Travel s.r.o.	2 800
EXPO restaurace a. s.	7 100
Kongresové centrum Brno a. s.	2 600
Vlečka Brno s.r.o.	51
MQI s.r.o.	68
BD-Expo Kft.	21
Messe Düsseldorf GmbH	18 679
Total	32 823

3.2.4. Balance of short-term inter-company receivables [in thousands of Kč]

Company name	at 31. 12. 2003
Brno Inn a. s.	97
BVV Fair Travel s.r.o.	739
EXPO restaurace a. s.	586
Kongresové centrum Brno a. s.	260
Pražské veletrhy s.r.o. in liquidation	799
Vlečka Brno s.r.o.	47
VVB-Veltrhy a výstavy Bratislava s.r.o. in liquidation	667
Messe Düsseldorf GmbH	2 647
Total	5 842

3.2.5. Balance of long-term inter-company receivables at the date of 31. 12. 2003

none

3.2.6. Net total of receivables [in thousands of Kč]

	2001	2002	2003
Total of short-term receivables	69 245	72 755	70 919
Total of long-term receivables	11 911	10 005	26 334

Note: In long-term receivables a deferred tax of the amount of 17 442 thousand Kč has been reported since 2003.

Computation of deferred tax

Title of commencement	Situation at 31.12.2003	Tax rate	Deferred tax obligation (-) Deferred tax receivable (+)
Difference between book and tax value	-72 680	28%	-20 350
Adjustment of long-term assets	0	28%	0
Adjustment of inventory	727	28%	203
Adjustment of receivables	1 597	28%	447
Other non-tax inventory	400	28%	112
Unclaimed tax loss	132 249	28%	37 030
Total	62 293	--	17 442
Charged deferred tax (in thousands of Kč)	---	---	17 442

3.2.7. Lien covered receivables or receivables secured in another way (e.g. liability)

On 1 April 2003, the company Trade Fairs Brno, as lessor, and the company EXPO DATA based in Brno, Výstaviště 1, Reg. No. 44960751, as tenant, concluded a contract of lease of non-residential premises. It is a fixed term contract valid until 31 March 2013. All receivables of the lessor against the tenant as based on the contract of lease of non-residential premises, which may arise during operation of the contract, are secured by right of lien of machines owned by the tenant. The mortgage right in personal chattels was established in the mortgage contract concluded in the form of a notarial record on 10 October 2003 and on that date the lien was registered in the Mortgage Register.

3.3. 3.3. Net Profit / Loss in 2002 [in thousands of Kč]

Total of book profit in 2002	68 735
Division:	
– reserve fund (5%)	3 437
– partial compensation for losses in previous years	65 298

3.4. Registered capital

	Nominal capital at 31. 12. 2003 [in thousands of Kč]	Number of shares at 31. 12. 2003 [pcs]
Ordinary bearer shares	1 083 375	108 337 535
In the nominal value of 10 Kč		

3.5. Company equity [in thousands of Kč]

	2001	2002	2003
Registered capital	1 156 051	1 156 051	1 083 75
Changes in reg. capital	0	- 72 676	0
Treasury stock	- 47 933	0	0
Share premium	1 444	1 444	1 444
Other capital funds	0	23 750	26 887
Differences in valuation of revaluated property	0	- 241	- 221
Statutory capital reserves	329	329	3 766
Accumulated loss	- 111 270	- 375 633	- 180 735
Undivided profit	0	129 600	0
Profit/loss of current period	- 264 363	68 735	97 345
Total of equity	734 258	931 359	1 031 861

3.6. Payables

3.6.1. Payables past due [in thousands of Kč]

	at 31. 12. 2002	at 31. 12. 2003
total	23 303	28 174

3.6.2. Payables in foreign currencies past due [in thousands of Kč]

	at 31. 12. 2002	at 31. 12. 2003
total	- 132	24

3.6.3. Inter-company payables [in thousands of Kč]

Name	2003
Brno Inn a. s.	3 049
BVV Fair Travel s.r.o.	14 562
CENTREX international association	121
EXPO restaurace a. s.	9 622
Kongresové centrum Brno a. s.	3 986
Vlečka Brno s.r.o.	307
MQI s.r.o.	16 490
BD-Expo Kft.	1 378
Messe Düsseldorf GmbH	33 113
Messe Düsseldorf North America	71
Messe Düsseldorf Moskva	176
Total	82 875

3.6.4. Balance of inter-company payables [in thousands of Kč]

Company name	at 31. 12. 2003
Brno Inn a. s.	139
BVV Fair Travel s.r.o.	626
EXPO restaurace a. s.	351
Kongresové centrum Brno a. s.	867
MQI s.r.o.	1 961
BD-Expo Kft.	162
Messe Düsseldorf GmbH	72
Total	4 178

3.6.5. Long-term inter-company payables at 31. 12. 2003

Messe Düsseldorf GmbH	14 162 000 EUR	458 933 000 Kč
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3.6.6. Overview of net total of payables [in thousands of Kč]

	2001	2002	2003
Total of short-term payables	314 557	311 470	371 762
Total of long-term payables	452 911	447 533	458 933

3.7. Bank loans [in thousands of Kč]

	2001	2002	2003
Long-term credit	1 087 714	983 571	1 137 446

Bank loans are granted by the consortium of banks in CZK with floating interest rate (fixing 3MPRIBOR).

Purpose: share purchase and construction of pavilion F.

Maturity of loans:

	thousands of Kč
Payable within one year	189 643
Payable in 2 nd to 5 th year	758 571
Payable after 5 years	189 232
Past due as of balance sheet day	0

3.8. Legal provisions and other reserves [in thousands of Kč]

	Opening balance at 1. 1. 2003	Addition	Withdrawals	Closing balance at 31. 12. 2003
Provisions of exchange rate losses (account No. 45410)	49	0	49	0
Other reserves (account No. 45930)	32 440	839	440	32 839
Total	32 489	839	489	32 839

3.9. Adjustments and depreciation to receivables in operating expenses [in thousands of Kč]

3.9.1. Total of adjustments to receivables at 31. 12. 2003 [thous.Kč] 36 269

of which:

legal tax adjustments

adjustments to receivables in bankruptcy and settlement (account No. 39101)	17 513
adjustments to receivables due after 31. 12. 1994 (account No. 39102)	4 911
Total	22 424

Accounting adjustments

adjustment to receivables due after 31. 12. 1994 (account No. 39103)	12 767
adjustment to receivables from business activity (account No. 39111)	1 078
Total	13 845

Receivables [thous. Kč]	Legal tax adjustment [%]	Legal tax adjustment [thous. Kč]	Accounting adjustment [%]	Accounting adjustment [thous. Kč]	
17 513	100	17 513	0	0	Bankruptcy
277	0	0	100	277	30.6.1997-30.12.1997
124	100	124	0	0	31.12.1997-30.12.1998
349	100	349	0	0	31.12.1999-29.6.2000
1 000	33	330	67	670	31.12.1999-29.6.2000
360	100	360	0	0	30.6.2000-30.12.2000
579	33	191	67	388	30.6.2000-30.12.2000
233	80	186	20	47	31.12.2000-29.6.2001
1 852	33	611	67	1 241	31.12.2000-29.6.2001
46	66	30	34	16	30.6.2001-30.12.2001
863	33	285	67	578	30.6.2001-30.12.2001
254	50	127	50	127	31.12.2001-29.6.2002
1 941	33	641	67	1 300	31.12.2001-29.6.2002
3 391	33	1 119	67	2 272	30.6.2002-30.12.2002
2 790	20	558	80	2 232	31.12.2002-29.6.2003
922	0	0	50	461	121-180 days past due
8 887	0	0	30	2 666	61-120 days past due
24 574	0	0	2	492	Flat adjustment
1 078	0	0	100	1 078	Other receivables
67 033		22 424		13 845	Total

3.9.2. Total of adjustments to financial investments at 31.12.2003 [thous. Kč] 42 968

of which:

adjustments to companies

with controlling influence (account No. 09610)	984
with substantial influence (account No. 09620)	35 584
other (account No. 09630)	0

adjustments to loans

inter-company loans (account No. 09660)	6 400
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3.9.3. Adjustments to assets

to land (account No. 09231)	33 072
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3.10. Revenues from operating activity listed by principal activities [in thousands of Kč]

	2001	2002	2003
Revenues from sale of own services & goods	90 001	1 577 342	1 438 889
of which:			
revenues from sale of own service	88 110	1 553 718	1 418 435
sale of goods	1 891	23 624	20 454
Sales of securities and financial deposits	0	12 200	34
Revenue from long-term financial assets	0	2 317	0
Financial activities	12 036	72 204	60 614

note: – the company commenced business after the merger as of 1 November 2001

In 2003 there were no expenditures for research and development.

No important facts appeared after the balance sheet day.

Brno: 9 February 2004

Compiled by: Jana Vaculíková
Accounting Division

Jiří Škrta Jaroslav Rubeš
proctor proctor

Trade Fairs Brno

CALENDAR OF FAIRS AND EXHIBITIONS IN 2003

GO	8. - 11.1.
REGIONTOUR	8. - 11.1.
STYL	17. - 19.2.
KABO	17. - 19.2.
OPTA	20. - 22.2.

SALIMA – International Food Fairs

SALIMA	2. - 5.3.
MBK	2. - 5.3.
INTECO	2. - 5.3.
VINEX	2. - 5.3.
ProBiz	2. - 3.3.
MOBITEX	17. - 21.3.
DOMO	17. - 21.3.
PRODÍŤĚ	17. - 21.3.
FISHING	17. - 21.3.
TECHAGRO	28.3. - 1.4.
ANIMAL VETEX	28.3. - 1.4.
SILVA REGINA	28.3. - 1.4.

Building Fairs Brno 2004

IBF	20. - 24.4.
SHK BRNO 2004	20. - 24.4.
URBIS	20. - 24.4.
ELEKTRO 2004	20. - 24.4.
ENVIBRNO	20. - 24.4.
NEW SIMET	20. - 24.4.
PYROS	18. - 21.5.
INTERPROTEC	18. - 21.5.
ISET	18. - 21.5.
WELDING	18. - 21.5.
FOND-EX	18. - 21.5.
AUTOTEC 2004	5. - 9.6.
PROPET	25. - 27.6.
STYL	24. - 26.8.
KABO	24. - 26.8.
MSV 2004	20. - 24.9.
IMT 2004	20. - 24.9.
INVEX	11. - 15.10.
MEFA	2. - 5.11.
REHAPROTEX	2. - 5.11.
SPORT Life	11. - 14.11.
boat Brno	11. - 14.11.
Caravaning Brno	11. - 14.11.
VENIA	25. - 27.11.
CHRISTMAS MARKET	10. - 19.12.
Building Center EDEN 3000	Year round except 1.1., 24. - 26. and 31.12.

Guest Shows

International Dog Show	7. - 8.2.
Exhibition of Highbred Horses	25. - 27.6.
INTERCANIS	26. - 27.6.
INTERFELIS	26. - 27.6.
GAUDEAMUS	19. - 22.10.
World of Book 2004	12. - 14.11.
Kontakt – Kontrakt	25.11.

Prague

SCHOLA NOVA	23. - 25.3.
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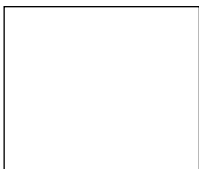
Other notes

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