

TRADE FAIRS BRNO

2002

ANNUAL REPORT

BVV



Veletřhy
Brno

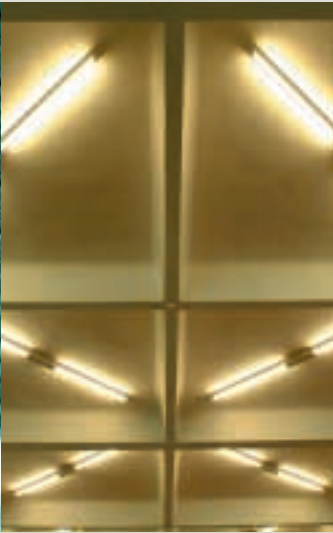
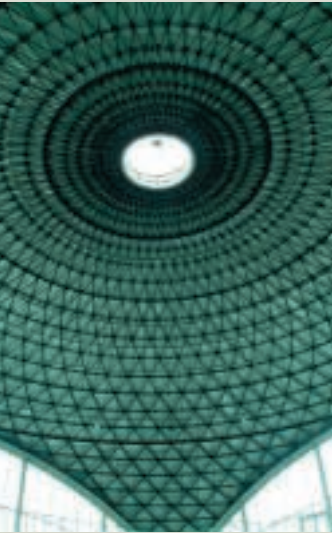
TRADE FAIRS BRNO

with us you are in good hands



To a large extent, **information, communication and trust, shape our lives.** This is true for our private lives and also for economics and business. In both cases the objective is to use communication to obtain topical information about the supply and demands for products or services, to process the information and hand it down to others. Every day we accept this information with confidence and we continue to communicate. Confidence is inevitable for us in its versatile manifestations: in the face of businessmen and the quality of their products, in the face of the workman and his well-done work, in the face of the media for providing sound information. With confidence in their professional skill and ability we trust the taxi-driver, the pilot, doctor and a number of others. **Our life is unthinkable without trust** and confidence, information and communication. Even today, as ever before, we pose the question: O.K.? And as we did before, we confirm: Agreed!; very often by the customary shaking of hands. Although various methods exist today where this role in business or in communication is substituted or simplified by technical processes, in important decisions we want to make sure in person. We still consider human work, direct personal contact and imminent experience to be very important. That is the principle of the market, including the large markets, the fairs: **To offer a meeting place to people**, people who communicate immediately, exchange information and test products; at the same time, at the same place, internationally. Brno Trade Fairs as a traditional organiser of international fairs have for many years been a mediator between regions of Central and Eastern Europe and the western part of the Continent. With the approaching entrance of countries of this region into EU, the **Brno Trade Fairs help to create an economic future**; as a connecting element between old and new EU members, between the West and East, continuing in the tradition of the country firmly rooted in the culture and economy of Central Europe. It is here that communication and exchange of information is ongoing. Confidence and trust are very important for Brno, the city of trade fairs. Trust of the exhibitors and visitors in the competence and experience of the company achieved in the course of practically 75 years. Seventy-five years of trade fairs in Brno. This year we celebrate our birthday. Come and celebrate it with us, be you an exhibitor or visitor.

We are looking forward to seeing you.



TRADE FAIRS BRNO

Annual Report 2002

TRADE FAIRS BRNO

a palm full of propositions



CONTENTS

INTRODUCTION BY THE CHAIRMAN OF THE BOARD OF DIRECTORS	6
INTRODUCTION BY THE GENERAL DIRECTOR	7
INTRODUCTION BY THE CHAIRMAN OF THE SUPERVISORY BOARD	9
COMPANY PROFILE	10
Company profile	10
Membership of Trade Fairs Brno in Organisations and Associations	11
GROUPINGS IN THE CZECH REPUBLIC CO-OPERATING	
IN PROJECTS OF TRADE FAIRS BRNO	13
COMPANY POSITION ON THE MARKET	15
STATUTORY BODIES OF THE COMPANY	18
Board of Directors	18
Supervisory Board	20
TOP MANAGEMENT	21
PRINCIPAL STOCKHOLDERS	23
FAIRS AND EXHIBITIONS IN 2002	24
STATEMENT OF THE SUPERVISORY BOARD	30
REPORT ON THE RELATIONSHIPS BETWEEN THE CONTROLLING	
AND CONTROLLED PARTNERS	31
AUDITOR'S REPORT	33
TRADING COMPANIES WITH MAJORITY OWNERSHIP INTEREST	
OF TRADE FAIRS BRNO	34
ORGANISATION CHART	36
FINANCIAL PART	37

FAIRS IN BRNO 2002

The year 2002 was again a successful year both for Brno Trade Fairs and for the City of Brno. And not only from a purely commercial point of view, but also in terms of the **continuation of the integration process between Brno Trade Fairs and Messe Düsseldorf**. We see a slow but **continual blending together of two components that do indeed belong together**. Through a regular exchange of employees, through common social and sporting events, we are getting to know each other, to understand each other better and this is an important aspect of mutual corporate culture. Nevertheless, much more important is the result; **the energy and synergy generated in this way serves our customers in Brno and in Düsseldorf likewise**. Brno is the most important partner for the Messe Düsseldorf concern. In Brno, **both exhibitors and visitors meet with know-how of an internationally efficient team**, as they also do in Düsseldorf and many other places where Messe Düsseldorf operates – in Moscow, Singapore, Chicago, Shanghai – to mention at least a few. **We have a thorough knowledge of the markets on which we operate and so we can offer unique services in international trade, so to say “from one hand”**, from renting out exhibition space, building stands and booths, catering, accommodation, down to PR services and publicity; all of this **competently and efficiently**. This wide range of services is one of the factors that made Messe Düsseldorf into one of the most important fair organisations on a worldwide level. In this process the Brno Trade Fairs, side by side with Messe Düsseldorf, are a significant building stone. **Brno has become the most important place in Central Europe where trade fairs are held**. Our aspiration is to continue in this trend. For 2003 our objective is, among a number of others, to continue in the improvement of our services, to extend the exhibition space, to the benefit of our customers and the Brno Trade Fairs.

Karlheinz Wismer

Chairman of the Board of Directors of Brno Trade Fairs

INTRODUCTION BY THE GENERAL DIRECTOR

In parallel with the assessment of results of the past business year we take a **look back at the first year of the Trade Fairs Brno joint-stock company, which was established in late 2001**. And not only that. The preparations for the accession of the Czech Republic to EU are culminating, bringing to the fore the pivotal criterion of success – **what conditions have we created to intensify the hitherto co-operation and relations with our clients under the new conditions of the European market. Where did we start from** In 2003 the **Brno Exhibition Centre will round off 75 years of its existence**. In the course of its history **perceptible landmarks** and climaxes can be traced, **each of which had been a strong stimulus for the development of trade fairs and exhibitions in Brno**. In a way each of them had also influenced today's business activities. The first was **the Exhibition of Contemporary Culture in Czechoslovakia held in 1928**, endowing the city with an avant-garde trade fair setting, which became a touchstone of invention of all the following generations of architects. Primarily, however, it showed the resolve and courage of the organisers who had prepared an extremely impressive exhibition and brought it to a successful close. **The geographical location of Brno and the existence of the exhibition infrastructure, in particular, were factors, which marked the era of expansion of trade fairs in the 1950s and which culminated in the first engineering fair held in 1959**. The developmental trends in the exhibition industry reflected the tendencies in the industrial branches towards specialisation. In the following years the respective branch-oriented fairs were gradually detached from the originally general trade fairs and they form the framework of today's programme of trade fairs. **The present period rounds off the third developmental stage initiated in 1989** and characterised by a process of internal restructuring of the Brno fair company, **the entrance in 1998 of the foreign partner Messe Düsseldorf and the establishment in 2001 of a new joint-stock company, the Trade Fairs Brno with an ownership participation of the Brno Municipal Authorities**. A clear-cut result of this developmental period is the present position of the Trade Fairs Brno Company, the 63% market share on the audited domestic exhibition market and 86.2% share in the segment of international trade fairs as based on the UFI criteria. **Where are we heading** In the language of mountaineers we are now in the base camp immediately below the next peak, which is the accession to EU in 2004. The peaks are the challenges and they are here to be surmounted. **In the role of a guide we are facing the principle task: to offer our knowledge and experience, and being so well equipped to choose a secure method and optimal way of achieving the ultimate goal. So what can we offer** The present list of trade fairs of our Company consists of **43 projects of different periodicity** covering virtually all the industrial fields and branches. Out of this number 35 are on top of the list in the Czech Republic and 17 hold the number 1 position in Central Europe. In co-operation with Messe Düsseldorf, the strong owner from abroad, **we offer up-to-date trade fair know-how, which conforms to the present**

global conception of international trade. As a supporting element, information and communication technologies are applied to complete the function of the fair. **The conceptions of the fairs reflect the realistic situation of the respective branches** and easy orientation of the target groups. We are devoting **permanent attention to further internationalisation of the fair events**, thanks to which we have the highest share of foreign professional visitors in Central Europe. This share is permanently increasing; in 2002 it reached 6.4% of the total number of more than one million visitors and the year-to-year growth is 0.5%. The greatest share in this increase goes to visitors from Poland (+54.5%), Austria (+41.8%) and Hungary (+8.6%), from territories of our priority interest. **Brno is a place where West European businesspeople have the opportunity to present their firms, in particular, to new EU member countries.** We are up-rating the structure of visitors as an important potential of the ongoing growth of the standard of the individual projects. The share of the decision-makers is more or less stable and is as high as 70% of the total number of visitors. **The infrastructure of Brno trade fairs and the quality of services is comparable with advanced European cities of trade fairs.** The possibility to establish new contacts in a “domestic atmosphere” and adequate costs makes it easier for firms, especially domestic firms, to penetrate to the EU markets. Due to the high level of internationalisation, participation in Brno fairs is at least as effective as in any other country. **“Partner for Euro Business”** The importance of the fair as a tool of marketing communication will by no means lessen with the entrance of new member countries to the EU markets. On the contrary **it can be expected that accession to EU will be positively reflected in the Trade Fairs Brno Company business.** We are convinced that **participation in a well-organised and high-quality fair will be an ideal entrance to the markets of the new EU member countries** because it will provide a good survey of the market they wish to enter, as well as sound commercial contacts. Participation in the fair will offer similar advantages for businesspeople of the new member countries after their accession to EU. **The concentrated offer of fairs will help them estimate their own position in the face of competition** and to explore new opportunities of placing own production. It will be particularly inspiring for small and medium-sized businesses. **In this way the Brno fair will become a symbol not only of the market, but at the same time also of integrating Europe.**

Jiří Škrla

General Manager of Trade Fairs Brno

THE SYNONYM OF TRADE FAIRS IS BRNO

The exhibition grounds in Brno have been part and parcel of the Moravian metropolis at least since 1928 when the grandiose Exhibition of Contemporary Culture of Czechoslovakia was held there. The functionalistic group of buildings, even at that time avant-garde on a European scale, which the city's organism adopted as its own, has become an integral part of Brno and as time has proved, also exceedingly beneficial. Over the **three quarters of a century of its existence the contacts between the exhibition centre and the city have strengthened**. Each single period added its imprint and footmark to the avant-garde foundation of the architecture and **made the Brno Exhibition Centre a significant European landmark where the pulse of contemporary life is very intensive**. Especially in the past years the infrastructure of the exhibition grounds and of the city underwent revolutionary changes and this process is still going on. We see an unprecedented development of the whole setting, newly built pavilions, parking lots and, in particular, a wide range of services, which place the grounds on a European level. **The environment agrees with international trade and is beneficial for the development of the city**. The transport infrastructure is changing; on the demands of the guests of the fairs new hotels and guesthouses have been built, new restaurants and pubs have appeared. The city is meeting the demands of the exhibitors and visitors and is offering abundant cultural events. Brno is becoming a well-known destination of tourist destinations and, from the standpoint of foreign investors, an attractive town for their investment activities. On top of that it is a favourable hotbed of new job opportunities. The company **Trade Fairs Brno is a strong and stable pillar of business in the region and its international prestige is favourably reflected in the self-esteem of the city and its inhabitants**. A great deal has changed since the establishment of the Brno exhibition grounds, much is changing now right in front of our eyes, only one thing is persisting: **common interests of the fair administration, the city and the whole region**. The boundary-stone was the year 2001 when the conformity of interests of the city and the fair company found a new expression in the coupling of property in the newly founded joint-stock company Trade Fairs Brno. In the process that we have chosen and which will bring us as a full-fledged member to the EU, we have to make a few more steps. **The company Trade Fairs Brno can make full use of the fact that its business activities have been directed to the advanced European markets for a long time. On entering into competition with European competitors the company Trade Fairs Brno can build on its experiences and positive achievements, which partnership with the majority owner Messe Düsseldorf has brought**. The successful business results in 2002 bring the evidence and are also a promise for the future.

Ladislav Koukal

Chairman of the Supervisory Board

COMPANY PROFILE

COMPANY PROFILE

Company name:	Trade Fairs Brno, joint-stock company
Head Office:	Výstaviště 1, CZ-647 00 Brno
Company Reg. No.:	25582518
VAT No.:	288-25582518

Trade Fairs Brno has become a legal successor of Brno Trade Fairs and Exhibitions (BVV). An extraordinary General Meeting 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, 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 became effective as of 1 November 2001. The majority stockholder in Trade Fairs Brno is Messe Düsseldorf with interest of 56.60% shares. An important stockholder with minority interest of 31.67% is the City of Brno.** The interest proper of BVV is 6.20%. Other small shareholders possess 5.53% of the shares. The company is registered for the providing of commercial (exhibition) services, especially for business companies. Moreover, the company leases its own real estates. **The company Trade Fairs Brno owns and runs its own exhibition premises covering 650,000 sqm, with sixteen pavilions** of the gross total exhibition area of 107,000 sqm., of which the ground floor covers approximately 71,000 sqm. The total gross exhibition space, including an open-air exhibition area of 89,000 sqm., which the company has **at disposal, is 196,000 sqm. The company Trade Fairs Brno has a majority share in eight daughter companies and one granddaughter company.** In their spheres of business all these companies focus especially on the expansion of services offered to participants in projects, which the company organises.

COMPANY PROFILE

MEMBERSHIP OF TRADE FAIRS BRNO IN ORGANISATIONS AND ASSOCIATIONS

UFI – The International Union of Fairs is a non-governmental organisation based in Paris. It brings together organisers of fairs and exhibitions from around the world. 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 fair and exhibition events, for which the Union determines binding criteria on entering in the Catalogue of International Fairs. **The Brno fair administration has been a member since 1960.** The following fairs organised by Trade Fairs Brno are UFI members: Spring Consumer Goods Fairs, MSV, EmbaxPrint, FOND-EX, GO, IDET, INVEX, SALIMA, PIVEX, VINEX, WELDING and WOOD-TEC.

SOVA ČR – The Association of Organisers of Fairs and Exhibitions in the Czech Republic was established in late 2001 as a result of consolidation of SOVA 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 companies doing business in the Czech exhibition industry. **The main objectives, which the Trade Fairs Brno actively assist in pushing forward through their representatives, is the integration and formation of the Czech exhibition industry in relation to the international market, supporting professionalism of all subjects of the Czech fair and exhibition market and implementation of international standards, and, finally, protection of economic issues and prestige of fair and exhibition organisers in the Czech Republic.**

CENTREX – The International Union for Exhibition Statistics was established in 1997 and was initiated by leading 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 12 prominent fair and exhibition organisers from the Czech Republic, Slovakia, Poland, Hungary and Ukraine. **CENTREX's main mission is to support the transparency, reliability, and the actual market value of exhibition statistics through independent audits based on international standards;** in the area of the exhibition industry in co-operation of membership countries within the entire European continent. Jiří Knop, Manager of the Department of Foreign Trade Agencies of Brno Trade Fairs 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. Trade Fairs Brno is its exclusive representative in the Czech Republic.

XM Europe – European Association of Fair Administrations. Through individual membership the Company has become involved in activities of the Association. **Since its establishment in 1999 the Association has grouped the leading world exhibition companies and has served as its platform.** International conferences, which the Association holds in various parts of the globe, inform about the present developmental trends in the exhibition industry and evaluate the position of marketing in the field of the organisation of exhibitions.

Groupings from Foreign Countries Co-operating in Projects of Trade Fairs Brno

COPE – Confederation of Organisers of Packaging Exhibitions

EHI – Association of the European Heating Industry

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

F.I.M.A. – Worldwide Fairs in Instrumentation, Measurement, Automation

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

GROUPINGS IN THE CZECH REPUBLIC CO-OPERATING IN PROJECTS OF TRADE FAIRS BRNO

A AFCEA Czech Republic – Armed Forces Communication and Electronics Association • Agrarian Chamber of the Czech Republic • ALS – Association of Leasing Societies • APTT – Association of Heating Engineering Firms • Association for Business Innovation in the Czech Republic • Association of Butchers and Pork Butchers of Bohemia, Moravia and Silesia • Association of Czech Opticians and Optometrists • Association of Czech Travel Offices and Agencies • Association of Private Security Services • Association of Producers and Dealers of Medical Aids • Association of Producers and Suppliers of Sanitary Products • Association of Real Estate Agencies of Bohemia, Moravia and Silesia • Association of Sewage Treatment Experts • Association of Textile Fancy Goods • Association of Undertakers in the Czech Republic

B Bohemian-Moravian Dairy Union • Bohemian-Moravian Electrical Engineering Association • Bohemian-Moravian Viticulture and Wine Union • Brewery and Malting Research Institute Prague • Brno Guild of Upholsterers • Business Union of Bakers and Confectioners in the Czech Republic

C CAPPO – Czech Association of the Oil Industry and Trade • Centre of Traffic Research • CESMAD Bohemia – Association of Forwarders • Chamber of Veterinary Doctors of the Czech Republic • CIVOP – Centre for Information and Education in Labour Protection • CKAIT – Czech Chamber of Chartered Engineers and Technicians Operating in the Building Industry • CSSI – Czech Union of Civil Engineers • Czech Association for Transport Telematics • Czech Association of Air Operators • Czech Association of Breweries and Malt Houses • Czech Association of Cooks and Confectioners • Czech Association of Employers in Power Engineering • Czech Association of Enterprisers in Forest Management • Czech Association of the Glass and Ceramics Industry • Czech Association of Travel Agencies • Czech Design Centre Brno • Czech Ecological Managerial Centre • Czech Fruit-Growing Union • Czech Guild of Heating Engineers and Plumbers • Czech Head Office of the Travel Industry • Czech Chamber of Medical Doctors • Czech Logistic Association • Czech Medical Association of J.E. Purkyně • Czech Office of Occupational Safety • Czech Technical University in Prague • Czech Trade • Czech Union of Blacksmiths • Czech Union of Feed Producers • Czech Union of Foundries • Czech Union of Industry and Transport • Czech Union of Small and Independent Breweries • Czech Welding Association

G Gremium Alarm Association

H Heating Association

I Integrated Automobile Technical Secondary 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

P Professional Group of Autotrucks attached to the Czech Association for Material Handling

S SAP – Association of the Automobile Industry • SDA – Union of Automobile Importers • SDZT – Association of Importers of Agricultural Technology • SISA – Association of Importers of Automobile Spare Parts •

Society of Friends of Cremation • SPP – Association of Entrepreneurs in the Printing Industry • SPPaC – Union of the Paper and Cellulose Industry • SPPC – Association of the Paper and Cellulose Industry • SPS – Union of Entrepreneurs in the Building Industry • SSL CR – Union of Forwarding Agencies and Logistics of the Czech Republic • STP – Association of Environmental Technology • SVDSZ – Union of Producers of Wood Processing Machines and Equipment • SYBA – Packaging Association, Union of Producers and Dealers of Packages, Packaging Materials and Packaging Machines • SYMAS – Association of Firms of Handling and Storage Systems **T** Technical University in Brno • The Toy and Game Association Prague • TZB Association of Assembly Firms • Union of Bohemian and Moravian Production Co-operatives **U** Union of Cooling and Air-Conditioning Technology • Union of Employers and Entrepreneurs in Transportation • Union of Industrial Mills • Union of Producers and Contractors of Engineering Technology • Union of Producers of Plastic Materials • Union of Small Independent Breweries • Union of the Gas Industry • Union of the Chemical Industry • Union of Towns and Communities of the Czech Republic **V** Veterinary and Pharmaceutical University in Brno **Z** ZeT – Czech Association of Producers of Agricultural and Forest Technology

COMPANY POSITION ON THE MARKET

COMPANY POSITION ON THE MARKET

Recapitulating the results of the past economic period the management “renders the accounts” to the shareholders, employees, partners, clients and also to the general public. In 2002 the economic results of the company showed that a number of previously planned parameters were surpassed following the successful trend of trade fair seasons of the past years.

	2002	2001
Number of projects organised in Brno	38	31
Rented out net exhibition area	415,013 m ²	395,956 m ²
Number of exhibitors	12,741	12,505
Total number of visitors	1,047,486	908,221

Once again Trade Fairs Brno strengthened their position on the Czech and Central-European exhibition market. In 2000, out of the total number of 43 projects of different periodicity, the company organised 40 fairs, 38 of them in the exhibition centre in Brno and two in Prague. The 2002 fair calendar can boast of an extremely successful **premiere. It was the SPORT LIFE fair including a separate project called “boat Brno”** taken over from the Messe Düsseldorf programme. The prospects that the project will establish a good position on the Czech exhibition market are very promising; all the more that in 2003 another separate project will be launched and is called Caravanning Brno. **The share of companies on the audited and non-audited Czech exhibition market in terms of leased exhibition area increased from 43.9% in 2001 to 48.8% in 2002**, not forgetting that the calendar of trade fairs is traditionally much ampler in the even years. The strategic objective and high priority “topic of the day”, which is in line with the support of the top management of the company, Messe Düsseldorf and the network of foreign representatives in twenty countries around the globe, remains to be **the internationalisation of projects organised in Brno**. The numbers of visitors from abroad increased to 6.4%, i.e. by 0.5%; taking the total number of more than a million visitors this is indeed a remarkable figure, which is permanently increasing. The high share of decision-makers, professional visitors who decide and participate in acquisition of investments, goods and services, is indeed gratifying and very significant for the development of commercial activities at the fairs. The above-mentioned share is more or less stable and is around 70%. Also the share of firms from foreign countries increased considerably in 2002, from 23.3% in 2001 to 27.4% in 2002; despite the fact that the informative value of these

figures is limited because we register representatives of foreign firms in the Czech Republic as domestic exhibitors. **The infrastructure of Brno fairs is comparable with what advanced trade fair cities have to offer.** In 2002 Trade Fairs Brno invested 120 million CZK in maintenance and reconstruction. On top of that **the decision was made to build the new pavilion F, which would add another 5,000 m² of high-quality exhibition space.** The offer of Trade Fairs Brno covers **a wide range of services of high quality and adequate prices** ranging from renting out the exhibition areas up to complete exhibition services. In 2002 the Division for Designing and Building Fair Stands and Services designed and built stands on 170,000 m² (in 2001 it was 153,000 m²), i.e. a 15% share on the Czech market. In terms of the Brno exhibition centre it amounts to a share of 30%. **A very useful addition to this offer is a cycle of seminars intended for the clients of Trade Fairs Brno and called "How to be a success at the fair". Their essential mission is to prepare a company for participation in an exhibition in order to bring the maximal effect and valorisation of the invested financial means.** The seminars are intended primarily for small and medium-sized firms whose share in the Brno fair activities ranges around 85%.

TRADE FAIRS BRNO

we are bringing your ideas to the market



STATUTORY BODIES OF THE COMPANY

BOARD OF DIRECTORS

Karlheinz Wismer (*1936)

Chairman of the Board of Directors

Graduated from Cologne University, Faculty of Economics and Social Sciences with a degree in economics and specialised in foreign trade and foreign policy. He has been working with Messe Düsseldorf since 1962. From 1979 to 1999 he held the post of Deputy General Manager and until the end of 2001 he held the position of General Manager in Messe Düsseldorf. At the present time he holds 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.

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.

Wilhelm Giese (*1942)

Member of the Board

Graduated from the School of Economy of the Enterprise at the University in Bielefeld. He has worked for Messe Düsseldorf since 1971. Since early 2000 he has been a member of the company's top management; since 2002 the General Director of Messe Düsseldorf.

Herbert Vogt (*1947)

Member of the Board

Graduated from the University in Frankfurt am Main with a degree in business economics, business policy, financial sciences and business law. Has held different positions in tax and financial departments of the regional authorities in Wiesbaden and as head of the Budget and Finance Department of the Regional capital Düsseldorf. In Messe Düsseldorf he has held the position of Economic Manager and Secretary since 2000.

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 Secretary and Commercial Manager of Messe Düsseldorf.

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 has held the post of Economic Director in Trade Fairs Brno.

Rostislav Slavotínek (*1944)

Member of the Board

Graduated from the Faculty of Mechanical Engineering of the University of Technology in Brno with a degree in Thermal Power-Producing Equipment. After graduation he worked with the company ORGREZ. Since 1999 he has worked at the Town Hall, first as a member of the City Council, then of the City Council Board. In December 2002 he was elected First Deputy to the Lord Mayor of the City of Brno.

Václav Božek (*1949)

Member of the Board

A graduate of Masaryk University Brno, Faculty of Natural Sciences, specialisation in technical physics – physical electronics. In addition, he studied the Faculty of Civil Engineering at the University of Technology Brno and graduated in 1978 with a PhD degree in applied physics. Since then he has worked as assistant professor at the University of Technology Brno, Department of Building Construction. Member of the City Council since mid-2000.

STATUTORY BODIES OF THE COMPANY

SUPERVISORY BOARD

Ladislav Koukal (*1939)

Chairman of the Supervisory Board

Graduated from Brno Masaryk University, Faculty of Law, in 1962 with a degree in Administrative Law. At present he holds the post of Senior Advisor in the company Bytasec. Since 1998 he has been a member of the City Council of Brno.

Joachim Erwin (*1949)

Vice-Chairman of the Supervisory Board

At Ruhr University in Bochum he studied law, sports and Hispanic. 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 BVV since 1977 and at present holds the position of Marketing Analyses Manager.

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)

Member of the Board

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

with us you will advance towards your targets



PRINCIPAL STOCKHOLDERS

Principal stockholders as of 31 December 2002

Stockholder's name	No. of shares	Ownership interest (%)
Messe Düsseldorf GmbH	65 434 400	56.60
Chartered City of Brno	36 609 600	31.67
small shareholders	6 392 975	5.53
Trade Fairs Brno	7 168 155	6.20
Total of Trade Fairs Brno	115 605 130	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.

On 14 June 2002 the General Assembly of Trade Fairs Brno decided to reduce the nominal capital of the Company as follows: The Company's nominal capital was reduced by 72 675 950.- CZK. The reason for the reduction of the nominal capital of the Company is the adjustment of the amount of the nominal capital after the merger of the Company and harmonisation of the formal situation with the actual and legal status. The amount corresponding to the reduction in nominal capital will be used to increase the capital funds. Own shares in booked form in total number of 7 267 595 and face value of 10.- CZK per share will be used for the reduction of the nominal capital. The Securities Centre will cancel these shares. After reduction, the nominal capital of the Company amounting to 1 083 375 350.- CZK will be divided into 108 337 535 shares of the face value of 10.- CZK per share.

TRADE FAIRS BRNO

FAIRS AND EXHIBITIONS IN 2002

EVENT	EXHIBITION AREA (m ²)			
	TOTAL	of which from abroad	RENTED OUT	Demonstra- tion area
GO 12th International Travel Fair	4,302	174	3,632	670
REGIONTOUR 11th International Fair of Regional Tourism	4,658	257	4,458	200
OPTA 8th International Fair of Eye Optics and Ophthalmology	3,402	80	2,952	450
STYL I. 18th International Fashion Fair - collection autumn-winter 2002/2003	13,346	2,175	12,127	1,219
KABO I. 18th International Fair of Footwear and Leatherware - collection autumn-winter 2002/2003	3,716	506	3,706	10
INTERNATIONAL FOOD FAIRS				
SALIMA 23rd International Food Fair	11,747	1,326	11,747	0
INTECO 20th International Fair of Equipment for Retail Trade, Hotels and Catering Facilities	4,093	136	3,393	700
MBK 1st International Milling Industry, Bakery and Confectionery Fair	4,705	146	4,561	144
VINEX 10th International Wine Fair	2,769	462	2,657	112
PIVEX 10th International Brewing and Malting Fair	3,268	436	2,718	550

EXHIBITORS

VISITORS

TOTAL	of which from abroad	Other firms represented	Number of participating countries	TOTAL	of which from abroad	PAYING	Others
222	18	82	13	34,196	767	33,429	767
382	56	465	13				
89	6	148	21	3,672	579	3,411	261
614	112	69	20	20,120	1,978	19,290	830
217	51	9	12				
403	74	108	21	52,159	5,463	51,102	1,057
89	5	8	5				
95	9	29	10				
83	14	49	7				
111	29	34	12				

FAIRS AND EXHIBI- TIONS IN 2002

EVENT	EXHIBITION AREA (m ²)			
	TOTAL	of which from abroad	RENTED OUT	Demonstra- tion area
33rd CONSUMER GOODS FAIRS				
MOBITEX International Fair of Furniture, Home Textiles and Interior Accessories	8,445	961	7,048	1,397
JVSZ Spring Consumer Goods Fairs DOMO and X-ART	5,584	232	3,927	1,657
RYBAŘENÍ International Show of Fishing Tackle	768	6	716	52
TECHAGRO 7th International Fair of Agricultural Technology	30,932	1,454	30,222	710
SILVA REGINA 7th International Forestry and Hunting Fair	6,900	199	4,427	2,473
ANIMAL VETEX 6th International Veterinary and Livestock Fair	2,510	0	1,208	1,302
BUILDING FAIRS BRNO 2002				
IBF 7th International Building Fair	40,781	3,326	40,531	250
SHK BRNO 2001 3rd International Trade Fair for Sanitation, Heating and Air-Conditioning (in co-operation with Messe Düsseldorf GmbH)	8,143	715	8,143	0
URBIS 9th Investment Opportunity Forum, Technology and Equipment for Towns and Communities	5,742	66	2,917	2,825
ENVIKONGRES Congress with International Exhibition	3,473	0	839	2,634
AUTOTEC 9th International Fair of Utility Vehicles, Parts, Accessories and Garage Equipment	66,047	3,234	51,997	14,050
PROPET 7th International Pet Supply and Horse Equipment Exhibition	4,189	39	1,989	2,200
STYL II. 20th International Fashion Show - collection spring-summer 2003	13,199	2,567	11,735	1,464
KABO II. 20th International Fair of Footwear and Leatherware - collection spring-summer 2003	3,776	643	3,696	80
MSV+IMT 44th International Engineering Fair and 3rd International Machine Tools Exhibition	71,311	10,726	71,311	0
INVEX 12th International Fair of Information and Communication Technology	30,448	1,134	29,200	1,248
PYROS 11th International Fair of Fire-Fighting Equipment	4,629	94	3,294	1,335
INTERPROTEC 6th International Fair of Personal Protective Equipment, Health and Safety at Work	1,490	76	1,370	120
ISET 2nd International Exhibition of Security Technology and Services	1,927	8	1,064	863

EXHIBITORS				VISITORS			
TOTAL	of which from abroad	Other firms represented	Number of participating countries	TOTAL	of which from abroad	PAYING	Others
219	40	17	10	50,662	1,889	50,133	529
207	15	0	5				
46	1	3	2				
305	31	54	16	59,940	4,599	59,073	867
73	4	7	5				
69	0	2	1				
840	82	79	17	93,027	3,722	92,193	834
165	25	12	8				
115	3	19	4				
34	0	14	3	693	0	0	693
521	83	44	18	68,385	3,229	67,481	904
121	2	6	4	19,020	3	18,960	60
640	145	22	20	14,631	1,919	13,815	816
210	47	6	13				
1,940	485	359	36	104,604	10,734	103,431	1,173
546	58	211	16	149,505	8,700	148,018	1,487
104	11	25	12	27,107	1,641	26,779	328
70	5	10	5				
53	1	12	2				

FAIRS AND EXHIBI- TIONS IN 2002

EVENT	EXHIBITION AREA (m ²)			
	TOTAL	of which from abroad	RENTED OUT	Demonstra- tion area
NEW SIMET+TEX-TEC 11th International Workshop Fair and 2nd International Fair of Textile Technology	2,331	115	2,117	214
WELDING 16th International Welding Engineering Fair	4,558	417	4,472	86
FOND-EX 9th International Foundry Fair	3,389	813	3,043	346
MEFA 10th International Fair of Medical Technology and Pharmacy	4,342	138	4,142	200
REHAPROTEX 11th International Trade Fair for Rehabilitation, Prosthetics and Health	3,085	60	2,985	100
SPORT LIFE 1st International Sports Fair	14,762	686	6,650	8,112
VENIA 5th International Funeral Fair	1,002	126	882	120
CHRISTMAS MARKET	7,320	17	6,643	677
Building Centre EDEN 3000 Centre of Sample Family Houses	5,556	120	5,246	310
PROJECTS OF TRADE FAIRS BRNO	412,645	33,670	363,765	48,880
MVP International Dog Show	5,631	9	5,631	0
INTERCANIS 36th International Dog Show	4,962	0	4,962	0
LOOP Music and Dance Festival	16,488	0	0	16,488
Other guest events *)	74,921	0	0	74,921
GUEST EVENTS IN THE EXHIBITION AREA	102,002	9	10,593	91,409
TOTAL EVENTS IN THE EXHIBITION CENTRE	514,647	33,679	374,358	140,289
SCHOLA NOVA 9th International Specialised Fair - School, Training and Equipment	867	7	605	262
INTERIER 11th International Contracting and Sales Exhibition - Furniture, the Interior and Design	1,501	70	1,501	0
PROJECTS OUTSIDE THE EXHIBITION CENTRE	2,368	77	2,106	262
TOTAL FOR 2002	517,015	33,756	376,464	140,551

Note.: *) Congresses, dance and music events, firm presentations, fairs of secondary schools and universities etc.

EXHIBITORS				VISITORS			
TOTAL	of which from abroad	Other firms represented	Number of participating countries	TOTAL	of which from abroad	PAYING	Others
87	5	12	7				
122	29	20	12				
148	50	35	13				
185	13	231	22	16,042	789	15,726	316
134	6	52	18				
265	22	33	11	22,441	543	22,203	238
54	8	1	8	936	134	885	51
369	2	158	3	76,660	0	76,660	0
195	1	0	2	135,294	0	0	135,294
10,142	1,548	2,445	54	949,094	46,689	802,589	146,505
NOT MONITORED				12,396	0	0	12,396
				see PROPET			
				3,973	0	2,199	1,774
				75,919	0	0	75,919
				92,288	0	2,199	90,089
10,142	1,548	2,445	54	1,041,382	46,689	804,788	236,594
78	3	0	2	1,454	0	1,411	43
76	2	0	3	4,650	0	2,402	2,248
154	5	0	5	6,104	0	3,813	2,291
10,296	1,553	2,445	54	1,047,486	46,689	808,601	238,885

STATEMENT OF THE SUPERVISORY BOARD

The Statement of the Supervisory Board to the audit of regular financial statements and to the proposal for the use of the trading income of Trade Fairs Brno achieved in 2002.

In 2002 the members of the Supervisory Board were the following:

Ladislav Koukal

Chairman of the Supervisory Board

Joachim Erwin

Vice-Chairman of the Supervisory Board

Petr Mayer

Member of the Supervisory Board

The company employees elected **Petr Mayer** member of the Supervisory Board on 8 February 2002.

In 2002 the Supervisory Board called 5 meetings altogether. The starting point for the work of the Supervisory Board was to control the implementation of the resolution adopted by the Board of Directors. Among others, the agenda of the Supervisory Board included supervision of business activities of the company, business plans of the company in Prague, the construction of the new pavilion F and corporate plan for 2003. **The Supervisory Board states that the performance of business activities was carried out in conformity with the legal regulations, Articles of Association and instructions of the General Assembly. The Supervisory Board of the joint-stock company reviewed the annual financial statement submitted on 13 March 2003 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 undertakes to recommend to the General Assembly to approve the annual financial statement. **The Supervisory Board discussed the proposal for profit distribution and has given approval with it.**

Brno, 25 April 2003

Ladislav Koukal

Chairman of the Supervisory Board

REPORT ON THE RELATIONSHIPS BETWEEN THE CONTROLLING AND CONTROLLED PARTNERS

**IN COMPLIANCE WITH SECTION 66A, PAR. 9 OF LAW NO. 513/1991 OF THE COLLECTION OF LAWS
OF THE CZECH REPUBLIC, 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: 56.6%

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

647 00 Brno, Výstaviště 1

Company Registration Number (IČO) 25582518

- controlled partner

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

1. Co-operation Agreement for the fair SHK Brno 2003, the subject matter of which is the obligation of the controlling partner to provide the controlled partner the right to use the SHK logo, to carry out acquisition, co-ordination and information to representatives abroad, co-operation in the area of media, namely to set up a medial plan, maintenance of current contacts and establishment of new contacts with international unions of the branches attending the fair, establishing contacts with media etc., and the obligation of the controlled partner to compensate the controlling partner for this performance with a contractual remuneration.

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

2. Co-operation Contracts for the fairs STYL / KABO, IBF, AUTOTEC / AUTOSALON, MSV / IMT / Transport and Logistics, the subject matter of which is the obligation of the controlling partner to provide the controlled partner support of acquisition activities towards the exhibitors, co-ordination and information to representatives abroad, support and co-operation in setting up a medial plan of fairs, maintenance and establishment of new contacts with international unions of the branches attending the fair, establishment of contacts with the media, co-operation in the planning of events, presentations and advertising to the benefit of Trade Fairs at events of the controlling partner and elsewhere abroad, counselling services as required by the controlled partner and the obligation of the controlled partner to compensate the controlling partner for this performance with a contractual remuneration.

The contract in question was concluded for indefinite period of time.

These contracts did not inflict any harm to the controlled partner by the controlling partner.

3. 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.

4. Contract on mutual exchange of employees, the subject matter of which is a reciprocal obligation of both contracting parties to ensure an exchange of employees of both contracting parties for the purpose of obtaining working skills and of intensifying co-ordination of the respective projects. The obligation of the host party is to cover the expenses for board and lodging for the employees sent out by the adverse party. This contract was concluded for indefinite period of time.

This contract 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.

No other contracts were concluded between the controlled partner and other companies controlled by the controlling partner and no legal actions were adopted.

AUDITOR'S REPORT

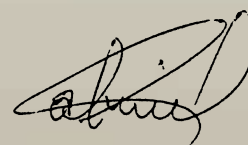
(TO BE SUBMITTED TO THE BOARD OF DIRECTORS AND SHAREHOLDERS OF TRADE FAIRS BRNO)

The BDO CS s.r.o. auditing company carried out an audit of the attached financial statements of the company Trade Fairs Brno compiled as of 31 December 2002 in compliance with Act No. 254/2000, Coll. of L., on Auditors and with the guidelines issued by the Chamber of Auditors of the Czech Republic. The statutory body of the company is responsible for the compilation of the financial statement. 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 made by the company as well as 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 without reservation. 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 2002, as well as business results for the accounting period of 2002, in compliance with the act on accountancy and respective regulations of the Czech Republic.

Prague, 25 February 2003



Ing. Vlastimil Hokr
Auditor – Certificate No. 0071
Partner BDO CS



Ing. Michal Gabriel
Auditor – Certificate No. 1154
Partner BDO CS

BDO CS s.r.o.
Olbrachtova 5
140 00 Praha 4
Certificate No. 018 issued
by the Czech Chamber of Auditors

TRADING COMPANIES WITH MAJORITY OWNERSHIP INTEREST OF TRADE FAIRS BRNO

TRADING COMPANIES WITH MAJORITY OWNERSHIP INTEREST OF TRADE FAIRS BRNO

The **Brno Inn** joint-stock company, the daughter company of Trade Fairs Brno, manages the hotel Holiday Inn Brno. As the first Czech hotel of the chain, in the year 2003 Holiday Inn will round off 10 years of providing accommodation and gastronomy. In the years of its operation in this area the hotel has obtained three Quality Excellence Awards from the company Six Continents Hotels. After refurbishing the hotel hall and enlarging the restaurants in 2002, it is now the first "5-star" hotel in the Moravian metropolis. The Holiday Inn Brno participates in the programme Holiday Inn Conference Network focused on congresses. It offers a congress hall seating 600 people and other rooms with 160 seats. An integral part of the equipment is complete technical service and staff.

The **Expo Restaurace** joint-stock company runs a network of food and drinks outlets in the fair grounds – restaurants, self-service restaurants, snack bars and open-air fast refreshment stands during the whole year. The company provides the exhibitors with an extensive menu, including drinks, cold and hot food, on stands. On stands it also organises menus at press conferences, cocktail parties, banquets, receptions and other occasions. It also provides complete catering services outside of the fair grounds.

The **BVV FAIR TRAVEL** agency, agent of the International Air Transport Association IATA and member of the Czech Association of Travel Agencies, is the daughter company of Trade Fairs Brno and focuses on organising trips to fairs and towns and arranges air tickets to destinations all over the world. Arranges accommodation in Brno in a wide range of capacities and prices; the agency runs the Pension BVV and the former government villa on Hroznova Street. It manages the Trade Fair Brno's recreation facilities in Zubří near Nové Město na Moravě offering them as a venue for organising seminars, and educational and social events. The agency also organises visits and business trips to international fairs and exhibitions abroad, including transport, accommodation and programme.

Since 1991 BVV has been a member of the World Trade Centre Association (WTCA) and since 1993 the **World Trade Centre Brno** has been based in pavilion E. The main scope of activities of this daughter company is focused on the organisation of presentations of firms in the Czech Republic and abroad, establishing business contacts with foreign companies and providing access to the WTC Network.

The **Congress Centre Brno** is a granddaughter company of Trade Fairs Brno and organises congresses and conferences. The Centre offers exhibition and conference rooms with complete state-of-the-art equipment, interpreting and translations, hostesses, editing of technical publications and proceedings, including their distribution. The Centre is also involved in the processing of marketing projects, PR service, organisation of accompanying programmes, and cultural and social events.

In August 2002 Trade Fairs Brno in Moscow established a 100% daughter company, the **Ooo Vystavki Brno**. The company is engaged in building stands for Messe Düsseldorf, Trade Fairs Brno and other Czech and foreign firms in the Moscow exhibition grounds Expocentr, Sokolniki, VVC and Olympskij.

TRADE FAIRS BRNO

DAUGHTER COMPANIES

BRNO INN,
a.s.

Expo Restaurace,
a.s.

WTC 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 ooo

Kongresové centrum
Brno, a.s.
granddaughter
company

TRADE FAIRS BRNO

ORGANISATION CHART

BOARD OF DIRECTORS

Chairman
Vice-Chairman
Members

Karlheinz Wismer
Jiří Škrla
Wilhelm Giese
Herbert Vogt
Petr Duchoň
Rostislav Slavotínek
Manfred Kotschedoff
Václav Božek
Egbert Zündorf

SUPERVISORY BOARD

Chairman
Vice-Chairman
Member

Ladislav Koukal
Joachim Erwin
Petr Mayer

General Manager
Jiří Škrla

Protocol
Legal
Dept.
Marketing
and Commu-
nications

Finance and Admi- nistration E. Zündorf	EFinance and Admi- nistration J. Rubes	Financial Dept.	Accounting Dept.	Controlling	Personnel Dept.	Informatics Dept.	Purchasing Dept.	Foreign Represent. Dept.	Economic Dept.
--	---	--------------------	---------------------	-------------	--------------------	----------------------	---------------------	--------------------------------	-------------------

Commercial Division N.N.	Commercial Group No. 1 R. Pažout	Project Team No. 1	Project Team No. 2	Project Team No. 3	Project Team No. 4	Project Team No. 5	Visitor Service Dept.
--------------------------------	--	-----------------------	-----------------------	-----------------------	-----------------------	-----------------------	-----------------------------

Commercial Group No. 2 J. Hloušek	Project Team No. 1	Project Team No. 2	Project Team No. 3	Project Team No. 4
---	-----------------------	-----------------------	-----------------------	-----------------------

Commercial Group No. 3 J. Rousek	Dept. of Events Outside Exh. Center
--	--

Display and Construct. Services Div. A. Pohl	Display and Constr. Serv. Dept. No. 2 T. Moravec	Brno	Prague and Outside Exh. Center
---	---	------	--------------------------------------

Display and Constr. Serv. Dept. No. 3 E. Toman	Logistics	Technical Services	Project Team
---	-----------	-----------------------	-----------------

Technical Division J. Černošek	Exh. Center Operation	Exh. Center Administra- tion	Power Operation	Design and Inspection	Investment Dept. Sale	Rent and Services
--------------------------------------	--------------------------	------------------------------------	--------------------	--------------------------	--------------------------	----------------------



Financial Part

Balance Sheet

in full form, as at 31.12.2002 (in whole thousand CZK)

Ind.	ASSETS	L. no.	Current accounting period			Prev. acc.
			Gross	Adjustment	Net	Net
	TOTAL ASSETS (l. 02+03+30+57)	001	4,325,976	-1,560,872	2,765,104	2,752,363
A.	Unpaid capital	002	0	0	0	0
B.	Fixed assets (l. 04+12+22)	003	3,915,692	-1,504,793	2,410,899	2,398,849
B.I.	Intangible fixed assets (l. 05 .. 11)	004	88,630	-59,923	28,707	23,408
B.I.	1. Incorporation expenses	005	0	0	0	0
	2. Research and development	006	0	0	0	0
	3. Software	007	74,012	-57,977	16,035	19,373
	4. Valuable rights (i.e. patents, licences and know-how)	008	3,288	-1,946	1,342	2,012
	5. Other intangible fixed assets	009	0	0	0	0
	6. Intangible fixed assets not yet in use	010	11,330	0	11,330	2,023
	7. Advance payments for intangible fixed assets	011	0	0	0	0
B.II.	Tangible fixed assets (l. 13 .. 21)	012	3,589,204	-1,393,900	2,195,304	2,230,080
B.II.	1. Land	013	112,594	-33,071	79,523	79,457
	2. Buildings	014	2,472,509	-896,960	1,575,549	1,597,481
	3. Machines, tools and equipment, vehicles, furniture and office equipment	015	513,218	-427,974	85,244	92,168
	4. Orchards and forests	016	0	0	0	0
	5. Breeding and working animals	017	0	0	0	0
	6. Other tangible fixed assets	018	946	0	946	946
	7. Tangible fixed assets not yet in use	019	27,972	0	27,972	3,262
	8. PAdvance payments for tangible fixed assets	020	453	0	453	383
	9. Adjustments to acquired assets	021	461,512	-35,895	425,617	456,383
B.III.	Long-term financial investments (l. 23 .. 29)	022	237,858	-50,970	186,888	145,361
B.III.	1. Shares in subsidiary companies	023	178,370	-940	177,430	135,123
	2. Shares in associated companies	024	36,048	-35,584	464	464
	3. Other long-term securities	025	0	0	0	1,900
	4. Long-term intercompany loans	026	6,400	-6,400	0	0
	5. Other long-term financial investments	027	17,040	-8,046	8,994	7,874
	6. Financial investments not yet in use	028	0	0	0	0
	7. Advance payments for financial investments	029	0	0	0	0

Ind.	ASSETS	L. no.	Current accounting period			Prev. acc.
			Gross	Adjustment	Net	Net
C.	Current assets (l. 31+38+44+52)	030	358,959	-56,079	302,880	323,557
C.I.	Inventory (l. 32 .. 37)	031	14,442	-690	13,752	15,706
C.I.	1. Materials	032	0	0	0	0
	2. Work-in progress and semi-finished products	033	0	0	0	600
	3. Finished products	034	398	0	398	0
	4. Animals	035	0	0	0	0
	5. Merchandise	036	13,991	-690	13,301	14,931
	6. Advance payments for inventory	037	53	0	53	175
C.II.	Long-term receivables (l. 39 .. 43)	038	10,005	0	10,005	11,911
C.II.	1. Trade receivables	039	0	0	0	0
	2. Receivables from partners and consortiums	040	0	0	0	0
	3. Receivables from subsidiary companies	041	0	0	0	0
	4. Receivables from associated companies	042	0	0	0	0
	5. Other receivables	043	10,005	0	10,005	11,911
C.III.	Short-term receivables (l. 45 .. 51)	044	128,144	-55,389	72,755	69,245
C.III.	1. Trade receivables	045	114,510	-55,389	59,121	64,264
	2. Receivables from partners and consortiums	046	0	0	0	0
	3. Social security	047	0	0	0	0
	4. Tax receivables	048	12,985	0	12,985	3,039
	5. Receivables from subsidiary companies	049	0	0	0	0
	6. Receivables from associated companies	050	0	0	0	0
	7. Other receivables	051	649	0	649	1,942
C.IV.	Financial assets (l. 53 .. 56)	052	206,368	0	206,368	226,695
C.IV.	1. Cash	053	7,108	0	7,108	5,786
	2. Bank accounts	054	199,26	0	199,260	107,135
	3. Short-term financial investments	055	0	0	0	113,774
	4. Short-term financial investments not yet in use	056	0	0	0	0
D	Other assets (l. 58+62)	057	51,325	0	51,325	29,957
D.I.	Accruals and deferrals (l. 59 .. 61)	058	50,349	0	50,349	28,356
D.I.	1. Deferred expenses	059	47,353	0	47,353	27,496
	2. Accrued revenues	060	2,947	0	2,947	22
	3. Unrealised exchange rate gains	061	49	0	49	838
D.II.	Estimated receivables	062	976	0	976	1,601

Ind.	LIABILITIES	L. no.	Current acc. period	Previous acc. period
	TOTAL LIABILITIES (l. 64+82+109)	063	2,765,104	2,752,363
A.	Equity (l. 65+69+74+78+81)	064	931,359	734,258
A.I.	Registered capital (l. 66 .. 68)	065	1,083,375	1,108,118
A.I.	1. Registered capital	066	1,156,051	1,156,051
	2. Purchase of own shares	067	0	-47,933
	3. Changes in registered capital	068	-72,676	0
A.II.	Capital funds (l. 70 .. 73)	069	24,953	1,444
A.II.	1. Share premium	070	1,444	1,444
	2. Other capital funds	071	23,750	0
	3. Gains or losses from revaluation of assets and liabilities	072	-241	0
	4. Gains or losses from company transformations	073	0	0
A.III.	Funds created from net profits (l. 75 .. 77)	074	329	329
A.III.	1. Legal reserve fund	075	329	329
	2. Indivisible fund	076	0	0
	3. Statutory and other funds	077	0	0
A.IV.	Profit (loss) of previous years (l. 79+80)	078	-246,033	-111,270
A.IV.	1. Retained earnings from previous years	079	129,600	0
	2. Accumulated losses from previous years	080	-375,633	-111,270
A.V.	Profit (loss) of current period [l. 01-(65+69+74+78+82+109)]	081	68,735	-264,363
B.	Liabilities and reserves (l. 83+89+96+105)	082	1,718,438	1,865,541
B.I.	Reserves (l. 84 .. 88)	083	-24,136	10,359
B.I.	1. Tax-deductible reserves	084	0	0
	2. Income tax reserve	085	0	0
	3. Other reserves	086	32,440	462
	4. Deferred tax	087	-56,625	9,059
	5. Reserve for foreign exchange losses	088	49	838
B.II.	Long-term liabilities (l. 90 .. 95)	089	447,533	452,911
B.II.	1. Liabilities to subsidiary companies	090	447,533	452,911
	2. Liabilities to associated companies	091	0	0
	3. Long-term advance payments received	092	0	0
	4. Bonds issued	093	0	0
	5. Long-term bills of exchange	094	0	0
	6. Other long-term liabilities	095	0	0

Ind.	LIABILITIES	L. no.	Current acc. period	Previous acc. period
B.III.	Short-term liabilities (l. 97 .. 104)	096	311,470	314,557
B.III.	1. Trade creditors	097	150,671	119,993
	2. Liabilities to partners and consortiums	098	1,759	1,987
	3. Liabilities to employees	099	147,741	141,080
	4. Social security liabilities	100	7,075	6,297
	5. Due to state - taxes and subsidies	101	2,450	42,954
	6. Liabilities to subsidiary companies	102	0	0
	7. Liabilities to associated companies	103	0	0
	8. Other liabilities	104	1,774	2,246
B.IV.	Bank loans (l. 106 .. 108)	105	983,571	1,087,714
B.IV.	1. Long-term bank loans	106	983,571	1,087,714
	2. Current bank loans	107	0	0
	3. Short-term financial assistance	108	0	0
C.	Other liabilities (l. 110+114)	109	115,307	152,564
C.I.	Accruals and deferrals (l. 111 .. 113)	110	62,871	122,483
C.I.	1. Accrued expenses	111	4,610	7,580
	2. Deferred revenues	112	5,486	67,602
	3. Unrealised exchange rate losses	113	52,775	47,301
C.II.	Estimated payables	114	52,436	30,081

Profit and Loss Account

in full form as at 31.12.2002 (in whole thousand CZK)

Ind.	TEXT	L. no.	Balance in the accounting period	
			Current	Previous
I.	Revenues from merchandise	01	23,624	1,891
A.	Cost of goods sold	02	18,571	1,763
+	Sales margin (l. 01-02)	03	5,053	128
II.	Production (l. 05+06+07)	04	1,557,557	88,888
II.1.	Revenues from own products and services	05	1,553,718	88,110
II.2.	Change in inventory of own production	06	0	600
II.3.	Capitalisation of own production	07	3,839	178
B.	Production consumption (l. 09+10)	08	863,543	106,976
B.1.	Materials and energy consumption	09	131,820	21,715
B.2.	Services	10	731,723	85,261
+	Value added (l. 03+04-08)	11	699,067	-17,960
C.	Personnel expenses (l. 13 .. 16)	12	298,076	30,979
C.1.	Wages and salaries	13	212,493	20,639
C.2.	Remuneration of board members	14	2,124	1,292
C.3.	Social security expenses	15	72,606	7,252
C.4.	Social expenses	16	10,853	1,796
D.	Taxes and fees	17	20,561	2,370
E.	Depreciation of intangible and tangible fixed assets	18	99,571	17,414
III.	Revenues from sale of fixed assets and materials	19	5,110	1,306
F.	Net book value of fixed assets and materials sold	20	2,424	814
IV.	Reduction in reserves and accruals	21	462	50
G.	Additions to reserves and accruals	22	489	462
V.	Reduction in adjustments	23	44,314	21,420
H.	Additions to adjustments	24	54,042	21,015
VI.	Other operating revenues	25	10,663	529
I.	Other operating expenses	26	83,790	11,242
VII.	Transfer of operating revenues	27	0	0
J.	Transfer of operating expenses	28	0	0
*	Operating profit (loss)			
	(n. 11-12-17-18+19-20+21-22+23-24+25-26-27+28)	29	200,663	-78,951

Ind.	TEXT	L. no.	Balance in the accounting period	
			Current	Previous
VIII.	Revenues from sale of shares and similar securities	30	12,200	0
K.	Cost of shares and similar securities sold	31	2,000	0
IX.	Revenues from long-term financial investments (l. 33+34+35)	32	2,317	0
IX.1.	Revenues from intercompany shares and similar securities	33	0	0
2.	Revenues from other shares and similar securities	34	2,017	0
3.	Revenues from other financial investments	35	300	0
X.	Revenues from short-term financial investments	36	2,410	1,994
L.	Losses from revaluation of bonds and similar securities	37	0	0
XI.	Gains from revaluation of stock market quoted shares and similar securities held as short term investments	38	0	0
M.	Losses from revaluation of stock market quoted shares and similar securities held as short term investments	39	0	0
XII.	Reduction in financial reserves	40	838	143
N.	Additions to financial reserves	41	0	838
XIII.	Reduction in financial adjustments	42	54,883	195
O.	Additions to financial adjustments	43	4,301	601
XIV.	Interest income	44	10,168	7,800
P.	Interest expense	45	112,386	174,734
XV.	Other financial revenues	46	3,905	1,904
Q.	Other financial expenses	47	7,656	5,402
XVI.	Transfer of financial revenues	48	0	0
R.	Transfer of financial expenses	49	0	0
*	Profit (loss) from financial activities			
	(l. 30-31+32+36-37+38-39+40-41+42-43+44-45+46-47-48+49)	50	-39,622	-169,539
S.	Income tax on income from ordinary activities (l. 52+53)	51	63,872	15,311
S. 1.	- due	52	-44	0
2.	- deferred	53	63,916	15,311
**	Income after tax from ordinary activities (l. 29+50-51)	54	97,169	-263,801
XVII.	Extraordinary revenues	55	4,451	2,952
T.	Extraordinary expenses	56	32,885	3,514
U.	Income tax on income from extraordinary activities (l. 58+59)	57	0	0
U. 1.	- due	58	0	0
2.	- deferred	59	0	0
*	Income after tax from extraordinary activities (l. 55-56-57)	60	-28,434	-562
W.	Transfer of profit or loss to partners (+/-)	61	0	0
***	Profit (loss) of current accounting period (+/-) (l. 54+60-61)	62	68,735	-264,363
	Profit (loss) before income tax (l. 29+50+55-56)	63	132,607	-249,052

Cash flow overview

(for year ending December 31, in thousands of CZK)

	31 Dec. 2000	31 Dec. 2001	31 Dec. 2002
P. OPENING BALANCE OF CASH	984,031	234,318	226,695
Z. ACCOUNTING PROFIT FROM REGULAR ACTIVITIES BEFORE TAX	-114,230	-248,490	161,041
A.1. Adjustments by non-financial operations (A.1.1 to 5)	46,198	518,699	329,971
A.1.1 Depreciation of fixed assets	178	30,458	130,338
A.1.2 Adjustments, reserves, temporary accounts	11,821	323,794	114,685
A.1.3 Profit from sales of fixed assets	0	-493	-12,543
A.1.4 Revenues from dividends	0	-1,994	-4,727
A.1.5 Accounted paid and received interest	34,199	166,934	102,218
A.* NET CASH FLOW FROM OPERATING ACTIVITY (Z.+A.1)	-68,032	270,209	491,012
A.2 Working capital requirements (A.2.1 to 3)	3,633	88,918	-147,192
A.2.1 Receivables in operating activity	-4,372	-198,214	-99,052
A.2.2 Short-term liabilities of operating activity	8,005	304,727	-49,403
A.2.3 Change to inventory	0	-17,595	1,263
A.2.4 Short-term current liquid assets not falling into financial means and equivalents	0	0	0
A.** NET CASH FLOW FROM OPERATING ACTIVITY (A.*+A.2)	-64,399	359,127	343,820
A.3 Expenses from interest payment except for capitalised interest	-55,053	-174,734	-112,386
A.4 Interest received	20,854	7,800	10,168
A.5 Income tax paid for common activity and for re-allocations	0	-15,311	-43,180
A.6 Extraordinary accounting items, incl. tax from extraordinary activities	0	-562	-28,434
A.7 Dividends and shares received	0	1,994	4,727
A.8 Pay-out of dividends - re-distribution	0	0	0
A*** NET CASH FLOW FROM OPERATING ACTIVITY (A.**+A.3 to 6)	-98,598	176,320	174,715
B.1 Expenses on fixed assets	-2,948,068	429,524	-230,770
B.2 Income from sale of fixed assets	0	1,305	16,883
B.3 loans and credits to relatives	0	0	0
B.*** NET CASH FLOW FROM INVESTMENT ACTIVITIES (B.1 to B.3)	-2,948,068	430,829	-213,887

	31 Dec. 2000	31 Dec. 2001	31 Dec. 2002
C.1 Change to the balance of liabilities	2,296,953	-756,328	-109,521
C.2 Impacts of changes to equity on cash flows (C.2.1 to 6)	0	139,562	128,366
C.2.1 Increase of registered capital or reserve funds	0	253,792	239,379
C.2.2 Payment of share on the equity to associates	0	0	0
C.2.3 Monetary gifts and donations in the equity + C.2.2 and further	0	0	23,750
C.2.4 Loss payment by the associates	0	0	0
C.2.5 Direct payments to the debit of funds	0	-112,243	-133,085
C.2.6 Paid dividends and shares to profit, including tax	0	-1,987	-1,678
C*** NET CASH FLOW FROM FINANCIAL ACTIVITIES (C.1 to C.3)	2,296,953	-614,772	18,845
F. NET CASH FLOW (A.***+B.***+C.***)	-749,713	-7,623	-20,327
R. FINAL BALANCE OF CASH FLOW (P.+F.)	234,318	226,695	206,368

Appendix to the Annual Financial Statements as of 31 December 2002

1. General Information

Name of Company:	Trade Fairs Brno
Company Headquarters:	Výstaviště 1, CZ – 647 00 Brno
Date of Establishment	26 November 1999
Prevailing sphere of business:	Organising and presenting fairs

1.1. Principal company stockholders as of 31 December 2002

Stockholder's name	number of shares	ownership interest [%]
Messe Düsseldorf GmbH	65 434 400	56.60
Statutory city of Brno	36 609 600	31.67
small shareholders	6 293 535	5.44
Total	108 337 535	93.71
cancelled shares, not yet registered in the Company Register	7 267 595	6.29
Total Trade Fairs	115 605 130	100.00

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

In conformity with the legitimate resolution of the Regional Court in Brno of 24 October 2001 (Ref. No. F 22304/2000, F 22654/2000, B 3137/4/3), as of 31 October 2001 Trade Fairs Brno took into possession any and all business assets of the Brno Trade Fairs and Exhibitions on grounds of merger.

1.2. The following changes were made in 2002

- ◆ in the supervisory board
 - 08-02/2002 Petr Mayer was elected member for the employees
 - 27-02/2002 Ladislav Koukal was elected chairman
 - 27-02/2002 Joachim Erwin was elected vice-chairman
- ◆ new proctors:
 - 05-06/2002 Egbert Zündorf
 - 05-06/2002 Aleš Pohl

1.3. Articles of Association

On 14 June 2002 the General Assembly adopted changes in the Articles as follows:

- ◆ provision § 5 clauses 14, 19, 20, 21, 22 and 23:
 - 14. Auditors, accountancy
 - 19. Currency exchange
 - 20. Providing telecommunications services
 - 21. Mediation of services
 - 22. Assembly of dry constructions
 - 23. Activities of business, finance, organisation and economic advisors

- ◆ § 7 clause 1
 - 1. Registered capital of the company is CZK 1 083 375 350

- ◆ § 9 clause 1
 - 1. Registered capital of the company given in § 7 clause 1 of the articles is divided into 108 337 535 shares issued to owner at 10 CZK each of nominal value.

- ◆ § 25 Position and responsibilities of the supervisory board
 - 1. The supervisory board is the audit body of the company.
 - 2. The supervisory board supervises the fulfilment of the responsibilities of the board of directors and the implementation of business activities of the company.
 - 3. Members of the supervisory board are entitled to inspect all documents and reports concerning the activities and they control due keeping of records in accordance with the facts and if the business activities of the company are carried out in accordance with the legal regulations, constitution and instructions of the General Assembly.
 - 4. Appurtenant to the supervisory board is, in particular:
 - a) to control observance of generally binding regulations, articles of the company and the resolution of the General Assembly;
 - b) to inspect the regular, extraordinary and consolidated, and/or interlocutory, financial statement and proposal for profit distribution, including the fixing of the amount and method of payout of dividends and royalties and to render an account of the results to the General Assembly;
 - c) to call an extraordinary General Assembly if in the interest of the company;
 - d) to submit to the General Assembly and board of directors own statement, recommendations and suggestions;
 - e) to inspect at any time the bookkeeping, trade book and other documents of the company;
 - 5. In their activities the supervisory board abides by the generally binding legal regulations, the articles hereby and the principles and instructions adopted by the General Assembly.

◆ § 41 Notification

The company releases the facts specified by the generally binding regulations, the articles hereby and the decisions of the general Assembly in the Commercial Bulletin and in the Hospodářské noviny newspaper.

1.4. Company organisation chart

see Appendix

1.5. Members of the Statutory Body as of 31 December 2002

Board of Directors

Karlheinz Wismer	Chairman
Jiří Škrla	Vice-Chairman
Petr Duchoň	Members
Rostislav Slavotínek	
Wilhelm Giese	
Herbert Vogt	
Manfred Kotschedoff	
Egbert Zündorf	
Václav Božek	

Procurators

Jiří Škrla
Jaromír Hažmuka – removed from office by decision of the Board of Directors of 10 February 2003
Jaroslav Rubeš
Egbert Zündorf
Aleš Pohl

Supervisory Board

Ladislav Koukal	Chairman
Joachim Erwin	Vice-Chairman
Petr Mayer	member

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

Company name	HQ	Share of RC [%]	Registered Capital [thous. of CZK]
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 liquidation	Brno	49.05	31 600
CENTREX International association	Budapest	25.00	100 000 HUF
EXPO restaurace a. s.	Brno	100.00	1 500
Park Praha s.r.o.	Pec p. Sněžkou	34.00	100
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
World Trade Centre Brno a. s.	Brno	100.00	3 000
MQI s.r.o.	Brno	49.00	300
Vila Tugendhat Foundation	Brno	49.90	501
BD-Expo GmbH	Budapest	51.00	4000 000 HUF
Kongresové centrum Brno a. s. "Granddaughter Company"	Brno	66.00	1 000
000 Moskva	Moscow	100.00	500

1.7. Employees

Average number of employees	2001	2002
Total of employees	632	621
of which:		
top executives: GM, managing directors, managers	9	13
managerial staff at the 3 rd level	42	37

	Total of employees in 2001	of which: executives	Total of employees in 2002	of which: executives
Payroll costs	20 639	3 878	212 493	26 776
Bonuses to members of company bodies	1 292	1 292	2 124	594
Social security expenses	7 252	1 358	72 606	7 724
Social expenses	1 796	- x)	10 853	- x)
Total of personal expenses	30 979	- x)	298 076	- x)

x) not monitored

Other bonuses to members of statutory and supervising bodies	2001	2002
Royalties	0	0
Loans	0	0
Bonds granted	0	0

Natural benefit – Board members use company cars also for private purposes

Loans granted to employees in thousands CZK	2001	2002
Total of employees	103	1 913
of which:		
top executives	0	500

Balance of loans	2001	2002
Total of employees	11 911	10 005
of which:		
top executives	2 757	1 378

2. Information on Accounting Methods and General Principles

- ◆ Purchased inventory is evaluated with acquisition price, minus adjustments.
- ◆ Tangible and intangible fixed assets are evaluated in accordance with Article III of Account Class 0 – Accounting Methods.
- ◆ Securities and Capital Investments are evaluated with acquisition price, minus adjustments.
- ◆ The possible fair market value is determined by a special regulation or by an expert.
- ◆ Since 2002 by changed accounting procedure and calculations of deferred tax, the company has estimated the deferred tax from all differences caused by a different accounting and tax view. Before 2001 it was determined only from the net book value of long-term tangible property. Deferred tax evaluated as of 1 January 2002, which is related to the previous accounting periods, is charged on account 42820 – undistributed economic result.

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 to Fixed Assets

	Reason for change	Impact on assets
Method of evaluation	no changes	0
Method of depreciation	no changes	0
Arrangement of items in Financial Statement	no changes	0

2.3. Method of Determination of Adjustments to Fixed Assets

Adjustment	Method of Determination
Securities	100% at 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 a 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 a 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 an expert estimate of real-estate offices

2.4. Method of Compilation of the Depreciation Plan and Methods Applied

Type of fixed assets	Depreciation Method Applied	Periodicity of Depreciation
Intangible/Tangible FA	even, accelerated determined individually when applied	monthly

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 workday of the previous month.
- For the conversion of foreign currency into Czech crowns for operation 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 the complete accounting documents necessary in order to be properly accounted for (transaction descriptions, contracts, transaction rates of exchange etc.)
- the receivables and payables, existing at the date of 31 December 2002, were converted using the valid exchange rate of the Czech National Bank.

3. Additional information on the Balance Sheet and Profit / Loss Account

3.1. Tangible and intangible fixed assets other than receivables

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

3.1.1. Main groups of individual tangible and intangible assets

Account	Asset type	Depreciation group	Acquisition price [in thous.CZK]	Adjustments [in thous.CZK]
02110	Buildings and halls	4,5	2 163 303	764 054
02120	Other structures	4,5	309 206	132 906
02230	Power machinery	1,2,3	21 321	6 223
02240	Working machinery	1,2,3	24 952	21 517
02250	Instruments	1,2,3	264 294	239 455
02260	Transport means	1,2,3	94 897	63 505
02270	Inventory	1,2,3	32 538	27 779
02280	Exhibition equipment	–	5 294	5 294
02291	Other tangible FA	–	67 028	63 450
02292	Other tangible FA	–	2 786	730
02293	Exhibition equipment	–	108	21
03110	Land	–	112 594	0
03210	Art works and collections	–	946	0
042	Acquisition of tangible FA	–	27 972	0
052	Deposits for tangible FA	–	453	0

3.1.2. Intangible assets

Account	Asset type	Depreciation group	Acquisition price [in thous.CZK]	Adjustments [in thous.CZK]
01310	Software	1,2	64 213	48 523
01320	Low-value intangible assets	-	9 799	9 454
01410	Rights with value	-	3 288	1 946
041	Acquisition intangible FA	-	11 330	-

3.1.3. Assets acquired in the form of financial leasing

Leasing contract for real estate No. 050

Lessee: BACA Leasing Alfa, s.r.o., Vinohradská 37, Praha 2

Subject of leasing: EXPOPARKINGU building and equipment situated on lots No. 1023/16, 1023/17, 1023/18, 1023/19, 1023/20, 1023/35, 1023/36, 1023/37, 1023/38, 1023/40 and 1023/43 covering the total area of 8 812 m², registered in the Land Register Brno – town.

Term of leasing: 20 years

Leasing contract for car No. 11011741

Lessee: ČP Leasing a.s., nám. Hrdinů 1634, 140 61 Praha 4

Subject of leasing: Škoda Fabia-Combi-Comfort 1,4; BZS 13-69

Acquisition price: 450 400 CZK

Term of leasing: 36 months

Advance payment: in the amount of 60 %, CZK 270 240

Monthly instalment: 6 532 CZK

Leasing contract for car No. 11011727

Lessee: ČP Leasing a.s., nám. Hrdinů 1634, 140 61 Praha 4

Subject of leasing: Škoda Octavia-Combi-Elegance 2.0; BZS 06-86

Acquisition price: 586 150 CZK

Term of leasing: 36 months

Advance payment: in the amount of 60 %, CZK 351 690

Monthly instalment: 8 633 CZK

Leasing contract for car No. 11024072

Lessee: ČP Leasing a.s., nám. Hrdinů 1634, 140 61 Praha 4

Subject of leasing: Škoda Superb Sedan 2,8; 1B0 6291

Acquisition price: 1 266 500 CZK

Term of leasing: 36 months

Advance payment: in the amount of 60%, CZK 759 900

Monthly instalment: 19 081 CZK

Leasing contract for car No. 11024065

Lessee: ČP Leasing a.s., nám. Hrdinů 1634, 140 61 Praha 4

Subject of leasing: Škoda Superb Sedan 1,9; 1B0 5941

Acquisition price: 876 300 CZK

Term of leasing: 36 months

Advance payment: in the amount of 60%, CZK 525 600

Monthly instalment: 13 171 CZK

Leasing contract for car No. 11024064

Lessee: ČP Leasing a.s., nám. Hrdinů 1634, 140 61 Praha 4

Subject: Škoda Superb Sedan 1,9; 1B0 5942

Acquisition price: 876 300 CZK

Term of leasing: 36 months

Advance payment: in the amount of 60%, CZK 525 600

Monthly instalment: 13 171 CZK

Leasing contract for car No. 11024063

Lessee: ČP Leasing a.s., nám. Hrdinů 1634, 140 61 Praha 4

Subject: Škoda Superb Sedan 1,9; 1B0 5943

Acquisition price: 876 300 CZK

Term of leasing: 36 months

Advance payment: in the amount of 60%, CZK 525 600

Monthly instalment: 13 171 CZK

Leasing contract for car No. 11024034

Lessee: ČP Leasing a.s., nám. Hrdinů 1634, 140 61 Praha 4

Subject: Škoda Fabia Combi 1,4 MPI; 1B0 4287

Acquisition price: 441 000 CZK

Term of leasing: 36 months

Advance payment: in the amount of 60%, CZK 264 600

Monthly instalment: 6 647 CZK

Leasing contract for car No. 11024033

Lessee: ČP Leasing a.s., nám. Hrdinů 1634, 140 61 Praha 4

Subject: Škoda Fabia Combi 1,4 MPI; 1B0 4283

Acquisition price: 441 000 CZK

Term of leasing: 36 months

Advance payment: in the amount of 60%, CZK 264 600

Monthly instalment: 6 647 CZK

Leasing contract for car No. 11024032

Lessee: ČP Leasing a.s., nám. Hrdinů 1634, 140 61 Praha 4

Subject: Škoda Octavia Combi 1,9 Tdi; 1B0 4284

Acquisition price: 642 000 CZK

Term of leasing: 36 months

Advance payment: in the amount of 60%, CZK 385 200

Monthly instalment: 9 782 CZK

Leasing contract for car No. 11024031

Lessee: ČP leasing a.s., nám. Hrdinů 1634, 140 61 Praha 4

Subject: Škoda Fabia 1,9 TDi; 1B0 4285

Acquisition price: 523 000 CZK

Term of leasing: 36 months

Advance payment: in the amount of 60%, CZK 313 800

Monthly instalment: 8 030 CZK

Leasing contract for car No. 11024030

Lessee: ČP Leasing a.s., nám. Hrdinů 1634, 140 61 Praha 4

Subject of leasing: Škoda Fabia 1,9 Tdi; 1B0 4286

Acquisition price: 523 000 CZK

Term of leasing: 36 months

Advance Payment: in the amount of 60%, CZK 313 800

Monthly instalment: 8 030 CZK

Leasing contract for car No. 11021825

Lessee: ČP Leasing a.s., nám. Hrdinů 1634, 140 61 Praha 4

Subject of leasing: cistern MAN m 2000L 14.225 LC 4x2/2; BZM 8294

Acquisition price: 2 493 680 CZK

Term of leasing: 36 months

Advance payment: in the amount of 70%, CZK 1 745 576

Monthly instalment: 28 742 CZK

Leasing contract for car No. 11011728

Lessee: ČP Leasing a.s., nám. Hrdinů 1634, 140 61 Praha 4
Subject of leasing: Škoda Fabia-Combi-Comfort 1,4; BZS 01-13
Acquisition price: 450 400 CZK
Term of leasing: 36 months
Advance payment: in the amount of 60 %, CZK 270 240
Monthly instalment: 6 532 CZK

Leasing contract for car No. 11011726

Lessee: ČP Leasing a.s., nám. Hrdinů 1634, 140 61 Praha 4
Subject of leasing: Škoda Fabia-Combi-Comfort 1,4; BZS 01-26
Acquisition price: 450 400 CZK
Term of leasing: 36 months
Advance payment: in the amount of 60 %, CZK 270 240
Monthly instalment: 6 532 CZK

Leasing contract for car No. 11011725

Lessee: ČP Leasing a.s., nám. Hrdinů 1634, 140 61 Praha 4
Subject of leasing: Škoda Fabia-Combi-Comfort 1,4; BZS 01-27
Acquisition price: 450 400 CZK
Term of leasing: 36 months
Advance payment: in the amount of 60 %, CZK 270 240
Monthly instalment: 6 532 CZK

Leasing contract for car No. 11011517

Lessee: ČP Leasing a.s., nám. Hrdinů 1634, 140 61 Praha 4
Subject of leasing: Saab-9-5 Kombi-AERO 2,3 TS AUTOMAT; BZP 31-58
Acquisition price: 1 934 949 CZK
Term of leasing: 36 months
Advance payment: in the amount of 15 %, CZK 290 242
Monthly instalment: 57 105 CZK

Leasing contract for car No. 11011518

Lessee: ČP Leasing a.s., nám. Hrdinů 1634, 140 61 Praha 4
Subject of leasing: Saab-9-5 Kombi-2,3L PTSE; BZP 31-57
Acquisition price: 1 696 949 CZK
Term of leasing: 36 months
Advance payment: in the amount of 15 %, CZK 254 542
Monthly instalment: 50 142 CZK

3.1.4. Specification of tangible assets under lien

pavilon E	věřitel	IPB, a. s.	240 000 tis. Kč
parcely list vlastnictví č. 344	věřitel	Česká Spořitelna, a. s.	32 000 tis. Kč

Popis zástavního případu

pavilon E	věřitel:	IPB, a. s.	240 000 tis. Kč
-----------	----------	------------	-----------------

Pavilion E	creditor	IPB a. s.	240 000 000 CZK
Land Deed of Title No. 344	creditor	Česká Spořitelna a. s.	32 000 000 CZK

Description of the lien

Pavilion E	creditor:	IPB a. s.	240 000 000 CZK
------------	-----------	-----------	-----------------

Investiční a Poštovní banka, a. s. (IPB Bank) concluded a contract for the creation of a lien with Brno Trade Fairs and Exhibitions on 30 November 1993. This contract secures a debt of the company Park Praha in the amount of CZK 240 million from a loan contract described below.

The subject matter of the lien is pavilion E with building site No. 99/2 covering an area of 8 443 m², registered as Deed of Title No. 344 at the Pisárky Cadastral Office in Brno. The entry of the lien was approved by the decision of the Brno Cadastral Office under Ref. No. 911 V2-4118/93 with the entry effective date as of 10 December 1993.

On 30 November 1993, IPB, based in Prague, concluded a loan contract No. 200993031 having one Appendix with the company Park Praha based in Pec pod Sněžkou, Company Reg. No. 15039650. The subject matter of the loan contract is the liability of IPB to provide the company Park Praha with a loan amounting to CZK 240 million for financing the construction of a hotel, currently called "Hotel EXPO" located at Za Elektrárnou 3, Praha 7. The loan was payable by 31 December 2001.

Appendix No. 1 to the Loan Contract sets forth the liability of Brno Fairs and Exhibitions to place a property lien on Pavilion E. The appendix also sets out a commitment of both the contracting parties to make an entry of the lien on the hotel immediately after completing the building inspection of the hotel (within 14 days) at the Cadastral Office, and in favour of IPB. The inspection decision became effective as of 1 September 1994. However, the commitment of the contracting parties to transfer the lien on the hotel has not been fulfilled yet. The non-fulfilment of the liability is a subject matter of an action filed at the Municipal Court in Prague under Ref. No. 8 Cm 324/98 on 20 August 1998. In parallel, the IPB Bank filed a lawsuit against Park Praha in 1999 and a court payment order was issued together with an approval to sell Pavilion E. Brno Trade Fairs and Exhibitions appealed against the decision and the dispute is filed at the Regional Court in Hradec Králové under Ref. No. 41 Cm 124/99.

Description of the Lien

The bank Česká spořitelna, a. s. concluded a contract for the creation of a lien with the company Brněnské veletrhy a výstavy on 14 July 1992. The contract secures a debt of the company TOSCA of CZK 32 million from the loan contract described below.

The lien applies to the following immovable assets: lot No. 756 with 326 m² (housing building – developed property), Deed of Title No. 405, cadastral office of Old Brno, municipality of Brno Town, lots Nos. 27, 358, 1, 3, 4, 13, 19, 20, and 22, all developed, Deed of Title No. 344, cadastral office Pisárky, Brno. The lien contract was registered at the State Notary in Brno on 17 July 1992, under Ref. No. R III 758/92.

Česká spořitelna, concluded a loan contract No. 184/1992 with the company TOSCA, based in Brně, Company Reg. No. 44012217, on 14 July 1992. The subject matter of the loan contract is the liability of Česká spořitelna to provide the company TOSCA with a medium-term operating loan in the amount of CZK 32 million for inventories covering the work in progress. The loan was due by 30 June 1996, but has not yet been repaid.

The prerequisite for providing a loan was the creation of a lien on the immovable assets and guarantor's obligation of the bank Českomoravská záruční a rozvojová banka, a. s. to secure receivable from the granted loan. The lien contract for the immovable assets was concluded. The guarantor's obligation of the Českomoravská záruční a rozvojová banka, a. s. has not been granted.

Česká spořitelna and TOSCA concluded an amendment No.1 to the loan contract on 29 October 1992. In conformity with this amendment, Česká spořitelna accepted the lien on the immovable assets of the company TOS Znojmo. The company Brno Fairs and Exhibitions filed an action for nullification of the loan contract at the Regional Court in Brno on 12 May 1998.

On 31 May 2002, the Regional Court in Brno, as the court of first instance, made a meritorious decision dismissing the petition statement of Veletrhy Brno for nullification of the of the loan contract and non-existence of the lien.

On 8 July 2000 Veletrhy Brno appealed against the decision to the High Court in Olomouc. No final decision has yet been made.

The receivable of ČS for the company Toscaria, s.r.o., ensured by the creation of a lien on the immovable assets of Veletrhy Brno, a.s., was assigned from the Česká spořitelna, a.s. to the Česká konsolidační agentura on 30 June 2002.

Specification of tangible assets under lien

Inv. No.	Asset	Acquisition price [thousands of CZK]	Book balance [thousands of CZK]	Lien for
005	pavilon A	246 765 844.40	52 536 937.40	Česká spořitelna
9853	pavilon E	375 461 177.64	255 276 892.66	IPB Praha
0033	pavilon G	367 189 125.91	314 756 217.61	Česká spořitelna
3072	WC next to pav. G	21 407.00	0.00	Česká spořitelna
133810	area next to pav. G	4 885 344.30	4 191 417.30	Česká spořitelna
7788	pavilon O	18 577 886.30	15 079 630.30	Česká spořitelna
4890	pavilon P	3 735 876.00	0.00	Česká spořitelna
8438	pavilon R	4 309 539.00	0.00	Česká spořitelna
0070	pavilon Z	37 069 563.69	3 916 118.49	Česká spořitelna
135345	Hlinky building	4 684 510.00	4 203 790.00	Česká spořitelna
135346	land	3 167 000.00	3 167 000.00	Česká spořitelna
Total		1 065 867 274.24	653 128 003.76	

The buildings are under lien together with the land. Nevertheless, it is not possible to identify the individual evaluations as the lots in the Trade Fairs Brno premises are registered as one piece of land.

On 23 August 2000 a security agreement was concluded on shares of the company Veletrhy Brno, a.s. in the property of Messe Düsseldorf – at present 65 434 400 bearer book-shares of a nominal value of 10 CZK (Appendix No. 1 to the contract concluded on 1 September 2000).

On 23 August 2000 a security agreement was concluded on shares of the company Veletrhy Brno, a.s. in the property of the statutory City of Brno – at present 36 609 600 bearer book-share of a nominal value of 10 CZK (Appendix No. 1 to the contract concluded on 30 August 2000).

3.2. Receivables

3.2.1. Receivables past due [in thousands of CZK]

	at 31 December 2001	at 31 December 2002
Total	151 787	78 599
of which past due:		
by 60 days	26 336	9 528
61 – 90 days	14 665	15 633
91 – 120 days	1 720	4 197
121 – 180 days	2 156	1 548
181 – 360 days	5 486	3 375
over 360 days	101 424	44 118

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

	at 31 December 2001	at 31 December 2002
Total	12 579	11 017
listed by individual foreign currencies:		
CHF	992	117
DEM	4 431	0
USD	1 073	569
EUR	5 664	10 331
ATS	14	0
NLG	23	0
SKK	382	0

3.2.3. Intercompany receivables accounted for [in thousands of CZK]

Company name	year 2002
Alberga a. s. in liquidation	0
Brno Inn a. s.	3 584
BVV Brněnské veletrhy a výstavy, s.r.o.	0
BVV Fair Travel s.r.o.	3 230
BVV Hotel Service a. s. in bankruptcy	0
CENTREX international association	0
EXPO restaurace a. s.	7 505
Kongresové centrum Brno a. s.	2 618
Park Praha s.r.o.	0
Pražské veletrhy s.r.o. in liquidation	0
Vlečka Brno s.r.o.	51
VVB-Veltrhy a výstavy Bratislava s.r.o. in liquidation	0
World Trade Center Brno a. s.	2 069
MQI s.r.o.	104
BD-Expo	70
Vila Tugendhat	0
Messe Düsseldorf	22 522
Total	41 753

3.2.4. Balance of short-term intercompany receivables [in thousands of CZK]

Name	at 31 December 2002
Alberga a. s., in liquidation	0
Brno Inn a. s.	91
BVV Brněnské veletrhy a výstavy, s.r.o.	0
BVV Fair Travel s.r.o.	527
BVV Hotel Service a. s. in bankruptcy	0
CENTREX international association	0
EXPO restaurace a. s.	658
MQI s.r.o.	0
BD-Expo GmbH	0
Kongresové centrum Brno a. s.	252
Vila Tugendhat	0
Park Praha s.r.o.	2 440
Pražské veletrhy s.r.o. in liquidation	799
Vlečka Brno s.r.o.	0
VVB-Veltrhy a výstavy Bratislava s.r.o. in liquidation	667
World Trade Center Brno a. s.	149
Messe Düsseldorf GmbH	6 867
Total	12 450

3.2.5. Balance of long-term intercompany receivables at the date of 31 December 2002

none

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

	2000	2001	2002
Total of short-term receivables	4 372	69 245	72 755
Total of long-term receivables	0	11 911	10 005

3.3. Net profit / loss in 2001 [in thousands of CZK]

Total of accounting loss in 2001 264 363

3.4. Company registered capital

	Nominal capital at 31 December 2002 [in thousands of CZK]	Number of shares at 31 December 2002 [pcs]
Ordinary bearer shares in the nominal value of 10 CZK	1 156 051	115 605 130
Cancelled shares, change not yet registered in Trade Register	– 72 676	– 7 267 595
Total of company registered capital	1 083 375	108 337 535

3.5. Company equity [in thousands of CZK]

	2000	2001	2002
Základní kapitál	970 000	1 156 051	1 156 051
Registered capital	970 000	1 156 051	1 156 051
Changes in reg. capital	0	0	– 72 676
Treasury stock	0	– 47 933	0
Share premium	0	1 444	1 444
Other capital funds	0	0	23 750
Difference in valuation of revaluated assets	0	0	– 241
Statutory fund of provisions	329	329	329
Accumulated loss	0	– 111 270	– 375 633
Undivided profit	2 960	0	129 600
Profit/loss of current period	– 114 230	– 264 363	68 735
Total of equity	859 059	734 258	931 359

3.6. Payables

3.6.1. Payables past due [in thousands of CZK]

	at 31 December 2001	at 31 December 2002
Total	28 207	23 303

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

	at 31 December 2001	at 31 December 2002
Total	2 454	– 132

3.6.3. Intercompany payables [in thousands of CZK]

Name	year 2002
Alberga a. s. in likquidation	0
Brno Inn a. s.	1 793
BVV Brněnské veletrhy a výstavy, s.r.o.	0
BVV Fair Travel s.r.o.	15 903
BVV Hotel Service a. s. in bankruptcy	0
CENTREX international association	98
EXPO restaurace a. s.	9 041
Kongresové centrum Brno a. s.	3 593
Park Praha s.r.o.	0
Pražské veletrhy s.r.o. in liquidation	0
Vlečka Brno s.r.o.	390
VVB-Veltrhy a výstavy Bratislava s.r.o. in liquidation	0
World Trade Center Brno a. s.	18
MQI s.r.o.	17 421
BD-Expo GmbH	1 460
Vila Tugendhat	0
Messe Düsseldorf GmbH	39 626
Messe Düsseldorf North America	564
Total	89 907

3.6.4. Balance of intercompany payables [in thousands of CZK]

Name	at 31 December 2002
Alberga a. s. in liquidation	0
Brno Inn a. s.	37
BVV Brněnské veletrhy a výstavy, s.r.o.	0
BVV Fair Travel s.r.o.	334
BVV Hotel Service a. s. in bankruptcy	0
CENTREX international association	0
EXPO restaurace a. s.	332
Kongresové centrum Brno a. s.	985
Park Praha s.r.o.	0
Pražské veletrhy s.r.o. in liquidation	0
Vlečka Brno s.r.o.	0
VVB-Veltrhy a výstavy Bratislava s.r.o. in liquidation	0
World Trade Center Brno a. s.	0
MQI s.r.o.	3 378
BD-Expo	187
Vila Tugendhat	0
Messe Düsseldorf GmbH	19
Messe Düsseldorf North America	0
Total	5 272

3.6.5. Long-term intercompany payables as of 31 December 2002

Messe Düsseldorf GmbH	DM 27 699 000	CZK 447 533 000
-----------------------	---------------	-----------------

3.6.6. Overview of net total of payables [in thousands of CZK]

	2000	2001	2002
Total of short-term payables	18 889	311 470	311 470
Total of long-term payables	496 953	452 911	447 533

3.7. Bank loans

The balance of senior loan granted by Westdeutsche Landesbank amounted to CZK 983 571 428,57 at the date of 31 December 2002.

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

	Opening balance at 1 Jan. 2002	Addition at 31 Dec. 2002	Withdrawals	Closing balance
Legal provisions for adjustments to tangible FA (Account No. 45110)	0	0	0	0
Provisions on exchange rate losses (Account No. 45410)	838	49	838	49
Other reserves (Account No. 45930)	462	32 440	462	32 440
Deferred tax obligation				
Deferred tax lien (Account No. 48110/48120)	- 120 541	63 916	0	- 56 625
Total	- 119 241	96 405	1 300	- 24 136

3.9. Adjustments to receivables in operational expenses [in thousands of CZK]

3.9.1. Total adjustments to receivables as of 31 Dec. 2002 [in thous. of CZK] **55 389**

of which:

legal tax adjustments

adjustments to receivables in bankruptcy (Account No. 39101)	1 737
adjustments to receivables due after 31 Dec. 1994 (Account No. 39102)	4 336
Total	36 073

accounting adjustments

adjustment to receivables due after 31 Dec. 1994 (Account No. 39103)	15 489
adjustment to receivables from business activity (Account No. 39111)	3 827
Total	19 316

Receivables [in thous. of CZK]	Legal tax adjustment [%]	Legal tax adjustment [in thous. of CZK]	Accounting adjustment [in thous. of CZK]	Accounting adjustment [in thous. of CZK]	
31 737	100	31 737	0	0	Bankruptcy
277	0	0	100	277	30.6.1997-30.12.1997
126	100	126	0	0	31.12.1997-30.12.1998
436	100	436	0	0	31.12.1998-29.6.1999
750	33	247	67	503	31.12.1998-29.6.1999
134	100	134	0	0	30.6.1999-30.12.1999
427	33	141	67	286	30.6.1999-30.12.1999
376	80	301	20	75	31.12.1999-29.6.2000
1 189	33	392	67	797	31.12.1999-29.6.2000
326	66	215	34	111	30.6.2000-30.12.2000
1 144	33	378	67	766	30.6.2000-30.12.2000
6	50	3	50	3	31.12.2000-29.6.2001
2 392	33	790	67	1 603	31.12.2000-29.6.2001
1 387	33	458	67	929	30.6.2001-30.12.2001
3 575	20	715	80	2 860	31.12.2001-29.6.2002
1 548	0	0	50	774	121-180 days past due
20 134	0	0	30	6 040	61-120 days past due
23 251	0	0	2	465	flat adjustment
3 827	0	0	100	3 835	other receivables
93 042		36 073		19 316	Total

3.9.2. Total of adjustments to financial investments as of 31 Dec. 2002 [in thous. CZK]

50 970

of which:

adjustments to companies

with controlling influence (Account No. 09610)	940
with substantial influence (Account No. 09620)	35 584
other (Account No. 09630)	0

adjustments to loans

intercompany loans (Account No. 09660)	6 400
other companies (Account No. 09670)	8 046

3.9.3. Adjustments to assets

to lands (Account No. 09231)	33 072
to acquired assets (merger with Brno Fairs and Exhibitions – Account No. 09710)	461 512
accumulated depreciation-adjustment to acquired assets (Account No. 09810)	– 35 895
net figure after depreciation – adjustment to acquired assets	425 617

3.10. Revenues for operational activities listed by the principal activities [in thous. of CZK]

	2000	2001	2002
Revenues from sale of own services and merchandise	0	90 001	1 577 342
of which:			
revenues from sale of own services	0	88 110	1 553 718
sale of merchandise	0	1 891	23 624
Sales of securities and financial deposits	0	0	12 200
Revenues from long-term financial assets	0	0	2 317
Financial activities	47 396	12 036	72 204
of which:			
interests	20 854	7 800	10 168
deposits and petty cash vouchers	11 864	1 994	2 410
clearing of adjustments to financial gains	0	195	54 883
clearing of reserves to financial gains	920	143	838
other	13 758	1 904	3 905

note: the company opened its business activities after the merger on 1 November 2001

In 2002 there were no expenditures for research and development.

No important facts appeared after the balance sheet day.

Brno: 25 February 2003

Processed by: Jana Vaculíková
Accounting Department

Jiří Škrla Jaroslav Rubeš
Proctor Proctor

Balance Sheet

in full form, as at 31.12.2001 (in thousands of Czech crowns TCZK)

Ind.	ASSETS	L. no.	Current accounting period			Prev. acc.
			Gross	Adjustment	Net	period Net
	TOTAL ASSETS (l. 02+03+28+55)	001	4,285,080	-1,532,717	2,752,363	3,187,183
A.	RECEIVABLES FROM SUBSCRIPTIONS	002	0	0	0	0
B.	FIXED ASSETS (l. 04+12+22)	003	3,816,138	-1,417,289	2,398,849	2,948,068
B.I.	Intangible fixed assets (l. 05 .. 11)	004	77,842	-54,434	23,408	0
B.I.	1. Incorporation expenses	005	0	0	0	0
	2. Research and development	006	0	0	0	0
	3. Software	007	62,935	-43,562	19,373	0
	4. Valuable rights	008	3,288	-1,276	2,012	0
	5. Other intangible fixed assets	009	9,596	-9,596	0	0
	6. Intangible fixed assets under construction	010	2,023	0	2,023	0
	7. Advance payments for intangible fixed assets	011	0	0	0	0
B.II.	Tangible fixed assets (l. 13 .. 21)	012	3,529,692	-1,299,612	2,230,080	0
B.II.	1. Land	013	112,529	-33,072	79,457	0
	2. Structures	014	2,427,421	-829,940	1,597,481	0
	3. Movable fixed assets	015	457,195	-365,027	92,168	0
	4. Perennial crops	016	0	0	0	0
	5. Breeding and draught animals	017	0	0	0	0
	6. Other tangible fixed assets	018	67,391	-66,445	946	0
	7. Tangible fixed assets under construction	019	3,262	0	3,262	0
	8. Advance payments for tangible fixed assets	020	383	0	383	0
	9. Adjustments to acquired assets	021	461,511	-5,128	456,383	0
B.III.	Long-term financial assets (l. 23 .. 27)	022	208,604	-63,243	145,361	2,948,068
B.III.	1. Shares and ownership interests with controlling influence in enterprises	023	149,058	-13,935	135,123	2,948,068
	2. Shares and ownership interests with substantial influence in enterprises	024	36,048	-35,584	464	0
	3. Other long-term securities and ownership interests	025	2,000	-100	1,900	0
	4. Inter-company loans	026	6,400	-6,400	0	0
	5. Other long-term financial assets	027	15,098	-7,224	7,874	0

Ind.	ASSETS	L. no.	Current accounting period			Prev. acc.
			Gross	Adjustment	Net	period Net
C.	CURRENT ASSETS (l. 29+36+42+51)	028	438,985	-115,428	323,557	238,69
C.I.	Inventory (l. 30 .. 35)	029	17,595	-1,889	15,706	0
C.I.	1. Materials	030	0	0	0	0
	2. Work-in-progress and semi-products	031	600	0	600	0
	3. Finished products	032	0	0	0	0
	4. Animals	033	0	0	0	0
	5. Merchandise	034	16,82	-1,889	14,931	0
	6. Advance payments for inventory	035	175	0	175	0
C.II.	Long-term receivables (l. 37 .. 41)	036	11,911	0	11,911	0
C.II.	1. Trade receivables	037	0	0	0	0
	2. Receivables from partners and participants in an association	038	0	0	0	0
	3. Receivables from companies with controlling influence	039	0	0	0	0
	4. Receivables from companies with substantial influence	040	0	0	0	0
	5. Other receivables	041	11,911	0	11,911	0
C.III.	Short-term receivables (l. 43 .. 50)	042	182,784	-113,539	69,245	4,372
C.III.	1. Trade receivables	043	177,803	-113,539	64,264	0
	2. Receivables from partners and participants in an association	044	0	0	0	0
	3. Social security	045	0	0	0	0
	4. Due from state - tax receivables	046	3,039	0	3,039	3,500
	5. Due from state - deferred taxes	047	0	0	0	0
	6. Receivables from companies with controlling influence	048	0	0	0	0
	7. Receivables from companies with substantial influence	049	0	0	0	0
	8. Other receivables	050	1,942	0	1,942	872
C.IV.	Financial assets (l. 52 .. 54)	051	226,695	0	226,695	234,318
C.IV.	1. Cash	052	5,786	0	5,786	0
	2. Bank accounts	053	107,135	0	107,135	38,043
	3. Short-term financial assets	054	113,774	0	113,774	196,275
D	OTHER ASSETS (l. 56+60)	055	29,957	0	29,957	425
D.I.	Accruals (l. 57 .. 59)	056	28,356	0	28,356	425
D.I.	1. Deferred expenses	057	27,496	0	27,496	153
	2. Accrued revenue	058	22	0	22	129
	3. Foreign currency exchange losses	059	838	0	838	143
D.II.	Estimated receivables	060	1,601	0	1,601	0
	Check number (l. 01 .. 60)	999	17,138,719	-6,130,868	11,007,851	12,748,732

Ind.	LIABILITIES	L. no.	Current acc. period	Previous acc. period
	TOTAL LIABILITIES (l. 62+79+105)	061	2,752,363	3,187,183
A.	EQUITY (l. 63+66+71+75+78)	062	734,258	859,059
A.I.	Registered capital (l. 64+65)	063	1,108,118	970,000
A.I.	1. Registered capital	064	1,156,051	970,000
	2. Company's own shares and ownership interests	065	-47,933	0
A.II.	Capital funds (l. 67 .. 70)	066	1,444	0
A.II.	1. Share premium	067	1,444	0
	2. Other capital funds	068	0	0
	3. Gains or losses from revaluation of assets	069	0	0
		070	0	0
A.III.	Funds created from net profit (l. 72+73+74)	071	329	329
A.III.	1. Legal reserve fund	072	329	329
	2. Indivisible fund	073	0	0
	3. Statutory and other funds	074	0	0
A.IV.	Profit / loss of previous years (l. 76+77)	075	-111,270	2,960
A.IV.	1. Retained earnings from previous years	076	0	2,960
	2. Accumulated losses from previous years	077	-111,270	0
A.V.	Profit / loss of current period (+/-) [l. 01-(63+66+71+75+79+105)]	078	-264,363	-114,230
B.	OTHER SOURCES (l. 80+84+91+101)	079	1,865,541	2,316,035
B.I.	Reserves (l. 81+82+83)	080	1,300	193
B.I.	1. Legal reserves	081	0	0
	2. Reserve for foreign exchange losses	082	838	143
	3. Other reserves	083	462	50
B.II.	Long-term payables (l. 85 .. 90)	084	452,911	496,953
B.II.	1. Payables to companies with controlling influence	085	452,911	496,953
	2. Payables to companies with substantial influence	086	0	0
	3. Long-term advances received	087	0	0
	4. Bonds issued	088	0	0
	5. Long-term bills of exchange to be paid	089	0	0
	6. Other long-term payables	090	0	0

Ind.	LIABILITIES	L. no.	Current acc. period	Previous acc. period
B.III.	Short-term payables (l. 92 .. 100)	091	323,616	18,889
B.III.	1. Trade payables	092	119,993	18,889
	2. Payables to partners and participants in an association	093	1,987	0
	3. Payables to employees	094	141,080	0
	4. Payables to social security	095	6,297	0
	5. Due to state - taxes and subsidies	096	42,954	0
	6. Due to state - deferred taxes	097	9,059	0
	7. Payables to companies with controlling influence	098	0	0
	8. Payables to companies with substantial influence	099	0	0
	9. Other payables	100	2,246	0
B.IV.	Bank loans and financial assistance (l. 102 .. 104)	101	1,087,714	1,800,000
B.IV.	1. Long-term bank loans	102	1,087,714	1,800,000
	2. Current bank loans	103	0	0
	3. Short-term financial assistance	104	0	0
C.	OTHER LIABILITIES (l. 106+110)	105	152,564	12,089
C.I.	Accruals (l. 107 .. 109)	106	122,483	9,042
C.I.	1. Accrued expenses	107	7,580	9,042
	2. Deferred revenues	108	67,602	0
	3. Foreign currency exchange gains	109	47,301	0
C.II.	Estimated payables	110	30,081	3,047
	Check number (l. 61 .. 110)	999	11,243,734	12,859,915

Profit and Loss Account

in full form, as at 31.12.2001 (in whole thousand CZK)

Ind.	TEXT	L. no.	Balance in the accounting period	
			Current	Previous
I.	Revenues from merchandise	01	1,891	0
A.	Costs of sold goods	02	1,763	0
+	Sales margin (l. 01-02)	03	128	0
II.	Production (l. 05+06+07)	04	88,888	0
II.1.	Revenues from own products and services	05	88,110	0
II.2.	Change in inventory of the company's own production	06	600	0
II.3.	Capitalisation	07	178	0
B.	Production consumption (l. 09+10)	08	106,976	21,725
B.1.	Consumption of material and energy	09	21,715	0
B.2.	Services	10	85,261	21,725
+	Added value (l. 03+04-08)	11	-17,960	-21,725
C.	Personnel expenses (l. 13 .. 16)	12	30,979	1,152
C.1.	Wages and salaries	13	20,639	0
C.2.	Remunerations of board members	14	1,292	1,152
C.3.	Social security expenses	15	7,252	0
C.4.	Social expenses	16	1,796	0
D.	Taxes and fees	17	2,370	111
E.	Depreciation of tangible and intangible fixed assets	18	17,414	178
III.	Proceeds from disposal of fixed assets and material	19	1,306	0
F.	Net book value of sold fixed assets and material	20	814	0
IV.	Accounting for reserves and accruals to operating revenues	21	50	0
G.	Creation of reserves and accruals to operating expenses	22	462	50
V.	Accounting for adjusting entries to operating revenues	23	21,420	0
H.	Accounting for adjusting entries to operating expenses	24	21,015	0
VI.	Other operating revenues	25	529	0
I.	Other operating expenses	26	11,242	119
VII.	Transfer of operating revenues	27	0	0
J.	Transfer of operating expenses	28	0	0
*	Operating profit / loss			
	[l. 11-12-17-18+19-20+21-22+23-24+25-26+(-27)-(-28)]	29	-78,951	-23,335

Ind.	TEXT	L. no.	Balance in the accounting period	
			Current	Previous
VIII.	Proceeds from sale of securities and ownership interests	30	0	0
K.	Securities and ownership interests sold	31	0	0
IX.	Revenues from long-term financial assets (l. 01-02)	32	0	0
IX.1.	Revenues from inter-company securities and ownership interests	33	0	0
2.	Revenues from other long-term securities and ownership interests	34	0	0
3.	Revenues from other long-term financial assets	35	0	0
X.	Revenues from short-term financial assets	36	1,994	11,864
XI.	Accounting for reserves to financial revenues	37	143	776
L.	Creation of reserves for financial expenses	38	838	920
XII.	Accounting for adjusting entries to financial revenues	39	195	0
M.	Accounting for adjusting entries to financial expenses	40	601	0
XIII.	Interest revenues	41	7,800	20,854
N.	Interest expenses	42	174,734	55,053
XIV.	Other financial revenues	43	1,904	13,758
O.	Other financial expenses	44	5,402	82,174
XV.	Transfer of financial revenues	45	0	0
P.	Transfer of financial expenses	46	0	0
*	Profit / loss from financial operations (transactions)			
	[l. 30-31+32+36+37-38+39-40+41-42+43-44+(-45)-(-46)]	47	-169,539	-90,895
R.	Income tax on ordinary income (l. 49+50)	48	15,311	0
R. 1.	- due	49	0	0
2.	- deferred	50	15,311	0
		51	0	0
**	Ordinary income (l. 29+47-48)	52	-263,801	-114,23
XVI.	Extraordinary revenues	53	2,952	0
S.	Extraordinary expenses	54	3,514	0
T.	Income tax on extraordinary income (l. 56+57)	55	0	0
T. 1.	- due	56	0	0
2.	- deferred	57	0	0
*	Extraordinary income (l. 53-54-55)	58	-562	0
U.	Transfer of ratio in profit /loss to partners (+/-)	59	0	0
***	Profit / loss of current accounting period (+/-) (l. 52+58-59)	60	-264,363	-114,230
	Profit / loss before tax (+/-) (l. 29+47+53-54)	61	-249,052	-114,230
	Check number (l. 01 .. 61)	99	-279,439	-247,034

Cash flow overview

(for year ending December 31, in thousands of CZK)

	31 Dec. 2000	31 Dec. 2001
P. OPENING BALANCE OF CASH	984,031	234,318
Z. ACCOUNTING PROFIT FROM REGULAR ACTIVITIES BEFORE TAX	-114,230	-248,490
A.1 Adjustments by non-financial operations (A.1.1 to 5)	46,198	518,699
A.1.1 <i>Depreciation of fixed assets</i>	178	30,458
A.1.2 <i>Adjustments, reserves, temporary accounts</i>	11,821	323,794
A.1.3 <i>Profit from sales of fixed assets</i>	0	-493
A.1.4 <i>Revenues from dividends</i>	0	-1,994
A.1.5 <i>Accounted paid and received interest</i>	34,199	166,934
A.* NET CASH FLOW FROM OPERATING ACTIVITY (Z.+A.1)	-68,032	270,209
A.2 Working capital requirements (A.2.1 to 3)	3,633	88,918
A.2.1 <i>Receivables in operating activity</i>	-4,372	-198,214
A.2.2 <i>Short-term liabilities of operating activity</i>	8,005	304,727
A.2.3 <i>Change to inventory</i>	0	-17,595
A.2.4 <i>Short-term current liquid assets not falling into financial means and equivalents</i>	0	0
A.** NET CASH FLOW FROM OPERATING ACTIVITY (A.*+A.2)	-64,399	359,127
A.3 Expenses from interest payment except for capitalised interest	-55,053	-174,734
A.4 Interest received	20,854	7,800
A.5 Income tax paid for common activity and for re-allocations	0	-15,311
A.6 Extraordinary accounting items, incl. tax from extraordinary activities	0	-562
A.7 Dividends and shares received	0	1,994
A.8 Pay-out of dividends - re-distribution	0	0
A*** NET CASH FLOW FROM OPERATING ACTIVITY (A.**+A.3 to 6)	-98,598	176,320
B.1 Expenses on fixed assets	-2,948,068	429,524
B.2 Income from sale of fixed assets	0	1,305
B.3 loans and credits to relatives	0	0
B.*** NET CASH FLOW FROM INVESTMENT ACTIVITIES (B.1 to B.3)	-2,948,068	430,829

	31 Dec. 2000	31 Dec. 2001
C.1 Change to the balance of liabilities	2,296,953	-756,328
C.2 Impacts of changes to equity on cash flows (C.2.1 to 6)	0	139,562
C.2.1 Increase of registered capital or reserve funds	0	253,792
C.2.2 Payment of share on the equity to associates	0	0
C.2.3 Monetary gifts and donations in the equity + C.2.2 and further	0	0
C.2.4 Loss payment by the associates	0	0
C.2.5 Direct payments to the debit of funds	0	-112,243
C.2.6 Paid dividends and shares to profit, including tax	0	-1,987
C*** NET CASH FLOW FROM FINANCIAL ACTIVITIES (C.1 to C.3)	2,296,953	-614,772
F. NET CASH FLOW (A.***+B.***+C.***)	-749,713	-7,623
R. FINAL BALANCE OF CASH FLOW (P.+F.)	234,318	226,695

Appendix to the Annual Financial Statements at the date of December 31, 2001

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 of fairs

1.1. Principal stockholders at the date of December 31, 2001

Stockholder's Name	Shares [pcs]	Ownership Interest [%]
Messe Düsseldorf GmbH	65,434,400	56.60
Chartered City of Brno	36,609,600	31.67
small shareholders	6,392,975	5.53
Trade Fairs Brno	7,168,155	6.20
Total of Trade Fairs Brno	115,605,130	100.00

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

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

1.2. The following changes were made in 2001

- ◆ to the Board of Directors
 - 28.2.2001 discharged Mr. Frank Thorwirth
 - 28.2.2001 elected Mr. Manfred Kotschedoff
 - 7.6.2001 discharged Mr. Milan Šimonovský
 - 7.6.2001 elected Mr. Rostislav Slavotínek

The General Assembly held on 22 November 2002 elected new members of the Board of Directors and the Supervisory Board, taking effect after the merger of the company Brno Fairs and Exhibitions, and the company Trade Fairs Brno, with effect from 1 November 2001.

1.3. Articles of Association

Following the merger, Trade Fairs Brno assumed, the Articles of Association of the joint-stock company Brno Fairs and Exhibitions.

1.4. Company organisation chart

see the Appendix

1.5. Members of the Statutory Body at the date of 31 December 2001

Board of Directors

Karlheinz Wismer	Chairman
Jiří Škrla	Vice-Chairman
Petr Duchoň	members
Rostislav Slavotínek	
Wilhelm Giese	
Herbert Vogt	
Manfred Kotschedoff	
Egbert Zündorf	
Václav Božek	

Procurators

Jiří Škrla
Jaromír Hažmuka
Jaroslav Rubeš
Egbert Zündorf – yet not entered in the Company Register
Aleš Pohl – yet not entered in the Company Register

Supervisory Board

Joachim Erwin	Chairman
Ladislav Koukal	Vice-Chairman

Petr Mayer – representative of the company employees, elected on 8 February 2002

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

Company Name	HQ	Share of RC [%]	Registered Capital
			[thous. of CZK]
Alberga a.s., in liquidation	Brno	49.00	41,010
Brno Inn a.s.	Brno	59.16	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 liquidation	Brno	49.05	31,600
CENTREX International Association	Budapešť	25.00	100 thous. of HUF
EXPO restaurace, a.s.	Brno	100.00	1,500
Park Praha, s.r.o.	Pec p. Sněžkou	34.00	100
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
World Trade Center Brno, a.s.	Brno	100.00	3,000
MQI, s.r.o.	Brno 4	9.00	300
Vila Tugendhat Foundation	Brno	49.90	501
BD-Expo GmbH	Budapešť	51.00	4,000 thous. of HUF
Kongresové centrum Brno, a.s. "Daughter Company"	Brno	66.00	1,000

1.7. Employees

Average number of employees	2001	2000
Total of employees	632	0
of which:		
top executives: GM, managing directors, managers	9	0
managerial personnel at the 3 rd level	42	0

Personnel expenses in thousands of CZK

	Total of employees in 2001	of which: executives	Total of employees in 2000
Payroll costs	20,639	3,878	–
Bonuses to members of the company bodies	1,292	1,292	1,152
Social security expenses	7,252	1,358	–
Social expenses	1,796	*)	–
Total of personnel expenses	30,979	*)	–

x) not monitored

Other bonuses to members of statutory and supervising bodies	2001	2000
Royalties	0	0
Loans	0	0
Bonds granted	0	0

Natural benefit – the Board members use the company cars also for personal purposes

Loans granted to employees in thousands CZK	2001	2000
Total of employees	103	0
of which:		
top executives	0	0

Balance of loans	2001	2000
Total of employees	11,911	
of which:		
top executives	2,757	

2. Information on Accounting Methods and General Principles

- ◆ The purchased inventory is evaluated with acquisition price, minus adjustments.
- ◆ Tangible and intangible fixed assets are evaluated in accordance with Article III of the Account Class 0 –Accounting Methods.
- ◆ Securities and Capital Investments are evaluated with the acquisition price, minus adjustments.
- ◆ The possible fair market value is determined by a special regulation or by an expert.

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 to Fixed Assets

Profit/Loss	Reason for a change	Impact on Assets
Method of Evaluation	no changes	0
Method of Depreciation	no changes	0
Arrangement of items in the Financial Statement	no changes	0

2.3. Method of Determination of Adjustments to Fixed Assets

Adjustment	Method of Determination
Securities	Based on an overview of rates at the Prague Stock Exchange
Receivables	Based on the Act on Reserves and the Act on Accounting <ul style="list-style-type: none">■ over 180 days from a due date up to 100%■ between 120 and 180 days from the due date up to 50%■ between 60 and 120 days from the due date up to 30%■ flat rate of 2% per a 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 an expert estimate of real-estate offices

2.4. Method of Compilation of the Depreciation Plan and Methods Applied

Type of Fixed Assets	Depreciation Method Applied	Periodicity of Depreciation
Intangible/Tangible FA determined individually when applied	even, accelerated	monthly

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 workday of the previous month.
- For the 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 the complete accounting documents necessary in order to be properly accounted for (transaction descriptions, contracts, transaction rates of exchange, etc.)
- the receivables and payables, existing at the date of 31 December 2001, were converted using the valid exchange rate of the Czech National Bank

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 operating records on acquisition prices.

3.1.1. Main groups of individual tangible and intangible assets

Account	Asset Type	Depreciation group	Acquisition price [in thous. of CZK]	Adjustments [in thous. of CZK]
02110	Buildings and halls	4,5	2,122,669	705,831
02120	Other structures	4,5	304,752	124,109
02230	Power machinery	1,2,3	19,808	4,808
02240	Working machinery	1,2,3	25,279	20,569
02250	Instruments	1,2,3	267,583	240,407
02260	Transport means	1,2,3	106,947	66,594
02270	Inventory	1,2,3	32,164	27,235
02280	Exhibition equipment	–	5,414	5,414
02812	Other non-exhib. equipment	–	65,800	65,800
02813	Other non-exhib. equipment	–	645	645
03110	Land	–	112,529	0
03210	Art works and collections	–	946	0
042	Acquisition of tangible FA	–	3,262	0

3.1.2. Intangible Assets

Account	Asset Type	Depreciation Group	Acquisition Price [in thous. of CZK]	Adjustments [in thous. of CZK]
01310	Software	1,2	62,935	43,562
01410	Rights with value	–	3,288	1,276
01810	Low-value intangible FA -	–	9,596	9,596
041	Acquisition intangible FA	–	2,023	–

3.1.3. Assets Acquired in the Form of Financial Leasing

Leasing Contract for real estate No. 050

Lessor: BACA Leasing Alfa, s.r.o., Vinohradská 37, Praha 2

Subject of the leasing: EXPOPARKING building and equipment situated on the lots No. 1023/16, 1023/17, 1023/18, 1023/19, 1023/20, 1023/35, 1023/36, 1023/37, 1023/38, 1023/40 and 1023/43 covering the total area of 8 812 m², registered in the Land Register Brno – town.

Term of leasing: 20 years

Actually remitted lease payments from financial leasing:

CZK 2,134,000

Future leased payments due within one year:

CZK 25,603,000

Leasing Contract for car No. 11011741

Lessor: ČP Leasing, a.s., Spálená 16/75, 110 00 Praha 1

Subject of the leasing: Škoda Fabia–Combi–Comfort 1,4; BZS 13-69

Acquisition Price: CZK 450,400

Term of the Leasing: 36 months

Advanced Payment: in the amount of 60%, CZK 270,240

Monthly Instalment: CZK 6,532

Leasing Contract for car No. 11011727

Lessor: ČP Leasing, a.s., Spálená 16/75, 110 00 Praha 1

Subject of the Leasing: Škoda Octavia–Combi–Elegance 2.0, BZS 06-86

Acquisition Price: CZK 586,150

Term of the Leasing: 36 months

Advanced Payment: in the amount of 60%, CZK 351,690

Monthly Instalment: CZK 8,633

Leasing Contract for a car No. 11011728

Lessor: ČP Leasing, a.s., Spálená 16/75, 110 00 Praha
Subject of the Leasing: Škoda Fabia-Combi-Comfort 1,4; BZS 01-13
Acquisition Price: CZK 450,400
Term of the Leasing: 36 months
Advanced Payment: in the amount of 60%, CZK 270,240
Monthly Instalment: CZK 6,532

Leasing Contract for a car No. 11011726

Lessor: ČP Leasing, a.s., Spálená 16/75, 110 00 Praha 1
Subject of the Leasing: Škoda Fabia-Combi-Comfort 1,4; BZS 01-26
Acquisition Price: CZK 450,400
Term of the Leasing: 36 months
Advance Payment: in the amount of 60%, CZK 270,240
Monthly Instalment: CZK 6,532

Leasing Contract for a car No. 11011725

Lessor: ČP Leasing, a.s., Spálená 16/75, 110 00 Praha 1
Subject of the Leasing: Škoda Fabia-Combi-Comfort 1,4; BZS 01-27
Acquisition Price: CZK 450,400
Term of the Leasing: 36 months
Advance Payment: in the amount of 60%, CZK 270,240
Monthly Instalment: CZK 6,532

Leasing Contract for a car No. 11011517

Lessor: ČP Leasing, a.s., Spálená 16/75, 110 00 Praha 1
Subject of the Leasing: Saab-9-5 Kombi-AERO 2,3 TS AUTOMAT, BZP 31-58
Acquisition Price: CZK 1,934,949
Term of the Leasing: 36 months
Advance Payment: in the amount of 15%, CZK 290,242
Monthly Instalment: CZK 57,105

Leasing Contract for a car No. 11011518

Lessor: ČP Leasing, a.s., Spálená 16/75, 110 00 Praha 1
Subject of the Leasing: Saab-9-5 Kombi-2,3L PTSE, BZP 31-57
Acquisition Price: CZK 1,696,949
Term of the Leasing: 36 months
Advance Payment: in the amount of 15%, CZK 254,542
Monthly Instalment: CZK 50,142

3.1.4. Specification of Tangible Assets under Lien

Pavilion E	creditor	IPB, a.s.	CZK 240,000,000
Land Deed of Title No. 344	creditor	Česká Spořitelna, a.s.	CZK 32,000,000

Description of the Lien

Pavilion E	creditor:	IPB, a.s.	CZK 240,000,000
------------	-----------	-----------	-----------------

The Investiční a poštovní banka concluded a contract for the creation of a lien with Brno Trade Fairs and Exhibitions on 30 November 1993. This contract secures a debt of the company Park Praha in the amount of CZK 240 million from a loan contract described below.

The subject matter of the lien is pavilion E with a building site No.99/2 covering an area of 8,443 m², registered as Deed of Title No. 344 at the Pisárky cadastral office in Brno. The entry of the lien was approved by the decision of the Brno cadastral office under Ref. No. 911 V2-4118/93, with the entry effective date as of 10 December 1993.

On 30 November 1993, the Investiční and Poštovní Bank with its headquarters in Prague concluded a loan contract No. 200993031, having one Appendix, with a company Park Praha with the headquarters in Pec pod Sněžkou, Company Reg. No. 15039650. The subject matter of the loan contract is the liability of the Investiční and Poštovní Bank to provide the company Park Praha with a loan amounting to CZK 240 million for financing of the construction of a hotel, currently called "Hotel EXPO", located at Za Elektrárnou 3, Praha 7. The loan was payable by 31 December 2001.

Appendix No. 1 to the Loan contract sets forth the liability of Brno Fairs and Exhibitions to place a property lien on the pavilion E. The Appendix also sets out a commitment of both the contracting parties to make an entry of the lien on the hotel immediately after completing the building inspection of the hotel (within 14 days at the cadastral office, and in favour of the Investiční and Poštovní Bank. The inspection decision became effective as of 1 September 1994. However, the commitment of contracting parties to transfer the lien on the hotel has not been fulfilled yet. The non-fulfilment of the liability is a subject matter of an action filed at the Municipal Court in Prague under Ref. No. 8 Cm 324/98 in August 20, 1998. In parallel, IPB Bank filed a lawsuit against Park Praha in 1999 and a court payment order was issued together with an approval to sell the Pavilion E. The Brno Fairs and Exhibitions appealed against the decision and the dispute is filed at the Regional Court in Hradec Králové under Ref. No. 41 Cm 124/99.

Description of the Lien

The Česká spořitelna Bank concluded a contract for the creation of a lien with the company Brno Fairs and Exhibitions on 14 July 1992. The contract secures a debt of the company TOSCA of CZK 32 million from the loan contract described below.

The lien applies to the following immovable assets: lot No. 756 with 326 m² (housing building –developed property), Deed of Title No. 405, cadastral office of Old Brno, municipality of Brno Town, lots No. 27, 358, 1, 3, 4, 13, 19, 20, and 22, all developed, Deed of Title No. 344, Pisárky cadastral office, Brno. The lien contract was registered at the State Notary in Brno on 17 July 1992, under Ref. No. R III 758/92.

The Česká spořitelna Bank concluded a loan contract No. 184/1992 with the company TOSCA, having its headquarters in Brno, Company Reg. No. 44012217, on 14 July 1992. The subject matter of the loan contract is the liability of the Česká spořitelna Bank to provide the company TOSCA with a middle-term operating loan in the amount of CZK 32 million for inventories covering the work in progress. The loan was due by 30 June 1996, but it has not been repaid yet.

The prerequisite for providing a loan was the creation of a lien on the immovable assets and guarantor's obligation of the Českomoravská záruční a rozvojová Bank to secure receivable from the granted loan. The lien contract for the immovable assets was concluded. The guarantor's obligation of the Českomoravská záruční a rozvojová Bank has not been granted. The Česká spořitelna Bank and TOSCA concluded an amendment No.1 to the loan contract on 29 October 1992. In conformity with this amendment, the Česká spořitelna Bank accepted the lien on the immovable assets of the company TOS Znojmo. The company Brno Fairs and Exhibitions filed an action for nullification of the loan contract at the Regional Court in Brno on 12 May 1998.

Specification of Tangible Assets under Lien

Inv. No.	Asset	Acquisition Price	Book Balance	Lien for
		[thousands of CZK]	[thousands of CZK]	
005	Pavilion A	247,829,393.50	57,667,602.50	Česká spořitelna
9853	Pavilion E	388,072,237.16	267,941,237.16	IPB Praha
0033	Pavilion G	367,989,405.61	322,927,754.61	Česká spořitelna
3072	WC next to Pav.G	21,407.00	0.00	Česká spořitelna
133810	Area next to Pav. G	4,885,344.30	4,301,720.30	Česká spořitelna
7788	Pavilion O	9,166,602.70	5,895,083.70	Česká spořitelna
4890	Pavilion P	3,735,876.00	0.00	Česká spořitelna
8438	Pavilion R	4,309,539.00	0.00	Česká spořitelna
0070	Pavilion Z	38,132,974.49	5,874,183.49	Česká spořitelna
135345	Hlinky building	4,684,510.00	4,308,887.00	Česká spořitelna
135346	Land	3,167,000.00	3,167,000.00	Česká spořitelna
Total		1,071,994,289.76	672,083,468.76	

The buildings are under lien together with the land. Nevertheless, it is not possible to identify the individual evaluations, as the lots in the Trade Fairs Brno premises are registered as one piece of land.

The lien contract No. 600014484032 in favour of Westdeutsche Landesbank 4, 185 shares of Trade Fairs Brno

The lien contract No. 600014484016 in favour of Westdeutsche Landesbank 521, 749 shares of Trade Fairs Brno

3.2. Receivables

3.2.1. Receivables past due [in thousands of CZK]

	at 31. 12. 2001	at 31. 12. 2000
Total	151,787	0
of which past due:		
by 60 days	26,336	
61 – 90 days	14,665	
91 – 120 days	1,720	
121 – 180 days	2,156	
181 – 360 days	5,486	
over 360 days	101,424	

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

	at 31. 12. 2001	at 31. 12. 2000
Total	12,579	0
listed by individual foreign currencies:		
CHF	992	
DEM	4,431	
USD	1,073	
EUR	5,664	
ATS	14	
NLG	23	
SKK	382	

3.2.3. Intercompany Receivables Accountd for [in thousands of CZK]

Company name	at 31. 12. 2001
Alberga, a.s., in liquidation	0
Brno Inn, a.s.	837
BVV Brněnské veletrhy a výstavy, s.r.o.	0
BVV Fair Travel, s.r.o.	677
BVV Hotel Service, a.s., in bankruptcy	0
CENTREX international association	0
EXPO restaurace, a.s.	1,106
Kongresové centrum Brno, a.s.	532
Park Praha, s.r.o.	0
Pražské veletrhy, s.r.o., in liquidation	0
Vlečka Brno, s.r.o.	5
VVB-Veltrhy a výstavy Bratislava, s.r.o., in liquidation	0
World Trade Center Brno, a.s.	352
MQI, s.r.o.	0
BD-Expo	0
Vila Tugendhat	0
Messe Düsseldorf GmbH	3,204
Total	6,713

3.2.4. Balance of short-term intercompany receivables [in thousands of CZK]

Name	at 31. 12. 2001
Alberga, a.s., in liquidation	0
Brno Inn, a.s.	442
BVV Brněnské veletrhy a výstavy, s.r.o.	0
BVV Fair Travel, s.r.o.	523
BVV Hotel Service, a.s., in bankruptcy	0
CENTREX, international association	0
EXPO restaurace, a.s.	733
MQI, s.r.o.	0
BD-Expo GmbH	0
Kongresové centrum Brno, a.s.	405
Vila Tugendhat	0
Park Praha, s.r.o.	2,440
Pražské veletrhy, s.r.o., in liquidation	799
Vlečka Brno, s.r.o.	5
VVB-Veltrhy a výstavy Bratislava, s.r.o., in liquidation	277
World Trade Center Brno, a.s.	174
Messe Düsseldorf GmbH	3,445
Total	9,243

3.2.5. Balance of long-term intercompany receivables at the date of 31. 12. 2001

none

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

	2001	2000
Total of short-term receivables	69,245	4,372
Total of long-term receivables	11,911	0

3.3. Net Profit/Loss in 2000 [in thousands of CZK]

Total of accounting loss in 2000	114,230
Loss paid from the undistributed profit for previous accounting periods	2,960

3.4. Company Registered Capital

	Nominal Capital at 31. 12. 2001 [in thousands of CZK]	Number of Shares at 31. 12. 2001 [pcs]
Ordinary bearer shares in the nominal value of CZK 10	1,156,051	115,605,130
Total of the company registered capital	1,156,051	115,605,130

3.5. Company Equity [in thousands of CZK]

	2001	2000
Registered capital	1,156,051	970,000
Treasury stock	-47,933	0
Share premium	1,444	0
Statutory fund of provisions	329	329
Accumulated loss	-111,270	0
Undivided profit	0	2,960
Profit/loss of current period	-264,363	-114,230
Total of Equity	734,258	859,059

3.6. Payables

3.6.1. Payables past due [in thousands of CZK]

	at 31. 12. 2001	at 31. 12. 2000
Total	28,207	34

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

	at 31. 12. 2001	at 31. 12. 2000
Total	2,454	0

3.6.3. Intercompany payables [in thousands of CZK]

Name	at 31. 12. 2001
Alberga, a.s., in liquidation	0
Brno Inn, a.s.	290
BVV Brněnské veletrhy a výstavy, s.r.o.	0
BVV Fair Travel, s.r.o.	1,601
BVV Hotel Service, a.s., in bankruptcy	0
CENTREX international association	0
EXPO restaurace, a.s.	937
Kongresové centrum Brno, a.s.	547
Park Praha, s.r.o.	0
Pražské veletrhy, s.r.o., in liquidation	0
Vlečka Brno, s.r.o.	0
VVB-Veltrhy a výstavy Bratislava, s.r.o., in liquidation	0
World Trade Center Brno, a.s.	0
MQI, s.r.o.	2,735
BD-Expo GmbH	113
Vila Tugendhat	0
Messe Düsseldorf GmbH	44,038
Messe Düsseldorf North America	11
Total	50,272

3.6.4. Balance of intercompany payables [in thousands of CZK]

Company Name	at 31. 12. 2001
Alberga, a.s., in liquidation	0
Brno Inn, a.s.	9
BVV Brněnské veletrhy a výstavy, s.r.o.	0
BVV Fair Travel, s.r.o.	449
BVV Hotel Service, a.s., in bankruptcy	0
CENTREX, international asscitaion	0
EXPO restaurace, a.s.	308
Kongresové centrum Brno, a.s.	22
Park Praha, s.r.o.	0
Pražské veletrhy, s.r.o., in liquidation	0
Vlečka Brno, s.r.o.	0
VVB-Veltrhy a výstavy Bratislava, s.r.o., in liquidation	0
World Trade Center Brno, a.s.	0
MQI, s.r.o.	1,515
BD-Expo	72
Vila Tugendhat	0
Messe Düsseldorf GmbH	26
Messe Düsseldorf North America	11
Total	2,412

3.6.5. Long-term intercompany payables at the date of 31.12.2001

Messe Düsseldorf GmbH	DM 27,699,000	CZK 452,911,000
-----------------------	---------------	-----------------

3.6.6. Overview of net total of payables [in thousands of CZK]

	2001	2000
Total of short-term payables	323,616	18,889
Total of long-term payables	452,911	496,953

3.7. Bank Loans

The balance of senior loan granted by Westdeutsche Landesbank amounted to CZK 1,087,714,285.71 at the date of 31. 12. 2001.

3.8. Legal Provisions and Other Reserves [in thousands of CZK]

	Opening Balance at 1. 1. 2001	Addition at 31. 12. 2001	Withdrawals	Closing Balance
Legal provisions for adjustments to tangible FA (Account No.45110)	0	0	0	0
Provisions on exchange rate losses (Account No.45410)	838	838	143	143
Other reserves (Account No.45930)	462	462	50	50
Total	1,300	1,300	193	193

3.9. Adjustments and Depreciation to Receivables in Operating Expenses [in thousands of CZK] at 31. 12. 2001

3.9.1. Total of adjustments to receivables 113,539

of which:

Legal tax adjustments

adjustments to receivables in bankruptcy and settlement (Account No. 39101)	25,669
adjustments to receivables due after 31 December 1994 (Account No. 39102)	23,118
Total	48,787

Accounting adjustments

adjustment to receivables due after 31 December 1994 (Account No. 39103)	22,616
adjustment to receivables from business activity (Account No. 39111)	42,136
Total	64,752

Receivables [in thous. of CZK]	Legal Tax Adjustment [%]	Legal Tax Adjustment [in thous. of CZK]	Accounting Adjustment [in thous. of CZK]	Accounting Adjustment [in thous. of CZK]	
25,669	100	25,669	0	0	Bankruptcy
277	0	0	100	277	30.6.1997 –30.12.1997
2,672	100	2,672	0	0	31.12.1997 –29.6.1998
3,304	33	1,090	67	2,214	31.12.1997 –29.6.1998
736	100	736	0	0	30.6.1998 –30.12.1998
1,698	33	560	67	1,138	30.6.1998 –30.12.1998
18,575	80	14,860	20	3,715	31.12.1998 –29.6.1999
849	33	280	67	569	31.12.1998 –29.6.1999
350	66	231	34	119	30.6.1999 –30.12.1999
772	33	255	67	517	30.6.1999 –30.12.1999
150	50	75	50	75	31.12.1999 –29.6.2000
1,559	33	515	67	1,044	31.12.1999 –29.6.2000
2,133	33	704	67	1,429	30.6.2000-30.12.2000
5,698	20	1,140	80	4,558	31.12.2000-29.6.2001
2,170	0	0	50	1,085	120-180 days past due
16,864	0	0	30	5,059	60-120 days past due
40,831	0	0	2	817	Flat adjustment
42,136	0	0	100	42,136	Other receivables
166,443		48,787		64,752	Total

3.9.2. Total of Adjustments to Financial Investments at the date of 31. 12. 2001

63,243

of which:

adjustments to companies

with controlling influence (Account No. 09610)	13,935
with substantial influence (Account No. 09620)	35,584
other (Account No. 09630)	100

adjustments to loans

intercompany loans (Account No. 09660)	6,400
other companies (Account No. 09670)	7,224

3.9.3. Adjustments to Assets

to lands (Account No. 09231)	33,072
to acquired assets (merger with Brno Fairs and Exhibitions – Account No. 09710)	461,511
accumulated depreciation – adjustment to acquired assets (Account No. 09810)	-5,128
net figure after depreciation – adjustment to acquired assets	456,383

3.10. Revenues from Operating Activity Listed by the Principal Activities [in thousands of CZK]

	2001	2000
Revenues from sale of own services and merchandise	90,001	0
of which:		
revenues from sale of own services	88,110	0
sale of merchandise	1,891	0
Sales of securities and financial deposits	0	0
Financial activities	11,841	47,252
of which:		
interests	7,800	20,854
deposits and petty cash vouchers	1,994	11,864
other	2,047	14,534

Balance Sheet

in full form, as at 31.12.2000 (in thousands of Czech crowns TCZK)

Ind.	ASSETS	L. no.	Current accounting period			Prev. acc.
			Gross	Adjustment	Net	period Net
	TOTAL ASSETS (l. 02+03+28+55)	001	3,187,540	-357	3,187,183	976,210
A.	RECEIVABLES FROM SUBSCRIPTIONS	002	0	0	0	-8,000
B.	FIXED ASSETS (l. 04+12+22)	003	2,948,425	-357	2,948,068	179
B.I.	Intangible fixed assets (l. 05 .. 11)	004	357	-357	0	179
B.I.	1. Incorporation expenses	005	357	-357	0	179
	2. Research and development	006	0	0	0	0
	3. Software	007	0	0	0	0
	4. Valuable rights	008	0	0	0	0
	5. Other intangible fixed assets	009	0	0	0	0
	6. Intangible fixed assets under construction	010	0	0	0	0
	7. Advance payments for intangible fixed assets	011	0	0	0	0
B.II.	Tangible fixed assets (l. 13 .. 21)	012	0	0	0	0
B.II.	1. Land	013	0	0	0	0
	2. Structures	014	0	0	0	0
	3. Movable fixed assets	015	0	0	0	0
	4. Perennial crops	016	0	0	0	0
	5. Breeding and draught animals	017	0	0	0	0
	6. Other tangible fixed assets	018	0	0	0	0
	7. Tangible fixed assets under construction	019	0	0	0	0
	8. Advance payments for tangible fixed assets	020	0	0	0	0
	9. Adjustments to acquired assets	021	0	0	0	0
B.III.	Long-term financial assets (l. 23 .. 27)	022	2,948,068	0	2,948,068	0
B.III.	1. Shares and ownership interests with controlling influence in enterprises	023	2,948,068	0	2,948,068	0
	2. Shares and ownership interests with substantial influence in enterprises	024	0	0	0	0
	3. Other long-term securities and ownership interests	025	0	0	0	0
	4. Inter-company loans	026	0	0	0	0
	5. Other long-term financial assets	027	0	0	0	0

Ind.	ASSETS	L. no.	Current accounting period			Prev. acc.
			Gross	Adjustment	Net	period Net
C.	CURRENT ASSETS (l. 29+36+42+51)	028	238,690	0	238,690	984,031
C.I.	Inventory (l. 30 .. 35)	029	0	0	0	0
C.I.	1. Materials	030	0	0	0	0
	2. Work-in-progress and semi-products	031	0	0	0	0
	3. Finished products	032	0	0	0	0
	4. Animals	033	0	0	0	0
	5. Merchandise	034	0	0	0	0
	6. Advance payments for inventory	035	0	0	0	0
C.II.	Long-term receivables (l. 37 .. 41)	036	0	0	0	0
C.II.	1. Trade receivables	037	0	0	0	0
	2. Receivables from partners and participants in an association	038	0	0	0	0
	3. Receivables from companies with controlling influence	039	0	0	0	0
	4. Receivables from companies with substantial influence	040	0	0	0	0
	5. Other receivables	041	0	0	0	0
C.III.	Short-term receivables (l. 43 .. 50)	042	4,372	0	4,372	0
C.III.	1. Trade receivables	043	0	0	0	0
	2. Receivables from partners and participants in an association	044	0	0	0	0
	3. Social security	045	0	0	0	0
	4. Due from state - tax receivables	046	3,500	0	3,500	0
	5. Due from state - deferred taxes	047	0	0	0	0
	6. Receivables from companies with controlling influence	048	0	0	0	0
	7. Receivables from companies with substantial influence	049	0	0	0	0
	8. Other receivables	050	872	0	872	0
C.IV.	Financial assets (l. 52 .. 54)	051	234,318	0	234,318	984,031
C.IV.	1. Cash	052	0	0	0	0
	2. Bank accounts	053	38,043	0	38,043	984,031
	3. Short-term financial assets	054	196,275	0	196,275	0
D	OTHER ASSETS (l. 56+60)	055	425	0	425	0
D.I.	Accruals (l. 57 .. 59)	056	425	0	425	0
D.I.	1. Deferred expenses	057	153	0	153	0
	2. Accrued revenue	058	129	0	129	0
	3. Foreign currency exchange losses	059	143	0	143	0
D.II.	Estimated receivables	060	0	0	0	0
	Check number (l. 01 .. 60)	999	12,750,160	-1,428	12,748,732	3,920,840

Ind.	LIABILITIES	L. no.	Current acc. period	Previous acc. period
	TOTAL LIABILITIES (l. 62+79+105)	061	3,187,183	976,210
A.	EQUITY (l. 63+66+71+75+78)	062	859,059	973,289
A.I.	Registered capital (l. 64+65)	063	970,000	970,000
A.I.	1. Registered capital	064	970,000	970,000
	2. Company's own shares and ownership interests	065	0	0
A.II.	Capital funds (l. 67 .. 70)	066	0	0
A.II.	1. Share premium	067	0	0
	2. Other capital funds	068	0	0
	3. Gains or losses from revaluation of assets	069	0	0
		070	0	0
A.III.	Funds created from net profit (l. 72+73+74)	071	329	0
A.III.	1. Legal reserve fund	072	329	0
	2. Indivisible fund	073	0	0
	3. Statutory and other funds	074	0	0
A.IV.	Profit / loss of previous years (l. 76+77)	075	2,960	0
A.IV.	1. Retained earnings from previous years	076	2,960	0
	2. Accumulated losses from previous years	077	0	0
A.V.	Profit / loss of current period (+/-) [l. 01-(63+66+71+75+79+105)]	078	-114,230	3,289
B.	OTHER SOURCES (l. 80+84+91+101)	079	2,316,035	2,884
B.I.	Reserves (l. 81+82+83)	080	193	0
B.I.	1. Legal reserves	081	0	0
	2. Reserve for foreign exchange losses	082	143	0
	3. Other reserves	083	50	0
B.II.	Long-term payables (l. 85 .. 90)	084	496,953	0
B.II.	1. Payables to companies with controlling influence	085	496,953	0
	2. Payables to companies with substantial influence	086	0	0
	3. Long-term advances received	087	0	0
	4. Bonds issued	088	0	0
	5. Long-term bills of exchange to be paid	089	0	0
	6. Other long-term payables	090	0	0

Ind.	LIABILITIES	L. no.	Current acc. period	Previous acc. period
B.III.	Short-term payables (l. 92 .. 100)	091	18,889	2,884
B.III.	1. Trade payables	092	18,889	1,113
	2. Payables to partners and participants in an association	093	0	0
	3. Payables to employees	094	0	0
	4. Payables to social security	095	0	0
	5. Due to state - taxes and subsidies	096	0	1,771
	6. Due to state - deferred taxes	097	0	0
	7. Payables to companies with controlling influence	098	0	0
	8. Payables to companies with substantial influence	099	0	0
	9. Other payables	100	0	0
B.IV.	Bank loans and financial assistance (l. 102 .. 104)	101	1,800,000	0
B.IV.	1. Long-term bank loans	102	1,800,000	0
	2. Current bank loans	103	0	0
	3. Short-term financial assistance	104	0	0
C.	OTHER LIABILITIES (l. 106+110)	105	12,089	37
C.I.	Accruals (l. 107 .. 109)	106	9,042	37
C.I.	1. Accrued expenses	107	9,042	37
	2. Deferred revenues	108	0	0
	3. Foreign currency exchange gains	109	0	0
C.II.	Estimated payables	110	3,047	0
	Check number (l. 61 .. 110)	999	12,859,915	3,901,551

Profit and Loss Account

in full form, as at 31.12.2000 (in whole thousand CZK)

Ind.	TEXT	L. no.	Balance in the accounting period	
			Current	Previous
I.	Revenues from merchandise	01	0	0
A.	Costs of sold goods	02	0	0
+	Sales margin (l. 01-02)	03	0	0
II.	Production (l. 05+06+07)	04	0	0
II.1.	Revenues from own products and services	05	0	0
II.2.	Change in inventory of the company's own production	06	0	0
II.3.	Capitalisation	07	0	0
B.	Production consumption (l. 09+10)	08	21,725	1,085
B.1.	Consumption of material and energy	09	0	0
B.2.	Services	10	21,725	1,085
+	Added value (l. 03+04-08)	11	-21,725	-1,085
C.	Personnel expenses (l. 13 .. 16)	12	1,152	0
C.1.	Wages and salaries	13	0	0
C.2.	Remunerations of board members	14	1,152	0
C.3.	Social security expenses	15	0	0
C.4.	Social expenses	16	0	0
D.	Taxes and fees	17	111	37
E.	Depreciation of tangible and intangible fixed assets	18	178	178
III.	Proceeds from disposal of fixed assets and material	19	0	0
F.	Net book value of sold fixed assets and material	20	0	0
IV.	Accounting for reserves and accruals to operating revenues	21	0	0
G.	Creation of reserves and accruals to operating expenses	22	50	0
V.	Accounting for adjusting entries to operating revenues	23	0	0
H.	Accounting for adjusting entries to operating expenses	24	0	0
VI.	Other operating revenues	25	0	0
I.	Other operating expenses	26	119	0
VII.	Transfer of operating revenues	27	0	0
J.	Transfer of operating expenses	28	0	0
*	Operating profit / loss			
	[l. 11-12-17-18+19-20+21-22+23-24+25-26+(-27)-(-28)]	29	-23,335	-1,300

Ind.	TEXT	L. no.	Balance in the accounting period	
			Current	Previous
VIII.	Proceeds from sale of securities and ownership interests	30	0	0
K.	Securities and ownership interests sold	31	0	0
IX.	Revenues from long-term financial assets (l. 01-02)	32	0	0
IX.1.	Revenues from inter-company securities and ownership interests	33	0	0
2.	Revenues from other long-term securities and ownership interests	34	0	0
3.	Revenues from other long-term financial assets	35	0	0
X.	Revenues from short-term financial assets	36	11,864	0
XI.	Accounting for reserves to financial revenues	37	776	0
L.	Creation of reserves for financial expenses	38	920	0
XII.	Accounting for adjusting entries to financial revenues	39	0	0
M.	Accounting for adjusting entries to financial expenses	40	0	0
XIII.	Interest revenues	41	20,854	6,360
N.	Interest expenses	42	55,053	0
XIV.	Other financial revenues	43	13,758	0
O.	Other financial expenses	44	82,174	0
XV.	Transfer of financial revenues	45	0	0
P.	Transfer of financial expenses	46	0	0
*	Profit / loss from financial operations (transactions)			
	[l. 30-31+32+36+37-38+39-40+41-42+43-44+(-45)-(-46)]	47	-90,895	6,360
R.	Income tax on ordinary income (l. 49+50)	48	0	1,771
R. 1.	- due	49	0	1,771
2.	- deferred	50	0	0
		51	0	0
**	Ordinary income (l. 29+47-48)	52	-114,230	3,289
XVI.	Extraordinary revenues	53	0	0
S.	Extraordinary expenses	54	0	0
T.	Income tax on extraordinary income (l. 56+57)	55	0	0
T. 1.	- due	56	0	0
2.	- deferred	57	0	0
*	Extraordinary income (l. 53-54-55)	58	0	0
U.	Transfer of ratio in profit /loss to partners (+/-)	59	0	0
***	Profit / loss of current accounting period (+/-) (l. 52+58-59)	60	-114,230	3,289
	Profit / loss before tax (+/-) (l. 29+47+53-54)	61	-114,230	5,060
	Check number (l. 01 .. 61)	99	-247,034	27,900

Cash flow overview

(for year ending December 31, in thousands of CZK)

	31 Dec. 2000
P. OPENING BALANCE OF CASH	984,031
Z. ACCOUNTING PROFIT FROM REGULAR ACTIVITIES BEFORE TAX	-114,230
A.1. Adjustments by non-financial operations (A.1.1 to 5)	46,198
A.1.1 Depreciation of fixed assets	178
A.1.2 Adjustments, reserves, temporary accounts	11,821
A.1.3 Profit from sales of fixed assets	0
A.1.4 Revenues from dividends	0
A.1.5 Accounted paid and received interest	34,199
A.* NET CASH FLOW FROM OPERATING ACTIVITY (Z.+A.1)	-68,032
A.2 Working capital requirements (A.2.1 to 3)	3,633
A.2.1 Receivables in operating activity	-4,372
A.2.2 Short-term liabilities of operating activity	8,005
A.2.3 Change to inventory	0
A.2.4 Short-term current liquid assets not falling into financial means and equivalents	0
A.** NET CASH FLOW FROM OPERATING ACTIVITY (A.*+A.2)	-64,399
A.3 Expenses from interest payment except for capitalised interest	-55,053
A.4 Interest received	20,854
A.5 Income tax paid for common activity and for re-allocations	0
A.6 Extraordinary accounting items, incl. tax from extraordinary activities	0
A.7 Dividends and shares received	0
A.8 Pay-out of dividends - re-distribution	0
A*** NET CASH FLOW FROM OPERATING ACTIVITY (A.**+A.3 to 6)	-98,598
B.1 Expenses on fixed assets	-2,948,068
B.2 Income from sale of fixed assets	0
B.3 loans and credits to relatives	0
B.*** NET CASH FLOW FROM INVESTMENT ACTIVITIES (B.1 to B.3)	-2,948,068

	31 Dec. 2000
C.1 Change to the balance of liabilities	2,296,953
C.2 Impacts of changes to equity on cash flows (C.2.1 to 6)	0
C.2.1 Increase of registered capital or reserve funds	0
C.2.2 Payment of share on the equity to associates	0
C.2.3 Monetary gifts and donations in the equity + C.2.2 and further	0
C.2.4 Loss payment by the associates	0
C.2.5 Direct payments to the debit of funds	0
C.2.6 Paid dividends and shares to profit, including tax	0
C*** NET CASH FLOW FROM FINANCIAL ACTIVITIES (C.1 to C.3)	2,296,953
F. NET CASH FLOW (A.***+B.***+C.***)	-749,713
R. FINAL BALANCE OF CASH FLOW (P.+F.)	234,318

Appendix to the Annual Financial Statements

as of 31 December 2000

I. General Information

Company name: **Trade Fairs Brno**
Company Headquarters: **Výstaviště 1, CZ – 647 00 Brno**
Date of Establishment **26 November 1999**
Prevailing sphere of business: **Organizing and presenting fairs**

Principal company stockholders as at 31 December 2000

Number of shares	Stockholder's name	ownership interest (%)
62 200	Messe Düsseldorf GmbH	64.12
34 800	Statutory City of Brno	35.88
97 000	Total Trade Fairs Brno	100 00

The company has been entered in the Commercial Register kept by the Regional Court in Brno, Section B, file 3137.

Members of the Statutory Body as of 31 December 2000:

Board of Directors:

Chairman: **Karlheinz Wismer**
Vice-Chairman: **Milan Šimonovský**
Members: **Wilhelm Giese**
Ladislav Koukal

Members of the Supervisory Board:

Chairman: **Bořek Semrád**
Vice-Chairman: **Joachim Erwin**
Members: **Frank Thorwirth**
Pavel Surý

II. Information on Accounting Methods and General Principles:

1. Types of secondary acquisition included under acquisition prices of purchased inventory:

- the company has no inventory in its fixed assets

2. Changes in Accounting Methods

- in 2000 no changes were carried out

3. Method of Determination of Adjustments to Fixed Assets

- no adjustments to fixed assets were carried out

4. Method of Compilation of the Depreciation Plan and Methods Applied

- establishment costs based on the depreciation plan. Depreciation time 2 years.
- in 1999 178 478.00 CZK
- in 2000 178 477.00 CZK

5. Method Applied to the Conversion of Foreign Currency into Czech crowns:

- For the conversion of foreign currency into Czech crowns at the date of execution of the accounting operation the accounting unit applied a fixed monthly rate of the Czech National Bank valid at the date of the last working day of the preceding month.
- For the conversion of foreign currency into Czech crowns for operation on the Czech and foreign markets the currently valid exchange rate will be applied
- The receivables and payables existing at the date of 31 December 2000 were converted based on the valid exchange rate of the Czech National Bank.

Business Companies with Capital Participation of the Trade Fairs Brno Exceeding 20 %.

Company name	Headquarters	Ownership interest	Amount of fixed assets:
Brno Trade Fairs	Brno	95.63%	550 000 CZK

Amount of personal expenses:

- remunerations of company bodies members 1 152 000 CZK

III. Additional Information on the Balance Sheet and Profit/Loss Account

1) Tangible and intangible fixed assets as of 31 December 2000

Establishment expenses 01110	356 955.00 CZK
Adjustments to establishment expenses 07110	356 955.00 CZK
Written-down value	0.00 CZK

Fixed assets specification charged by mortgage right:

Mortgage contract 600014484032 for the benefit of Westdeutsche Landesbank	4 185 BVV shares
Mortgage contract 600014484016 for the benefit of Westdeutsche Landesbank	521 749 BVV shares

2) Review of outstanding debts as of 31 December 2000

a) other outstanding debts against the group companies

Messe Düsseldorf	49 000 DM	872 000 CZK
(excess payment of interests on a loan)		

3) Fixed assets

970 000 000 CZK	100% paid up
-----------------	--------------

Number and sort of shares:

97 000 pcs of owner's capital stock in the nominal amount of 10 000 CZK

TEXT	ROK 1999	ROK 2000
Fixed assets	970 000	970 000
Legal surplus fund	0	329
Earned surplus	0	2 960
Economic result of the current year	3 289	-114 230
Total	973 289	859 059

4) Profit appropriation

Accountable profit in 1999 – total:	3 289 000 CZK
– surplus fund 10%	329 000 CZK
– earned surplus	2 960 000 CZK

5) Review of liabilities:

b) Summary amount of liabilities following the maturity date		34 000 CZK
c) Business contact commitments		18 889 000 CZK
■ Summary amount of liabilities put down to the group companies in 2000:		
Trade Fairs Brno		2 008 000 CZK
Messe Düsseldorf	1 051 000 DM	8 854 000 CZK
■ Debit balances against the group companies as of 31 December 2000		
Trade Fairs Brno		35 000 CZK
Messe Düsseldorf (re-invoicing of costs for corporate financing)	1 051 000 DM	18 854 000 CZK
d) Long-term liabilities to the group companies		
Messe Düsseldorf	27 699 000 DM	496 953 000 CZK

6) Bank credits

on stock purchase were granted by Bank Austria in the amount of 1 800 000 000 CZK

– senior credit	Part I. in the amount of	1 457 142 857.14	with interest rate of 9.44%
	<u>Part II. in the amount of</u>	<u>85 714 285.71</u>	
	Total	1 542 857 142.85	
– junior credit	Part I. in the amount of	242 857 142.86	with interest rate of 9.44%
	<u>Part II. in the amount of</u>	<u>14 285 714.29</u>	
	Total	257 142 857.15	

7) Legal and other reserves (surplus)

– a surplus provided for 1. exchange rate losses in the amount of	143 000 CZK
2. the audit in the amount of	50 000 CZK

Brno, 28 February 2001

Worked out by: Ms. Jana Vaculíková

Approved by: Karlheinz Wismer
Ladislav Koukal

TRADE FAIRS BRNO

CALENDAR OF FAIRS AND EXHIBITIONS IN 2003

GO	9. - 12.1.
REGIONTOUR	9. - 12.1.
STYL	18. - 20.2.
KABO	18. - 20.2.
OPTA	28.2. - 2.3.
MOBITEX	19. - 23.3.
DOMO	19. - 23.3.
X-ART	19. - 23.3.
RYBAŘENÍ	19. - 23.3.
IBF	13. - 17.4.
SHK BRNO 2003	13. - 17.4.
URBIS	13. - 17.4.
IDET	28. - 30.4.
EmbaxPrint	20. - 23.5.
G+H	20. - 23.5.
AUTOSALON BRNO 2003	7. - 12.6.
PROPET	27. - 29.6.
STYL	19. - 21.8.
KABO	19. - 21.8.
MSV 2003	15. - 19.9.
Transport a Logistika	15. - 19.9.
INVEX	6. - 10.10.
WOOD-TEC	21. - 24.10.
MEFA	4. - 7.11.
REHAPROTEX	4. - 7.11.
SPORT Life	13. - 16.11.
boat Brno	13. - 16.11.
Caravanning Brno	13. - 16.11.
CHRISTMAS MARKET	12. - 21.12.
Building Center EDEN 3000	year round except 1.1., 24. - 26. and 31.12.
Guest Shows	
International Dog Show	8. - 9.2.
Exhibition of Highbred Horses	27. - 29.6.
INTERCANIS	28. - 29.6.
GAUDEAMUS	21. - 24.10.
Prague	
SCHOLA NOVA	25. - 27.3.
INTERIER 2003	4. - 7.9.

REGISTRATION CARD

By post Trade Fairs Brno
Výstaviště 1,
CZ - 647 00 Brno

By fax +420 541 152 999

By Telephone +420 541 151 111

Via e-mail info@bv.v.cz

I am interested in receiving your Annual Reports

Please, delete me from your database

Please, send the Annual Report also to

Company name

Contact Person name

Street

Postal Code/Town

Country

Telephone

E-mail

Please, send me updated Calendar of Exhibitions

Please, send me detailed information on the following exhibitions

Exhibition Name:

.....

.....

Information for visitors

Information for exhibitors

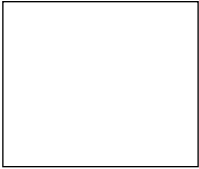
Other notes

.....

.....

.....





Trade Fairs Brno
Výstaviště 1
CZ – 647 00 Brno
Czech Republic

Editor:

Trade Fairs Brno
Výstaviště 1
CZ - 647 00 Brno
Czech Republic
Tel.: +420 541 151 111
Fax: +420 541 152 999
www.bvv.cz
E-mail: info@bvv.cz

Editorial staff:

Oldřich Zouhar, Erika Bezdíčková

Design, photos and printing:

ASCO vydavatelství spol. s r.o.
K Lipanům 78
103 00 Praha 10
asco@centrum.cz

TRADE FAIRS BRNO

Your Partner for Euro Business

Trade Fairs Brno
Výstaviště 1
CZ - 647 00 Brno
Czech Republic
Tel.: +420 541 151 111
Fax: +420 541 152 999
www.bvv.cz
E-mail: info@bvv.cz

Partner for
Business