

## **PRESS RELEASE: ANNUAL RESULTS OF cvba KORTRIJK XPO (co-op) – FINANCIAL YEAR 2009**

### **Turnover rose spectacularly and output increased steadily**

At the end of the financial year of 2009, gripping comparisons were made between the results of 2009 and the budget and figures from the comparable financial year of 2007. These comparisons were gripping, not only because of the context of the economic crisis, but also, and mainly, because of the very ambitious objectives which had been drawn up and which were based on a consolidated rise in turnover of 15% (cf. ISO standard). Moreover, for Kortrijk Xpo 2009 was once again a year in which the Master Plan had to be executed in full.

Despite the heavy programme, the growth objectives for 2009 were achieved with room to spare with a cumulative growth in turnover of 18.42% as compared to 2007. If we look purely at the activities of **the cvba Kortrijk Xpo**, we see that **the turnover rose even more profoundly by 29.76%** as compared to the comparable financial year of 2007!

The **EBIT**, the **operational result**, came to €1,175,486.44 as compared to €1,017,066.55 in 2007, an increase of 15.58%. After the deduction of financial and exceptional results, this produced a **net result** of **€778,463.85**, a rise of 16.36% as compared to 2007. Depreciations fell slightly by 6.69% to €1,074,614.44. The **operating cash flow or EBITDA** amounted to **€2,450,327.75**, an **increase of 19.76%**. The **EBITDA represented 16% of the turnover**.

The figures from 2009 therefore look very healthy, all the more so in view of the general economic situation. An important objective for this year was not only to achieve a very substantial increase in turnover, but also to make strict cost management throughout the entire financial year an important priority. The fact was that we knew at the start of the year that we would be facing exceptional one-off costs from the completion of the Master Plan. This was checked and monitored painstakingly in order to keep the general increase in costs in line with the increase in turnover. Finally, this was kept to 1.32%, 0.98% of which was accounted for by the above-mentioned exceptional one-off costs.

The **unit services**, which are responsible for the running of the Xpo complex, the letting of the buildings, and the accompanying provision of services, recorded the biggest increase in turnover at 41%. The explanation for this is partly that the premises and accompanying services were actually in use for a greater number of days, but the main reason was the fact that the provision of services for the exhibitors of Busworld this year was worked out in a practical system with Kortrijk Xpo. However, the **unit organisations**, Kortrijk Xpo's own organisation cell, also achieved a strong increase in turnover of 24.34% as compared to 2007. Kortrijk Xpo's own trade fairs enjoyed growth of no less than 20%, whilst activities abroad in France even recorded an increase in turnover of 180%, albeit in a nominatively smaller volume.

### **Dividends from the financial year**

The Executive Board has proposed to the General Meeting of the Shareholders to pay out a gross dividend of 8% on A, B, and C type shares and 6% on D type shares. This means that Kortrijk Xpo, as a recognised co-operative company, has once again been able

to pay its shareholders the maximum net dividend which is permitted by the National Council for Co-operation.

### **Prospects for 2010: Innovation, internationalisation, and partnerships**

#### **PERSPECTIVES FOR 2010**

The economic crisis will possibly still have an effect on the trade fair industry in 2010. UFI, The Global Association of the Exhibition Industry, has produced the following figures based on a study which was carried out in December 2009:

- Prospects for 2010: 60% of the European players have announced a drop in activity.
- Europe's trade fair industry appears to have been affected more than that in other parts of the world (including Asia) with 51% of the respondents expecting a fall of 10% or more as compared to the comparable financial year of 2008.
- Only 19% of the respondents expected a rise in turnover of 10% or more.
- The vast majority of interviewees believed that the global trade fair industry in Europe will not recover until at least 2011.

Despite these figures, Kortrijk Xpo still expects to perform strongly in 2010. Yet although the (ISO) standard presupposes double figure growth for each new financial year, the calculated budget for 2010 tells a different story. This means that the primary objective for 2010 will be very strong cost control. Once again, we wish to pay special attention to cost control to ensure that costs do not rise faster than income. The minimum objective for 2010 is to obtain a sufficient net result so that it is not necessary to mortgage the payment of the necessary dividend to the shareholders.

It goes without saying that 2010 is going to be another year of special challenges. This is the reason par excellence for going for the previously defined strategic future vision for our company and developing it further using the following objectives:

- **INNOVATION:** the creation of new trade fairs; the creation of new services; the creation of a strong corporate image for Kortrijk Xpo.
- **INTERNATIONALISATION:** imitating the existing trade fair concepts outside the home market of the Benelux and France.
- **PARTNERSHIPS:** with external organisers for anchoring purposes and/or with complementary partners.

### Core statistics for CVBA Kortrijk Xpo

Specification	2009	2007	Difference
Turnover	13,570,815	10,649,602	+ 27.54%
Operational result (EBIT)	1,175,486	1,017,066	+ 15.58%
Net result after tax	778,644	669,194	+ 16.36%
Operating cash flow	2,450,328	2,046,047	+ 19.76%
EBITDA as % of turnover	18.05%	19.21%	

### Cumulative turnover with subsidiary companies and mandate assignments

Specification	2009	2007	Difference
Organisations turnover	11,528,494	9,692,670	+ 18.94%
Services turnover	5,309,389	3,770,424	+ 40%
Koresto turnover	2,390,754	2,773,900	-13.82%
TOTAL	19,228,637	16,236,994	+ 18.42%

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