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Final Report

inhorgenta europe 2009: Good atmosphere despite challenging forecasts

- Close to 30,000 trade visitors from 79 countries brave the adverse weather to come to inhorgenta europe
- Positive trade show days with good order results
- Trade show participants comment positively on event atmosphere and range of selection
- Visitors particularly interested in gemstone and design exhibition areas

inhorgenta europe 2009, held from February 20th to 23rd, 2009 at the New Munich Trade Fair Center, once again validated its role as one of the globally leading trade fair for jewelry, watches, gemstones, pearls, and technology. 1,183 exhibitors from 47 countries (2008: 1,224/48) exhibited their latest trends and collections, new brands and technologies, as well as ground-breaking marketing concepts revolving around watches and jewelry on 64,500 square meters of exhibition space.

inhorgenta europe also remained very stable in regards to visitor statistics. Despite the icy and snowy weather outside close to 30,000 trade visitors from 79 countries came to the New Munich Trade Fair Center. With a ratio of 30 % of international visitors inhorgenta europe once again proved its international character; however, due to the adverse weather as well as the current economic situation this year's visitor numbers from Eastern European countries did not reach those of last year's event. In addition to Germany, the leading numbers of visitors originated from Austria, Great Britain and Northern Ireland, Switzerland, Spain, Italy, Greece, the Netherlands, the Czech Republic, Hungary, and Belgium. The strongest increase in visitors to inhorgenta europe originated from Great Britain and Northern Ireland, France, Slovenia, the Russian Federation, Finland, Denmark including Greenland, Belgium, Japan, Chile, and Israel.

Regardless of the rather muted expectations and forecasts prior to the event, manufacturers and retailers considered the trade show very positive. In the footsteps of



rather prolific holiday business the level of ordering activities at the show was high. The industry's decision makers are cautiously optimistic about the future development of business. The established companies among the exhibitors, in particular, were able to again post very good fiscal results.

The positive atmosphere at inhorgenta europe 2009 as well as the cautious market forecasts are also reflected in the poll by TNS Infratest: compared to last year only 33% (52%) of the exhibitors questioned rate the current economic situation for their industry as excellent to good; 56% (75%) gave this rating for future market development. Among the visitors, the poll statistics came to 45% (57%), or 62% (74%) respectively.

61% (72%) of the polled exhibitors rated the trade show overall as excellent to good; among the visitors the result was 91% (96%) for the same rating. The visitors liked the atmosphere of the show best (92%), followed by the complexity and range of the selection (90%), event transparency and segmentation (90%), as well as the quality of visitor information (89%). Exhibitors rated the atmosphere at the top (83%), followed by event transparency and segmentation (82%), and the multi-faceted side event and seminar programs (79%).

Manfred Wutzlhofer, Chairman & CEO Messe München GmbH:

"The progression of this year's inhorgenta europe shows that the jewelry and watch industry is starting the year 2009 by thinking constructively. Consumers are falling back upon commodities of constant value and invest in valuable and enduring objects. Strong brands with a well-adjusted concept for retail and consumers have the upper hand. Retailers and manufacturers have rekindled a strengthening dialogue to ensure success for both sides despite the difficult conditions. This is where inhorgenta europe's power as the interface between the two sides shows itself."

The regular scheduled dates for inhorgenta europe 2010 from February 19th to 22nd, 2010 will be kept intact. Thanks to a now unobstructed trade fair calendar a move to January is no longer necessary.

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Statements:

Georg Spreng, Owner: "We were almost a little surprised by the overall good and positive atmosphere. The inhorgenta europe was very lively from the moment of its opening on Friday. Overall it was a great event for us, and we were able to hold many good meetings."

Ph. Hahn Söhne, Dieter Hahn, Owner: "We can look back on a pleasantly positive trade show. The negative prognoses from the other sectors did not impact us. In fact, German retail has promising chances in the gemstone and jewelry segment."

Meister GmbH, Theo Meister, Owner: "We definitely reached our goals for this trade show in regards to good ordering activity and sales. We continue to be at the same level as last year. The entire trade show was permeated by a positive atmosphere."

Gellner GmbH & Co. KG, Daniela Keller, Sales/Communications: "Even in difficult times we look forward and use the inhorgenta europe as a platform to improve ourselves and to expand our partnerships. We also experienced a lot of positive feedback from our customers."

Atelier Bunz GmbH, Georg Bunz, Owner: "Overall we are pleased with the trade show, especially considering the underlying conditions. So far, the industry has not suffered much of an impact from the atmosphere of crisis or consumer hesitancy. However, it is not yet clear how consumer behavior will develop itself, which resulted in a certain degree of hesitancy throughout retail."

Thomas Sabo, Ralf Mock, Company Speaker: "This was by far the best trade show year for us. We took care of customers from 24 countries at our booth. With great results: the level of order activity was high. We were also pleased that the introduction of our first Thomas Sabo Watch Collection went off without a hitch. We reached our planning goal for this new segment as early as the first day of the trade show. inhorgenta europe is the most important trade show in the world for us."

Schoeffel GmbH, Jutta Effenberger, PR Manager: "The mood was generally positive – albeit a little hesitant at the beginning. Considering the current conditions and situation we are pleased with the show. Our customers also confirm this."

Gilloy, Michael Thiel, Sales: "inhorgenta europe once again proved itself as the seismograph for the industry. Regarding orders we were even able to exceed the good results from last year, which was likely a result of the high frequency of customer visits."

Ehinger-Schwarz GmbH & Co. KG, Caroline Schwarz, Managing Partner: “The inhorgenta europe showed that in difficult times the industry remembers to focus on the basics – quality jewelry retains its value. Thus we were able to post a two-digit plus, even despite the adverse weather conditions that made travel difficult.”

FREY WILLE, Frey Wille GmbH & Co. KG, Gilles Barbier, Sales & Marketing Director: “We were able to have very high-quality meetings and strengthen our relationship with many customers. We were also busy taking orders. Therefore we are very pleased with the trade show.”

Nomination S.r.l., Sara Mugnaini, Sales: “We have been coming to inhorgenta Europe in Munich for many years. This year’s results keep up with the very good numbers from prior years. Germany is one of our primary markets. And inhorgenta europe is the most important platform there.”

Time in Style GmbH (Skagen, noon), Michael Witt, General Manager: “Despite snow and a general sense of crisis: we are more than satisfied with this year’s inhorgenta europe. The trade show continued the positive trend of our holiday business. On all days our booth was extremely busy. In addition to customers from German-speaking countries we were also able to meet many new contacts from the Netherlands.“

Fossil Europe GmbH, Christian Coenen, Vice President Sales Germany: “The inhorgenta europe was a great start for our business year 2009. Customer frequency and order volume were very high. In addition to many national contacts we experienced a lot of interest from retailers from Eastern European countries. At the moment, we are not feeling anything of the crisis.”

LEONARDO, Glaskoch B. Koch jr. GmbH & Co. KG, Frank Friedl, Head of Sales: “The atmosphere was good. About half of our meetings resulted in orders. None of our retail partners complained about the crisis. Covering niches is our strength. And since it always generates a lot of appointments scheduled for later on, the inhorgenta europe is very important for us.”

CASIO Europe GmbH, Andreas Schult, Sales Manager: “We came to Munich with our expectations muted, and are now quite surprised that we even exceeded the very good sales from last year. Our industry seems to be exempt from the current economical

turbulences. We had more than 400 meetings with retailers at our booth. As a Japanese brand the inhorgenta europe is the most important key to German retail for us.”

Botta Design, Klaus Botta, Owner: “I like the concept behind the Forum German Zeitgeist. This allows smaller watch manufacturers like us to present our products at inhorgenta europe. Even though I can not make a comparison since I am a newcomer, I am happy with the results of the trade show. We were able to make valuable contacts with retailers as well as journalists, suppliers, and colleagues.”

Junghans Uhren GmbH, Matthias Stotz and Werner Wicklein, General Manager: “After a few years of abstinence we returned to the inhorgenta europe. Due to the fact that the traditional Junghans brand has new corporate ownership since the beginning of February, we took advantage of this opportunity to once again come into direct contact with retailers and to gain a new perspective for cooperation. We were very successful. We held amazingly productive meetings and enjoyed good ordering activity. The exhibition management was kind enough to accommodate our rather last minute return to the trade show. We are very pleased with the organization and also the placement.”

Furrer Jacot AG, Sandro Erl, CEO: “This year’s event once again validated the international importance of this trade show. We spoke to more foreign visitors than Germans. We believe that inhorgenta is a very good trade show for jewelers with a unique profile in this environment.”

Raymond Weil S.A., Norbert Jensen, Alexander Näher, General Manager: “It is important to us that all types of retailers from German-speaking regions come to Munich. We are here for the second time and can look back on another very successful show. Visitors enjoy a high quality buying experience at this event.”

Platin Gilde, Claudia Petz, Press Speaker: “The atmosphere in the Platinum industry is currently very positive. Visitor frequency was a little lower than last year, though each day was different and needs to be considered separately. The trade show is very supportive of the design area in particular.”

Bundesverband Schmuck und Uhren (Jewelry and Watch Federation), Dr. Alfred Schneider, General Manager: “Feedback varied greatly. Many were pleased; though many had already had good business prior to the show. It was very clear that Eastern Europe was quite hesitant this year. Specialty retailers professed to feeling a little

insecure, and only when the year progresses will it become clearer how consumers will actually react.”

Bundesverband der Juweliere, Schmuck- und Uhrenfachgeschäfte e.V. (Federation of Jewelers, Jewelry and Watch Retailers), Joachim Dünkelmann, General Manager: "Retailers are definitely looking to connect with the industry and are very interested in discovering innovations and trends. The jewelers at inhorgenta europe used the opportunity to do so; all active commercial companies from our industry were on location. Considering the economical conditions we are working under, the trade show certainly fulfilled its task as an information and communications platform for our industry. Despite all necessary caution inhorgenta is and remains an order show and thus sets important signals for a joint further development of the market.”

Bundesverband der Edelstein- und Diamantindustrie e.V. (Gemstone and Diamond Industry Federation), Jörg Lindemann, General Manager: “Even faced with the economic situation, Carnival, and adverse weather, the majority of companies was very satisfied with the trade show. Nobody really felt an atmosphere of crisis. inhorgenta europe is a good platform to emphasize the value and durability of one’s products. Hall C1 has become an established part of the event with a wide-ranging selection.”

Mirjam Hiller, Innovation Award Winner Jewelry: “This was my first year at inhorgenta europe. I was very happy with the interest in my work. I was able to sell a lot to jewelry and art galleries in particular. The audience was international.”

Dominique Labordery, Platinum Award Winner: “This year the atmosphere was especially positive. The high degree of internationalism at the show as well as the enormous interest in unusual designs was surprising. I was able to make valuable contact with customers as well as designers.”