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# Group Balance Sheet

Assets	Details	31.12.2012		31.12.2011		Liabilities	Details	31.12.2012		31.12.2011	
		CHF 1000	%	CHF 1000	%			CHF 1000	%	CHF 1000	%
Cash and cash equivalents	2	129 996	-	161 183	-	Liabilities from deliveries and services	5	36 416	-	18 156	-
Accounts receivable for deliveries and services	3	78 975	-	69 347	-	Other liabilities		5 330	-	6 885	-
Other receivables		3 160	-	3 465	-	Accrued expenses and deferred income	6	154 768	-	140 144	-
Inventories and work in progress	4	4 777	-	5 370	-	Short-term provisions	10	161	-	1 682	-
Prepayments and accrued income	6	36 500	-	26 966	-	Short-term loans taken up from third parties	19	32 338	-	1 060	-
<b>Total current assets</b>		<b>253 408</b>	<b>28.6</b>	<b>266 331</b>	<b>35.8</b>	Short-term loans taken up from related parties (shareholders)	19	2 500	-	-	-
Land, buildings, fixed installations	8	253 458	-	250 920	-	<b>Total short-term liabilities</b>		<b>231 513</b>	<b>26.1</b>	<b>167 927</b>	<b>22.6</b>
Assets under construction	8	353 236	-	181 154	-	Long-term provisions	10	5 491	-	7 288	-
Other fixed assets	8	19 452	-	31 014	-	Long-term loans taken up from third parties	19	109 517	-	102 864	-
Loans granted	7	179	-	410	-	Long-term loans taken up from related parties (shareholders)	19	210 000	-	162 500	-
Assets from employer contribution reserve	11	2 551	-	10 906	-	<b>Total long-term liabilities</b>		<b>325 008</b>	<b>36.7</b>	<b>272 652</b>	<b>36.6</b>
Investments	9	1 423	-	1 378	-	<b>Total liabilities</b>		<b>556 521</b>	<b>62.8</b>	<b>440 579</b>	<b>59.2</b>
Intangible assets	8	2 095	-	1 849	-	Share capital		60 066	-	60 066	-
<b>Total non-current assets</b>		<b>632 394</b>	<b>71.4</b>	<b>477 631</b>	<b>64.2</b>	Own shares		-	-	-1 377	-
						Capital reserves		74 310	-	74 506	-
						Retained earnings		194 196	-	169 770	-
						Minority interests		709	-	418	-
						<b>Total shareholders' equity</b>		<b>329 281</b>	<b>37.2</b>	<b>303 383</b>	<b>40.8</b>
<b>Total assets</b>		<b>885 802</b>	<b>100.0</b>	<b>743 962</b>	<b>100.0</b>	<b>Total equity and liabilities</b>		<b>885 802</b>	<b>100.0</b>	<b>743 962</b>	<b>100.0</b>

# Group Income Statement

		2012	2011
		CHF 1000	CHF 1000
Income	Details		
Services, stand construction		147 486	129 285
Surface areas		149 082	119 162
Admissions		11 807	11 668
Media, sponsoring		33 323	25 360
Utility connections		7 620	7 212
Furniture, other fittings		12 161	7 351
Conferences		10 442	14 154
Parking		5 932	5 561
Changes in work in progress	4 / 6	8 367	3 220
Other operational income		5 698	4 236
Revenue reductions		-1 763	-3 293
<b>Total operating income</b>	<b>12</b>	<b>390 155</b>	<b>323 916</b>
Expenses	Details	CHF 1000	CHF 1000
Employees	13	-103 770	-87 108
Administration		-11 982	-11 324
Maintenance, repairs		-11 311	-11 061
Insurance, ground rent, rents		-15 956	-14 654
Energy		-7 583	-7 171
Furnishing expenses, stand construction		-77 591	-55 795
Exhibition and conference operations		-70 823	-61 236
Advertising, press, public relations		-25 857	-22 155
Depreciation	8	-33 684	-33 407
<b>Total operating expenses</b>		<b>-358 557</b>	<b>-303 911</b>

		2012	2011
		CHF 1000	CHF 1000
Operating result		31 598	20 005
Financial result, net	14	-1 925	-1 245
<b>Result from ordinary activities</b>		<b>29 673</b>	<b>18 760</b>
Result of associated companies	9	45	8
Result of dissolution of lease-and-lease-back contract	20.1	-	2 179
<b>Earnings before taxes</b>		<b>29 718</b>	<b>20 947</b>
Taxes	15	-940	-286
<b>Earnings after taxes</b>		<b>28 778</b>	<b>20 661</b>
Minority interests		-1 372	58
<b>Group profit</b>		<b>27 406</b>	<b>20 719</b>
EBITDA (earnings before interest, taxes, depreciation and amortisation)		64 555	56 495
EBIT (earnings before interest and taxes)		30 871	23 088

# Group Cash Flow Statement

		2012	2011
	Details	CHF 1000	CHF 1000
Cash flow from operating activities			
Group profit		27 406	20 719
Result of minority interests		1 372	-58
Book profit from the sale of fixed assets		-15	-304
Depreciation	8	33 684	33 407
Dissolution / formation of assets from employer contribution reserves	11	8 355	-38
Attributable profit of associated organisations		-95	-58
Increase in accounts receivable for deliveries and services	3	-9 628	-3 003
Reduction in other receivables		305	1 859
Increase / reduction in inventories and work in progress	4	593	-3 311
Increase in prepayments and accrued income	6	-9 534	-8 640
Increase in liabilities from deliveries and services	5	18 260	1 356
Increase / reduction in other liabilities		-1 555	1 677
Increase in accrued expenses and deferred income	6	14 624	31 757
Reduction in accruals and deferrals from leasing contract		-	-3 948
Reduction in provisions	10	-3 318	-1 055
Net cash flow from operating activities		80 454	70 360

		2012	2011
	Details	CHF 1000	CHF 1000
Cash flow from investment activities			
Cash outflow for investments in land, buildings and fixed installations	8	-192 218	-90 026
Cash outflow for investments in other tangible fixed assets	8	-5 902	-6 623
Cash outflow for investments in software and intangible assets	8	-706	-1 189
Cash inflow from the divestment of fixed assets	8	1 853	510
Cash flows with associated organisations		50	50
Repayment of loans granted to others	7	251	758
Loans granted to others	7	-20	-333
Cash flow from acquisition activities (including cash and cash equivalents acquired)		-	-6 036
Net cash flow from investment activities		-196 692	-102 889
Cash flow from financing operations			
Dividend to shareholders		-3 003	-2 382
Dividend to minorities		-1 098	-
Subsidy payments for the Messe Basel new buildings		-	18 519
Cash inflow from capital increase		-	40 004
Costs of capital increase		-	-972
Purchase of own shares		-	-21
Sale of own shares		1 180	639
Loans taken up	19	90 181	39 034
Repayment of loans taken up	19	-2 250	-23 054
Net cash flow from financing operations		85 010	71 767
Currency translation differences		41	247
Net cash flow		-31 187	39 485
Cash and cash equivalents at the beginning of the financial year	2	161 183	121 698
Cash and cash equivalents at the end of the financial year	2	129 996	161 183

# Development of Consolidated Shareholders' Equity

The change in the consolidated shareholders' equity is as follows:

CHF 1000	Share capital		Capital reserves	Retained earnings			Minority interest	Total
	Share capital	Share capital		Accumulated currency translation differences	Retained profits	Total retained earnings		
As per 1.1.2011	48 053	-2 107	47 600	-	158 149	158 149	970	252 665
Capital increase	12 013	-	27 991	-	-	-	-	40 004
Transaction costs of capital increase	-	-	-972	-	-	-	-	-972
Change in own shares (incl. rights)	-	730	-113	-	-	-	-	617
Minority interest in capital of acquired companies and buyout of minorities	-	-	-	-	-	-	-491	-491
Goodwill	-	-	-	-	-6 710	-6 710	-	-6 710
Currency translation differences	-	-	-	-6	-	-6	-3	-9
Dividend 2010 paid in 2011	-	-	-	-	-2 382	-2 382	-	-2 382
Group profit 2011	-	-	-	-	20 719	20 719	-58	20 661
As per 31.12.2011	60 066	-1 377	74 506	-6	169 776	169 770	418	303 383
Change in own shares	-	1 377	-196	-	-	-	-	1 181
Currency translation differences	-	-	-	23	-	23	17	40
Dividend 2011 paid in 2012	-	-	-	-	-3 003	-3 003	-1 098	-4 101
Group profit 2012	-	-	-	-	27 406	27 406	1 372	28 778
As per 31.12.2012	60 066	0	74 310	17	194 179	194 196	709	329 281

Further information on shareholders' equity may be found in the statutory accounts as of page 98.

The revenue reserve includes CHF 39.6 million (previous year CHF 41.0 million) general statutory reserves (including the capital contribution reserves) held by MCH Group Ltd. and its subsidiaries, which may not be distributed at present. In the Notes to the Group Accounts, the shareholders' equity with theoretical capitalisation of the goodwill at its net book value of CHF 34.0 million (previous year CHF 45.6 million) is shown under Note 16. The goodwill offset directly against shareholders' equity in the 2011 financial year originates from the acquisition of Asian Art Fairs Limited, Hong Kong (CHF 6.6 million) and the acquisition of the remaining shares in Beaulieu Exploitation SA (CHF 0.1 million).

## Share capital

The share capital is divided into 6,006,575 registered shares (previous year 6,006,575 registered shares) with a nominal value of CHF 10 per share. The limit on entries into the share register is 5 % per shareholder. This registration limit does not apply to the Cantons of Basel-Stadt, Basel-Landschaft and Zurich or to the City of Zurich. In the 2011 financial year, the increase in share capital approved in §3a of the Statutes of MCH Group Ltd. was carried out.

The Board of Directors of MCH Group Ltd. took the decision on 13 May 2011 to increase the share capital by CHF 12 013 150 to CHF 60 065 750 through the issue of 1 201 315 new registered shares with a face value of CHF 10 each. The new shares were offered to existing shareholders in accordance with their subscription rights. Four registered shares with a face value of CHF 10 entitled an existing shareholder to purchase one new registered share with this same face value. The subscription price was CHF 33.30 for a new registered share with a face value of CHF 10, and the subscription period ran from 18 May 2011 to 27 May 2011. Zürcher Kantonalbank was commissioned as the lead manager for this capital increase.

## Approved share capital

With the approval of §3a of the Statutes of MCH Group Ltd., the General Meeting of 17 May 2010, had authorised the Board of Directors to increase the share capital by a maximum of CHF 20 million, by 17 May 2012 at the latest, through the issue of a maximum of 2 000 000 registered shares with a face value of CHF 10 each. Use was made of this option in the previous year.

## Details of own shares

	Number of shares	Purchase price CHF 1000
As per 31.12.2010	40 508	2 107
Purchase of own shares in August 2011	500	21
Sale of own shares in September 2011	-13 000	-500
Loss from sale of own shares		-251
As per 31.12.2011	28 008	1 377
Sale of own shares January 2012	-5 564	-220
Sale of own shares February 2012	-11 819	-506
Sale of own shares March 2012	-10 625	-455
Loss from sale of own shares	-	-196
As per 31.12.2012	0	0

The group sold its own shares at a price of CHF 38.50 in September 2011. The average purchase price of the group's own shares was CHF 48.91 in the 2012 business year. In the period from January to March 2012 the group's own shares were sold at an average price of CHF 42.15. The taxable value as per 31 December 2012 is CHF 54.50 (previous year CHF 38.25).

# Notes to the Group Accounts

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## 1. Consolidation and valuation principles

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### Introduction

The present group accounts are based on the individual financial statements for the group companies, drawn up according to uniform guidelines, as per 31 December 2012 and stated in Swiss francs (CHF). The consolidated annual accounts are based on the following principles:

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#### 1.1. Accounting and valuation principles

The consolidated annual accounts of MCH Group Ltd. comply with the principles laid down by Swiss GAAP FER 2010 / 11 (Specialist Commission for Financial Reporting Standards) and thus fulfil the requirements of the SIX Swiss Exchange Directives for the “Domestic Standard” segment. They present a true and fair view of the group’s assets, financial assets and earnings and have been drawn up on the assumption that the corporate activity will be continued. The group accounts are based on the principle of individual valuation for assets and liabilities, and historical acquisition costs, with the exception of the financial instruments that are available for sale, which are assessed at their current values.

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#### 1.2. Consolidation principles

The group accounts include the annual accounts of MCH Group Ltd. as well as all the group companies, observing the following criteria:

- Companies in which MCH Group Ltd. holds, either directly or indirectly, more than half of the voting rights or which are controlled by MCH Group Ltd. are fully consolidated. It is possible for MCH Group Ltd. to exercise control over a company even without holding half of the voting rights. In this case, 100 % of the assets, liabilities, income and expenses are included. Any shares of minority shareholders in the equity and profits of the consolidated companies are stated separately in the group balance sheet and the group income statement.
- Companies in which MCH Group Ltd. holds, either directly or indirectly, between 20 % and 49.9 % of the voting rights and which are not controlled by MCH Group Ltd. are included on the basis of the equity method. The share of equity held is stated under “Investments” in the group accounts. The pro-rata result for the year is stated under “Result of associated companies” in the group income statement.
- Companies in which the MCH Group Ltd. holds less than 20 % of the voting rights are included on the consolidated balance sheet at acquisition price minus any value adjustment necessary for business reasons.

Initial consolidation is performed at the time at which the MCH Group Ltd. acquires control over the company. The book values of the holdings are eliminated by offsetting them against the equity of the holdings at the time of acquisition, as stipulated by Swiss GAAP FER. Transaction costs are recorded as expenditure at the time they are incurred. The assets and liabilities of the company acquired are valued at their current value at this point in time, applying uniform group principles. Any difference remaining between the purchase price and the equity of the company acquired following this re-evaluation is directly charged against or credited to the retained earnings as goodwill.

In performing full consolidation, 100 % of the assets, liabilities, income and expenditure are included. Any shares of minority shareholders in the equity and profits of consolidated companies are stated separately in the group balance sheet and the group income statement. Intragroup assets and liabilities, and also expenditure and income from intragroup transactions and relations between intragroup companies are eliminated, as are unrealised profits from intragroup transactions.

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#### 1.3. Foreign currency conversion

Annual accounts for consolidated companies in foreign currencies (Asian Art Fairs Limited, Hong Kong) are converted as follows: current assets, non-current assets and liabilities at end-of-year rates (reporting date rate); shareholders’ equity at historical rates. The income statement and cash flow statement are converted at the average rate for the year. The resultant currency translation differences are recognised in equity without affecting the operating result.

Items kept in foreign currencies are converted applying the reporting date exchange rate method. All assets and liabilities are converted at the exchange rate prevailing on the balance sheet date. The effects of foreign currency adjustments are included in the income statement. Unrealised exchange gains are similarly recognised with an effect on net income. Transactions in foreign currencies (where VAT can be charged or for intercompany sales) are converted at the Swiss Federal Tax Administration’s official rate for the month in which the transaction took place. Other transactions in foreign currencies can also be converted at the current rate.



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#### 1.4. General posting concepts

The annual accounts are drawn up on the basis of correct period accrual. The impact of business transactions and other occurrences is thus reported at the time they take place and not at the time cash and cash equivalents are received or paid. This means inter alia that expenses and income are assigned to and recognised in the relevant periods. A test is carried out on all assets at the end of the year to establish whether there are any signs that the book value of the asset is in excess of the realisable value (value impairment). If an impairment can be demonstrated, the book value is reduced to the realisable value, with the impairment being charged to the result for the period in question.

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#### 1.5. Valuation and accounting principles

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##### Sales

The MCH Group generates sales from exhibitions, events and stand construction projects. The sales and associated expenditure for exhibitions and events are recognised, affecting net income, at the time at which the event is held. Profit from stand construction is realised at the time of the event, or when the benefits and risks of the delivery and / or service pass to the purchaser. Deposits received from customers or paid to suppliers for projects in future business years are entered as prepayments and deferred income on the balance sheet.

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##### Cash and cash equivalents

Cash and cash equivalents include cash holdings and cash at banks and the Post Office, as well as short-term fixed deposits. They are stated at their nominal value.

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##### Accounts receivable for deliveries and services

Receivables are stated at their net value, i.e. after deduction of any appropriate impairment (bad debt provision). Specific provisions are created as required. Furthermore a general provision is created, based on historic experience, without allowances for country of origin, as follows:

Due date of invoice	Value adjustment as a % of sum invoiced
> 360 days	100%
181 – 360 days	50%
91 – 180 days	30%
61 – 90 days	15%
31 – 60 days	5%
00 – 30 days	2%
Not due	2%

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##### Inventories and work in progress

###### – Inventories

Inventories are valued at the lower of acquisition or production cost and their net realisable value. Production costs include all the directly attributable material and manufacturing costs as well as overheads that have been incurred in conveying the inventories to their current location and converting them into their current state. If the acquisition and production costs are greater than the net market value, a value adjustment (expenditure) must be made for the amount of this difference. This value is determined on the basis of the current market price on the sales market. Discounts granted are deducted from the cost of goods as a reduction in the purchase price. Advance payments to suppliers are stated under inventories (as a reduction in the inventories held) and disclosed in the explanations given in the notes to the balance sheet. Measurement subsequent to initial recognition is performed using the average method.

###### – Work in progress

Work in progress relates to long-term projects for stand construction, which is recognised and valued using the modified completed contract method, since the conditions for the percentage of completion method are not cumulatively fulfilled. The project expenses incurred during stand production are capitalised as work in progress and recorded as operating income to the extent of the recoverable expenditure without profit realisation. Any losses are recognised immediately. Advance payments received are recognised without affecting net income. These are offset against the corresponding long-term projects for which the advance payment has been made.

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#### Other receivables und loans granted to others

Other receivables and loans granted to others are stated at their nominal value minus any impairment.

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#### Prepayments, accruals and deferrals

Prepayments, accruals and deferrals are valued according to the principles that apply for receivables and liabilities. The prepaid expenses include both third-party and own work entered into the books for exhibitions and events taking place in the following year (with the exception of work in progress on stand construction) and any sales for the reporting year that have not yet been invoiced. The accrued expenses and deferred income include already-invoiced income from exhibitions, events and stand construction for the following year, as well as supplier invoices that have not yet arrived for goods and services already received. The accruals for current income tax are also stated under accrued expenses and deferred income.

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#### Tangible fixed assets

Tangible fixed assets are included in the balance sheet at acquisition or production cost and measured with allowance for the scheduled straight-line depreciation and any impairment. Depreciation of tangible fixed assets commences as of the first day of their use. Assets under construction are thus not depreciated. Once the estimated depreciation period has expired, the value of the acquisition or production cost is offset against the accumulated depreciation insofar as the fixed asset has not been eliminated prematurely.

The depreciation period corresponds to the estimated useful life and is as follows:

- Land: no depreciation
- Buildings: 40 years
- Various investments in extensions to buildings: 10 – 20 years
- Furniture and fittings: 3 – 10 years
- Vehicles: 5 – 8 years
- Sound and lighting equipment: 5 – 10 years
- Hardware: 3 years

If it is ascertained that the useful life of a fixed asset is changing, especially as a result of technical progress, the state of the asset or the market, the residual book value of the asset will be depreciated over its new envisaged remaining useful life.

Services provided by our own employees in creating tangible fixed assets are not included as assets on account of the type of activity involved (general planning). Interest expenditure during the construction phase of a tangible fixed asset is included on the balance sheet as acquisition or production costs. For the “Messe Basel New Buildings” project, interest expenditure is stated which is equivalent to the investment made during the reporting period multiplied by the average interest rate applicable to the overall financing.

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#### Intangible assets

Intangible assets are non-monetary assets without physical substance. At the MCH Group, only acquired immaterial assets are capitalised, employing the following categories (including the estimated useful life):

- Acquired exhibitions and events: 3 – 5 years
- Software: 3 years

Intangible assets developed by the group itself (exhibitions, events, software and other intangible assets) are not included as assets.

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#### Liabilities and loans taken up

Liabilities and loans taken up are stated at their nominal value.

- A liability or loan taken up is deemed to be short-term if it
- is to be fulfilled within 12 months of the balance sheet date or
  - an outflow of funds is to be expected in the operating activities on account of it.
- All other liabilities are long-term.

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#### Derivative financial instruments

A derivative is included on the balance sheet if it meets the definition of an asset or a liability. Instruments for hedging future cashflows are not included on the balance sheet. All such items are disclosed in the Notes.

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Pension benefit obligations

All Swiss companies in the group have either their own, legally independent pension fund, belong to a collective pension fund foundation or have opted for a BVG full insurance solution. Any economic benefit is not capitalised. If freely available employer contribution reserves exist, these are included as assets. Both those currently in employment and former employees can receive benefits from the pension fund and an old-age pension. In respect of Swiss GAAP FER 16 “Pension benefit obligations”, we refer readers to Note 11.

Current and former employees receive different benefits and old-age pensions from the pension fund, which are established in accordance with the statutory provisions.

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Provisions

Provisions are established to cover all the identifiable risks of loss and obligations existing at the time the balance sheet is drawn up. Provisions are stated on the balance sheet if a probable obligation exists towards third parties which is attributable to an event that took place in the past (prior to the balance sheet date) and if the level of the obligation can be estimated. The extent of the provision is based on the expected outflow of funds to settle the obligation, which is re-evaluated each year. The level of the provision is determined through an analysis of the event in question, which took place in the past, as well as on the basis of events that have occurred subsequent to the balance sheet date, insofar as these contribute towards clarifying the situation. Events after the balance sheet date have an impact on provisions if it becomes clear that they are caused by circumstances originating prior to the balance sheet date.

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Goodwill

In the case of an acquisition, the net assets acquired are valued at current values. The goodwill results from purchasing costs that are higher than the corresponding equity of the acquired company. Goodwill is offset directly against the equity at the time of acquisition. This is permissible under Swiss GAAP FER insofar as the impact of the theoretical capitalisation and amortisation of the goodwill on the equity is stated, and the goodwill is set out separately in the equity statement and in the notes. The goodwill is amortised on a theoretical basis over a period of 20 years. Any goodwill impairment will be set out in the notes.

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Own shares

Own shares are valued at acquisition cost. They are included on the balance sheet as a negative item under shareholders' equity.

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Taxes

In stating current and deferred income tax consequences, a distinction is made between the establishment of current and deferred income tax.

Current income tax is calculated in accordance with the tax regulations for the calculation of profits and is stated as expenditure. Current income tax is included under accrued expenses.

Deferred taxes result from timing differences between the group's values and the decisive values for tax purposes and are included as deferred items accordingly. The recognition of deferred income tax is based on a balance-sheet approach and fundamentally takes into account all future income tax consequences. The deferred tax liability is calculated on the basis of the actual future tax rate to be expected and is shown under the provisions. Deferred tax assets from losses carried forward can be recognised if it is considered likely that sufficient tax profits will be achieved in future against which the tax losses carried forward can be offset.

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Subsidies

Various subsidies are being paid from the public purse (Cantons of Basel-Stadt, Basel-Landschaft and Zurich and also the City of Zurich) in conjunction with the “Messe Basel New Buildings” project (these include investments à fonds perdu). The amount of the subsidy is deducted from the tangible fixed assets recognised. In the reporting year, MCH Messe Basel received a non-repayable loan, secured by a mortgage, of CHF 50 million from the Canton of Basel-Stadt, as a financing contribution à fonds perdu. This is to run for 20 years and incurs the obligation to continue operating the Congress Center Basel (CCB) for 20 years. This loan is reduced by a sum of CHF 2.5 million every year (for the first time on 06.07.2013). A separately stated share of the capitalised fixed assets for the new Messe Basel buildings will be offset or redeemed against this annual subsidy of CHF 2.5 million (for the first time in 2013).

## 2. Cash and cash equivalents

	31.12.2012 CHF 1000	31.12.2011 CHF 1000
Cash, Post Office	48 997	28 140
Bank	67 970	36 903
Fixed deposits	13 029	96 140
<b>Total cash and cash equivalents</b>	<b>129 996</b>	<b>161 183</b>

## 3. Accounts receivable for deliveries and services

	31.12.2012 CHF 1000	31.12.2011 CHF 1000
Accounts receivable for deliveries and services to third parties	81 015	72 044
Bad debt provision	-2 040	-2 697
<b>Total accounts receivable for deliveries and services</b>	<b>78 975</b>	<b>69 347</b>

Aging	31.12.2012 CHF 1000	31.12.2011 CHF 1000
Not due	29 120	32 697
Due within 60 days	49 630	35 978
Due after 60 days	2 265	3 369
<b>Total accounts receivable for deliveries and services to third parties</b>	<b>81 015</b>	<b>72 044</b>

## 4. Inventories and work in progress

	31.12.2012 CHF 1000	31.12.2011 CHF 1000
Inventories	366	820
Value adjustments for inventories	-	-
Work in progress	10 951	4 631
Value adjustments for work in progress	-	-81
Advance payments received for work in progress	-6 540	-
<b>Total inventories and work in progress</b>	<b>4 777</b>	<b>5 370</b>

## 5. Liabilities from deliveries and services

	31.12.2012 CHF 1000	31.12.2011 CHF 1000
Liabilities from deliveries and services vis-à-vis third parties	36 416	18 156
<b>Total liabilities from deliveries and services</b>	<b>36 416</b>	<b>18 156</b>

## 6. Prepayments, accruals and deferrals

The level of prepayments, accruals and deferrals is influenced primarily by the frequency of the individual exhibitions. As per 31 December 2012, this essentially relates to the following exhibitions in 2013: BASELWORLD, muba, GiardinaZÜRICH and SWISS-MOTO. Own work for exhibitions and events totalling CHF 9.3 million (previous year CHF 9.8 million) is included under prepayments and accrued income.

Composition of prepayments and accrued income	31.12.2012 CHF 1000	31.12.2011 CHF 1000
Exhibitions and events	29 299	21 454
Stand construction sales not yet invoiced	1 975	1 748
Prepaid rents	592	784
Other	4 634	2 980
<b>Total of prepayments and accrued income</b>	<b>36 500</b>	<b>26 966</b>

Composition of accrued expenses and deferred income	31.12.2012 CHF 1000	31.12.2011 CHF 1000
Services invoiced in advance for exhibitions, events and stand construction	129 876	121 989
Long-term contracts received from customers	-1 965	-
Advance payments for work in progress	7 135	-
Human resources	10 855	8 127
Accrual for current tax	489	146
Other	8 378	9 882
<b>Total of accrued expenses and deferred income</b>	<b>154 768</b>	<b>140 144</b>

## 7. Loans granted

	31.12.2012 CHF 1000	31.12.2011 CHF 1000
Loans to related organisations	0	154
Other loans	179	256
<b>Total loans</b>	<b>179</b>	<b>410</b>

## 8. Tangible and intangible fixed assets

Composition of tangible fixed assets CHF 1000	Land	Buildings and fixed installations	Assets under construction	Furniture, vehicles, hardware, sound and lighting equipment	Software and other intangible assets	Total
Purchase costs as per 1.1.2011	7 900	594 519	116 998	81 379	4 847	805 643
Depreciated values <sup>1)</sup>	-	-2 505	-	-2 917	-421	-5 843
+ Additions	-	7 350	82 675	6 928	1 189	98 142
- Disposals	-	-70	-	-433	-7	-510
Subsidies <sup>2)</sup>	-	-	-18 519	-	-	-18 519
Foreign currency translation differences	-	-	-	2	-	2
Change in consolidated companies	-	-	-	17	-	17
<b>Purchase values as per 31.12.2011</b>	<b>7 900</b>	<b>599 294</b>	<b>181 154</b>	<b>84 976</b>	<b>5 608</b>	<b>878 932</b>
Accumulated depreciation as per 1.1.2011	-	-337 224	-	-46 035	-3 371	-386 630
+ Reductions in value adjustments <sup>1)</sup>	-	2 505	-	2 917	421	5 843
- Scheduled depreciations charged in 2011	-	-21 555	-	-10 832	-809	-33 196
Change in consolidated companies	-	-	-	-10	-	-10
Foreign currency translation differences	-	-	-	-2	-	-2
Total accumulated depreciation as per 31.12.2011	-	-356 274	-	-53 962	-3 759	-413 995
<b>Net book value as per 31.12.2011</b>	<b>7 900</b>	<b>243 020</b>	<b>181 154</b>	<b>31 014</b>	<b>1 849</b>	<b>464 937</b>
Purchase costs as per 1.1.2012	7 900	599 294	181 154	84 976	5 608	878 932
Depreciated values <sup>1)</sup>	-	-105 249	-	-297	-318	-105 864
+ Additions	-	20 136	172 082	5 902	706	198 826
Reclassifications	2 750	-2 750	-	-	-	-
- Disposals	-	-199	-	-1 636	-3	-1 838
<b>Purchase values as per 31.12.2012</b>	<b>10 650</b>	<b>511 232</b>	<b>353 236</b>	<b>88 945</b>	<b>5 993</b>	<b>970 056</b>
Accumulated depreciation as per 1.1.2012	-	-356 274	-	-53 962	-3 759	-413 995
+ Reductions in value adjustments <sup>1)</sup>	-	105 249	-	297	318	105 864
- Scheduled depreciations charged in 2012	-	-17 399	-	-10 480	-457	-28 336
- Value impairments 2012	-	-	-	-5 348	-	-5 348
Total accumulated depreciation as per 31.12.2012	-	-268 424	-	-69 493	-3 898	-341 815
<b>Net book value as per 31.12.2012</b>	<b>10 650</b>	<b>242 808</b>	<b>353 236</b>	<b>19 452</b>	<b>2 095</b>	<b>628 241</b>

1) After expiry of the depreciation period, the purchase or production cost value is offset against the accumulated depreciation.

2) The investments à-fonds-perdu by the Cantons of Basel-Stadt and Basel-Landschaft of CHF 10 million each (totalling CHF 20 million) have been offset against the assets under construction item (minus the reduction for VAT).

The group's outstanding mortgages at the Zurich location are CHF 32.5 million (previous year CHF 32.5 million), at the Basel location CHF 50 million (previous year CHF 0 million) and at Winkler Multi Media Events AG CHF 5.5 million (previous year CHF 5.5 million). The corresponding book values of the mortgaged buildings are CHF 57.6 million (previous year CHF 57.8 million) in Zurich, CHF 26.8 million (previous year CHF 0 million) in Basel and CHF 7.1 million (previous year CHF 7.4 million) at Winkler Multi Media Events AG.

In accordance with the decision of the Cantonal Parliament of 12 March 2008 relating to the financing concept for the new Messe Basel complex (formerly the Exhibition Center Basel 2012), security was provided for the non-repayable loan of CHF 50 million, secured by a mortgage, that MCH Messe Basel received as a financing contribution (à fonds perdu) through the issue of a mortgage note made out to the Canton of Basel-Stadt for this same amount, charged to the two buildings of the Congress Center Basel and the Musical Theater Basel.

The total amount of interest expenses capitalised in the financial year is CHF 4.7 million (previous year CHF 3.4 million) and this is calculated at an interest rate of 2.8% (previous year 2.9%).

The other intangible assets relate to trademark rights to an exhibition with a net book value of CHF 276 000 (previous year CHF 368 000).

Due to the reduced deployment of technical systems at events, a value impairment was ascertained for "other fixed assets".

Depreciation	31.12.2012 CHF 1000	31.12.2011 CHF 1000
Scheduled depreciation of buildings and fixed installations	17 399	21 555
Scheduled depreciation of other fixed assets	10 480	10 832
Unscheduled depreciation of other fixed assets	5 348	–
Total depreciation of fixed assets	33 227	32 387
Scheduled depreciation of intangible assets	457	809
Depreciation of lease-and-lease-back financing costs	–	211
<b>Total depreciation</b>	<b>33 684</b>	<b>33 407</b>
Fire insurance values	31.12.2012 CHF 1000	31.12.2011 CHF 1000
Buildings, fixed installations	1 066 051	1 051 893
Other fixed assets	189 210	170 122

→

- A Company directly owned by MCH Group Ltd.
- B Company owned by MCH Swiss Exhibition (Basel) Ltd.
- C Company owned by MCH Swiss Exhibition (Zurich) Ltd.
- D Company owned by Expomobilia AG
- E Company owned by Rufener events Ltd.
- F Company owned by MCH Beaulieu Lausanne SA
- G UAI Holding AG, which is wholly-owned by MCH Swiss Exhibition (Basel) Ltd., has a 60% holding in Exhibit & More AG. The remaining 40% of the shares in Exhibit & More AG are held directly by MCH Swiss Exhibition (Basel) Ltd.

1) Formerly Beaulieu Exploitation SA

2) The Design Miami Basel AG company is controlled by MCH Swiss Exhibition (Basel) Ltd.

## 9. Investments

Investments in subsidiaries	Location	Activity		Share capital as per 31.12.2012 in 1000	Holding as per 31.12.2012 in %	Share capital as per 31.12.2011 in 1000	Holding as per 31.12.2011 in %
MCH Swiss Exhibition (Basel) Ltd.	Basel	Exhibitions and congresses	A	CHF 40 000	100.0	CHF 40 000	100.0
MCH Swiss Exhibition (Zurich) Ltd.	Zurich	Exhibitions and congresses	A	CHF 13 720	100.0	CHF 13 720	100.0
MCH Beaulieu Lausanne SA <sup>1)</sup>	Lausanne	Exhibitions and congresses	A	CHF 100	100.0	CHF 100	100.0
Winkler Multi Media Events AG	Wohlen	Event technology	A	CHF 100	100.0	CHF 100	100.0
Expomobilia AG	Effretikon	Stand construction	A	CHF 300	100.0	CHF 300	100.0
Techno Fot AG	Effretikon	Digital printing	D	CHF 400	100.0	CHF 400	100.0
Rufener events Ltd.	Zurich	Event management	A	CHF 100	100.0	CHF 100	100.0
Oceansalt LLC	Zurich	Design	E	CHF 20	100.0	CHF 20	100.0
Art, Kunstmesse AG, in Basel	Basel	Trademark company	B	CHF 50	100.0	CHF 50	100.0
Swisstech Fachmesse AG	Basel	Trademark company	B	CHF 50	100.0	CHF 50	100.0
Natura, Internationale Fachmesse und Kongresse AG	Basel	Trademark company	B	CHF 50	100.0	CHF 50	100.0
Ineltec Fachmesse AG	Basel	Trademark company	B	CHF 50	100.0	CHF 50	100.0
Igeho, Internationale Fachmesse AG	Basel	Trademark company	B	CHF 50	100.0	CHF 50	100.0
Swissdata, Fachmesse für Datenverarbeitung AG	Basel	Trademark company	B	CHF 50	100.0	CHF 50	100.0
Orbit Fachmessen AG	Basel	Trademark company	B	CHF 100	100.0	CHF 100	100.0
Esthetica SA	Lausanne	Trademark company	F	CHF 100	100.0	CHF 100	100.0
Exhibit & More AG	Fällanden	Exhibitions	G	CHF 50	100.0	CHF 50	100.0
UAI Holding AG	Fällanden	Subholding	B	CHF 100	100.0	CHF 100	100.0
Design Miami Basel AG <sup>2)</sup>	Basel	Exhibitions	B	CHF 500	50.0	CHF 500	50.0
Asian Art Fairs Limited	Hong Kong	Exhibitions	B	HKD 1	60.0	HKD 1	60.0
Investments in associated companies	Location	Activity		Share capital as per 31.12.2012 in 1000	Holding as per 31.12.2012 in %	Share capital as per 31.12.2011 in 1000	Holding as per 31.12.2011 in %
Parkhaus Messe Zürich AG	Zurich	Car parking services	C	CHF 5 000	20	CHF 5 000	20
Minority investments	Location	Activity		Share capital as per 31.12.2012 in 1000	Holding as per 31.12.2012 in %	Share capital as per 31.12.2011 in 1000	Holding as per 31.12.2011 in %
Design Miami II LLC	Miami, USA	Exhibitions	B	USD 430	10	USD 430	10



The book value of the investments consolidated by the equity method is made up as follows:

Composition	31.12.2012 CHF 1000	31.12.2011 CHF 1000
Parkhaus Messe Zürich AG	1 423	1 378
<b>Total</b>	<b>1 423</b>	<b>1 378</b>

#### Change in consolidated companies

There were no changes in the consolidated companies in the 2012 business year.

On 1 July 2011 (signing and closing), MCH Swiss Exhibition (Basel) Ltd. acquired a majority holding of 60 % of the shares in Asian Art Fairs Limited, Hong Kong (AAF) and, at the same time, took over control of the company. This is therefore the date taken for initial consolidation. An option exists

to acquire the remaining 40 % of the shares in 2014. The AAF organises the annual Hong Kong International Art Fair and rounds off the MCH Group's art show portfolio in the Asia-Pacific region.

In the course of the 2011 financial year, the MCH Group founded a new subsidiary, Beaulieu Lausanne SA, and merged this with Beaulieu Exploitation SA. In the framework of the associated squeeze-out, all the minority shares of the former Beaulieu Exploitation were acquired.

## 10. Provisions

CHF 1000	As per 01.01.2011	Recognised	Used	Released	Change in consolidated companies and reclassification	As per 31.12.2011
Pending legal cases	250	-	-	-50	-	200
Risks related to contract amendments	1 000	-	-760	-240	-	-
Repairs to exhibition parking spaces	2 000	-	-	-	-	2 000
Renovation fund Theater 11	1 056	206	-	-	-	1 262
Dismantling of Hall 6	1 025	238	-	-	-	1 263
Other provisions	29	219	-	-29	-	219
Deferred tax provision (cf. 15)	4 665	241	-	-880	-	4 026
<b>Total provisions</b>	<b>10 025</b>	<b>904</b>	<b>-760</b>	<b>-1 199</b>	<b>-</b>	<b>8 970</b>
including short-term provisions	279	457	-	-79	1 025	1 682
including long-term provisions	9 746	447	-760	-1 120	-1 025	7 288
CHF 1000	As per 01.01.2012	Recognised	Used	Released	Change in consolidated companies and reclassification	As per 31.12.2012
Pending legal cases	200	-	-	-200	-	-
Repairs to exhibition parking spaces	2 000	-	-	-1 200	-	800
Renovation fund Theater 11	1 262	206	-105	-	-	1 363
Dismantling of Hall 6	1 263	237	-1 500	-	-	-
Other provisions	219	61	-119	-	-	161
Deferred tax provision (cf. 15)	4 026	389	-	-1 087	-	3 328
<b>Total provisions</b>	<b>8 970</b>	<b>893</b>	<b>-1 724</b>	<b>-2 487</b>	<b>-</b>	<b>5 652</b>
including short-term provisions	1 682	298	-1 619	-200	-	161
including long-term provisions	7 288	595	-105	-2 287	-	5 491

CHF 0.8 million (previous year CHF 2.0 million) are provided for contractual obligations entered into in conjunction with the repairs to the parking spaces for exhibition use at the Zurich location. Following a review, the provision for the renovation of the Hagenholz parking spaces at the Zurich location was reduced by CHF 1.2 million. A sum of CHF 0.2 million plus indexed inflation is paid into the renovation fund for Theater 11 each year. This fund is used to finance maintenance work on Theater 11. This obligation results from the agreements concluded with the person granting the building rights, which stipulate that the amount remaining in the renovation fund upon reversion of the building rights will go back to the person who has granted the building rights. The provision in conjunction with the leasing transaction (cf. also 20.1) was released in 2011. The short-term provisions as per 31.12.2012 cover the other provisions.

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#### 11. Employee pension funds

The employee pension fund of the MCH Swiss Exhibition Group (hereinafter referred to as the pension fund) is independent of the group. The fund is financed as a matter of principle by employee and employer contributions. Membership of the pension fund is compulsory for all employees with permanent contracts at MCH Group Ltd., MCH Swiss Exhibition (Basel) Ltd., MCH Swiss Exhibition (Zurich) Ltd. and Winkler Multi Media Events AG (since 1 January 2012, formerly the Gemini collective foundation). Members are entitled to benefits which include an old-age pension, disability pension and benefits in the event of death. Since 1 January 2012, the pension fund has operated as a defined contribution scheme.

The four companies affiliated to the fund make an overall contribution amounting to 150 % of the contributions paid by the members. Expenditure in the 2012 financial year totalled CHF 3.5 million (previous year CHF 2.8 million). An actuarial balance sheet is drawn up by an expert at least once every three years, which is currently based on the 2010 Law on Occupational Pensions (2.9 %). The last actuarial balance sheet was drawn up on 1 January 2012. The mathematical reserve is calculated on an annual basis. The funded status in respect of the net assets of the pension fund is 112 % as per 31 December 2012. The total employer contribution reserve as per 31 December 2012 is CHF 2.6 million (previous year CHF 10.9 million).

At its meeting of 24 November 2010, the Foundation Board of the MCH Swiss Exhibition Group's pension fund took the decision to switch the pension fund from a defined benefit scheme to a defined contribution scheme as per 1 January 2012. On 6 December 2011 the Foundation Board further took the decision to rename the foundation the MCH Group Pension Fund (Personalvorsorgestiftung der MCH Group) and open it up to additional companies with close economic ties to MCH Group Ltd. The MCH Group contributed to

Employer contribution reserve (ECR)	Nominal value	Application waiver	Balance sheet	Constituted	Used	Interest	Change in consolidated companies	Balance sheet	Result for ECR in personnel expenses	
CHF 1000	31.12.2011	31.12.2011	31.12.2011	2011	2011	2011	2011	31.12.2010	2011	2010
Pension fund	10 906	-	10 906	-	-	38	-	10 868	-	-
<b>Total</b>	<b>10 906</b>	<b>-</b>	<b>10 906</b>	<b>-</b>	<b>-</b>	<b>38</b>	<b>-</b>	<b>10 868</b>	<b>-</b>	<b>-</b>

Economic benefit and pension fund expenditure	Excess /under coverage	Economic benefit for the MCH Group		Change compared with previous year	Contributions limited to reporting period	Expenditure on employee pension fund	
CHF 1000	31.12.2011	31.12.2011	31.12.2010	2011	2011	2011	2010
Benefit plans with excess coverage	44	-	-	-	320	320	4 170
Benefit plans with under coverage	-9 044	-	-	-	4 330	4 330	564
<b>Total</b>	<b>-9 000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4 650</b>	<b>4 650</b>	<b>4 734</b>

the once-only conversion costs by using CHF 8.4 million from the employer contribution reserve of MCH Group Ltd. that established the foundation, together with MCH Swiss Exhibition (Basel) Ltd. and MCH Swiss Exhibition (Zurich) Ltd. In the course of the switchover, the provision for early retirement at special conditions was also released. On 1 January 2012, the employees of Winkler Multi Media Events AG joined the pension fund (formerly Gemini collective foundation). On that date, Winkler Multi Media Events AG bought into the reserves and excess coverage of the pension fund for a sum of CHF 481 000.

The semi-autonomous pension fund, Caisse de pension en faveur du personnel de Beaulieu Exploitation SA, is a defined benefit scheme and insures all employees with permanent contracts. Members are entitled to benefits which include an old-age pension, disability pensions and benefits in the event of death. MCH Beaulieu Lausanne SA, as the sole affiliated company, makes an overall contribution amounting to 200 % of the contribution paid by the members. Expenditure in the 2012 financial year totalled CHF 0.8 million (previous year CHF 0.7 million). LLP 2000 (4.0 %) is used as the technical basis for the annual calculation of the funded status, which is 101.0 % as per 31 December 2012. On 1 January 2013, the Beaulieu pension fund switched to the technical basis of LLP 2010 and reduced the actuarial interest rate to 3.25%. The funded status as per 1 January 2013 was 97%.

Employer contribution reserve (ECR)	Nominal value	Application waiver	Balance sheet	Constituted	Used	Interest	Change in consolidated companies	Balance sheet	Result for ECR in personnel expenses	
CHF 1000	31.12.2012	31.12.2012	31.12.2012	2012	2012	2012	2012	31.12.2011	2012	2011
Pension fund	2 551	0	2 551	-	8 355	-	-	10 906	8 355	-
<b>Total</b>	<b>2 551</b>	<b>0</b>	<b>2 551</b>	<b>-</b>	<b>8 355</b>	<b>-</b>	<b>-</b>	<b>10 906</b>	<b>8 355</b>	<b>-</b>

Economic benefit and pension fund expenditure	Excess/ under coverage	Economic benefit for the MCH Group		Change compared with previous year	Contributions limited to reporting period	Expenditure on employee pension fund	
CHF 1000	31.12.2012	31.12.2012	31.12.2011	2012	2012	2012	2011
Benefit plans with excess coverage	18 705	-	-	-	4 671	4 671	320
Benefit plans with under coverage	-265	-	-	-	580	580	4 330
<b>Total</b>	<b>18 440</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5 251</b>	<b>5 251</b>	<b>4 650</b>

The employees of Rufener events Ltd. are insured with Helvetia Schweizerische Lebensversicherungsgesellschaft AG, and the employees of Exhibit & More AG with AXA-Winterthur, with a full-insurance solution in both cases (funded status 100 %). The employees of Techno Fot AG are members of the Vita collective foundation run by Zurich Switzerland (funded status 102.5 %).

Up until 31 December 2012, the employees of Expomobilia AG belonged to the Pro collective foundation (funded status 98 %). As of 1 January 2013, employees of Expomobilia AG will be members of the MCH Group pension fund. The employer is contributing to the once-only switchover costs by using CHF 1.4 million from the employer contribution reserve. The employees of Expomobilia AG are still insured in their own defined contribution pension scheme.

A debt of CHF 0.2 million (previous year CHF 0.2 million) exists vis-à-vis the pension funds as per 31 December 2012.

## 12. Sales by business fields and geographical markets

Sales by business fields 2011 CHF 1000	In Switzerland	Abroad, 1) MCH exhibitions 2) Swiss customers	Abroad, foreign customers	Total
MCH Exhibitions	209 687	15 105 <sup>1) 4)</sup>	–	224 792
MCH Infrastructure	31 451	–	–	31 451
MCH Event Services	53 533	4 604 <sup>2)</sup>	9 536	67 673
<b>Total sales by business fields</b>	<b>294 671</b>	<b>19 709</b>	<b>9 536</b>	<b>323 916</b>

Sales by business fields 2012 CHF 1000	In Switzerland	Abroad, 1) MCH exhibitions 2) Swiss customers	Abroad, foreign customers	Total
MCH Exhibitions	237 394	20 793 <sup>1) 3)</sup>	10 065	268 252
MCH Infrastructure	30 581	–	–	30 581
MCH Event Services	64 635	15 129 <sup>2)</sup>	11 558	91 322
<b>Total sales by business fields</b>	<b>332 610</b>	<b>35 922</b>	<b>21 623</b>	<b>390 155</b>

3) Exchange rate 1 USD = 0.98 CHF

4) Exchange rate 1 USD = 0.79 CHF

## 13. Employees

Employees	31.12.2012	31.12.2011
<b>Full-time jobs</b>	<b>592.9</b>	<b>581.6</b>

For the provision of services, additional temporary staff are employed as cleaners, cashiers, cloakroom attendants and hostesses, etc.

In the 2012 business year, the personnel expenses of CHF 103.8 million (previous year CHF 87.1 million) include once-only exceptional expenditure of CHF 8.4 million (previous year CHF 0 million) resulting from the dissolution of assets from the employer contribution reserves in conjunction with the switchover from a defined benefit to a defined contribution scheme.

## 14. Financial result

	2012	2011
	CHF 1000	CHF 1000
Financial income		
Interest income	361	508
Exchange gains	19	1 037
<b>Total financial income</b>	<b>380</b>	<b>1 545</b>
Financial expenses		
Interest on capital	1 153	2 141
Exchange losses	804	250
Bank and credit card charges	348	399
<b>Total financial expenses</b>	<b>2 305</b>	<b>2 790</b>
<b>Net financial result</b>	<b>-1 925</b>	<b>-1 245</b>

The interest on capital relates to the financing costs for the operational loans. During the financial year, interest on capital of CHF 4.7 million (previous year 3.4 million) was stated in the context of the “Messe Basel New Buildings” project.

## 15. Taxes

On account of a tax agreement with the Canton of Basel-Stadt, the income tax paid by MCH Swiss Exhibition (Basel) Ltd. is negligible. No special tax arrangements exist for the other group companies. In each of the companies (with the exception of MCH Messe Basel) the deferred tax is calculated with the effectively applicable tax rate of 18 – 21 %. In the 2012 financial year, the tax loss carry forward increased to CHF 11.8 million.

	2012	2011
	CHF 1000	CHF 1000
Current income tax	1 638	925
Deferred income tax	-698	-639
<b>Total income tax</b>	<b>940</b>	<b>286</b>
	2012	2011
	CHF 1000	CHF 1000
Total tax loss carry forward as of 01.01.	9 618	7 215
Change in loss carry forward in the tax balance	2 185	2 403
<b>Total tax loss carry forward as of 31.12.</b>	<b>11 803</b>	<b>9 618</b>

As per 31 December 2012, no deferred tax credits were capitalised from loss carry forwards.

## 16. Goodwill

In accordance with the consolidation principles, MCH Group offsets the goodwill acquired directly against the equity at the time of initial consolidation or the time of acquisition. If the goodwill had been capitalised, assuming an amortisation period of 20 years, the following values would have been obtained:

Additional disclosure with goodwill charged against equity	2012 CHF 1000	2011 CHF 1000
Result after taxes	28 778	20 661
Theoretical amortisation of goodwill	-11 567	-2 705
Result after taxes with capitalisation of the goodwill	17 211	17 956
Acquisition value of the goodwill		
As per 01.01.	57 446	50 736
Entries	-	6 710
As per 31.12.	57 446	57 446
Accumulated amortisation of the goodwill		
As per 01.01.	11 861	9 156
Scheduled amortisation	2 565	2 705
Value impairment	9 002	-
As per 31.12.	23 428	11 861
Shareholders' equity as per 31.12.	329 281	303 383
Theoretical net book value of goodwill	34 018	45 585
Shareholders' equity with inclusion of the goodwill as per 31.12.	363 299	348 968

The goodwill offset directly against the shareholders' equity originates from the initial consolidation of Winkler Veranstaltungstechnik AG (as of 2011 Winkler Multi Media Events AG), Expomobilia AG, Exhibit & More AG, Design Miami Basel AG, Rufener events Ltd., UAI Holding AG, Beaulieu Exploitation SA and Asian Art Fairs Limited.

In view of the unsatisfactory profit situation of a business unit in the Event Services field, the MCH Group has conducted a strategy review. In the context of this re-evaluation, an impairment of CHF 9.0 million was ascertained in respect of the goodwill offset against the equity capital.



## 17. Off-balance-sheet transactions

CHF 1000	Due in 1 year	Due in 2–5 years	Due in 5 years or more	Total
Rental contracts for business premises	8 105	34 601	22 278	64 984
Rental and maintenance contracts for EDP	45	140	–	185
Lease commitments for vehicles	43	58	–	101
Ground rent	2 127	8 506	55 067	65 700
Payment commitment Messe Basel New Buildings	145 920	10 729	–	156 649
As per 31.12.2011	156 240	54 034	77 345	287 619
Rental contracts for business premises	8 083	30 849	22 278	61 210
Rental and maintenance contracts for EDP	81	224	–	305
Lease commitments for vehicles	26	31	–	57
Ground rent	2 127	8 506	52 941	63 574
Payment commitment Messe Basel New Buildings	6 119	–	–	6 119
As per 31.12.2012	16 436	39 610	75 219	131 265

## 18. Derivative financial instruments

CHF 1000	Contract value		Negative replacement value 2012	Positive replacement value 2011	Reason held
	2012	2011			
Forward transactions foreign exchange	2 680	3 858	–25	7	Hedging
Total derivative financial instruments	2 680	3 858	–25	7	

Forward transactions (currency instruments) were concluded in order to hedge future sales income in foreign currencies. MCH Swiss Exhibition (Basel) Ltd. has the right to acquire the remaining 40% holding in Asian Art Fairs Limited in 2014.

## 19. Loans taken up

As per 31.12.2011	Balance sheet	Interest on capital	Interest rate	Including secured by mortgages
	CHF 1 000	CHF 1 000		CHF 1 000
Short-term and fixed-rate loans from third parties and banks	1 060	67	0.77%	–
Total short-term loans (less than 1 year)	1 060	67	–	–
Long-term and fixed-rate loans from third parties and banks	102 864	3 149	1.00–3.74%	5 500
Long-term loans from shareholders (Cantons BS, BL, ZH and City of Zurich)	102 500	2 300	2.00–3.00%	32 500
Interest-free loans from shareholders (Cantons BS, BL)	60 000	–	0.00%	–
Total long-term loans (more than 1 year)	265 364	5 449	–	38 000
<b>Total loans taken up as per 31.12.2011</b>	<b>266 424</b>	<b>5 516</b>		<b>38 000</b>
		thereof capitalised		
		3 375		
As per 31.12.2012	Balance sheet	Interest on capital	Interest rate	Including secured by mortgages
	CHF 1 000	CHF 1 000		CHF 1 000
Short-term and fixed-rate loans from third parties and banks	32 338	856	1.78–2.24%	–
Non-repayable loan (à fonds perdu) secured with a mortgage	2 500	–	0.00%	2 500
Total short-term loans (less than 1 year)	34 838	856	–	2 500
Long-term and fixed-rate loans from third parties and banks	109 517	2 495	1.00–3.74%	5 500
Long-term loans from shareholders (Cantons BS, BL, ZH and City of Zurich)	102 500	2 519	2.00–3.00%	32 500
Interest-free loans from shareholders (Cantons BS, BL)	60 000	–	0.00%	–
Non-repayable loan (à fonds perdu) secured with a mortgage	47 500	–	–	47 500
Total long-term loans (more than 1 year)	319 517	5 014		85 500
<b>Total loans taken up as per 31.12.2012</b>	<b>354 355</b>	<b>5 870</b>		<b>88 000</b>
		thereof capitalised		
		4 717		

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## 20. Further details

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### 20.1 Leasing activities – premature dissolution of the lease-and-lease-back contract of MCH Swiss Exhibition (Zurich) Ltd.

On 8 July 1998, MCH Swiss Exhibition (Zurich) Ltd. had entered into a lease-and-lease back contract (finance lease) with foreign investors for the new exhibition building. The lease contract included different options, with the contract running for between 28 and 48 years, depending on the option selected. The purpose of this transaction was to allow the foreign investors to take advantage of the financial benefits resulting from the lease contract. The saving resulted from the timing differences between depreciation that has an impact on taxes and the income from the leasing transaction (present-value benefit).

In November 2011, the investor and MCH Swiss Exhibition (Zurich) Ltd. agreed on the premature dissolution of this contract, since the starting situation with regard to the tax basis in the USA and also the creditworthiness of the banks involved had undergone a decisive change as a direct result of the financial and debt crisis.

The liquidation of this contract occasioned overall costs of some CHF 2.6 million (including compensation for the contractual partner, lawyers' and consultancy fees). The still outstanding "Accruals and deferrals from leasing contract" for CHF 3.8 million and the provision for "Risks related to contract amendments" for CHF 1 million were released with an impact on the income statement (see also 10. "Provisions"). The net annual result for 2011 was thus positively influenced by an amount of CHF 2.2 million.

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### 20.2 Transactions with related parties

As an organiser of exhibitions and various other events, the MCH Group maintains a range of business relationships with its most important shareholders, the Cantons of Basel-Stadt, Basel-Landschaft, Zurich and the City of Zurich, in the context of its ordinary business activity.

The Canton of Basel-Stadt has made most of the land required by MCH Swiss Exhibition (Basel) Ltd. available with a building lease. The Canton and City of Zurich have granted MCH Swiss Exhibition (Zurich) Ltd. loans of CHF 16.0 million and CHF 16.5 million respectively, both subject to 2 % interest. In addition, the City of Zurich has made the land required by MCH Swiss Exhibition (Zurich) Ltd. available with a building lease.

In the context of the financing concept for the "Messe Basel New Buildings" for CHF 350 million (including some CHF 40 million from the increase in share capital in 2011), the following transactions were made or have been prepared between MCH Swiss Exhibition (Basel) Ltd. and the public-sector entities. As the parent company, MCH Group Ltd. guarantees the fulfilment of the contracts (investment contributions and loans earmarked for a specific purpose) with the public-sector entities (the Cantons of Basel-Stadt, Basel-Landschaft and Zurich and also the City of Zurich) by means of an abstract payment guarantee. The financing concept additionally provides for a maximum dividend payment of 5 % over the full financing term.

In the 2012 financial year, the granting of an interest-free loan for CHF 60 million by the Cantons of Basel-Stadt and Basel-Landschaft (CHF 30 million each), has reduced the interest to be paid by MCH Swiss Exhibition (Basel) Ltd. by CHF 1.2 million (previous year CHF 1.2 million), taking a reference interest rate of 2%. These loans will be amortised as of 2020 with a total of CHF 6 million each year (CHF 3 million per loan and canton).

In the reporting year, MCH Messe Basel received a non-repayable loan, secured by a mortgage, of CHF 50 million from the Canton of Basel-Stadt, as a financing contribution à fonds perdu. This is to run for 20 years and incurs the obligation to continue operating the Congress Center Basel (CCB) for 20 years. This loan is reduced by a sum of CHF 2.5 million every year (for the first time on 06.07.2013). A separately stated share of the capitalised fixed assets for the new Messe Basel buildings will be offset or redeemed against this annual subsidy of CHF 2.5 million (for the first time in 2013).

	Framework limit	Taken up as per per 31.12.2012	Taken up as per 31.12.2011	Description
Canton Basel-Stadt	CHF 20 million <sup>1)</sup>	CHF 20 million	CHF 20 million	Investment à-fonds-perdu
	CHF 30 million <sup>2)</sup>	CHF 30 million	CHF 30 million	Interest-free loan with a term of 10 years; obligation to amortise CHF 3 million per year from 2020 to 2029
	CHF 85 million	CHF 35 million	CHF 35 million	Loan with a term of 10 years
	CHF 50 million <sup>1)</sup>	CHF 50 million	-	Loan à-fonds-perdu secured with a mortgage and with a term of 20 years regarding the condition
Canton Basel-Landschaft	CHF 20 million <sup>1)</sup>	CHF 20 million	CHF 20 million	Investment à-fonds-perdu
	CHF 30 million <sup>2)</sup>	CHF 30 million	CHF 30 million	Interest-free loan with a term of 10 years; obligation to amortise CHF 3 million per year from 2020 to 2029
	CHF 35 million	CHF 35 million	CHF 35 million	Loan with a term of 10 years
Canton Zurich	CHF 20 million	-	-	Loan with a term of 10 years
City of Zurich	CHF 20 million	-	-	Loan with a term of 10 years
<b>Total</b>	<b>CHF 310 million</b>	<b>CHF 220 million</b>	<b>CHF 170 million</b>	

1) Subsidies

2) Interest as subsidies

3) Financing contribution, annual amortisation of CHF 2.5 million as of 2013 as a subsidy

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### 20.3 Contingent liabilities

At 31 December 2012, MCH Swiss Exhibition (Zurich) Ltd. has contingent liabilities of CHF 0.7 million (previous year CHF 0.8 million) in respect of Theater 11 and the renovation of the Messe Zürich restaurant.

By way of security for obligations taken on by Expomobilia AG in the context of a work contract, MCH Group Ltd. provided a guarantee totalling CHF 10 million on 31.12.2012. This guarantee was reduced to CHF 1 million on 25.01.2013.

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### 20.4 Risk Management

The MCH Group has implemented a risk management process. Based on a risk identification carried out by the Executive Board each year, the key risks for the group are assessed in terms of the probability of their occurrence and their impact. These risks are avoided, reduced or passed on by means of appropriate measures decided on by the Board of Directors. The risks borne by the group itself are consistently monitored. The last risk assessment conducted by the Board of Directors was adopted on 7 September 2012. To allow the group to respond flexibly to changes in the risk environment, the Executive Board is entitled to commission in-depth risk clarifications on an ad-hoc basis.

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### 20.5 Events subsequent to the balance sheet date

After the balance sheet date, the employees of Expomobilia were transferred to the MCH Group pension fund (PVST MCH), having previously been in the Pro collective foundation. Some CHF 1.4 million of the employer contribution reserve available at Expomobilia, totalling CHF 2.5 million in all, was used for the transfer and for buying into the value fluctuation reserve of the PVST MCH (see Note 11).

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### 20.6 Approval of the annual accounts

The Board of Directors of MCH Group Ltd. approved the consolidated annual accounts on 22 March 2013.

# Report of the Statutory Auditor

To the General Meeting of  
MCH Group Ltd., Basel  
Basel, 22 March 2013

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## Report of the statutory auditor on the group accounts

As statutory auditor, we have audited the group accounts of MCH Group Ltd., which comprise the group balance sheet, group income statement, group cash flow statement, development of consolidated shareholders' equity and notes to the group accounts (pages 68 to 94), for the year ended 31 December 2012. The financial statements for the year ended 2011 were audited by another auditor who expressed an unmodified opinion on those statements on 16 March 2012.

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## Board of Directors' responsibility

The Board of Directors is responsible for the preparation and fair presentation of the group accounts in accordance with Swiss GAAP FER and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation and fair presentation of group accounts that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

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## Auditor's responsibility

Our responsibility is to express an opinion on these group accounts based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the group accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the group accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the group accounts, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation and fair presentation of the group accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the group accounts. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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## Opinion

In our opinion, the group accounts for the year ended 31 December 2012 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss GAAP FER and comply with Swiss law.

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## Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.


In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of group accounts according to the instructions of the Board of Directors.

We recommend that the group accounts submitted to you be approved.

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KPMG AG

Stefan Inderbinen  
Licensed audit expert  
(Auditor in charge)



Andreas Müller  
Licensed audit expert



# Annual Accounts MCH Group Ltd.





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BASELWORLD

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# MCH Group Ltd.

## Balance Sheet

Statutory accounts of the holding company

	31.12.2012		31.12.2011			31.12.2012		31.12.2011	
Assets	CHF 1000	%	CHF 1000	%	Liabilities	CHF 1000	%	CHF 1000	%
Cash and cash equivalents	3 563	-	705	-	Liabilities from deliveries and services	183	-	209	-
Accounts receivable for deliveries and services	-	-	17	-	Liabilities to group companies	379	-	693	-
Receivables from group companies	3 023	-	3 648	-	Other liabilities	249	-	263	-
Other receivables	179	-	63	-	Loans from group companies	14 579	-	13 940	-
Prepayments and accrued income	841	-	118	-	Accrued expenses and deferred income	2 597	-	2 421	-
Own shares	-	-	1 071	-	Short-term loans	5 000	-	-	-
<b>Total current assets</b>	<b>7 606</b>	<b>4.1</b>	<b>5 622</b>	<b>3.1</b>	<b>Total short-term liabilities</b>	<b>22 987</b>	<b>12.4</b>	<b>17 526</b>	<b>9.6</b>
Long-term loans to group companies	7 650	-	7 150	-	Long-term loans	-	-	5 000	-
Investments	169 772	-	169 772	-	<b>Total long-term liabilities</b>	<b>-</b>	<b>0.0</b>	<b>5 000</b>	<b>2.7</b>
<b>Total non-current assets</b>	<b>177 422</b>	<b>95.9</b>	<b>176 922</b>	<b>96.9</b>	<b>Total liabilities</b>	<b>22 987</b>	<b>12.4</b>	<b>22 526</b>	<b>12.3</b>
					Share capital	60 066	-	60 066	-
					Statutory reserves	5 600	-	5 600	-
					Statutory reserves from capital contribution	27 991	-	27 991	-
					Statutory reserves for own shares	-	-	1 377	-
					Special reserves	47 600	-	46 223	-
					Profit carried forward	15 758	-	15 422	-
					Annual profit	5 026	-	3 339	-
					<b>Total shareholders' equity</b>	<b>162 041</b>	<b>87.6</b>	<b>160 018</b>	<b>87.7</b>
<b>Total assets</b>	<b>185 028</b>	<b>100.0</b>	<b>182 544</b>	<b>100.0</b>	<b>Total liabilities and shareholders' equity</b>	<b>185 028</b>	<b>100.0</b>	<b>182 544</b>	<b>100.0</b>

# MCH Group Ltd.

## Income statement

Statutory accounts of the holding company

	2012	2011
	CHF 1000	CHF 1000
Income		
Management fee from group companies	12 159	12 614
Services with third parties	91	109
Dividends from subsidiaries	5 386	3 886
Other operating income	3	3
Revenue reduction	-	-1
Total operating income	17 639	16 611
Expenses		
Employees	-7 995	-7 270
Administration	-2 790	-3 301
Insurances	-62	-44
Maintenance, repairs	-	-1
Set-up expenses	-299	-274
Operating expenses	-78	-76
Advertising, press, public relations	-1 213	-1 468
Total operating expenses	-12 437	-12 434
Total operating result	5 202	4 177
Financial income	202	36
Financial expenses	-378	-874
Total financial result	-176	-838
Pre-tax profit	5 026	3 339
Income tax	-	-
Annual profit	5 026	3 339

# Notes to the Annual Accounts

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## Holdings

See page 81.

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## Risk Management

The risk management at MCH Group Ltd. constitutes an integral part of the risk management of the MCH Group (see pages 52 and 94).

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## Own shares

See page 72.

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## Approved share capital

See page 72.

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Contingent liabilities, guarantee obligations vis-à-vis third parties

MCH Group Ltd. is jointly and severally liable with MCH Swiss Exhibition (Basel) Ltd. for a credit facility of CHF 100 million, which was taken up for a sum of CHF 95 million by MCH Swiss Exhibition (Basel) Ltd. on the balance sheet date and for a sum of CHF 5 million by MCH Group Ltd.

By way of security for obligations taken on by Expomobilia AG in the context of a work contract, MCH Group Ltd. provided a guarantee totalling CHF 10 million on 31.12.2012. This guarantee was reduced to CHF 1 million on 25.01.2013

## Compensation paid to the members of the Board of Directors

2011, in CHF	Basic fee	Fee for additional functions <sup>2)</sup>	Attendance fees and expenses	Total	Social insurance contributions	Overall sum
Dr. Ulrich Vischer, Chairman	76 000	33 000	16 000	125 000	17 459	142 459
Heini Brugger, Vice-Chairman	36 000	30 000	13 000	79 000	7 274	86 274
Rolando Benedick	21 000	3 000	8 000	32 000	3 979	35 979
Christoph Brutschin <sup>1)</sup>	21 000	3 000	8 000	32 000	4 517	36 517
Werner Helfenstein	21 000	25 000	7 000	53 000	7 577	60 577
Dr. Eva Herzog <sup>1)</sup>	21 000	–	7 000	28 000	3 934	31 934
René C. Jäggi	21 000	–	6 000	27 000	3 789	30 789
Dr. Ruedi Jeker <sup>1)4)</sup>	14 000	2 000	4 670	20 670	975	21 645
Dr. Karin Lenzlinger	21 000	–	7 000	28 000	3 934	31 934
Ernst Stocker <sup>1)4)</sup>	7 000	1 000	1 330	9 330	786	10 116
Martin Vollenwyder <sup>1)3)</sup>	21 000	3 000	9 000	33 000	3 086	36 086
Peter Zwick <sup>1)3)</sup>	21 000	3 000	9 000	33 000	3 282	36 282
<b>Total</b>	<b>301 000</b>	<b>103 000</b>	<b>96 000</b>	<b>500 000</b>	<b>60 592</b>	<b>560 592</b>
2012, in CHF	Basic fee	Fee for additional functions <sup>2)</sup>	Attendance fees and expenses	Total	Social insurance contributions	Overall sum
Dr. Ulrich Vischer, Chairman	76 000	33 000	14 000	123 000	17 194	140 194
Heini Brugger, Vice-Chairman	36 000	30 000	11 000	77 000	7 032	84 032
Rolando Benedick	21 000	3 000	6 000	30 000	1 474	31 474
Christoph Brutschin <sup>1)</sup>	21 000	3 000	10 000	34 000	4 808	38 808
Werner Helfenstein	21 000	25 000	6 000	52 000	5 938	57 938
Dr. Eva Herzog <sup>1)</sup>	21 000	–	3 000	24 000	3 352	27 352
René C. Jäggi	21 000	–	5 000	26 000	3 643	29 643
Dr. Karin Lenzlinger	21 000	–	6 000	27 000	3 789	30 789
Ernst Stocker <sup>1)</sup>	21 000	3 000	6 000	30 000	2 550	32 550
Martin Vollenwyder <sup>1)3)</sup>	21 000	3 000	10 000	34 000	3 231	37 231
Peter Zwick <sup>1)3)</sup>	21 000	3 000	4 000	28 000	2 554	30 554
<b>Total</b>	<b>301 000</b>	<b>103 000</b>	<b>81 000</b>	<b>485 000</b>	<b>55 565</b>	<b>540 565</b>

1) The BD members from public-sector entities are required to hand over part of their fees to the public authorities.

2) Includes fees for the GNCC and AC and also the building committee.

3) Amounts for 2011 and 2010 adjusted for VAT.

4) until 31.08.2011, from 01.09.2011 respectively

## Compensation paid to the members of the Executive Board

2011, in CHF	Remuneration <sup>1)</sup>	Bonus	Total	Social insurance contributions <sup>2)</sup>	Sum total
Executive Board as a whole	2 091 200	1 285 540	3 376 740	676 419	4 053 159
Including René Kamm (CEO)	460 200	372 870	833 070	113 936	947 006
2012, in CHF	Remuneration <sup>1)</sup>	Bonus	Total	Social insurance contributions <sup>2)</sup>	Sum total
Executive Board as a whole	2 088 625	1 654 640	3 743 265	897 869	4 641 134
Including René Kamm (CEO)	461 200	489 580	950 780	209 245	1 160 025

1) Includes basic salary, bonuses for service anniversaries, family benefits, etc.

2) Includes employer contribution to pension fund and social insurances, etc.

To permit the remuneration of the Executive Board to be included in the period in which it arises, this has been stated on the basis of the accrual principle as of the 2011 financial year. For advisory activities of former Executive Board members, the MCH Group pays fees (excluding employer social insurance contributions) amounting to CHF 0.3 million (previous year CHF 0.3 million).

With the alignment of the pension fund regulations as per 1 July 2012, employer contributions must be paid to the pension fund on bonus payments.

### Shares held by members of the Board of Directors

	Number of shares CHF 10 and percentage of voting rights 31.12.2012		Number of shares CHF 10 and percentage of voting rights 31.12.2011	
Dr. Ulrich Vischer, Chairman	313	0.0%	313	0.0%
Heini Brugger, Vice-Chairman	3 600	0.1%	3 600	0.1%
Rolando Benedick	5 000	0.1%	5 000	0.1%
Christoph Brutschin	–	0.0%	–	0.0%
Werner Helfenstein	312	0.0%	312	0.0%
Dr. Eva Herzog	–	0.0%	–	0.0%
René C. Jäggi	10	0.0%	10	0.0%
Dr. Karin Lenzlinger	50	0.0%	50	0.0%
Martin Vollenwyder	60	0.0%	60	0.0%
Ernst Stocker	–	0.0%	–	0.0%
Peter Zwick	–	0.0%	–	0.0%
<b>Total</b>	<b>9 345</b>	<b>0.2%</b>	<b>9 345</b>	<b>0.2%</b>

### Shares held by the members of the Executive Board

	Number of shares CHF 10 and percentage of voting rights 31.12.2012		Number of shares CHF 10 and percentage of voting rights 31.12.2011	
René Kamm, CEO	–	0.0%	–	0.0%
Jean-Marc Devaud	337	0.0%	337	0.0%
Markus Haering	40	0.0%	125	0.0%
Peter Holenstein	62	0.0%	62	0.0%
Christoph Neuenschwander	500	0.0%	500	0.0%
Stephan Peyer	–	0.0%	–	0.0%
<b>Total</b>	<b>939</b>	<b>0.0%</b>	<b>1 024</b>	<b>0.0%</b>

### Shares held by related parties

by Peter Holenstein	256	0.0%	256	0.0%
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## Key shareholders

	2012	2011
	%	%
Canton Basel-Stadt	33.5	33.5
Canton Basel-Landschaft	7.8	7.8
LB (Swiss) Investment AG <sup>1)</sup>	6.0	6.2
Canton Zurich	4.0	4.0
City of Zurich	3.7	3.7
Balfidor Fondsleitung	1.6	1.9
Sarasin Investmentfonds	1.6	3.7

1) Entered in the "Shareholders with voting rights" share register with 300 328 shares (5%)

At the end of 2012, 3 428 registered shareholders were entered in the share register.

## Payment guarantee

As the parent company, MCH Group Ltd. guarantees fulfilment of the contracts (investment contributions and loans earmarked for a specific purpose) with the public-sector entities (Cantons of Basel-Stadt, Basel-Landschaft and Zurich and the City of Zurich) by means of an abstract payment guarantee. The financing concept additionally provides for a maximum dividend payment of 5 % over the full financing term.

## Profit distribution

	2012	2011
	CHF 1000	CHF 1000
Profit brought forward from previous year	15 758	15 401
Dividend on own shares not paid out	-	21
Annual profits	5 026	3 339
<b>Total net profit for the year</b>	<b>20 784</b>	<b>18 761</b>
Dividend <sup>1)</sup>	-3 003	-3 003
Allocation to statutory reserve	-	-
<b>Balance carried forward</b>	<b>17 781</b>	<b>15 758</b>

1) A dividend of 5.0% of the nominal share value is being distributed, i.e. in 2012 CHF 0.50 gross per share with a nominal value of CHF 10.- (previous year CHF 0.50 with a nominal value of CHF 10.-).

# Report of the statutory auditor

To the General Meeting of  
MCH Group Ltd., Basel  
Basel, 22 March 2013

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## Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the financial statements of MCH Group Ltd., which comprise the balance sheet, income statement and notes to the annual accounts (pages 98 to 104), for the year ended 31 December 2012. The financial statements for the year ended 2011 were audited by another auditor who expressed an unmodified opinion on those statements on 16 March 2012.

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## Board of Directors' responsibility

The Board of Directors is responsible for the preparation and fair presentation of the group accounts in accordance with Swiss GAAP FER and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation and fair presentation of group accounts that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

---

## Auditor's responsibility

Our responsibility is to express an opinion on these group accounts based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the group accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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## Opinion

In our opinion, the financial statements for the year ended 31 December 2012 comply with Swiss law and the company's articles of incorporation.

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## Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.


In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of group accounts according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

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KPMG AG

Stefan Inderbinen  
Licensed audit expert  
(Auditor in charge)



Andreas Müller  
Licensed audit expert







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The Annual Report of MCH Group is available in German,  
English and French. The German version is legally binding.

