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# Group Balance Sheet

		31.12.2013		31.12.2012				31.12.2013		31.12.2012	
Assets	Details	CHF 1000	%	CHF 1000	%	Liabilities	Details	CHF 1000	%	CHF 1000	%
Cash and cash equivalents	2	147 045	–	129 996	–	Liabilities from deliveries and services	5	22 450	–	36 416	–
Accounts receivable for deliveries and services	3	81 545	–	78 975	–	Other liabilities		5 064	–	5 330	–
Other receivables		8 293	–	3 160	–	Accrued expenses and deferred income	6	171 578	–	154 768	–
Inventories and work in progress	4	10 095	–	4 777	–	Short-term provisions	10	15	–	161	–
Prepayments and accrued income	6	36 520	–	36 500	–	Short-term loans taken up from third parties	19	52 530	–	32 338	–
<b>Total current assets</b>		<b>283 498</b>	<b>30.5</b>	<b>253 408</b>	<b>28.6</b>	Short-term loans taken up from related parties (shareholders)	19	2 500	–	2 500	–
Land, buildings, fixed installations	8	596 279	–	253 458	–	<b>Total short-term liabilities</b>		<b>254 137</b>	<b>27.3</b>	<b>231 513</b>	<b>26.1</b>
Assets under construction	8	434	–	353 236	–	Long-term provisions	10	5 172	–	5 491	–
Other fixed assets	8	45 383	–	19 452	–	Long-term loans taken up from third parties	19	56 860	–	109 517	–
Loans granted	7	222	–	179	–	Long-term loans taken up from related parties (shareholders)	19	257 500	–	210 000	–
Employer contribution reserve	11	651	–	2 551	–	<b>Total long-term liabilities</b>		<b>319 532</b>	<b>34.4</b>	<b>325 008</b>	<b>36.7</b>
Investments	9	1 513	–	1 423	–	<b>Total liabilities</b>		<b>573 669</b>	<b>61.7</b>	<b>556 521</b>	<b>62.8</b>
Intangible assets	8	1 987	–	2 095	–	Share capital		60 066	–	60 066	–
<b>Total non-current assets</b>		<b>646 469</b>	<b>69.5</b>	<b>632 394</b>	<b>71.4</b>	Capital reserves		74 310	–	74 310	–
						Retained earnings		221 411	–	194 196	–
						Minority interests		511	–	709	–
						<b>Total shareholders' equity</b>		<b>356 298</b>	<b>38.3</b>	<b>329 281</b>	<b>37.2</b>
<b>Total assets</b>		<b>929 967</b>	<b>100.0</b>	<b>885 802</b>	<b>100.0</b>	<b>Total equity and liabilities</b>		<b>929 967</b>	<b>100.0</b>	<b>885 802</b>	<b>100.0</b>

# Group Income Statement

		2013	2012
Income	Details	CHF 1000	CHF 1000
Services, stand construction		226 820	147 486
Surface areas		152 049	149 082
Admissions		12 094	11 807
Media, sponsoring		40 706	33 323
Utility connections		8 427	7 620
Furniture, other fittings		11 943	12 161
Conferences		12 752	10 442
Parking		5 532	5 932
Changes in work in progress		-1 523	8 367
Other operational income		5 271	5 698
Revenue reductions		-1 433	-1 763
<b>Total operating income</b>	<b>12</b>	<b>472 638</b>	<b>390 155</b>
Expenses	Details	CHF 1000	CHF 1000
Employees	13	-89 034	-92 738
Administration		-13 478	-11 982
Maintenance, repairs		-12 058	-11 311
Insurance, ground rent, rents		-16 993	-15 956
Energy		-8 568	-7 583
Furnishing expenses, stand construction		-143 917	-88 623
Exhibition and conference operations		-77 924	-70 823
Advertising, press, public relations		-31 158	-25 857
Depreciation	8	-39 384	-33 684
<b>Total operating expenses</b>		<b>-432 514</b>	<b>-358 557</b>

		2013	2012
	Details	CHF 1000	CHF 1000
<b>Operating result</b>		<b>40 124</b>	<b>31 598</b>
Financial result, net	14	-5 121	-1 925
<b>Result from ordinary activities</b>		<b>35 003</b>	<b>29 673</b>
Result of associated companies	9	90	45
<b>Earnings before taxes</b>		<b>35 093</b>	<b>29 718</b>
Taxes	15	-3 655	-940
<b>Earnings after taxes</b>		<b>31 438</b>	<b>28 778</b>
Minority interests		-966	-1 372
<b>Group profit</b>		<b>30 472</b>	<b>27 406</b>
EBITDA (earnings before interest, taxes, depreciation and amortisation)		79 971	64 555
EBIT (earnings before interest and taxes)		40 587	30 871

# Group Cash Flow Statement

		2013	2012			2013	2012
		CHF 1 000	CHF 1 000			CHF 1 000	CHF 1 000
Cash flow from operating activities	Details			Cash flow from investment activities	Details		
Group profit		30 472	27 406	Cash outflow for investments in land, buildings and fixed installations	8	-31 319	-192 218
Result of minority interests		966	1 372	Cash outflow for investments in other tangible fixed assets	8	-25 837	-5 902
Book profit from the sale of fixed assets		-394	-15	Cash outflow for investments in software and intangible assets	8	-1 226	-706
Depreciation	8	38 778	28 336	Cash inflow from the divestment of fixed assets	8	1 050	1 853
Losses through value impairments	8	606	5 348	Cash flows with associated organisations		-	50
Dissolution of assets from employer contribution reserves	11	1 900	8 355	Repayment of loans granted to others	7	20	251
Attributable profit of associated organisations		-90	-95	Loans granted to others	7	-62	-20
Increase in accounts receivable for deliveries and services	3	-2 570	-9 628	<b>Net cash flow from investment activities</b>		<b>-57 374</b>	<b>-196 692</b>
Increase/reduction in other receivables		-5 133	305	Cash flow from financing operations	Details		
Increase/reduction in inventories and work in progress	4	-5 318	593	Dividend to shareholders		-3 003	-3 003
Increase in prepayments and accrued income	6	-21	-9 534	Dividend to minorities		-1 117	-1 098
Reduction/increase in liabilities from deliveries and services	5	-13 966	18 260	Sale of own shares		-	1 180
Reduction in other liabilities		-266	-1 555	Loans taken up	19	50 000	90 181
Increase in accrued expenses and deferred income	6	16 810	14 624	Repayment of loans taken up	19	-32 457	-2 250
Reduction in provisions	10	-465	-3 318	<b>Net cash flow from financing operations</b>		<b>13 423</b>	<b>85 010</b>
<b>Net cash flow from operating activities</b>		<b>61 309</b>	<b>80 454</b>	<b>Currency translation differences</b>		<b>-309</b>	<b>41</b>
				<b>Net cash flow</b>		<b>17 049</b>	<b>-31 187</b>
				Cash and cash equivalents at the beginning of the financial year	2	129 996	161 183
				Cash and cash equivalents at the end of the financial year	2	147 045	129 996

# Development of Consolidated Shareholders' Equity

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

CHF 1 000	Share capital	Own shares	Capital reserves	Retained earnings		Minority interest	Total	
				Accumulated currency translation differences	Retained profits			Total retained earnings
As per 01.01.2012	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
Currency translation differences	-	-	-	-254	-	-254	-47	-301
Dividend 2012 paid in 2013	-	-	-	-	-3 003	-3 003	-1 117	-4 120
Group profit 2013	-	-	-	-	30 472	30 472	966	31 438
As per 31.12.2013	60 066	0	74 310	-237	221 648	221 411	511	356 298

Further information on shareholders' equity may be found in the statutory accounts as of page 34.

The revenue reserve includes CHF 39.4 million (previous year 39.6 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 31.0 million (previous year CHF 34.0 million) is shown under Note 16.

#### 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.

#### Details of own shares

	Number of shares	Purchase price CHF 1000
As per 01.01.2012	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
As per 31.12.2013	0	0

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. No transactions with the group's own shares were made during the reporting period. The taxable value per share as per 31 December 2013 is CHF 59.55 (previous year CHF 54.50).

# Notes to the Group Account

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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 2013 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 2012/13 (Specialist Commission for Accounting and Reporting Recommendations) 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 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 the 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; Art Basel U.S. Corp., U.S.A.) 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 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 (remaining term less than 90 days). 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 and loans granted to others

Other receivables (including fixed deposits with a remaining term in excess of 90 days) 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 already 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 and systems: 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. Up until the time the new complex for the “Messe Basel New Buildings” project was brought into operation in March 2013, 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 belong to the group's own pension fund (MCH Group Pension Fund), have their own, legally independent pension fund 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 valuation 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 were 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 included investments à fonds perdu). The amount of the subsidy is deducted from the tangible fixed assets recognised. In the 2012 business year, MCH Swiss Exhibition (Basel) Ltd. 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.

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Regrouping

To ensure a more precise allocation of human resources costs, Expomobilia AG has changed the cost-group allocation of its human resources costs and expenditure on stand building. The hiring of human resources services (supplier invoices from other stand construction companies for services in the stand construction field) will be booked under fitting-out expenses and stand construction in future and no longer under human resources. During the previous year, the corresponding sum of CHF 11.0 million was thus transferred from the human resources item to the fitting-out and stand construction item.

## 2. Cash and cash equivalents

	31.12.2013 CHF 1000	31.12.2012 CHF 1000
Cash, Post Office	51 598	48 997
Bank	92 415	67 970
Fixed deposits	3 032	13 029
<b>Total cash and cash equivalents</b>	<b>147 045</b>	<b>129 996</b>

## 3. Accounts receivable for deliveries and services

	31.12.2013 CHF 1000	31.12.2012 CHF 1000
Accounts receivable for deliveries and services to third parties	84 986	81 015
Bad debt provision	-3 441	-2 040
<b>Total accounts receivable for deliveries and services</b>	<b>81 545</b>	<b>78 975</b>

Aging	31.12.2013 CHF 1000	31.12.2012 CHF 1000
Not due	30 323	29 120
Due within 60 days	30 484	49 630
Due after 60 days	24 179	2 265
<b>Total accounts receivable for deliveries and services to third parties</b>	<b>84 986</b>	<b>81 015</b>

## 4. Inventories and work in progress

	31.12.2013 CHF 1000	31.12.2012 CHF 1000
Inventories	296	366
Value adjustments for inventories	-	-
Work in progress	12 086	10 951
Value adjustments for work in progress	-703	-
Advance payments received for work in progress	-1 584	-6 540
<b>Total inventories and work in progress</b>	<b>10 095</b>	<b>4 777</b>

## 5. Liabilities from deliveries and services

	31.12.2013 CHF 1000	31.12.2012 CHF 1000
Liabilities from deliveries and services vis-à-vis third parties	22 450	36 416
<b>Total liabilities from deliveries and services</b>	<b>22 450</b>	<b>36 416</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 2013, this essentially relates to the following exhibitions in 2014: Swissbau, BASELWORLD, muba, GiardinaZÜRICH and SWISS-MOTO. Own work for exhibitions and events totalling CHF 8.4 million (previous year CHF 9.3 million) is included under prepayments and accrued income.

Composition of prepayments and accrued income	31.12.2013 CHF 1000	31.12.2012 CHF 1000
Exhibitions and events	29 149	29 299
Stand construction sales not yet invoiced	3 046	1 975
Prepaid rents	567	592
Other	3 758	4 634
<b>Total of prepayments and accrued income</b>	<b>36 520</b>	<b>36 500</b>

Composition of accrued expenses and deferred income	31.12.2013 CHF 1000	31.12.2012 CHF 1000
Services invoiced in advance for exhibitions, events and stand construction	143 628	129 876
Long-term contracts received from customers	-7	-1 965
Advance payments for work in progress	1 305	7 135
Human resources	12 700	10 855
Accrual for current tax	3 456	489
Other	10 496	8 378
<b>Total of accrued expenses and deferred income</b>	<b>171 578</b>	<b>154 768</b>

## 7. Loans granted

	31.12.2013 CHF 1000	31.12.2012 CHF 1000
Loans to related organisations	–	–
Other loans	222	179
<b>Total loans</b>	<b>222</b>	<b>179</b>

## 8. Tangible and intangible fixed assets

Composition of tangible fixed assets CHF 1 000	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 1.1.2012	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
– 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>
Purchase costs as per 1.1.2013	10 650	511 232	353 236	88 945	5 993	970 056
Depreciated values <sup>1)</sup>	–	-12 559	–	-6 832	–	-19 391
+ Additions	–	11 780	19 538	25 837	1 226	58 381
Reclassifications	–	361 322	-372 340	11 018	–	–
– Disposals	–	–	–	-656	–	-656
<b>Purchase values as per 31.12.2013</b>	<b>10 650</b>	<b>871 775</b>	<b>434</b>	<b>118 312</b>	<b>7 219</b>	<b>1 008 390</b>
Accumulated depreciation as per 1.1.2013	–	-268 424	–	-69 493	-3 898	-341 815
+ Reductions in value adjustments <sup>1)</sup>	–	12 559	–	6 832	–	19 391
– Depreciations charged in 2013	–	-27 781	–	-10 062	-934	-38 777
– Value impairments 2013	–	–	–	-206	-400	-606
– Subsidy	–	-2 500	–	–	–	-2 500
Total accumulated depreciation as per 31.12.2013	–	-286 146	–	-72 929	-5 232	-364 307
<b>Net book value as per 31.12.2013</b>	<b>10 650</b>	<b>585 629</b>	<b>434</b>	<b>45 383</b>	<b>1 987</b>	<b>644 083</b>

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

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 47.5 million (previous year CHF 50 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 56.1 million (previous year CHF 57.6 million) in Zurich, CHF 26.8 million (previous year CHF 26.8 million) in Basel and CHF 6.9 million (previous year CHF 7.1 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 Swiss Exhibition (Basel) Ltd. received as a financing contribution (à fonds perdu) through the issue of a mortgage note 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 0.9 million (previous year CHF 4.7 million) and this is calculated at an interest rate of 2.7% (previous year 2.8%).

The other intangible assets relate to trademark rights to an exhibition with a net book value of CHF 184 000 (previous year CHF 276 000).

Due to the reduced deployment of technical systems in the Event Services field, a value impairment was ascertained for "other fixed assets" in the 2012 financial year.

Depreciation	31.12.2013 CHF 1 000	31.12.2012 CHF 1 000
Scheduled depreciation of buildings	27 781	17 399
Scheduled depreciation of other fixed assets	10 062	10 480
Unscheduled depreciation of other fixed assets	206	5 348
<b>Total depreciation of fixed assets</b>	<b>38 049</b>	<b>33 227</b>
Scheduled depreciation of intangible assets	934	457
Unscheduled depreciation of intangible assets	400	–
<b>Total depreciation of intangible assets</b>	<b>1 334</b>	<b>457</b>
<b>Total depreciation</b>	<b>39 383</b>	<b>33 684</b>
Fire insurance values	31.12.2013 CHF 1 000	31.12.2012 CHF 1 000
Buildings, fixed installations	1 200 252	1 066 051
Other fixed assets	231 003	189 210

- 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 31.12.2013 in 1000	Holding as per 31.12.2013 in %	Share capital as per 31.12.2012 in 1000	Holding as per 31.12.2012 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
Art Basel U.S. Corp.	Miami	Exhibitions	B	USD 100	100.0	USD –	–
Asian Art Fairs Ltd.	Hong Kong	Exhibitions	B	HKD 1	60.0	HKD 1	60.0
Investments in associated companies	Location	Activity		Share capital as per 31.12.2013 in 1000	Holding as per 31.12.2013 in %	Share capital as per 31.12.2012 in 1000	Holding as per 31.12.2012 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 31.12.2013 in 1000	Holding as per 31.12.2013 in %	Share capital as per 31.12.2012 in 1000	Holding as per 31.12.2012 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	31.12.2013 CHF 1000	31.12.2012 CHF 1000
Parkhaus Messe Zürich AG	1 513	1 423
<b>Total</b>	<b>1 513</b>	<b>1 423</b>

#### Change in consolidated companies

There were no changes in the consolidated companies in the 2012 business year. In the 2013 business year, MCH Swiss Exhibition (Basel) Ltd. set up Art Basel U.S. Corp.. This new subsidiary stages Art Basel in Miami Beach, which has been held in Miami Beach for more than ten years.

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.

## 10. Provisions

CHF 1000	As per 1.1.2012	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 1000	As per 1.1.2013	Recognised	Used	Released	Change in consolidated companies and reclassification	As per 31.12.2013
Repairs to exhibition parking spaces	800	–	–	–	–	800
Renovation fund Theater 11	1 363	266	–	–	–	1 629
Other provisions	161	222	-50	-111	–	222
Deferred tax provision (cf. 15)	3 328	–	–	-792	–	2 536
<b>Total provisions</b>	<b>5 652</b>	<b>488</b>	<b>-50</b>	<b>-903</b>	<b>0</b>	<b>5 187</b>
including short-term provisions	161	15	-50	-11	-100	15
including long-term provisions	5 491	473	–	-892	100	5 172

CHF 0.8 million (previous year CHF 0.8 million) are provided for contractual obligations entered into in conjunction with the repairs to the parking spaces for exhibition use at the Zurich location. A sum of CHF 0.2 million plus indexed inflation is paid into the renovation fund for the 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 short-term provisions cover the other provisions.

## 11. Employee pension funds

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	–	2 551	–	8 355	–	–	10 906	8 355	–
<b>Total</b>	<b>2 551</b>	<b>–</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 in personnel expenses	
CHF 1000	31.12.2012	31.12.2012	31.12.2011	2012	2012	2011
Benefit plans with excess coverage	18 705	–	–	–	4 671	320
Benefit plans with under coverage	-265	–	–	–	580	4 330
<b>Total</b>	<b>18 440</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>5 251</b>	<b>4 650</b>

The employee pension fund of the MCH 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 Expomobilia AG (since 1 January 2013, formerly PK Pro), MCH Group Ltd., MCH Swiss Exhibition (Basel) Ltd., MCH Swiss Exhibition (Zurich) Ltd. and Winkler Multi Media Events AG. 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 five companies affiliated to the fund make an overall contribution amounting to 150 % of the contributions paid by the members. Expenditure in the 2013 financial year totalled CHF 5.5 million (previous year CHF 3.5 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 115.0 % as per 31 December 2013 (previous year 112.0 %). The total employer contribution reserve as per 31 December 2013 is CHF 0.7 million (previous year CHF 2.6 million).

The employees of Expomobilia AG joined the pension fund on 1 January 2013 (formerly the PK Pro collective foundation). On this date, Expomobilia provided CHF 1 862 000 in funding to buy into the reserves and excess cover of the pension fund.

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	31.12.2013	31.12.2013	31.12.2013	2013	2013	2013	2013	31.12.2012	2013	2012
Pension fund	651	–	–	–	1 900	–	–	2 551	1 900	8 355
<b>Total</b>	<b>651</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1 900</b>	<b>–</b>	<b>–</b>	<b>2 551</b>	<b>1 900</b>	<b>8 355</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 in personnel expenses	
CHF 1000	31.12.2013	31.12.2013	31.12.2012	2013	2013	2013
Benefit plans with excess coverage	26 530	–	–	–	6 495	6 495
Benefit plans with under coverage	–	–	–	–	–	580
<b>Total</b>	<b>26 530</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>6 495</b>	<b>5 251</b>

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 pension and benefits in the event of death. MCH Beaulieu Lausanne SA, as the sole company affiliated to the fund, makes an overall contribution amounting to 200 % of the contributions paid by the members. Expenditure in the 2013 financial year totalled CHF 0.8 million (previous year CHF 0.8 million). LLP 2010 (3.25 %, previous year 4.0 %) is used as the technical basis for the annual calculation of the funded status, which is 102.0 % as per 31 December 2013.

The employees of Rufener events Ltd. are insured with Helvetia Schweizerische Lebensversicherungsgesellschaft AG up until 31 December 2013, and the employees of Techno Fot AG are similarly insured up until 31 December 2013 with the Vita collective foundation run by Zurich Switzerland. As of 1 January 2014, the employees of these companies will be insured with the MCH Group pension fund. They will have the same benefit plan as Expomobilia AG and Winkler Multi Media Events AG. The employees of Exhibit & More AG still have a full-insurance solution (funded status 100 %) with AXA-Winterthur.

A debt of CHF 121 000 (previous year a debt of CHF 197 000) exists vis-à-vis the pension funds as per 31 December 2013.

## 12. Sales by business fields and geographical markets

Sales by business fields 2012 CHF 1 000	In Switzerland	Abroad, <sup>1)</sup> MCH exhibitions <sup>2)</sup> Swiss customers	Abroad, foreign customers	Total
MCH Exhibitions	237 394	30 858 <sup>1)</sup>	–	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>45 987</b>	<b>11 558</b>	<b>390 155</b>
Sales by business fields 2013 CHF 1 000	In Switzerland	Abroad, <sup>1)</sup> MCH exhibitions <sup>2)</sup> Swiss customers	Abroad, foreign customers	Total
MCH Exhibitions	299 410	31 236 <sup>1)</sup>	–	330 646
MCH Infrastructure	28 386	–	–	28 386
MCH Event Services	96 023	9 795 <sup>2)</sup>	7 788	113 606
<b>Total sales by business fields</b>	<b>423 819</b>	<b>41 031</b>	<b>7 788</b>	<b>472 638</b>

Exchange rate on page 30 (20.3)

13. Employees		
	31.12.2013	31.12.2012
Full-time jobs	601.5	592.9

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

In the 2013 business year, the human resources expenses of CHF 89 034 000 (previous year following regrouping, see page 12, CHF 92 738 000) include once-only exceptional expenditure of CHF 1 900 000 (previous year CHF 8 355 000) resulting from the dissolution of assets from the employer contribution reserves. In 2013, this exceptional expenditure results from the transfer and from Expomobilia AG buying into the value fluctuation reserve of the MCH Group pension fund. In 2012, the exceptional expenditure resulted from the switchover from a defined benefit to a defined contribution scheme.

14. Financial result		
	2013	2012
	CHF 1000	CHF 1000
Financial income		
Interest income	217	361
Exchange gains	1 043	19
<b>Total financial income</b>	<b>1 260</b>	<b>380</b>
Financial expenses		
Interest on capital	5 494	1 153
Exchange losses	486	804
Bank and credit card charges	401	348
<b>Total financial expenses</b>	<b>6 381</b>	<b>2 305</b>
<b>Net financial result</b>	<b>-5 121</b>	<b>-1 925</b>

The interest on capital relates to the financing costs for the operational loans. During the financial year, interest on capital of CHF 0.9 million (previous year 4.7 million) was stated in the context of the “Messe Basel New Buildings” project.

15. Taxes		
	2013	2012
	CHF 1000	CHF 1000
Current income tax	4 447	1 638
Deferred income tax	-792	-698
<b>Total income tax</b>	<b>3 655</b>	<b>940</b>
Total tax loss carry forward as of 01.01.	11 803	9 618
Change in loss carry forward in the tax balance	2 157	2 185
<b>Total tax loss carry forward as of 31.12.</b>	<b>13 960</b>	<b>11 803</b>

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 2013 financial year, the tax loss carry forward increased to CHF 13 960 000.

As per 31 December 2012 and 2013, no deferred tax credits were capitalised from loss carry forwards.

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:

## 16. Goodwill

Additional disclosure with goodwill charged against equity	2013 CHF 1000	2012 CHF 1000
Result after taxes	31 438	28 778
Theoretical amortisation of goodwill	-3 007	-11 567
<b>Result after taxes with capitalisation of the goodwill</b>	<b>28 431</b>	<b>17 211</b>
Acquisition value of the goodwill		
As per 01.01.	57 446	57 446
Entries	-	-
<b>As per 31.12.</b>	<b>57 446</b>	<b>57 446</b>
Accumulated amortisation of the goodwill		
As per 01.01.	23 428	11 861
Scheduled amortisation	2 219	2 565
Value impairment	788	9 002
<b>As per 31.12.</b>	<b>26 435</b>	<b>23 428</b>
Shareholders' equity as per 31.12.	356 298	329 281
Theoretical net book value of goodwill	31 011	34 018
<b>Shareholders' equity with inclusion of the goodwill as per 31.12.</b>	<b>387 309</b>	<b>363 299</b>

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 0.8 million (previous year 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 or less	Due in 2–5 years	Due in 5 years or more	Total
Rental contracts for business premises	8 083	30 849	22 278	61 210
Rental and maintenance contracts for ICT	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
Rental contracts for business premises	8 235	30 838	15 600	54 673
Rental and maintenance contracts for ICT	83	254	–	337
Lease commitments for vehicles	–	–	–	–
Ground rent	2 139	8 558	51 676	62 373
Payment commitment Messe Basel New Buildings	–	–	–	–
As per 31.12.2012	10 457	39 650	67 276	117 383

## 18. Derivative financial instruments

1000 CHF	Contract value 2013	Contract value 2012	Negative replacement value 2013	Negative replacement value 2012	Reason held
Forward transactions foreign exchange	–	2 680	–	-25	Hedging
Total derivative financial instruments	–	2 680	–	-25	

Forward transactions (currency instruments) were concluded in order to hedge future sales income in foreign currencies in 2012. 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 31.12.2012	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
<b>Total short-term loans (less than 1 year)</b>	<b>34 838</b>	<b>856</b>		<b>2 500</b>
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	–	0.00 %	47 500
<b>Total long-term loans (more than 1 year)</b>	<b>319 517</b>	<b>5 014</b>		<b>85 500</b>
<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		
As per 31.12.2013	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	52 530	2 054	1.78–3.74 %	–
Non-repayable loan (à fonds perdu) secured with a mortgage	2 500	–	0.00 %	2 500
<b>Total short-term loans (less than 1 year)</b>	<b>55 030</b>	<b>2 054</b>		<b>2 500</b>
Long-term and fixed-rate loans from third parties and banks	56 860	1 587	1.00–2.32 %	5 500
Long-term loans from shareholders (Cantons BS, BL, ZH and City of Zurich)	152 500	2 713	0.68–3.00 %	32 500
Interest-free loans from shareholders (Cantons BS, BL)	60 000	–	0.00 %	–
Non-repayable loan (à fonds perdu) secured with a mortgage	45 000	–	0.00 %	45 000
<b>Total long-term loans (more than 1 year)</b>	<b>314 360</b>	<b>4 300</b>		<b>83 000</b>
<b>Total loans taken up as per 31.12.2013</b>	<b>369 390</b>	<b>6 354</b>		<b>85 500</b>
		thereof capitalised		
		860		

## 20. Further details

	Framework limit	Taken up as per 31.12.2013	Taken up as per 31.12.2012	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 85 million	CHF 35 million	Loan with a term of 4 and 10 years respectively
	CHF 50 million <sup>1)3)</sup>	CHF 50 million	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 Zürich	CHF 20 million <sup>4)</sup>	–	–	Loan with a term of 10 years
City of Zürich	CHF 20 million <sup>4)</sup>	–	–	Loan with a term of 10 years
<b>Total</b>	<b>CHF 310 million</b>	<b>CHF 270 million</b>	<b>CHF 220 million</b>	

1) Subsidies

2) Interest as subsidies

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

4) Since the "Messe Basel New Buildings" project was completed within the budget, it was not necessary to take up the two loans from the Canton and City of Zurich.

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20.1. 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. The interest-free loan for CHF 60 million granted 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. in the 2013 financial year by CHF 1.2 million (previous year CHF 1.2 million), taking a reference interest rate of 2%. As of 2020, these loans will be amortised with a total of CHF 6 million each year (CHF 3 million per loan and canton).

In the 2012 business 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.

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#### 20.2. Contingent liabilities

At 31 December 2013, MCH Swiss Exhibition (Zurich) Ltd. has contingent liabilities of CHF 0.9 million (previous year CHF 0.7 million) in respect of Theater 11 and the renovation of exhibition restaurants.

By way of security for obligations taken on by Expomobilia AG in the context of a work contract, MCH Group Ltd. provided guarantees totalling CHF 3.0 million on 31.12.2013 (previous year CHF 10 million). Cash and cash equivalents totalling CHF 7.3 million (previous year CHF 0) have also been pledged on behalf of third parties.

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#### 20.3. Exchange rates

Annual average rates:	2013	2012
USD	0.93	0.94
EUR	1.23	1.21
HKD	11.95	12.09

Reporting date rates:	2013	2012
USD	0.89	0.92
EUR	1.23	1.21
HKD	11.47	11.81

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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 31 October 2013. 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 Techno Fot (previous pension fund: Vita collective foundation run by Zurich Switzerland) and of Rufener (previous pension fund: Helvetia Schweizerische Lebensversicherungsgesellschaft) were transferred to the MCH Group pension fund.

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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 21 March 2014.

# Report of the Statutory Auditor

To the General Meeting of  
MCH Group Ltd., Basel  
Basel, 21 March 2014

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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 4 to 30), for the year ended 31 December 2013.

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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 2013 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)



Marianne Kaiser  
Licensed audit expert





# Annual Accounts MCH Group Ltd.



# MCH Group Ltd.

## Balance Sheet

Statutory accounts of the holding company

	31.12.2013		31.12.2012			31.12.2013		31.12.2012	
Assets	CHF 1000	%	CHF 1000	%	Liabilities	CHF 1000	%	CHF 1000	%
Cash and cash equivalents	2 168	–	3 563	–	Liabilities from deliveries and services	416	–	183	–
Accounts receivable for deliveries and services	18	–	–	–	Liabilities to group companies	543	–	379	–
Receivables from group companies	4 120	–	3 023	–	Other liabilities	107	–	249	–
Other receivables	96	–	179	–	Loans from group companies	19 634	–	14 579	–
Prepayments and accrued income	1 217	–	841	–	Accrued expenses and deferred income	2 750	–	2 597	–
<b>Total current assets</b>	<b>7 619</b>	<b>4.1</b>	<b>7 606</b>	<b>4.1</b>	Short-term loans	–	–	5 000	–
Long-term loans to group companies	9 350	–	7 650	–	<b>Total short-term liabilities</b>	<b>23 450</b>	<b>12.6</b>	<b>22 987</b>	<b>12.4</b>
Investments	169 772	–	169 772	–	Long-term loans	–	–	–	–
<b>Total non-current assets</b>	<b>179 122</b>	<b>95.9</b>	<b>177 422</b>	<b>95.9</b>	<b>Total long-term liabilities</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
					<b>Total liabilities</b>	<b>23 450</b>	<b>12.6</b>	<b>22 987</b>	<b>12.4</b>
					Share capital	60 066	–	60 066	–
					Statutory reserves	5 600	–	5 600	–
					Statutory reserves from capital contribution	27 991	–	27 991	–
					Special reserves	47 600	–	47 600	–
					Profit carried forward	17 781	–	15 758	–
					Annual profit	4 253	–	5 026	–
					<b>Total shareholders' equity</b>	<b>163 291</b>	<b>87.4</b>	<b>162 041</b>	<b>87.6</b>
<b>Total assets</b>	<b>186 741</b>	<b>100.0</b>	<b>185 028</b>	<b>100.0</b>	<b>Total liabilities and shareholders' equity</b>	<b>186 741</b>	<b>100.0</b>	<b>185 028</b>	<b>100.0</b>

# MCH Group Ltd.

## Income statement

Statutory accounts of the holding company

	2013	2012
	CHF 1000	CHF 1000
Income		
Management fee from group companies	13 763	12 159
Services with third parties	125	91
Dividends from subsidiaries	4 686	5 386
Other operating income	3	3
Revenue reduction	–	–
<b>Total operating income</b>	<b>18 577</b>	<b>17 639</b>
Expenses		
Employees	-8 370	-7 995
Administration	-3 903	-2 790
Insurances	-29	-62
Maintenance, repairs	–	–
Set-up expenses	-406	-299
Operating expenses	-73	-78
Advertising, press, public relations	-1 348	-1 213
<b>Total operating expenses</b>	<b>-14 129</b>	<b>-12 437</b>
<b>Total operating result</b>	<b>4 448</b>	<b>5 202</b>
Financial income	93	202
Financial expenses	-279	-378
<b>Total financial result</b>	<b>-186</b>	<b>-176</b>
<b>Pre-tax profit</b>	<b>4 262</b>	<b>5 026</b>
Income tax	-9	–
<b>Annual profit</b>	<b>4 253</b>	<b>5 026</b>

# Notes to the Annual Accounts

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## Investments

See page 17.

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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 of the Annual Report, as well as page 30).

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## Own shares

See page 8.

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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 90 million (previous year CHF 95 million) by MCH Swiss Exhibition (Basel) Ltd. on the balance sheet date and for a sum of CHF 0.0 million (previous year CHF 5.0 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 guarantees totalling CHF 3.0 million on 31.12.2013 (previous year CHF 10 million).

## Remuneration of the members of the Board of Directors

2012, in CHF	Basic fee	Fee for additional functions <sup>2)</sup>	Attendance fees and expenses	Social insurance contributions	Overall sum gross	Overall sum net
Dr. Ulrich Vischer, Chairman	76 000	33 000	14 000	17 194	140 194	123 000
Heini Brugger, Vice-Chairman	36 000	30 000	11 000	7 032	84 032	77 000
Rolando Benedick	21 000	3 000	6 000	1 474	31 474	30 000
Christoph Brutschin <sup>1)</sup>	21 000	3 000	10 000	4 808	38 808	34 000
Werner Helfenstein	21 000	25 000	6 000	5 938	57 938	52 000
Dr. Eva Herzog <sup>1)</sup>	21 000	–	3 000	3 352	27 352	24 000
René C. Jäggi	21 000	–	5 000	3 643	29 643	26 000
Dr. Karin Lenzlinger Diedenhofen	21 000	–	6 000	3 789	30 789	27 000
Ernst Stocker <sup>1) 3)</sup>	21 000	3 000	6 000	510	30 510	30 000
Martin Vollenwyder <sup>1) 3)</sup>	21 000	3 000	10 000	1 311	35 311	34 000
Peter Zwick <sup>1) 3)</sup>	21 000	3 000	4 000	875	28 875	28 000
<b>Total</b>	<b>301 000</b>	<b>103 000</b>	<b>81 000</b>	<b>55 565</b>	<b>534 926</b>	<b>485 000</b>
2013, in CHF	Basic fee	Fee for additional functions <sup>2)</sup>	Attendance fees and expenses	Social insurance contributions	Overall sum gross	Overall sum net
Dr. Ulrich Vischer, Chairman	76 000	26 750	13 000	15 821	131 571	115 750
Heini Brugger, Vice-Chairman <sup>4)</sup>	15 000	20 833	3 833	3 142	42 808	39 666
Rolando Benedick, Vice-Chairman <sup>4)</sup>	29 750	3 000	7 583	2 629	42 962	40 333
Christoph Brutschin <sup>1)</sup>	21 000	3 000	9 000	4 628	37 628	33 000
Werner Helfenstein	21 000	18 750	7 000	3 467	50 217	46 750
Dr. Eva Herzog <sup>1)</sup>	21 000	–	5 000	3 616	29 616	26 000
René C. Jäggi	21 000	–	6 000	3 761	30 761	27 000
Dr. Karin Lenzlinger Diedenhofen	21 000	–	5 000	3 616	29 616	26 000
Daniel Leupi <sup>1) 5)</sup>	12 250	–	3 583	2 206	18 039	15 833
Ernst Stocker <sup>1)</sup>	21 000	3 000	6 000	652	30 652	30 000
Martin Vollenwyder <sup>1)</sup>	21 000	4 167	7 000	3 061	35 228	32 167
Thomas Weber <sup>1) 6)</sup>	14 000	1 500	3 500	253	19 253	19 000
Peter Zwick <sup>1) 7)</sup>	3 500	500	168	72	4 240	4 168
<b>Total</b>	<b>297 500</b>	<b>81 500</b>	<b>76 667</b>	<b>46 924</b>	<b>502 591</b>	<b>455 667</b>
Jean-Philippe Rochat, Beisitzer	21 000	–	5 000	3 616	29 616	26 000

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 2012 adjusted for VAT.

4) Until 27.05.2013, from 27.05.2013 respectively

5) From 01.06.2013

6) From 01.07.2013

7) † 23.02.2013

## Remuneration of the members of the Executive Board

2012, in CHF	Fixed compensation <sup>1)</sup>	Variable compensation	Social insurance contributions <sup>2)</sup>	Sum total	Total
Executive Board as a whole	2 088 625	1 654 640	897 869	4 641 134	3 743 265
Including René Kamm (CEO)	461 200	489 580	209 245	1 160 025	950 780
2013, in CHF	Fixed compensation <sup>1)</sup>	Variable compensation	Social insurance contributions <sup>2)</sup>	Sum total	Total
Executive Board as a whole	2 134 067	1 514 640	870 811	4 519 518	3 648 707
Including René Kamm (CEO)	462 600	439 300	203 104	1 105 004	901 900

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. For advisory activities of former Executive Board members, the MCH Group pays fees (excluding employer social insurance contributions) amounting to CHF 305 000 (previous year CHF 305 000). With the alignment of the pension fund regulations as per 1 July 2012, employer contributions must now also 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 31.12.2013		Number of shares CHF 10 and percentage of voting rights 31.12.2012	
Dr. Ulrich Vischer, Chairman	313	0.0 %	313	0.0 %
Heini Brugger, Vice-Chairman	–	0.0 %	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 Diedenhofen	50	0.0 %	50	0.0 %
Martin Vollenwyder	60	0.0 %	60	0.0 %
Ernst Stocker	–	0.0 %	–	0.0 %
Daniel Leupi	–	0.0 %	–	0.0 %
Thomas Weber	–	0.0 %	–	0.0 %
Peter Zwick	–	0.0 %	–	0.0 %
<b>Total</b>	<b>5 745</b>	<b>0.1 %</b>	<b>9 345</b>	<b>0.2 %</b>

## Shares held by members of the Executive Board

	Number of shares CHF 10 and percentage of voting rights 31.12.2013		Number of shares CHF 10 and percentage of voting rights 31.12.2012	
René Kamm, CEO	–	0.0 %	–	0.0 %
Jean-Marc Devaud	337	0.0 %	337	0.0 %
Markus Haering	40	0.0 %	40	0.0 %
Peter Holenstein	62	0.0 %	62	0.0 %
Christoph Neuenschwander	500	0.0 %	500	0.0 %
Stephan Peyer	–	0.0 %	–	0.0 %
Christophe Biollaz	–	0.0 %	–	0.0 %
<b>Total</b>	<b>939</b>	<b>0.0 %</b>	<b>939</b>	<b>0.0 %</b>
Shares held by related parties				
by Peter Holenstein	256	0.0 %	256	0.0 %

## Key shareholders

	2013	2012
	%	%
Canton Basel-Stadt	33.5	33.5
Canton Basel-Landschaft	7.8	7.8
LB (Swiss) Investment AG <sup>1)</sup>	6.2	6.0
Canton Zürich	4.0	4.0
City of Zürich	3.7	3.7
Balfidor Fondsleitung	1.7	1.6
Sarasin Investmentfonds	0.2	1.6

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

At the end of 2013 3 437 registered shareholders were entered in the share register.

## Payment guarantee

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.

## Profit distribution

	2013	2012
	CHF 1000	CHF 1000
Profit brought forward from previous year	17 781	15 758
Annual profits	4 253	5 026
<b>Total net profit for the year</b>	<b>22 034</b>	<b>20 784</b>
Dividend <sup>1)</sup>	-3 003	-3 003
Allocation to statutory reserve	–	–
<b>Balance carried forward</b>	<b>19 031</b>	<b>17 781</b>

1) A dividend of 5.0% of the nominal share value is being distributed, i.e. in 2013 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, 21 March 2014

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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 34 to 40), for the year ended 31 December 2013.

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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 financial statements 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 2013 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)



Marianne Kaiser  
Licensed audit expert





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