



MCH Group
Global Live Marketing

Annual Report 2016

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MCH Group

Under its holding company, MCH Group Ltd., the MCH Group with its head office in Basel takes in the exhibition companies in Basel (with several subsidiaries, including Exhibit & More AG), Lausanne and Zurich. These companies are responsible for running Messe Basel, Expo Beaulieu Lausanne and Messe Zürich and for staging the 40 or so exhibitions organised by the MCH Group each year.

The MCH Group also takes in a number of companies active in the field of live marketing solutions: MCH Global (Zurich), Reflection Marketing (Wallisellen), Rufener (Zurich), Expomobilia (Effretikon, with several subsidiaries) and Winkler Multi Media Events (Wohlen). It additionally has a 20 % holding in metron Vilshofen (Germany).

The holding company, MCH Group Ltd., is listed on the SIX Swiss Exchange (Domestic Standard).





The MCH Group is a leading international live-marketing company with a comprehensive services network spanning the entire exhibition and event market.

As the organiser of national and international exhibitions, the MCH Group creates effective and efficient marketing platforms and offers exhibiting companies bespoke solutions for successful exhibition stands. With its infrastructure in Basel, Lausanne and Zurich, as well as its live marketing solutions, the MCH Group also provides a broad range of services for corporate and public events in addition to exhibitions and congresses.

The MCH Group's current exhibition portfolio takes in around 90 MCH and third-party exhibitions with some 18 000 exhibiting companies and 2 100 000 visitors. The live marketing solutions companies operate all over the world, implementing some 1 800 projects each year.

Key figures

| 2016 | Number | Exhibitors | Visitors | GEA ¹⁾ | Duration ²⁾ |
|---------------------------------------|------------|---------------|------------------|-------------------|------------------------|
| Exhibitions | 31 | 9 250 | 1 513 488 | 884 895 | 170 |
| MCH exhibitions | | | | | |
| Messe Basel | 13 | 5 520 | 750 757 | 556 593 | 79 |
| Expo Beaulieu Lausanne | 7 | 1 485 | 253 609 | 117 165 | 40 |
| Messe Zürich | 8 | 1 686 | 325 622 | 129 165 | 39 |
| Miami Beach, Hong Kong | 3 | 559 | 183 500 | 81 972 | 12 |
| Venues | 928 | 16 251 | 2 333 813 | 1 233 694 | 631 |
| All events | | | | | |
| Exhibitions | 71 | 15 174 | 1 775 965 | 1 192 014 | 267 |
| Messe Basel | 25 | 7 065 | 877 722 | 668 623 | 108 |
| Expo Beaulieu Lausanne | 16 | 2 124 | 311 609 | 176 922 | 60 |
| Messe Zürich | 30 | 5 985 | 586 634 | 346 469 | 99 |
| Hall rentals & events | 73 | | 138 520 | | |
| Messe Basel | 10 | | 70 000 | | |
| Expo Beaulieu Lausanne | 47 | | 38 520 | | |
| Messe Zürich | 16 | | 30 000 | | |
| Conferences & room rentals | 489 | 1 077 | 135 328 | 41 680 | 364 |
| Congress Center Basel | 219 | 1 077 | 131 828 | 41 680 | 364 |
| Conference rooms Messe Zürich | 270 | | 3 500 | | |
| Musical Theaters | 295 | | 284 000 | | |
| Musical Theater Basel | 125 | | 133 000 | | |
| Theater 11 Zürich | 170 | | 151 000 | | |

1) Gross exhibition area in m²

2) No. of days (without assembly/dismantling)

| 2016 | Number |
|--|--------------|
| Live Marketing Solutions | 1 779 |
| Marketing Consulting Projects supervised | 67 |
| Event Management Projects supervised | 75 |
| Exhibitions & Event Construction Projects implemented | 317 |
| Multi Media Projects implemented | 1 320 |

| Group Income Statement in CHF million | | 2016 | % of income | 2015 | % of income | 2014 | % of income |
|--|-----------------------------|------------|----------------------|------------|----------------------|------------|----------------------|
| Operating income | | 440.3 | 100.0 | 418.9 | 100.0 | 451.9 | 100.0 |
| | Exhibitions | 332.9 | 75.6 | 296.5 | 70.8 | 332.4 | 73.6 |
| | Venues | 41.9 | 9.5 | 43.9 | 10.5 | 43.0 | 9.5 |
| | Live Marketing Solutions | 65.5 | 14.9 | 78.5 | 18.7 | 76.5 | 16.9 |
| EBITDA | | 89.0 | 20.2 | 85.3 | 20.4 | 87.6 | 19.4 |
| EBIT | | 41.6 | 9.5 | 40.1 | 9.6 | 42.8 | 9.5 |
| Group profit | | 34.3 | 7.8 | 30.9 | 7.4 | 33.8 | 7.5 |
| | | | | | | | |
| Group Balance Sheet in CHF million | | 31.12.2016 | %/of total assets | 31.12.2015 | %/of total assets | 31.12.2014 | %/of total assets |
| Current assets | | 356.9 | 39.0 | 322.0 | 35.2 | 257.7 | 29.4 |
| Non-current assets | | 559.1 | 61.0 | 592.3 | 64.8 | 619.9 | 70.6 |
| Assets | | 916.0 | 100.0 | 914.3 | 100.0 | 877.6 | 100.0 |
| Liabilities | | 477.1 | 52.1 | 506.4 | 55.4 | 496.3 | 56.6 |
| Shareholders' equity | | 438.9 | 47.9 | 407.9 | 44.6 | 381.3 | 43.4 |
| Equity and Liabilities | | 916.0 | 100.0 | 914.3 | 100.0 | 877.6 | 100.0 |
| | | | | | | | |
| Net debt in CHF million | | 2016 | | 2015 | | 2014 | |
| 31.12. | | 69.1 | | 91.9 | | 155.3 | |
| | | | | | | | |
| Share prices and proposed dividend in CHF | | 2016 | | 2015 | | 2014 | |
| Share price 31.12. | | 69.10 | | 62.50 | | 64.80 | |
| Proposed dividend per share | | 0.50 | | 0.50 | | 0.50 | |

Commentary

The MCH Group is performing successfully in a challenging market environment. The key figures for the 2016 business year are of the same order of magnitude as for 2014, which was a year with a comparable exhibition schedule, and are clearly above those for 2015 when fewer exhibitions were staged.

Ladies and Gentlemen,

We are delighted to be able to present a gratifying result for the 2016 business year. With operating income of CHF 440.3 million, the consolidated income statement for the MCH Group in 2016 shows an EBITDA of CHF 89.0 million (20.2 % of operating income), an EBIT of CHF 41.6 million (9.5 %) and a group profit of CHF 34.3 million (7.8 %).

The consolidated total assets at the end of the 2016 reporting year were CHF 916.0 million with liabilities of CHF 477.1 million and shareholders' equity of CHF 438.9 million. The equity ratio is 47.9 %. Investments totalling CHF 14.3 million were made in infrastructure in the course of the reporting year. The price of MCH Group Ltd.'s registered shares rose 10.6 % in the course of the 2016 business year, from CHF 62.50 to CHF 69.10.

Comparisons with previous years are only meaningful if the individual exhibition frequencies are taken into account. With Swissbau, held every two years, and Ilmac and Holz, held every three years, 2016 was a strong year in terms of the exhibition schedule. These non-annual exhibitions did not

take place in 2015, and while 2014 was a "Swissbau" year, it did not include any of the exhibitions held every three years. Compared with previous years, the key figures are clearly above those for 2015 and in the same range as those for 2014.

Operating income was increased by 5.1 % compared with 2015, but is 2.6 % below the figure for the 2014 business year. The EBITDA is 4.3 % and 1.6 % above that of 2015 and 2014 respectively, while the EBIT stands 3.7 % above that of 2015 and 2.8 % below that of 2014. The group profit exceeded that of the two previous years by 11.0 % and 1.5 % respectively.

This marks the third best result ever achieved by the MCH Group, which was only exceeded in 2007 and 2010. The EBITDA, EBIT and group profit margins expressed in terms of operating income were maintained at the same level as for the previous years.



↑
Dr. Ulrich Vischer

The exhibition schedules and the development in the consolidated operating income are also reflected in the sales of the individual divisions. In the Exhibitions division (MCH exhibitions) operating income in 2016 is clearly above that for 2015 and at the same level as for 2014; at CHF 332.9 million, it accounts for 75.6 % of overall operating income. In the Venues division (third-party exhibitions), operating income fell slightly compared with the previous years to stand at CHF 41.9 million; this corresponds to a share of 9.5 % in the overall operating income. With operating income of CHF 65.5 million, the Live Marketing Solutions division contributes 14.9 % of the consolidated operating income. In this division, it proved impossible to attain the figures for the previous year. This is a direct result of the difficult conditions in which the division is operating – and especially the strength of the Swiss franc – since these conditions have their greatest impact on this area of business.

↓
René Kamm



As was already becoming clear during the previous year, the economic environment in which we conduct our business activities deteriorated noticeably in the course of the 2016 financial year at both national and international level. Market consolidations in industrial sectors that are of key importance for us, such as in the watch and jewellery sector and the automotive industry, are also making themselves felt in the trade fair and event business. At the same time, global trends such as the rapid advance of digitisation mean that new approaches can and, indeed, must be adopted to marketing, placing new requirements on marketing service providers.

In view of the challenging market developments, we can be satisfied with the 2016 business year. While the key figures do, indeed, show that the difficult environment is having a negative impact on the course of business, they also highlight the fact that the MCH Group is in a position to successfully rise to these major challenges. A decisive factor here will be our ability to consistently pursue and successfully implement the strategic projects that we have launched with the aim of broadening the range of services we offer and achieving greater internationalisation and digitisation.

With an eye to the current and foreseeable market developments over the next few years, we started a number of initiatives in 2016 and some of these have already been implemented. Included here are an extended range of offerings and an improved international presence for our live marketing solutions, the further strengthening of our position in the international art market through the development of a new portfolio of regional art fairs, plus the structural reinforcement of the new business and digitisation segments.

These and other highly promising strategic projects will not, however, permit market-conditioned declines in the course of business to be offset over the short term. In view of the economic climate and the weak exhibition schedule, a result considerably below that of the previous years has to be expected for the current 2017 business year.

Despite this, we can still look optimistically to the future. We are convinced that, with the implementation of its corporate strategy, the MCH Group is on the right path for successfully mastering present and future challenges. True to the motto adopted for its 100-year anniversary, it will continue to write history in the second century of its existence too.

We would like to thank everyone who contributed to the success of our company group last year. Special thanks go to all the group's employees as well as to the members of the Executive Board and the Board of Directors. We would also like to extend our wholehearted thanks to you, our esteemed shareholders, for your loyalty and support.

Dr. Ulrich Vischer,
Chairman of the Board of Directors

René Kamm,
CEO

Global live marketing





←
Baselworld

Vision

As an integrated live marketing group, we are setting out to further develop the MCH Group both nationally and internationally by delivering top quality products and services in our market segments of the event and exhibition sector.

Network



| | Number | Exhibitors | Visitors | GEA ¹⁾ |
|----------------------------------|-----------|---------------|------------------|-------------------|
| MCH exhibitions & Joint Ventures | 40 | 11 000 | 1 600 000 | 1 000 000 |
| Third-party exhibitions | 50 | 7 000 | 500 000 | 400 000 |
| Total | 90 | 18 000 | 2 100 000 | 1 400 000 |

Figures for the last time (rounded)
 1) Gross exhibition area in m²

MCH and third-party exhibitions

A broad exhibition portfolio with some 90 national and international MCH exhibitions, joint ventures and third-party exhibitions.

The MCH Group's current exhibition portfolio includes some 90 events, a number of which are not held every year. The exhibition companies within the MCH Group organise 40 of these exhibitions themselves or are involved in them as part of joint ventures. Third-party organisers stage 50 exhibitions. Most of these 90 exhibitions are held in Basel, Lausanne or Zurich.

Venues

State-of-the art infrastructure for exhibitions and events of all kinds in Basel, Lausanne and Zurich. Switzerland's biggest congress centre in Basel.

The MCH Group's infrastructure offerings in Basel, Lausanne and Zurich ideally complement each other in terms of size, functionality and natural catchment area.

The exhibition portfolio is highly diversified in terms of exhibition type (trade fairs and consumer shows), geographical alignment (regional, national, international, global) and the topics covered. The sectors featuring prominently within this wide range are watches and jewellery, art and design, construction and real-estate, catering and the hotel trade, and different industries and consumer goods sectors which have a number of exhibitions devoted to them.



| | |
|--------------------------------------|--|
| Messe Basel | 141 000 m ² GEA ¹⁾ |
| Congress Center Basel | 25 rooms, capacities up to 5 000 people |
| Event Hall Basel | capacity up to 2 500 people |
| Musical Theater Basel | 1 500 seats |
| Expo Beaulieu Lausanne ²⁾ | 30 000 m ² GEA ¹⁾ |
| Messe Zürich | 30 000 m ² GEA ¹⁾ |
| Theater 11 Zürich | 1 500 seats |

1) Gross exhibition area in m²

2) Beaulieu Lausanne is owned by the Fondation de Beaulieu. MCH Group is operating Expo Beaulieu Lausanne as a tenant, on behalf of the owner.

Live marketing solutions

Comprehensive services for the entire national and international live marketing market.

The MCH live marketing solutions companies supply all the relevant services for the exhibition and event market: strategic and conceptional consulting, marketing consulting, event management, exhibition, pavilion and event structures, multimedia. They can provide individual services or overall solutions on a worldwide basis, from creation right through to production. In addition to their presence in Switzerland and Germany, they also have branches in Shanghai, Dubai and Astana. In 2016, they supervised and implemented a total of 1 800 projects.



Corporate development

The overriding objective of the MCH Group is to ensure its long-term business success for the benefit of all stakeholders. Its success is based on implementing its corporate strategy, which it is developing further all the time.

The corporate strategy, which has been consistently pursued for more than ten years now, is aimed at stable and healthy growth. Taking the average figures for the period from 2005/06 to 2015/16, the MCH Group has been able to double its operating income, and increase its EBIT by more than 80%. It has thus considerably expanded its market position both nationally and internationally.

The MCH Group's growth strategy is focused on the following strategic thrusts:

- expanding the range of services offered in the field of marketing platforms (exhibitions and events) and marketing solutions (live marketing solutions);
- further boosting the international nature of the product and services portfolio;
- developing digital offerings to complement and extend the live-marketing business.

With a view to the overriding objective of sustainably ensuring the company's success, the MCH Group regards it as crucial to push ahead with implementing its corporate strategy through selectively targeted initiatives and projects. This is all the more important given that the economic setting in which it operates has undergone a marked deterioration over the past two years both nationally and internationally.

Challenges

The MCH Group's strategic thrusts have to be viewed against the backdrop of a company that still earns most of its operating income in Switzerland, where it already has a very strong market position and where there is only limited potential for further growth. The nationally focused exhibition market is approaching saturation, and Switzerland is increasingly losing importance as a sales market for active and potential client groups. Added to this come the negative consequences of the strong Swiss franc.

At international and global level, sectors of industry that are of key importance for the MCH Group, such as the watch and jewellery sector and the automotive industry, have suffered downturns, prompting further market consolidation in these sectors, and this has similarly had an impact on the exhibition and event business too. The corresponding declines have to be offset by new initiatives and projects.

The digitised world constitutes another huge challenge, given that in years to come, "digital natives" are going to become the key decision-makers. It is thus indispensable to anticipate the changes, requirements and opportunities of the upcoming digital generation in good time and to exploit the corresponding potential for supporting and complementing the live marketing business. "Hybrid event concepts" is one of the key tenets for the future: this involves adopting an integrated approach and merging the physical and digital components of an event in such a way that the two facets complement each other in the optimum manner.

The MCH Group actively took up these challenges in the course of the 2016 reporting year and successfully implemented several individual projects related to its strategic initiatives.

Expansion of Live Marketing Solutions

In January 2016, the MCH Group set up the MCH Global AG company to boost and focus its strategic and conceptual competence within the Live Marketing Solutions division and to link this with its implementation competence. In this way, the MCH Group, acting as a general contractor, can offer big and globally operating companies and organisers one-stop-shop solutions in the field of live marketing. The focus here is not only on corporate events (exhibitions, roadshows, sponsoring, etc.) but, in particular, on big occasions such as national and world exhibitions or major sporting events.

To boost the group's global presence in the field of live marketing solutions, a subsidiary was set up in Shanghai and branch offices in Dubai and Astana in the second half of 2016. This latter office has been established in conjunction with the Expo Astana 2017 where Expomobilia has been commissioned to construct the Swiss pavilion.

Strengthening the group's position on the global art market

Expanding the MCH Group's market position on the global art market is a further pillar of the corporate strategy. The "Global Art Market Strategy" takes in two strategy elements that are being implemented in two different business units:



Market position

No statistics are available for 2016 as yet. In the previous 2015 financial year, 40 % of all exhibitions in Switzerland were staged at the MCH locations of Basel, Lausanne and Zurich. These accounted for 40 % of the exhibiting companies, 30 % of visitors and 37 % of the occupied surface area at all the exhibitions held in Switzerland.

Measured in terms of the sales of Swiss exhibition companies in the 2015 financial year, the MCH Group had a market share of 67 %. The group profit achieved by the MCH Group represented 80 % of the profit achieved by all the exhibition companies in Switzerland.

As in previous years, the MCH Group in 2015 once again ranked fifth amongst the world's leading exhibition companies in terms of sales.

Sources:
Expo-Event, Statistics 2015
AUMA, Review 2015

New events

With different initiatives such as “Art Basel Cities” (partnerships with selected cities for launching new art events), the publication of the “Global Art Market Report” and the further development of the digital platform, Art Basel is to be further developed from the world's leading art show into the world's leading art market platform. The first partnership for the “Art Basel Cities” has been concluded with the Argentinian capital, Buenos Aires.

In Spring 2016, the MCH Group adopted its strategic initiative of building up a new portfolio of leading regional art fairs independently of Art Basel. The aim of this commitment is to strengthen the regional art markets and, ultimately, the art market as a whole. At the same time, the MCH Group can participate in the success of the regional art fairs. Since September 2016, the MCH Group has had a 60.3 % holding in Seventh Plane Networks Pvt. Ltd., in New Delhi, which is responsible for the India Art Fair. In February 2017, it acquired 25.1 % of art.fair International GmbH in Cologne, the company that is organising the new ART DÜSSELDORF art fair. Talks are ongoing with other potential partners.

In autumn 2016, the MCH Group launched SmartSuisse which is being held for the first time in the Congress Center Basel on 27 April 2017. The new Smart City platform, which is designed as a strategy conference with a specialist exhibition, deals with strategies and solutions for the “Internet of Things” in public sectors.

ILMAC – the specialist fair for the chemical, pharmaceutical and biotechnology industries held in Basel every three years – is expanding into western Switzerland. On 4 and 5 October 2017, the MCH Group is making a new platform available to the chemicals and life science community at Expo Beaulieu Lausanne, thus closing a gap in the French-speaking Swiss market.

In addition to the development of new MCH exhibitions, it has also proved possible to acquire several new third-party exhibitions – to give two examples: BRICKLIVE, the world's biggest show for LEGO fans, is being held in parallel to Muba at Messe Basel from 12 to 21 May 2017. And, from 20 to 22 October 2017, the first ZÜRICH GAME SHOW is being staged in Messe Zürich by the organisers of the successful Fantasy Basel show.

Sustainability

Sustainability is a decisive factor in securing corporate success over the long term. The MCH Group thus endeavours to promote sustainable behaviour in all fields and at all levels and to constantly improve the sustainability indicators.

Healthy growth and a strong market position, stability through the structurally anchored partnership of private enterprise and the public sector, a major economic impact, horizontal and vertical synergy effects within the group network and good corporate governance: these are factors that characterise the MCH Group and, at the same time, underline the fundamental sustainability of the company.

Economics

With its marketing platforms and solutions, the MCH Group makes a contribution to strengthening the corresponding industries together with their national and international clientele. It is noted for the exceptional quality of its products and services, which it achieves through its specialist competence and capacity to innovate, its thorough industry knowledge, its strong customer orientation and its anticipation of market changes.

Exhibitions, congresses and events generate a major direct and indirect economic benefit. A number of studies have shown that exhibitions have a “knock-on effect” that is eight to ten times greater than their own turnover. This benefits a large number of sectors, including the construction industry and ancillary trades, hotels and restaurants, transport undertakings and the retail trade. With its commitment to the locations of Basel, Lausanne and Zurich as the key venues for its exhibitions, the MCH Group assumes responsibility for its business locations and secures the corresponding economic benefit.

Through the implementation of its corporate strategy, which it has been consistently pursuing for more than ten years now, the MCH Group has been able to clearly expand its market position both nationally and internationally. With a view to the overriding aim of sustainably ensuring the company’s success, the MCH Group regards it as crucial to push ahead with implementing its selectively targeted strategic initiatives. In the 2016 reporting year, it successfully implemented a number of specific projects aimed at expanding its range of services and boosting the group’s internationalisation and digitisation, and put further specific projects on track for implementation in the course of the current business year.

For the 2016 business year, the MCH Group is publishing its fourth detailed report on sustainability in accordance with the guidelines for the “Global Reporting Initiative” (GRI).

The Sustainability Report, the associated “GRI G4 Content Index” and an Annex with detailed information on the individual indicators are only being published online. They are available on the MCH Group website:

> www.mch-group.com
under “News”/“Reports”

Ecology

The MCH Group invests continuously in the optimisation of its environmental indicators: in the construction and operation of its buildings and systems by increasing energy efficiency, employing renewable energies and reducing emissions; in its logistics through in-house-developed logistics and transport concepts and, as far as possible, underground delivery to reduce the burden on the environment and the local neighbourhood; in the production of stands and equipment through the selection of materials, energy-efficient production and also climate-neutral offers.

The Basel-Stadt Minergie certification agency awarded the new Messe Basel complex, which was brought into operation in 2013, the BS-054 Minergie label, which was developed especially for it. Messe Basel and Messe Zürich cover their entire electricity requirements with 100 % renewable energy.

The MCH Group aims to allocate its profits in such a way as to ensure the maintenance of its assets and the formation of equity capital, while also safeguarding the interests of its shareholders. The intention is for the equity-to-total assets ratio to guarantee financial security and to create a sound basis for further growth. The necessary investments in infrastructure and market development are made with an eye to the appropriate profitability.

Social

The MCH Group is committed to institutions that promote the economy and business locations and actively supports them through its membership or partnership in specific projects. Since the exhibition companies are dependent on public money for big infrastructure projects and, in various areas, on sponsors too, the MCH Group practices restraint in taking out sponsorship commitments of its own. The financial contributions and the materials and services that the MCH Group provided to different organisations in 2016 nonetheless had a total value of some CHF 300 000.–.

The MCH Group offers its employees attractive working and employment conditions for the standard wages on the market. A bonus system commensurate with the different company levels ensures that a large number of employees benefit from the success of the group as a whole and the individual business units, on the one hand, and from the attainment of their personal targets, on the other hand, the latter being agreed on in a discussion with their supervisor. Employees are supported in their further personal and professional development through internal training and continuing education programmes, as well as through financial support for attending external courses and training sessions.

Great importance is attached to ecological sustainability in the field of stand construction too. Since 2014, Expomobilia has covered its entire electricity requirements with Swiss green electricity obtained from FAIR POWER, an independent green electricity specialist. The FAIR POWER certificate guarantees that this electricity has been generated ecologically and is fed into the grid for Expomobilia.

Photovoltaic systems are in operation at Messe Basel and Messe Zürich and also at Expomobilia in Effretikon and Fehraltorf, which together produce an average of 2 000 000 kWh of electricity each year. CO₂ emissions are reduced by approximately 1 200 kg CO₂-e per year in this way.

At present, some 250 word and picture brands are registered for the MCH Group at the Swiss Federal Institute of Intellectual

Property (IGE) in Bern. Brand protection provides legal security and is a clear indication that the intellectual property rights of the corresponding brand belong to the MCH Group and are also protected by the group. In the event of brands of the MCH Group being violated, the protection afforded by these brands is enforced by legal means.

The MCH Group is a member of “Stop Piracy”, the Swiss anticounterfeiting and anti-piracy platform that was set up by the Federal Institute of Intellectual Property in 2005. For 30 years, the MCH Group has been committed to the protection of intellectual property in the context of the Baselworld Watch and Jewellery Show and supports the fight against counterfeited and pirated goods. At Baselworld, anyone who considers that their intellectual property rights have been violated through the presentation of an object at the show can have recourse to the show’s own arbitration board – the Baselworld Panel. The arbitration board decides within a single working day whether the rights to a design, brands, patent of invention or copyright-protected works have been violated.

100 Years MCH Group: an eventful anniversary year

The MCH Group can look back on an exceptional year in its company history. In 2016, it not only celebrated the 100th Muba but also the group's 100th anniversary. With special events and activities, the anniversary was celebrated throughout the year under the motto "100 Years Ahead – we're writing history and recounting stories".



↑
Muba

Virtual history and stories

The start of 2016 saw the launch of the www.100jahrezukunft.ch website developed especially for the 100th anniversary. Entertaining and, at times, unexpected information was posted on this site, setting out the company's development from the Swiss Sample Fair to the current MCH Group. Along with weekly blog entries on special events, past milestones and influential persons, visitors were also able to embark on a visual journey through time. One hundred Muba posters, plus other historical photographs and videos, provided a representative overview of times past and present at the company.

Curious stories and impressive photos

In compiling the book "In Step with Time – From the Swiss Mustermesse to the MCH Group" which was published in March 2016, the archives of the MCH Group were opened up in cooperation with the city of Basel's public record office and the group's history was documented from the time it was first set up right through to the present day. The lavishly illustrated anniversary volume was produced in cooperation with Christoph Merian Verlag (Basel) and 13 eminent

historians and journalists. In vividly recounted stories, they set out the impressive history of the former Swiss Sample Fair, from when it was first founded as an exemplary model of cooperation with the city authorities, via the watch and jewellery show as a showcase for the world, and right through to anecdotes such as the fire at the old exhibition halls in 1923 and the vision of a trinational exhibition ground.

Poster walk in Basel

For the people of Basel, a further anniversary highlight was the exhibition “100 Years Muba: an eye-catching journey through time”, which was staged in the public arena. At selected points of the city, the MCH Group and the Basel College of Design presented 50 historical Muba posters together with information on the artists, the story behind the posters and their specific graphic design features. In parallel, guided tours and exhibitions were staged for the public in Basel’s museums.

The Muba birthday party

On 15 April 1917, while the first world war was still being waged, the Muba exhibition that had been set up in 2016 opened its doors for the very first time. Then in 2016, on this self-same day, 15 April, crowds of visitors flocked to the Basel exhibition halls once again. And they had every reason to do so, because the programme for the anniversary edition of Muba featured a whole variety of offerings scarcely seen before. The “Mother of all Trade Fairs” was able to welcome a special guest at the opening ceremony already: Federal Councillor Alain Berset paid Muba a birthday visit and celebrated the anniversary with other eminent figures from Swiss politics, business, culture and society.

Further highlights of the 100th Muba were the première of the Muba Festival with 20 prominent Swiss artists, the special anniversary exhibition with old-timers and historical photos and the “Muba on Exhibition Square” which included a petting zoo and wrestling competitions.



Marketing experts visit Basel

In June 2016, around 200 marketing experts from the UFI, the association of the world’s biggest organisers of exhibitions and proprietors of exhibition grounds met at the Congress Center Basel. During the “UFI Open Seminar in Europe 2016” the representatives of the international exhibition industry discussed topics of ever-increasing importance, including digitisation, business transformation and security. Then, at a networking dinner, they joined with the MCH Group in celebrating its 100th anniversary.

Every reason to celebrate

The highlight that marked the end of the anniversary year was the party staged for some 800 MCH Group employees and their partners in September. The evening, which was hosted by Swiss rapper Knackeboul, featured a richly varied programme including performances by the “Stickstoff” drummers, the “Traktorkestar” orchestra and the MCH Group’s own Basel rapper, Kevin Messerli, alias Fabe. At the Award Show, the winners of the in-house anniversary competition were presented with attractive prizes for their knowledge of the MCH Group’s history.

Business activity





←
Swissbau

Exhibitions

In 2016, the MCH Group staged 29 exhibitions of its own and was involved in a further two in the form of joint ventures. It thus created effective and efficient marketing platforms for 9 250 exhibiting businesses.

Exhibitions

In the course of last year, the exhibition companies belonging to the MCH Group organised 29 exhibitions of their own and participated in a further two exhibitions staged as joint ventures. Thirteen of these 31 exhibitions were held in Basel, seven in Lausanne, eight in Zurich, two in Miami Beach and one in Hong Kong. They were attended by 9 250 exhibiting companies and attracted 1 513 488 visitors. They occupied a gross exhibition area of 884 895 square metres in all. The 31 exhibitions accounted for a total of 170 exhibition days.

For the MCH exhibitions and joint ventures held in Switzerland, some 30 % of the exhibiting companies and 15 % of the visitors came from abroad.

If the figures for the exhibitions are compared with the previous occasion on which each of them was held, the number of exhibiting companies fell by 0.7% in overall terms and the gross exhibition area occupied fell by 2.0%. The number of visitors increased by 0.5%. These trends are not, however, identical for all exhibitions. The internationally leading shows for the watches/jewellery and art sectors and most of the specialist consumer fairs were able to match or even exceed the figures for their previous editions. The picture for the national trade fairs is a mixed one too. While exhibitor numbers at Swissbau were only slightly below those for 2014, the Swisstech suppliers' fair registered a 20% decline in exhibitors. Other trade fairs, such as Prodex, Holz and IFAS, by contrast, were able to increase their exhibitor numbers slightly.

The highlights amongst the events staged in 2016 included the 100th edition of Muba in Basel, which had come into being in 1917 as the "Swiss Sample Fair" and thus marked the birth of today's MCH Group. More on the anniversary year on pages 18 – 19.

| MCH Exhibitions & Joint Ventures 2016 | | Location | Date | Exhibitors | Visitors | GEA ¹⁾ |
|--|--|------------------------|-------------------|---------------|---------------|-------------------|
|  | Swissbau The biggest specialist exhibition for the construction industry in Switzerland | Messe Basel | 21.01.–25.01.2016 | 1 122 | 103 882 | 140 000 |
|  | SWISS-MOTO The Motorcycle, Scooter and Tuning Exhibition | Messe Zürich | 18.02.–21.02.2016 | 238 | 74 349 | 24 500 |
|  | SWISS-CUSTOM Customizing & Tuning Show | Messe Zürich | 18.02.–21.02.2016 | ³⁾ | ³⁾ | ³⁾ |
|  | HABITAT-JARDIN Home and Garden Exhibition | Expo Beaulieu Lausanne | 12.03.–20.03.2016 | 492 | 78 096 | 40 153 |
|  | Giardina Live your garden | Messe Zürich | 16.03.–20.03.2016 | 280 | 59 000 | 30 000 |
|  | Baselworld World Watch and Jewellery Show | Messe Basel | 17.03.–24.03.2016 | 1 500 | 145 000 | 141 000 |

1) Gross exhibition area in m²
2) Joint Ventures
3) included in SWISS-MOTO

| | | Location | Date | Exhibitors | Visitors | GEA ¹⁾ |
|-------------------------------------|---|------------------------|---------------------|------------|----------|-------------------|
| Art Basel Hong Kong | Art Basel in Hong Kong The Art Basel show in Hong Kong | Hong Kong | 24.03. – 26.03.2016 | 239 | 70 000 | 34 872 |
| muba | muba Right where it's all happening | Messe Basel | 15.04. – 24.04.2016 | 552 | 131 893 | 55 000 |
| Creativa BASEL | CREATIVA Basel The Fair for Creative Ideas | Messe Basel | 15.04. – 18.04.2016 | 48 | 13 510 | 979 |
| Mednat EXPO | Mednat Expo & Agrobiorama Expo Exhibition for natural healing and well-being | Expo Beaulieu Lausanne | 21.04. – 24.04.2016 | 203 | 15 000 | 10 000 |
| powerstage | Powertage The Platform for the Swiss Electricity Industry | Messe Zürich | 31.05. – 02.06.2016 | 163 | 2 260 | 7 600 |
| Design/ Miami/ Basel | Design Miami/ Basel ²⁾ The Global Forum for Design | Messe Basel | 14.06. – 19.06.2016 | 69 | 28 700 | 13 573 |
| Art Basel Basel | Art Basel in Basel The Art Basel show in Basel | Messe Basel | 16.06. – 19.06.2016 | 286 | 95 000 | 52 200 |
| COMPTOIR SUISSE | Comptoir Suisse The meeting place of the city and the country | Expo Beaulieu Lausanne | 10.09. – 19.09.2016 | 421 | 106 000 | 40 000 |
| Creativa LAUSANNE | CREATIVA Lausanne The Fair for Creative Ideas | Expo Beaulieu Lausanne | 16.09. – 19.09.2016 | 35 | 8 000 | 850 |

| | | Location | Date | Exhibitors | Visitors | GEA ¹⁾ |
|--|--|------------------------|---------------------|------------|----------|-------------------|
|  | ILMAC The trade fair for chemicals, pharmaceuticals and biotechnology | Messe Basel | 20.09. – 23.09.2016 | 435 | 12 031 | 29 921 |
|  | Züspa The Zurich Autumn Fair | Messe Zürich | 23.09. – 02.10.2016 | 380 | 97 000 | 27 500 |
|  | CREATIVA Zürich The Fair for Creative Ideas | Messe Zürich | 23.09. – 02.10.2016 | 85 | 21 000 | 2 565 |
|  | HOLZ Exhibition for the Woodworking Trade and Industry | Messe Basel | 11.10. – 15.10.2016 | 363 | 33 626 | 45 000 |
|  | IFAS Trade Fair for the Health Market | Messe Zürich | 25.10. – 28.10.2016 | 410 | 16 308 | 27 000 |
|  | Basler Herbstwarenmesse Basel Autumn Trade Fair | Messe Basel | 29.10. – 06.11.2016 | 175 | 87 523 | 13 640 |
|  | Basler Weinmesse Everything for the perfect enjoyment of wines | Messe Basel | 29.10. – 06.11.2016 | 130 | 31 925 | 7 000 |
|  | Basler Feinmesse Culinary delights, home, kitchen & table culture | Messe Basel | 03.11. – 06.11.2016 | 70 | 16 790 | 3 280 |
| SECURITELAUSANNE | SECURITE LAUSANNE Western Swiss platform for safety and security | Expo Beaulieu Lausanne | 02.11. – 04.11.2016 | 64 | 2 313 | 5 400 |

1) Gross exhibition area in m²
2) Joint Ventures

| | | Location | Date | Exhibitors | Visitors | GEA ¹⁾ |
|--|---|------------------------|---------------------|------------|-----------|-------------------|
| gastronomia | Gastronomia Trade fair for professionals from the catering and hotel industry | Expo Beaulieu Lausanne | 13.11. – 16.11.2016 | 162 | 13 200 | 10 762 |
| PRODEX | PRODEX International exhibition for machine tools, tools and production measurement | Messe Basel | 15.11. – 18.11.2016 | 330 | 29 877 | 30 000 |
| SWISS TECH | SWISSTECH International Trade Fair for Materials, Components and System Assembly | Messe Basel | 15.11. – 18.11.2016 | 440 | 21 000 | 25 000 |
| BERUFS MESSE ZÜRICH | Berufsmesse Zürich Exhibition for Career Choices, Basic Training, and Continuing Education | Messe Zürich | 15.11. – 18.11.2016 | 130 | 55 705 | 10 000 |
| SALON DES MÉTIERS ET DE LA FORMATION LAUSANNE | Salon des Métiers et de la Formation Lausanne Platform for Career Choices and Basic Training | Expo Beaulieu Lausanne | 29.11. – 04.12.2016 | 108 | 31 000 | 10 000 |
| Design Miami | Design Miami ²⁾ The International Design Forum | Miami Beach | 30.11. – 04.12.2016 | 51 | 36 500 | 7 902 |
| Art Basel Miami Beach | Art Basel in Miami Beach The Art Basel show in Miami Beach | Miami Beach | 01.12. – 04.12.2016 | 269 | 77 000 | 39 198 |
| | Total 29 MCH exhibitions | | | 9 130 | 1 448 288 | 863 420 |
| | Total 2 joint ventures | | | 120 | 65 200 | 21 475 |
| | Total 31 MCH exhibitions & joint ventures | | | 9 250 | 1 513 488 | 884 895 |

Business activity





←
Züspa

Venues

A total of 71 exhibitions, 24 congresses and more than 833 other events were staged at the Basel, Lausanne and Zurich locations in 2016. Together, they attracted some 2.3 million visitors.

| Basel | | Number | Exhibitors | Visitors | GEA ¹⁾ | Duration ²⁾ | |
|-----------------|-------|-------------------------------------|------------|----------|-------------------|------------------------|-----|
| Messe | Basel | Exhibitions | 25 | 7 065 | 877 722 | 668 623 | 108 |
| | | MCH exhibitions & joint ventures | 13 | 5 520 | 750 757 | 556 593 | 79 |
| | | Third-party exhibitions | 12 | 1 545 | 126 965 | 112 030 | 29 |
| | | Hall rentals & events ³⁾ | 10 | | 70 000 | | |
| Congress Center | Basel | Conferences | 24 | 826 | 22 104 | 32 040 | 78 |
| | | with an exhibition | 23 | 826 | 21 752 | 32 040 | 75 |
| | | without an exhibition | 1 | | 352 | | 3 |
| | | Other events | 195 | 251 | 109 724 | 9 640 | 286 |
| | | Corporate events | 167 | 152 | 66 345 | 7 976 | 219 |
| | | Public events | 17 | 99 | 42 526 | 1 664 | 56 |
| | | Small-scale events | 11 | | 853 | 11 | |
| Musical Theater | Basel | Performances | 125 | | 133 000 | | |

1) Gross exhibition area in m²
 2) No. of days (without assembly/dismantling)
 3) Without the Autumn Fair

→
Holz



MCH exhibitions 2016

Details of the MCH exhibitions in 2016 pages 22 – 25.

Third-party exhibitions 2016

Graduates' Fair Basel

Auto Basel

Basel Careers and Training Fair

Basel Minerals Fair

Basel Collectors' Fair

blickfang

Chemspec Europe (for the first time since 2002)

Extasia (for the first time)

FANTASY BASEL

Party and Wedding Fair Basel

SOLIDS Basel

Swiss Office Management

In the 2016 reporting year, a total of 25 exhibitions were held at Messe Basel. Thirteen of these were MCH Group exhibitions or joint ventures and 12 were third-party exhibitions. They attracted 7 065 exhibiting companies and 877 722 visitors. These exhibitions lasted a total of 108 exhibition days (not counting overlaps for exhibitions staged in parallel).

Alongside these exhibitions, the Messe Basel halls were used for ten other events, attracting 70 000 visitors, and Hall 3 was also used as part of the Basel Autumn Fair.

In the reporting year, the Congress Center Basel was the venue for 24 congresses attended by 22 104 participants. These included a large number of European and even global meetings in the medical and life-science sectors.

In addition, 251 events with 109 724 participants were held in the Congress Center Basel and the associated Event Hall. Apart from annual general meetings and company occasions, the Congress Center Basel also hosted a wide range of other events. These included the Apprenticeship of the Year 2016 celebrations, with elaborate live voting, the election studio for the elections to the Basel-Stadt government and several examination sessions for more than 3 500 candidates. For the second time, following 2014, the Congress Center Basel was also the chosen venue for the PraiseCamp, Switzerland's biggest Christian youth camp with 6 500 participants.

In the course of the reporting year, 125 performances of different productions were staged in the Musical Theater Basel attracting total audiences of 133 000. For a period of three years as of September 2016, the Casino-Gesellschaft Basel is putting on regular performances in the Musical Theater Basel. Extensive conversion work was carried out in summer 2016 to enhance the acoustics for classical music concerts.



In the 2016 reporting year, a total of 16 exhibitions were held at Expo Beaulieu Lausanne. Seven of these were MCH Group exhibitions and nine were third-party exhibitions. They attracted 2 124 exhibiting companies and 311 609 visitors. These exhibitions lasted a total of 60 exhibition days (not counting overlaps for exhibitions staged in parallel).

Alongside the exhibition programme, a further 47 big events were staged in the halls at Expo Beaulieu Lausanne, with 38 520 participants.

The highlights of the 2016 business year included the premiere of the Salon FITnMOVE with around 10 000 visitors over two days, and the first Street Food Festival Lausanne.

Expo Beaulieu Lausanne also provided the location for the “Jubilare des 150 ans de Nestlé”, with some 8 000 employees and a number of performances by prominent artists from the Swiss music scene to celebrate the company’s anniversary.

At the start of 2015, the MCH Group had taken the decision to concentrate on its core business in Lausanne, namely on the staging of trade fairs and consumer shows. Since the start of 2016, the Congrès Beaulieu Lausanne and the Théâtre Beaulieu Lausanne have no longer been operated by MCH Beaulieu Lausanne.

MCH exhibitions 2016

Details of the MCH exhibitions in 2016 pages 22 – 25.

Third-party exhibitions 2016

Baby&Kid Planet

Bourse internationale aux armes

CONTACTIVIA

FORMATIVIA

Junior Days

Lab Innovation

Salon du mariage et des amoureux

Salon FITnMOVE (for the first time)

SWISS EXPO

→
Salon des Métiers et de la
Formation



| Lausanne | | Number | Exhibitors | Visitors | GEA ¹⁾ | Duration ²⁾ | |
|---------------|----------|----------------------------------|------------|----------|-------------------|------------------------|----|
| Expo Beaulieu | Lausanne | Exhibitions | 16 | 2 124 | 311 609 | 176 922 | 60 |
| | | MCH exhibitions & joint ventures | 7 | 1 485 | 253 609 | 117 165 | 40 |
| | | Third-party exhibitions | 9 | 639 | 58 000 | 59 757 | 20 |
| | | Hall rentals & events | 47 | | 38 520 | | |

1) Gross exhibition area in m²

2) No. of days (without assembly/dismantling)



| Zurich | | Number | Exhibitors | Visitors | GEA ¹⁾ | Duration ²⁾ |
|-------------------|----------------------------------|--------|------------|----------|-------------------|------------------------|
| Messe Zürich | Exhibitions | 30 | 5 985 | 586 634 | 346 469 | 99 |
| | MCH exhibitions & joint ventures | 8 | 1 686 | 325 622 | 129 165 | 39 |
| | Third-party exhibitions | 22 | 4 299 | 261 012 | 217 304 | 60 |
| | Hall rentals & events | 16 | | 30 000 | | |
| | Events in conference rooms | 270 | | 3 500 | | |
| Theater 11 Zürich | Performances | 170 | | 151 000 | | |

1) Gross exhibition area in m²

2) No. of days (without assembly/dismantling)



MCH exhibitions 2016

Details of the MCH exhibitions in 2016 pages 22 – 25.

Third-party exhibitions 2016

Auto Zürich Car Show

Baby und Kids Fair

Building & Modernisation

Beauty Forum Swiss

CE Expo

Courtage Expo (for the first time)

CSI Expo

FESPO

Party and Wedding Fair

Dog, Cat & Co. (for the first time)

Maintenance Switzerland

ORNARIS Zürich

Packaging Innovations

Personal Swiss (Human Resources)

Slow Food Market

SuisseEMEX

Swiss Online Marketing

TopSoft

VeggieWorld (for the first time)

WIR Fair Zürich

Women's Expo Switzerland

Workplace Strategy Expo (for the first time)

In the 2016 reporting year, a total of 30 exhibitions were held at Messe Zürich. Eight of these were MCH Group exhibitions and 22 were third-party exhibitions. They attracted 5 985 exhibiting companies and 586 634 visitors. The exhibitions lasted a total of 99 exhibition days (not counting overlaps for exhibitions staged in parallel).

Alongside the exhibition schedule, 16 other big events were held in the halls at Messe Zürich with 30 000 participants. Messe Zürich was again used to hold examinations for the University of Zurich and made its halls available to a number of big companies once more for their annual general meetings and other company events. It also hosted the SDC Annual Conference on Development Cooperation attended by UN Secretary General Ban Ki-Moon.

There were 170 performances of various productions in Theater 11 in the reporting year, with total audiences of 151 000.

In December 2015, the city of Zurich and MCH Messe Zürich agreed to make Hall 9 available to the Asyl Organisation Zürich (AOZ) for the accommodation and care of some 250 refugees. The corresponding rent contract with the AOZ has been extended to 2017.

Business activity





←
Hall 622
of MAAG Music & Arts AG

Live marketing solutions

The MCH live marketing solutions companies offer top-quality, customised services for the entire exhibition and event market. In 2016, they supervised and implemented a total of 1 779 projects.

Key projects 2016 (selection)

| Client | Assignment | Market segment |
|--------------------|---|----------------|
| DAS ZELT | Development marketing 2016 | National |
| BKW | Value-added analysis for ski sponsorship | National |
| Raiffeisen | Development of marketing strategy | National |
| Raiffeisen | Support in marketing steering | National |
| Search.ch | Derivation sponsorship | National |
| Mobilier | Cultural sponsorship | National |
| Zurich | Concept "Activating Safe Play in Ice Hockey" | National |
| AXA | Further development POS | National |
| Mobilier | Development of the indoor sports strategy | National |
| Volvo | Review of dealer marketing | National |
| Urner Kantonalbank | Development of sponsorship strategy | National |
| SAP | Ideal marketing mix | National |
| Raiffeisen | Development of competence topic Living | National |
| Swisscom | Trend analysis sponsorship | National |
| TCS | Development of hotel strategy | National |
| Erdgas | Sponsorship strategy | National |
| TCS | TCS Camping World detailed concept | National |
| Design Miami | Commercial set-up | International |
| Schulthess | Development of marketing-positioning | National |
| Raiffeisen | Marketing competence topics for corporate clients | National |
| UBS | Value-added analysis for sponsorship | National |

Raiffeisen Group: Marketing audit 2016

In 2016, the Raiffeisen Group commissioned Reflection Marketing to draw up an objective expert opinion on the current effectiveness of its marketing. More specifically, a review was to be conducted of the company’s marketing strategy to establish whether it was suitably aligned to the changed conditions in which the company is operating, whether it was still meeting its targets with the focal points and marketing mix employed, and whether the marketing was future-proof and differentiated. One of the constraints in this project was the need to respect the autonomy of the centralised Raiffeisen Group marketing and the decentralised marketing of the Raiffeisen branches, which proved to be an additional challenge. The expert analysis was to provide the management with facts allowing it to take a strategic decision regarding the future development of Raiffeisen’s marketing. On the basis of this decision, the Raiffeisen Group then wished to engage in a steering process, supported by Reflection Marketing, so as to ensure that its new strategic alignment was implemented in the ideal manner.

Reflection Marketing summarised all the relevant strategic framework conditions, analysed the basic elements of Raiffeisen’s marketing, including positioning, brand, messages and the budget split for the marketing mix, and conducted a review of the key marketing instruments in terms of strategy, implementation and impact. Working on from these findings, the experts drew up an overall expert opinion and, from this, derived recommendations for optimising the new strategic alignment of Raiffeisen’s marketing. With this result, the Raiffeisen marketing team has thus benefited from key recommendations and optimisation measures for each of its individual marketing instruments.



| | |
|---------------------------------------|----|
| Projects supervised in 2016 | 67 |
| in Switzerland | 62 |
| abroad | 5 |
| USA, Germany, India, Peru, Kazakhstan | |

Event management

Rufener

Key projects 2016 (selection)

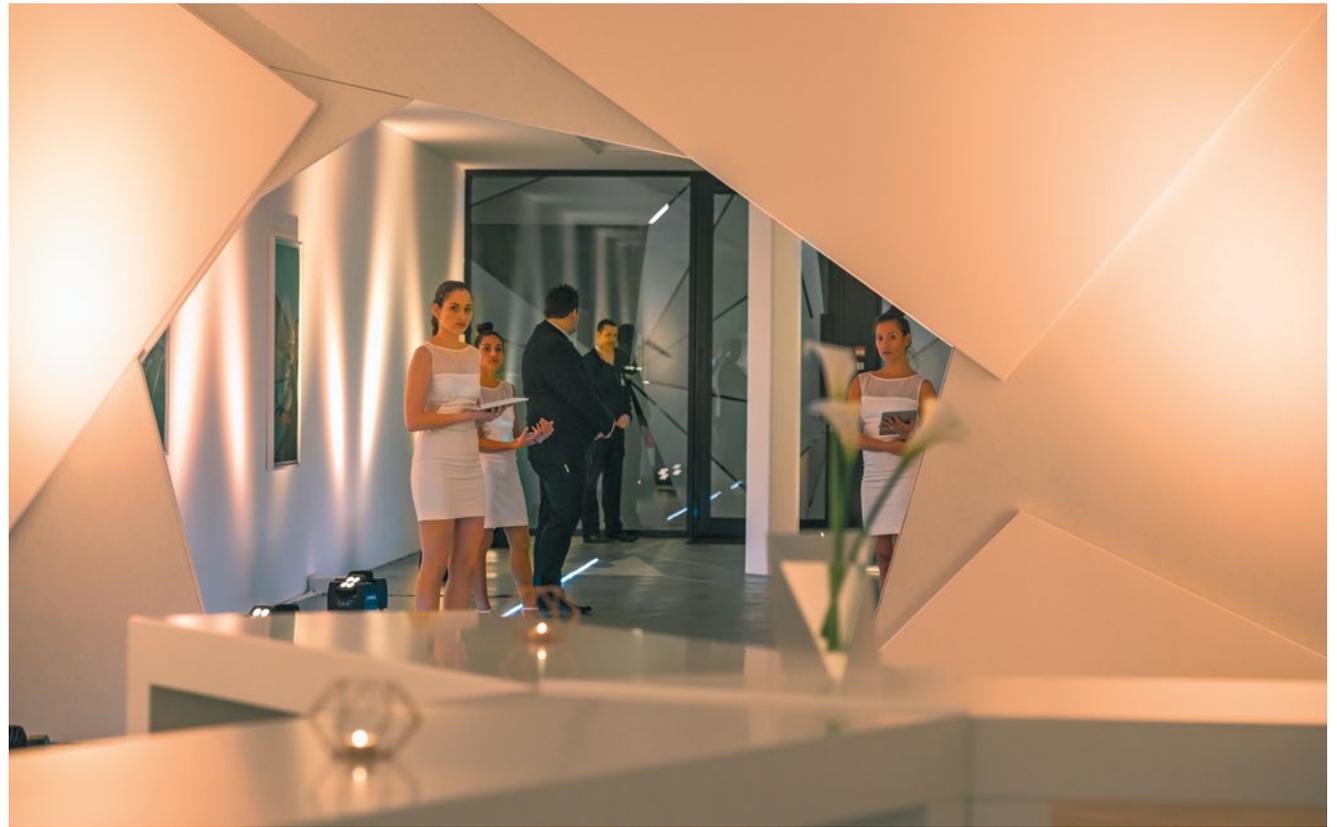
| Client | Occasion | Location |
|-------------------------------|--|------------------------|
| The Brain Forum | Annual Conference | Lausanne |
| IWC | SIHH Gala | Geneva |
| Oettinger Davidoff | Hospitality, Art Basel | Basel |
| FIFA | 66th World Congress | Mexico |
| FIFA | Extraordinary Congress | Zurich |
| HBM | Jubilee | Interlaken |
| McDonald's | Strategy Days Spring & Autumn | Bern, Lausanne |
| MCH Group | Anniversary, employee party | Basel |
| Schulthess Klinik | Opening | Zurich |
| Instagram | Client event | Basel |
| Swiss Football League | Award Night | Lucerne |
| Sympany | Employee event | Basel |
| Switzerland Global Enterprise | Forum for Swiss Foreign Trade and Investment | Zurich |
| Triemli Spital | Opening | Zurich |
| UBS | Formula 1 | Monaco |
| UBS | General Meeting | Basel |
| UBS | Hospitality, Art Basel | Hong Kong, Miami Beach |
| Ulysse Nardin | 170th anniversary | Basel |
| Valora | Management meetings | Barcelona, Berlin |
| Verein Zermatt Unplugged | Zermatt Unplugged | Zermatt |
| Zurich Film Festival | 12th Zurich Film Festival | Zurich |

→
Instagram client and
press event

Instagram: Exclusive client and press event at Baselworld 2016

On the occasion of Baselworld 2016, Rufener was commissioned by Instagram to plan an exclusive client and press event centred on “The Intersection of Watches and the Digital World” in cooperation with the Hodinkee online magazine which specialises in wristwatch reviews. As a creative agency for live communication, Rufener places its main focus in projects of this type on the development of a conceptual design for a holistic brand experience. The chief aim at Baselworld 2016 was to offer guests the opportunity to see the innovative brand of Instagram in action in the setting of the watch industry.

To implement the branding strategy, Rufener created a unique and futuristic world of design, cuisine and sound in the trendy von Bartha art gallery in Basel. The set design featuring state-of-the-art lighting installations captivated guests with its innovative aesthetics, lending the premises a sophisticated contemporary chic. A further highlight of the evening was the real-time social media interaction staged for the guests. International star chef Bryce Shuman from New York’s “Betony” restaurant supplied the first-class catering in cooperation with the Stag Dining Group of New York. And the evening was rounded off with electronic music from a popular DJ duo.



| | |
|---|----|
| Events supervised in 2016 | 75 |
| in Switzerland | 66 |
| abroad | 9 |
| Mexico, USA, Hong Kong, Germany, Spain, Italy, Monaco | |

Exhibition, pavilion and event construction

Key projects 2016 (selection)

| Client | Occasion | Location |
|---------------------------------|--|--|
| Automotive | | |
| Quant | Motor Show | Geneva |
| Renault & Datsun | Motor Show | New Delhi |
| Renault | Motor Show and Press Conference | Beijing |
| Datsun und HALO Ring for Nissan | Motor Show | Jakarta |
| Luxury & Art | | |
| Technomarine (new client) | Baselworld | Basel |
| Porsche Design (new client) | Baselworld | Basel |
| ETA (new client) | Baselworld | Basel |
| Rolex | Baselworld | Basel |
| Patek Philippe | Baselworld | Basel |
| Invicta | JCK | Las Vegas |
| MCH Group | Art Basel | Basel, Miami Beach and Hong Kong |
| Oettinger Davidoff | Art Basel, Lounge | Basel, Miami Beach and Hong Kong |
| Industry & Services | | |
| Glas Trösch (new client) | Various trade fairs | Switzerland |
| Feyco (new client) | Holz | Basel |
| Medela | Various trade fairs | Dubai, Freiburg, Warsaw, Lisbon, Cologne, Budapest |
| Bakels | IBA | Munich |
| EWZ (new client) | Various trade fairs | Switzerland |
| Yamaha (new client) | SWISS-MOTO | Zurich |
| Pavilion | | |
| Maag Music & Arts AG | Conversion of music and event location Halle 622 | Zurich Oerlikon |
| Event construction | | |
| Standing Ovation | ABB 125th Anniversary | Baden |
| Credit Suisse | Gala Side Event at Sibos | Chateau Coppet |
| Brandsoul | SUVA Pro Campaign | Different venues, Switzerland |



One particular challenge was that, while the international press was Renault's prime focus, the local Asian press had to be taken into account too, in view of the location. To satisfy this requirement, Expomobilia developed a concept that addressed both worlds equally. The official image film for the car was shown on a big LED screen, visually depicting the manufacturer's values – a touch of French avant-garde, extravagance and passion for life. In parallel to this, a group of young Asian and European dancers staged a performance of the values, combining elements of a fitness trail and dance. With spectacular stunts and to the accompaniment of Chinese music, the dancers then unveiled the "Renault Koleos" on stage and presented the new model to the 1 100 or so journalists and guests in attendance.

Expomobilia Schweiz worked in close cooperation with its subsidiary Expomobilia Shanghai on implementing the project. While the Swiss colleagues took charge of constructing the Renault stand, the Shanghai team worked with a creative agency on designing and staging the entire press conference show. This included coming up with the idea behind the show, compiling the storyboard, the set design and the choreography and also organising all the helpers and extras as well as the communication with the local partners. Thanks to Expomobilia's good contacts with local agencies and suppliers, the assignment was successfully organised and executed, despite having only six weeks to prepare for it.

Renault Press conference at the Beijing Motor Show 2016

Expomobilia was commissioned by Renault Paris to design and stage the press conference on the occasion of the world première of the "Renault Koleos" at the 2016 Beijing Motor Show. For the first time in the company's history, the French car maker selected an Asian country as the venue for a world première. In the past, Renault has only ever held its premières in big European metropolises, such as Paris, Geneva and Frankfurt.

| | |
|--|-----|
| Projects completed in 2016 | 317 |
| in Switzerland | 267 |
| abroad | 50 |
| India, China, Hong Kong, Indonesia, Thailand, USA, Canada, UAE, Germany, Italy, France | |

Key projects 2016 (selection)

| Client | Occasion | Location |
|---|---|--------------------------|
| Exhibitions | | |
| Various exhibitors | Swissbau | Basel |
| Various exhibitors | SWISS-MOTO | Zurich |
| Various exhibitors | Giardina | Zurich |
| Various exhibitors | Baselworld | Basel |
| Various exhibitors | Art Basel | Basel |
| Various exhibitors | Ebace | Geneva |
| Various exhibitors | SIBOS | Geneva |
| Various exhibitors | CEBIT | Hannover |
| Corporates Events | | |
| Partners Group AG | Partners Group AGM Days | Berlin |
| SportAccord Convention | Sport Accord Convention | Lausanne |
| BMW | BMW IPV Sedan | Lisbon |
| Neue Aargauer Bank AG | NAB Gala 2016 | Umweltarena Spreitenbach |
| Public Events | | |
| tpc – technology and production center switzerland ag | “Die grössten Schweizer Talente” (live shows) | Kreuzlingen |
| Erziehungsdepartement Kanton Basel-Stadt | UEFA Europa League final public viewing | Basel |
| Verein Portal Kunst 57 | Opening of the Gotthard base tunnel | Erstfeld |
| Good News Productions AG | Sonisphere Allmend rockt | Lucerne |
| Rock the Ring GmbH | Rock the Ring (festival) | Hinwil |
| Swisscom Event & Media Solutions AG | Swiss Wrestling and Alpine Festival | Estavayer |
| Basel Tattoo Productions | Basel Tattoo 2016 | Basel |

→
Opening of the
Gotthard base tunnel



Picture: Federal Office of Transport

Opening of the Gotthard base tunnel

The Gotthard base tunnel is the longest railway tunnel in the world and a truly mammoth undertaking: a gigantic 57 kilometres long, it took 17 years to build and featured more than 600 performers at its opening ceremony in June 2016. Winkler Multi Media Events was responsible for the technical side of the artistic production staged for the opening event by German theatre director Volker Hesse. This unique event required no fewer than eight lorry-loads of equipment, 30 beamers, some 600 spotlights and moving light sources and more than 700 man days over a period of just four weeks. The event was organised by the Federal Department of the Environment, Transport, Energy and Communications (DETEC), and the multimedia specialists from Wohlen were one of their most important partners.

The opening ceremony was held in a 170-metre long building which had a railway track running right through it. The lighting, video and audio were implemented and supervised by Winkler, and 30 beamers projected content onto each of the building walls. At the opening ceremony, the Swiss values of innovation, precision and reliability were to be conveyed to the outside world, coupled with fascination and emotionality – and Winkler Multi Media Events had a key role to play in this “transport” process. Thirty Winkler employees worked on-site at the official ceremony alone, which was attended by numerous international heads of state and some 1 200 invited guests from all over the world.

Alongside the opening ceremony at the north portal, the specialists from Wohlen also supervised the parallel show running at the south portal. There, the audience was similarly able to marvel at Volker Hesse’s performance depicting the tunnel’s construction, albeit in slightly modified form. The spectacle was supported by a 150-square-metre LED wall that added to the mysterious atmosphere of the performance through the videos projected onto it.

| | |
|---|-------|
| Projects completed in 2016 (full service) | 1 320 |
| in Switzerland | 1 300 |
| abroad | 20 |
| Germany, France, Portugal, China, USA | |

Corporate Governance





←
Giardina

The MCH Group adheres to the provisions of relevance to corporate governance in the current legislation, in the directives issued by the SIX Swiss Exchange and in the rules of conduct contained in the Swiss Code of Best Practice. The company's basic fundamentals – namely its Statutes and Regulations, as well as its information and control instruments – include all the essential principles to ensure that the management, supervision and transparency of the company are in accordance with good corporate governance.

The MCH Group differs on one key point from many other companies quoted on the SIX Swiss Exchange: under the terms of its Statutes, the listed holding company MCH Group Ltd. is a joint stock company with the participation of public sector entities as per Art. 762 of the Swiss Code of Obligations. This means inter alia that the Cantons of Basel-Stadt, Basel-Landschaft and Zurich, and also the City of Zurich, have the right to appoint delegates to the Board of Directors.

Reporting

The MCH Group bases its reporting on corporate governance on the SIX Swiss Exchange's Corporate Governance Directive.

Information concerning the explicitly required data:

1. Group structure and shareholders
Annual Report page 47 and Financial Report page 17
2. Capital structure
Annual Report page 48 and Financial Report page 7
3. Board of Directors
Annual Report pages 50 – 51, 56 – 57 and 60
4. Executive Board (Management)
Annual Report pages 58 – 60
5. Compensation, shareholdings and loans
Remuneration Report pages 6 – 12
6. Shareholder participation rights
Annual Report pages 48 – 49
7. Changes of control and defence measures
The Statutes of MCH Group Ltd. contain neither an “opting out” nor an “opting up” clause within the meaning of Article 22 of the Swiss Stock Exchange Act. No specific contractual agreements going beyond §5 of the Statutes exist at MCH Group Ltd. against a hostile takeover.
8. Auditor
Annual Report page 61
9. Information policy
Annual Report page 53

Group structure and shareholders

The most important companies and holdings for the group's business activity (March 2017).
An overview of all the companies and holdings may be found on page 17 of the Financial Report.

MCH Group Ltd.

MCH Swiss Exhibition (Basel) Ltd.
– Exhibit & More AG
– Art Basel U.S. Corp.
– Asian Art Fairs Limited
– Seventh Plane Networks Pvt. Ltd. (60.3%)
– art.fair International GmbH (25.1%)
– Design Miami Basel AG (50%)
– Design Miami II LLC (10%)

MCH Swiss Exhibition (Zurich) Ltd.

MCH Beaulieu Lausanne SA

MCH Global AG

Rufener Events Ltd
– Oceansalt LLC

Expomobilia AG
– Reflection Marketing AG
– Techno Fot AG
– Expomobilia MCH Global Shanghai Ltd.

metron Vilshofen GmbH (20%)

Winkler Multi Media Events AG

Group structure

The holding company, MCH Group Ltd., with its head office in Basel, is a joint stock company with the participation of public sector entities under the terms of Article 762 of the Swiss Code of Obligations.

It has its roots in the “Schweizer Mustermesse” (Swiss Samples Fair) which was established in Basel in 1916 and in the Schweizer Mustermesse Cooperative that was founded in 1920 in Basel for purposes of running the fair. In 2000, the Cooperative was converted into a joint stock company with the participation of public sector entities as per Article 762 of the Swiss Code of Obligations. In 2001, this merged with the exhibition company in Zurich (established in 1945) under the joint umbrella of MCH Swiss Exhibition (Holding) Ltd. The holding company was renamed MCH Group Ltd. in 2009.

MCH Group Ltd. holds 100 % of the shares in MCH Swiss Exhibition (Basel) Ltd., MCH Swiss Exhibition (Zurich) Ltd., MCH Beaulieu Lausanne SA (since 2011, after the group acquired a majority shareholding in the then Beaulieu Exploitation SA in 2010), Winkler Multi Media Events AG in Wohlen (since 2005, previously Winkler Veranstaltungstechnik AG), Expomobilia AG in Effretikon (since 2007), Rufener Events Ltd in Zurich (since 2009) and MCH Global AG (since 2016). MCH Group Ltd. also has a 20 % holding in German stand construction company, metron Vilshofen GmbH (since 2015).

Subsidiary MCH Swiss Exhibition (Basel) Ltd. owns Exhibit & More in Fällanden (having held 40 % of the shares since 2007 and 100 % of the shares since 2010), Art Basel U.S. Corp, with head office in Miami Beach, which is responsible for Art Basel in Miami Beach (wholly owned since 2013), and Asian Art Fairs Limited in Hong Kong (60 % since 2011 and 100 % since 2014), which is responsible for staging Art Basel in Hong Kong. MCH Swiss Exhibition (Basel) Ltd. also has a shareholding in Design Miami Basel AG (50 % since 2007), in Design Miami II LLC (10 % since 2007), in Seventh Plane Networks Pvt. Ltd. (60.3 % since 2016) which is responsible for holding the India Art Fair and in art.fair international GmbH (25.1 % since 2017), which stages ART DÜSSELDORF. Expomobilia AG wholly owns Techno Fot AG in Effretikon, Reflection Marketing AG in Wallisellen (since 2015) and Expomobilia MCH Global Shanghai Ltd. (since 2016). Rufener Events Ltd wholly owns Oceansalt LLC in Zurich.

Shareholders

MCH Group Ltd. is listed on the SIX Swiss Exchange (“Domestic Standard”). The stock symbol of the registered shares is “MCHN”, and their ISIN number is “CH0039542854”.

| | | |
|--|---------------|-------------------|
| Number of shares quoted: 6 006 575 registered shares with a face value of CHF 10.00 | | |
| Number of shareholders on 31.12.2016 | | 3 185 |
| Share price on 01.01.2016 | | CHF 62.50 |
| Share price on 31.12.2016 | | CHF 69.10 |
| Market capitalisation | | CHF million 415.1 |
| <hr/> | | |
| Key shareholders (more than 3%) | No. of shares | % |
| Canton Basel-Stadt | 2 013 650 | 33.5 |
| LB (Swiss) Investment AG ¹⁾ | 563 506 | 9.4 |
| Canton Basel-Landschaft | 471 250 | 7.8 |
| Canton Zurich | 240 000 | 4.0 |
| City of Zurich | 225 000 | 3.7 |
| <hr/> | | |
| Free float (without the Cantons of BS and BL) | | 58.7 |

1) entered in the share register with 5% (300 328 shares).

The disclosure of shareholders exceeding or falling below the thresholds of 3%, 5% and 10% etc. of the voting rights is made through publication on the SIX Swiss Exchange website (www.six-swiss-exchange.com) under “Market Data”/“Shares”/“Company”/“Significant Shareholders”.

Shareholder participation rights

The participation rights of the shareholders summarised below are based on the Statutes of MCH Group Ltd. that have been in force since 22 May 2014.

With the exception of the public sector entities that have a holding in MCH Group Ltd. – the Cantons of Basel-Stadt, Basel-Landschaft and Zurich, and the City of Zurich – no natural or legal person or commercial partnership may hold, either directly or indirectly, more than 5% of the share capital. The term “person” includes inter alia legal and natural persons connected in terms of capital and votes, or through the same management or by other means. It similarly includes all natural and legal persons who join together for purposes of circumventing this restriction.

The transfer of registered shares to a new owner requires the consent of the Board of Directors. Requests for entries in the share register which would cause this restriction of a maximum of 5% of the share capital to be exceeded will be refused.

The Cantons of Basel-Stadt, Basel-Landschaft and Zurich, and also the City of Zurich, are entitled to appoint and recall representatives to the Board of Directors as per Article 762 of the Swiss Code of Obligations. Under the terms of the Statutes, six members of the Board of Directors are appointed by these four public sector entities: three by the Canton of Basel-Stadt and one each by the Cantons of Basel-Landschaft and Zurich and the City of Zurich.

The term of office for members elected by the General Meeting is limited to one year. The General Meeting also elects, on an annual basis, the Chairman of the Board of Directors and the members of the remuneration committee at MCH Group Ltd. this is the Governance, Nomination and Compensation Committee (GNCC).

In addition, the General Meeting is required to approve the overall amount of non-profit-related remuneration for the Board of Directors and Executive Board for the subsequent business year, and also the profit-related remuneration for the Executive Board for the business year just ended. The remuneration paid to the Board of Directors and the Executive Board in the business year just ended is stated in a separate Remuneration Report included with the Annual Report.

The Statutes of MCH Group Ltd. do not contain any rules regarding the convocation of the General Meeting that differ from those specified by law. The agenda is drawn up in accordance with the Swiss Code of Obligations and the Statutes of MCH Group Ltd. In the invitation to the General Meeting, the Board of Directors specifies the relevant date by which shareholders must have been entered in the share register in order to participate in the General Meeting.

All General Meeting resolutions and elections require an absolute majority of the share votes cast. An amendment of the Statutes and the cases specified by law require a resolution passed by the General Meeting with at least two thirds of the represented votes and with the absolute majority of the nominal share value represented.

Shareholders with voting rights who are present at the General Meeting are entitled to comment on matters on the agenda and propose motions. They are similarly entitled to request information from the Board of Directors on company matters and to request information from the auditors on the conduct and outcome of their audit. This information cannot be refused if it is necessary to allow the shareholders to exercise their rights.

Shareholders with voting rights can be represented at the General Meeting by another shareholder with voting rights on the basis of a written power of attorney. Commercial partnerships and legal persons can have themselves represented by authorised signatories, while minors and those in the care of a guardian can be represented by their legal representatives, including where these representatives are not shareholders of MCH Group Ltd.

Shareholders with voting rights can additionally be represented by the independent voting representative. Instructions to the independent voting representative can also be issued via the corresponding online platform. The independent voting representative is elected annually by the General Meeting. On 22 April 2016, the General Meeting appointed NEOVIUS AG, Barristers and Notaries, Hirschgässlein 30, 4051 Basel as the independent voting representative for the 2016 business year, up until the end of the next ordinary General Meeting.

Share price 01.01.2016 to 31.12.2016
MCH Group Ltd. SPI indexed



Organisation and Management

Organisation of the Board of Directors and the Executive Board

The MCH Group is under the management of the Board of Directors and the Executive Board of the holding company, MCH Group Ltd. The Board of Directors is responsible inter alia for the company's top management and for configuring the organisation, the accounting system and financial control, the internal control system, risk management and financial planning, and also for preparing and conducting the General Meeting.

The Executive Board appointed by the Board of Directors holds responsibility for developing and implementing the group's strategies as well as for the group's operational management. The Executive Board is made up of the Chief Executive Officer (CEO, simultaneously Head of the Exhibitions Division), the Chief Financial Officer (CFO), the Chief Development Officer (CDO), the Chief Venue Officer (CVO) and the CEO Live Marketing Solutions.

Details of the membership of the Board of Directors, the specialist committees and the members of the Executive Board may be found on pages 54 – 60.

Board of Directors

The Board of Directors has eleven members. All the members of the Board of Directors are non-executive members, as per the SIX Swiss Exchange Directive. They have never belonged to the operational management of the MCH Group and do not maintain significant connections with this management. The relations between the representatives of the public sector entities and the company are based on the institutional relationship that exists between these entities and the MCH Group. In addition to other lawyers' offices, the MCH Group also uses the services of Vischer AG in Basel. These mandates are awarded at the standard market rates to lawyers at the office and not to Dr. Ulrich Vischer.

Under the terms of the Statutes, three members of the Board of Directors are appointed by the government of the Canton of Basel-Stadt, one member each by the governments of the Canton of Basel-Landschaft and the Canton of Zurich, and one member by the Zurich City Council. The remaining members are elected by the General Meeting. The term of office of members elected by the General Meeting is one year; re-election is possible.

The Board of Directors constitutes itself, unless the General Meeting has the power to constitute the Board. The General Meeting elects the Chairman of the Board and the members of the Governance, Nomination and Compensation Committee (GNCC) which assumes the function of the remuneration committee, inter alia. Members of the Board of Directors can be elected to the GNCC. The term of office of the Chairman of the Board and the members of the GNCC is one year, and re-election is possible.

All the members of the Executive Board attend the Board of Directors' meetings.

Specialist Committees

The Governance, Nomination and Compensation Committee (GNCC) is a specialist committee that advises the Board of Directors on the execution of its duties in the fields of corporate governance, human resources planning at Board of Directors and Executive Board level, and the remuneration policy and remuneration to be paid to the Board of Directors and the Executive Board. It provides the Board of Directors with an appropriate report of its activities and findings at least once a year. In particular, the GNCC submits proposals to the Board of Directors on all questions relating to remuneration which are incumbent upon it in its function of remuneration committee as per the provisions of the "Ordinance against abusive remuneration in listed companies" (VegüV). The GNCC has no decision-making powers of its own. Apart from the members of the Board of Directors elected by the General Meeting, the GNCC meetings are also attended by the CEO and the CFO. The latter leave the meeting room when issues concerning them are discussed.

The Board of Directors has appointed an internal Audit Committee (AC). The AC is a specialist committee which supports the Board of Directors in supervising the financial and accounting systems, the financial reporting, the auditors and also the risk management and internal control system. The AC has no decision-making powers of its own. Apart from the members of the Board of Directors who sit on the AC, the Chairman of the Board of Directors and the CEO and CFO also attend the AC meetings; for individual items on the agenda, representatives of the statutory auditor are present.

Meetings

In the 2016 business year, the Board of Directors had six half-day meetings. These were held in the months of January, March, April, June, September and November 2016. The GNCC held four meetings in 2016, in the months of January, February, March and April. The AC held three meetings in the reporting year; these took place in March, August and October. The Board and committees met in their standard composition in each case. No external advisors were consulted in the reporting year.

Statutes and Regulations

The Statutes of MCH Group Ltd. were approved by the shareholders of the then Schweizer Mustermesse AG on 14 May 2001, with a view to the merger of Schweizer Mustermesse AG and Messe Zürich AG for international trade fairs and special exhibitions. At the General Meeting of 8 May 2009, §1 of the Statutes was modified for purposes of changing the name of MCH Swiss Exhibition (Holding) Ltd. to MCH Group Ltd. In addition, the Statutes were modified at the General Meeting of 17 May 2010 through §3a “Approved Share Capital”. In line with this decision taken by the General Meeting, the share capital of MCH Group Ltd. was increased to CHF 60 065 750.– in May 2011.

On 22 May 2014, the General Meeting approved a partial revision of the Statutes taking in not only the changes required by the “Ordinance against abusive remuneration in listed companies” (VegüV) but also additional modifications including the updating of the purpose clause and the deletion of the above-mentioned §3a “Approved Share Capital”.

The Statutes, the Organisational Regulations and the Regulations governing the specialist committees are posted in German on the www.mch-group.com website under “MCH Group” / “Investor Relations”.

Management and control instruments

The duties and competences of the Board of Directors and the Executive Board are governed by the Statutes, the Organisational Regulations and the Regulations governing the specialist committees. Data on the current and expected course of business is recorded on a continuous basis in a controlling, planning and information system. The Executive Board draws up regular business reports for submission to the Board of Directors on the basis of this underlying data. In addition, prior to each meeting, the Executive Board compiles a written report for the Board of Directors on the current course of business in the different divisions. If exceptional events occur, the Board of Directors is notified without delay. The Chairman of the Board of Directors maintains constant close contact with the CEO and CFO.

Risk Management and Internal Control System

The MCH Group's risk management deals with financial, strategic, operational and also regulatory risks. The risks are first identified in the MCH Group's different risk centres. During the subsequent consolidation phase, the key risks for the group are identified and evaluated. These risks are then reduced to an acceptable level through targeted measures for managing them and integrated in the corporate strategy. This process is repeated at least once a year, with new risks being taken up and dealt with without delay. Reconciliation with the corporate strategy is performed at regular intervals.

In the reporting year, the different business risks were identified in group workshops and individual interviews and assessed with regard to their potential level of impact and the probability of their occurrence. The risk assessment was verified by the Audit Committee (AC) and adopted by the Board of Directors.

The key risks for the MCH Group are described in the following section for the individual risk categories.

– Strategic risks

The opportunities identified include, in particular, the growth of internationally leading exhibitions and the increasing significance of digitisation. The MCH Group is developing its market presence through the further development of its existing exhibition portfolio, the implementation of initiatives and the acquisition of companies and exhibitions. By integrating risk management in these strategic projects, the company is endeavouring to optimise the sustainability and value retention of the investments made.

– Financial risks

The general economic climate has a direct influence on customers' financial standing, the level of marketing investments and foreign currency fluctuations. Various risk minimisation actions have been initiated at strategic, financial and operational level at the MCH Group for these risks.

– Operational risks

The MCH Group has set itself the aim of guaranteeing operational excellence in all matters so as to always achieve maximum satisfaction on the part of its customers, in particular. It makes an active contribution towards ensuring that the external framework conditions undergo constant improvement too. In the field of security, the MCH Group is continually optimising its group-wide processes to reduce the residual risk.

– Regulatory risks

The increasing regulatory requirements and framework conditions, together with the MCH Group's international development, are increasing both the complexity of the different issues and the exposure of the MCH Group. The organisation of the MCH Group is configured in such a way as to ensure that potential regulatory risks can be recognised at an early stage and the necessary actions triggered in good time.

The MCH Group has a corporate risk management function. Corporate risk management acts as an advisory unit on behalf of the Audit Committee and the Executive Board and supports the group in risk management and in the further development of the internal control system. Over the past business year, corporate risk management conducted various strategic, financial, operational and regulatory examinations.

The MCH Group's internal control system (ICS) takes in all the processes, methods and measures prescribed by the Board of Directors and Executive Board and constitutes an integral part of risk management and a key element of the corporate governance of the MCH Group. It is aimed first and foremost at ensuring the prompt and correct accounting of all business processes and the periodical availability of reliable data on the company's financial position. The key processes and controls, together with their implementation, are verified and documented on a systematic and readily comprehensible basis to this end. When acquisitions are made, we aim to bring the internal control procedures of the acquired entities into line with those of the MCH Group as rapidly as possible.

The MCH Group has extended its ICS to cover the efficiency of the company's business processes and compliance with legislation and regulations. The weak points identified in this way are rectified by means of selective actions. The Audit Committee of the MCH Group monitors the ICS.

Information policy

The MCH Group pursues an open communication policy as a matter of principle. It complies with the rules of the SIX Swiss Exchange as far as its information practice is concerned.

All the key information may be found on the MCH Group's website:

- > www.mch-group.com
- under "MCH Group" / "Investor Relations" and / or "News"
- reports (annual report, sustainability report, half-year results)
- ad hoc publications
- (media) releases on business activity and the individual events
- statutes and regulations
- agenda

An e-mail subscription service is available which sends information of relevance to the stock exchange (ad hoc publications) directly to subscribers. Annual reports in printed form can be ordered online, by e-mail or on the form sent out with the invitation to the General Meeting.

Employment

At the end of the 2016 reporting year, the MCH Group had a total of 632 permanent employees (588.4 full-time posts) as well as 161.6 employees and assistants on temporary contracts. During the reporting year, employee numbers within the group thus increased by 14 permanent employees (2.3%). This headcount includes all companies that are wholly owned by the MCH Group. Also included is India Art Fair (IAF), in which the MCH Group is the main shareholder.

| Employees on permanent contracts by company | 31.12.2016 | 31.12.2015 |
|---|------------|------------|
| MCH Group Ltd. | 25 | 24 |
| MCH Swiss Exhibition (Basel) Ltd. ¹⁾ | 320 | 306 |
| MCH Swiss Exhibition (Zurich) Ltd. | 29 | 29 |
| MCH Beaulieu Lausanne SA | 34 | 46 |
| MCH Global Ltd. ²⁾ | 3 | |
| Reflection Marketing AG | 11 | 8 |
| Rufener Events Ltd | 27 | 24 |
| Expomobilia AG | 93 | 96 |
| Winkler Multi Media Events AG | 90 | 85 |
| Total | 632 | 618 |

1) 2016 including India Art Fair
2) As of 2016

Board of Directors

As the successor to Ernst Stocker, the government of the Canton of Zurich delegated Carmen Walker Späh, Head of the Canton of Zurich's Department of Economic Affairs, to the Board of Directors of MCH Group Ltd. as of 1 January 2016, for the term of office running until 2019. On 22 April 2016, she was elected by the General Meeting on to the Governance, Nomination and Compensation Committee (GNCC).

As successors to Board members Rolando Benedick and Martin Vollenwyder who were stepping down, the General Meeting on 22 April 2016 elected Marco Gadola, CEO of the Straumann Group in Basel, and Andreas Widmer, CEO Young & Rubicam Group Switzerland in Zurich, as new members of the Board of Directors. The Board of Directors elected Marco Gadola as Chairman of the Audit Committee (AC).

At the Board of Directors meeting of 24 June 2016, Christoph Brutschin was elected new Vice-Chairman of the Board of Directors.

René C. Jäggi has announced that he will be retiring from the Board of Directors on the occasion of the 2017 Annual General Meeting. René C. Jäggi was elected a member of the Board of Directors by the Annual General Meeting in 2003 and subsequently confirmed in office. In 2016 he was additionally elected a member of the Governance, Nomination and Compensation Committee (GNCC). The MCH Group would like to thank René C. Jäggi for the outstanding service he has rendered to the company and for his competent and committed contribution to its successful development.

The Board of Directors will propose to the Annual General Meeting on 26 April 2017 that Jean-Philippe Rochat be elected a member of the Board of Directors and the Governance, Nomination and Compensation Committee (GNCC) to succeed René C. Jäggi. As Chairman of the Board of Directors of MCH Beaulieu Lausanne SA, Jean-Philippe Rochat has been an observer on the Board of Directors of MCH Group Ltd. since 2013.

Executive Board

There were no changes in the Executive Board in the 2016 reporting year.

Management and Organisational Structure (March 2017)

MCH Group Ltd.

Board of Directors

Executive Board

Dr. Ulrich Vischer, Chairman
Christoph Brutschin, Vice-Chairman
Marco Gadola
Werner Helfenstein
Dr. Eva Herzog
René C. Jäggi
Dr. Karin Lenzlinger Diedenhofen
Dr. André Odermatt
Carmen Walker Späh
Thomas Weber
Andreas Widmer

René Kamm
Chief Executive Officer (CEO)
Head of the Exhibitions Division

Christophe Biollaz
Chief Financial Officer (CFO)

Jean-Marc Devaud,
CEO Live Marketing Solutions

Peter Holenstein
Chief Venue Officer (CVO)

Stephan Peyer
Chief Development Officer (CDO)

Organisational structure of the wholly owned operating companies held directly by MCH Group Ltd. (March 2017)

| | Board of Directors | Management |
|------------------------------------|---|---|
| MCH Swiss Exhibition (Basel) Ltd. | René Kamm, Chairman Christophe Biollaz, Vice-Chairman Stephan Peyer | René Kamm, CEO/Head Exhibitions Christophe Biollaz, CFO Peter Holenstein, CVO Stephan Peyer, CDO |
| MCH Swiss Exhibition (Zurich) Ltd. | René Kamm, Chairman Christophe Biollaz, Vice-Chairman Stephan Peyer | René Kamm, CEO/Head Exhibitions Christophe Biollaz, CFO Peter Holenstein, CVO Stephan Peyer, CDO |
| MCH Beaulieu Lausanne SA | Jean-Philippe RoCHAT, Chairman René Kamm, Vice-Chairman Christophe Biollaz Yves Philippe Bloch Pierre-Antoine Hildbrand Peter Holenstein Didier Peier | Michel Loris-Melikoff, Managing Director |
| MCH Global AG | René Kamm, Chairman Jean-Marc Devaud, Delegate Christophe Biollaz | Marine Hamou, Managing Director a.i. |
| Rufener events Ltd. | René Kamm, Chairman Jean-Marc Devaud, Delegate Christophe Biollaz Hans-Jürg Rufener | Robert Erhart, Managing Director Marc Muggli, Head of Project Management |
| Expomobilia AG | René Kamm, Chairman Jean-Marc Devaud, Delegate Christophe Biollaz | Florian Faber, Managing Director Richard Hämmerli, Finance & Administration Markus Halbeisen, Operations |
| Winkler Multi Media Events AG | René Kamm, Chairman Jean-Marc Devaud, Delegate Christophe Biollaz | Christian Künzli, Managing Director Richard Hämmerli, Finance & Administration Carsten Jantz, Operations Stefan Mathys, Events & Exhibitions |

Audit Committee

Marco Gadola, Chairman (since 22.04.2016)
Christoph Brutschin, Member
Dr. Karin Lenzlinger Diedenhofen, Member
Dr. Ulrich Vischer, Observer

Governance, Nomination and Compensation Committee

Elected by the General Meeting of 22.04.2016:

Dr. Ulrich Vischer, Chairman
René C. Jäggi, Member
Carmen Walker Späh, Member
Thomas Weber, Member

Observer

Jean-Philippe Rochat, Chairman of the Board of Directors of MCH Beaulieu Lausanne SA

Secretary to the Board of Directors

Christoph Lanz, Head of Corporate Legal & Management Services of MCH Group Ltd.

Permitted activities of BD members as per §23 of the Statutes of MCH Group Ltd.

- a) In listed legal entities: 5
- b) In other legal entities entered in the commercial register: 15, minus a)
- c) In legal entities entered in the commercial register with a charitable, public or public-utility purpose: 20

| Members of the Board of Directors (March 2017) | Place of residence | Date of birth | Nationality | BD member since | End of term of office |
|--|--------------------|---------------|-------------|-----------------|-----------------------|
| Chairman | | | | | |
| Dr. Ulrich Vischer ¹⁾ | Basel | 09.12.1951 | CH | 2006 | 2017 |
| Vice-Chairman | | | | | |
| Christoph Brutschin ²⁾ | Basel | 21.02.1958 | CH | 2009 | 2017 |
| Mitglieder | | | | | |
| Marco Gadola | Engelberg | 23.09.1963 | CH/FR | 2016 | 2017 |
| Werner Helfenstein ²⁾ | Muttenz | 15.07.1947 | CH | 2006 | 2017 |
| Dr. Eva Herzog ²⁾ | Basel | 25.12.1961 | CH | 2005 | 2017 |
| René C. Jäggi | Reinach (BL) | 17.12.1948 | CH | 2003 | 2017 |
| Dr. Karin Lenzlinger Diedenhofen | Wermatswil | 01.09.1959 | CH | 2004 | 2017 |
| Dr. André Odermatt ²⁾ | Zürich | 12.06.1960 | CH | 2015 | 2018 |
| Carmen Walker Späh ²⁾ | Zürich | 29.01.1958 | CH | 2016 | 2019 |
| Thomas Weber ²⁾ | Buus | 23.11.1961 | CH | 2013 | 2019 |
| Andreas Widmer | Herrliberg | 10.10.1968 | CH | 2016 | 2017 |

1) 1992 to 2005 member of the Board of Directors as a delegate of the Canton of Basel-Stadt

2) Delegate of the public-sector entities

Dr. Ulrich Vischer held various top posts in the BASLER insurance group up until 1992. From 1992 to 2005 he was a member of the cantonal government and Head of the Finance Department of the Canton of Basel-Stadt. Today, he is a partner in a law firm with offices in Basel and Zurich. He is also, inter alia, Chairman of the Basel University Board, a member of the Board of Directors of Wardeck Invest AG and Chairman of the Sophie and Carl Binding Foundation.

Christoph Brutschin

has been a member of the cantonal government and Head of the Economic, Social Affairs and Environment Department of the Canton of Basel-Stadt since 2009. He studied business administration in Zurich and economics and the teaching of economics in Fribourg before taking up employment with PricewaterhouseCoopers and maxit AG. Prior to his election onto the executive of the Canton of Basel-Stadt, he worked at the Basel Commercial College – as a teacher and lecturer as of 1991 and then as the principal from 1996 onwards.

Marco Gadola

studied economics in Basel, followed by other courses in London and Lausanne, before taking up senior posts in various international companies (including Sandoz, Hilti and Hero) in different countries. From 2006 to 2008 he was Chief Financial Officer (CFO) of the Straumann Group in Basel, before moving to Panalpina, where he was first CFO of the Panalpina Group, Basel and then Regional CEO Asia / Pacific, Singapore. In 2013 he returned to the Straumann Group in Basel where he was responsible for group management as Chief Executive Officer (CEO). He is Vice-Chairman of the Board of Directors of the Calida Group.

Werner Helfenstein

graduated in construction engineering at the Swiss Federal Institute of Technology (ETH) in Zurich. After completing his studies, he was a project manager and a member of the management at a Zurich engineering company. In 1985 he was appointed a member of the management of the Preiswerk construction group in Basel and then, in 1995, chairman of the management. Following this, he was CEO of BATIGROUP Holding AG from the time it was established in 1997 through to the point when it merged to form Implen AG in March 2006. Today, he is a member of the Board of Directors of a number of non-quoted companies and holds coaching mandates.

Dr. Eva Herzog

has been a member of the cantonal government and Head of the Finance Department of the Canton of Basel-Stadt since 2005. Before she was elected onto the executive of the Canton of Basel-Stadt, Dr. Herzog, who gained her doctorate in history, was on the academic staff of the Research Vice-Rectorate at the University of Basel, and was also a member of the parliament and constitutional council of the Canton of Basel-Stadt. She is additionally a member of the Board of Directors of the Basel-Stadt pension fund and Chairwoman of the Administrative Commission of the Basel-Stadt cantonal property insurers.

René C. Jäggi

studied Japanese languages and sport at Waseda University in Tokyo. As a graduate sales manager, he first went to the Reynolds Tobacco Company before moving to battery

manufacturers, Duracell, from where he switched to Adidas, as Head of Marketing. From 1987 to 1992, he was CEO at Adidas and, from 1996 to 2002, Chairman of Basel Football Club. Up until mid-2006, he was then Chairman of the Board of Kaiserslautern Football Club as well as Head of the OC Team at the Kaiserslautern Office for the 2006 FIFA World Cup. For several years, he was one of the six Ambassadors of the International Judo Federation (IJF) and, since August 2015, he has been a member of the IJF Executive Committee and Director Marketing & Strategic Planning. Since August 2006, René C. Jäggi has been Chairman of the Board of Directors and Board Delegate at GRJ AG in Basel. He is Chairman and Delegate of the Board of OPENLiMiT Holding AG in Baar (CH) / Berlin (D) and a member of the Board of Directors of Immo Invest AG, Glattbrugg and Praxisklinik Rennbahn AG, MuttENZ.

Dr. Karin Lenzlinger Diedenhofen

has been a delegate of the Board of Directors at Lenzlinger Söhne AG, Uster / Nänikon since 1999, and also ran the company as CEO until 2015. After gaining her doctorate in economics (Universities of Boston and St. Gallen) and engaging in various teaching and research assignments, she joined the company at the start of the 1990s as a member of the Board of Directors and a Business Segment Manager. She is Vice-Chairwoman of the Swiss Parquet Industry Association and a delegate at “bauenschweiz”, the umbrella organisation of the Swiss building industries. She is additionally Chairwoman of the Zurich Chamber of Commerce, a Board member at economiesuisse and also Chairwoman of the Board of ZO Medien AG, Wetzikon, a member of the Board of Directors of the SV Group AG, Dübendorf, of Bank Linth LLB AG, Uznach, and PGMM Schweiz AG, Winterthur.

Dr. André Odermatt

has been head of City of Zurich's Building Department since 2010. He was a member of the Zurich City parliament from 1995 to 2010 and its chairman in 1999 / 2000. Dr. André Odermatt studied geography at the University of Zurich and received his PhD in 1996. He has held teaching posts at different school levels, was on the scientific staff at the University of Zurich and, prior to his election to the City Council, was ad interim Head of the Chair of Economic Geography. He is a member of the Board of Directors of “Regional Planning for Zurich and the Surrounding Area” (RZU).

Carmen Walker Späh

has been a member of the cantonal government and Head of the Department of Economic Affairs of the Canton of Zurich since 2015. Before being elected to the cantonal government, she was politically active for 13 years as a member of the cantonal parliament and for five years as a member of the constitutional council. Carmen Walker Späh studied law at the University of Zurich before working inter alia in a senior post at the City of Winterthur's Building Department. From 2000 to 2015 she ran her own lawyer's office. In her capacity as Head of the Department of Economic Affairs, she is a member of the Board of Directors of Flughafen Zürich AG and AXPO Holding AG, among other posts.

Thomas Weber

was elected to the Basel-Landschaft cantonal government in 2013, where he is Head of the Economic Affairs and Health Department. With a degree in construction engineering from the Swiss Institute of Federal Technology (ETH), he worked for different engineering and construction companies before being elected a member of the cantonal government. From 2002 to 2006, he worked in Basel-Landschaft's Civil Engineering Department and from 2007 to 2013 he was at the Federal Roads Office with responsibility for the main-road infrastructure in central and northwest Switzerland. Thomas Weber represents the Canton of Basel-Landschaft on the Board of Directors of the Swiss Rhine Ports.

Andreas Widmer

after studying sociology and marketing at the University of Zurich, he worked in market research for two years before joining the Wunderman marketing agency in 1993. In 1996, he founded Futurecom interactive AG, then, in 2003, he took over the management of Wunderman and, in 2007, the management of Advico Young & Rubicam. Together with other business units, he merged these companies to form the Young & Rubicam Group Switzerland in 2008, and has been Chief Executive Officer (CEO) of the group since this time. He is Chairman of the Board of Directors at Vintra AG and a member of the Board at Walde & Partner and at the Brino Group AG.



←
René Kamm
Christophe Biollaz
Jean-Marc Devaud

→
Peter Holenstein
Stephan Peyer



| Members of the Executive Board (March 2017) | Place of residence | Date of birth | Nationality | EB member since |
|---|--------------------|---------------|-------------|-----------------|
| René Kamm | Riehen | 10.02.1960 | CH | 01.10.1999 |
| Christophe Biollaz | Therwil | 15.03.1968 | CH | 01.12.2013 |
| Jean-Marc Devaud | Binningen | 05.10.1964 | CH | 01.01.2009 |
| Peter Holenstein | Muttenz | 09.11.1959 | CH | 01.01.1998 |
| Stephan Peyrer | Zollikon | 17.09.1964 | CH/FR | 01.01.2007 |

Permitted activities of EB members as per §36 of the Statutes of MCH Group Ltd.

- a) In legal entities listed in the commercial register: 8
- b) In legal entities listed in the commercial register with a charitable, public or public-utility purpose: 8

René Kamm

studied economics at the University of Basel and then held various management positions in Switzerland and abroad in both the consumer goods sector (including Unilever) and the watch industry (including Tag Heuer). He joined the then Messe Basel in 1999, as General Manager Art and Luxury Products Shows. He was appointed CEO of the MCH Group on 1 January 2003 and is also head of the Exhibitions Division. From 2005 to 2012 René Kamm was Vice-President (2009 President) of the European Major Exhibition Centres Association EMECA. He is a member of the Board of the Union of International Fairs (Union des Foires Internationales). He is also a member of the Board of Directors of FC Basel 1893 AG and FC Basel Holding AG, as well as of Winter Holding Ltd., Engelberg.

Christophe Biollaz

joined MCH Group Ltd. on 1 December 2013 as a member of the Executive Board and took on the post of Chief Financial Officer (CFO) on 1 January 2014. After completing his studies as a business economist, he worked in managerial positions and as CFO in Switzerland, Austria, Japan and Australia, for companies including Novartis, Syngenta, Hero, Lindt & Sprüngli and the Oettinger Davidoff Group.

Jean-Marc Devaud

joined Expomobilia in 2008, taking on the post of managing director in 2010. With a view to his taking on this post, he was appointed a member of the Executive Board of the MCH Group on 1 January 2009. Today, he is head of the Live Marketing Solutions Division. Before joining Expomobilia AG, Jean-Marc Devaud, who is a graduate in marketing studies and holds an Executive MBA from the University of Zurich, worked in senior positions in marketing and sales (including at Henkel-Ecolab Ltd.).

Peter Holenstein

came to Messe Basel in 1984 and has been a member of the Executive Board of the current MCH Group since 1998. As a graduate in advertising and marketing studies, he first held responsibility for communications and then for corporate development. Today, he is head of the Venues Division. He is a member of the Board of Directors at Parkhaus Messe Zürich AG and is on the Board of Basel Tourism.

Stephan Peyrer

studied economics at the University of St. Gallen and then held high-level posts in different companies in the consumer goods sector (including Unilever), in IT (including Compaq) and in the luxury goods segment (including Movado). In 2001, he co-founded the Vendbridge Growth Architects AG consultancy in Zurich, working as an independent consultant in marketing and sales until joining what is now the MCH Group. From 1.1.2007 to 31.10.2013 he was Head of Trade Fairs and Consumer Shows before taking on the post of Chief Development Officer (CDO) on 1.11.2013.

Shares held by members of the Board of Directors

| | Number of shares CHF 10 and percentage of voting rights 31.12.2016 | | Number of shares CHF 10 and percentage of voting rights 31.12.2015 | |
|----------------------------------|--|--------------|--|--------------|
| | | | | |
| Dr. Ulrich Vischer | 313 | 0.0 % | 313 | 0.0 % |
| Rolando Benedick ¹⁾ | | | 5 000 | 0.1 % |
| Christoph Brutschin | – | 0.0 % | – | 0.0 % |
| Marco Gadola ²⁾ | – | 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 % |
| Dr. André Odermatt | – | 0.0 % | – | 0.0 % |
| Ernst Stocker ³⁾ | | | – | 0.0 % |
| Martin Vollenwyder ¹⁾ | | | 60 | 0.0 % |
| Carmen Walker Späh ⁴⁾ | – | 0.0 % | | |
| Thomas Weber | – | 0.0 % | – | 0.0 % |
| Andreas Widmer ²⁾ | – | 0.0 % | | |
| Total | 685 | 0.0 % | 5 745 | 0.1 % |

1) BD member up to 22.04.2016

2) BD member as of 22.04.2016

3) BD member up to 31.12.2015

4) BD member up to 01.01.2016

Shares held by members of the Executive Board

| | Number of shares CHF 10 and percentage of voting rights 31.12.2016 | | Number of shares CHF 10 and percentage of voting rights 31.12.2015 | |
|---|--|--------------|--|--------------|
| | | | | |
| René Kamm, CEO | – | 0.0 % | – | 0.0 % |
| Christophe Biollaz | – | 0.0 % | – | 0.0 % |
| Jean-Marc Devaud | 337 | 0.0 % | 337 | 0.0 % |
| Peter Holenstein | 62 | 0.0 % | 62 | 0.0 % |
| Stephan Peyer | – | 0.0 % | – | 0.0 % |
| Total | 399 | 0.0 % | 399 | 0.0 % |
| Shares held by related parties of Peter Holenstein | 256 | 0.0 % | 256 | 0.0 % |

Statutory Auditors

The Annual General Meeting of the MCH Group Ltd. of 22 April 2016 elected KPMG AG, Basel, as the statutory auditors for the group for the 2016 business year. The lead auditor was Stefan Inderbinen.

KPMG AG, Basel has invoiced the following services to the MCH Group in the 2016 business year:

| Services (in CHF, excl. VAT) | 2016 | 2015 |
|---------------------------------|----------------|----------------|
| Auditing | 267 265 | 223 000 |
| Taxation advice | 197 742 | 289 450 |
| Total | 465 007 | 512 450 |

The auditing services cover all engagements in connection with the auditing of the annual accounts for the business year in question.

The statutory auditors are elected by the General Meeting for a period of one year in each case following a proposal made by the Board of Directors. The Audit Committee monitors the external auditing company to ensure that it performs its work independently and in accordance with Swiss legislation and the Swiss auditing standards. The statutory auditors submit written and verbal reports to the Audit Committee at least once a year on the subjects of audit planning and the scope of the audit, accounting, financial reporting, the internal control system and other auditing related assignments. The statutory auditors additionally report to the CFO twice a year on the results of the intermediate and final audits in a detailed management letter. In the reporting year, the statutory auditors attended two Audit Committee meetings.

The Audit Committee is in regular contact with the CEO and CFO, receiving information on the performance of the auditing company via this route. The Audit Committee similarly monitors all the fees paid to the statutory auditors and has granted the Executive Board the competence to take decisions itself regarding the scope of non-auditing assignments that are placed with the statutory auditors in the context of the decisive provisions governing independence.

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