

Media Release | 18 March 2008

Swiss Exhibition ready for major investments, thanks to excellent result

The Swiss Exhibition Group achieved a group profit of CHF 45.7 million in the 2007 financial year, with income of CHF 338.7 million. Alongside the tightly-packed exhibition schedule, with a large number of exhibitions coming round, it was primarily the acquisition and integration of stand constructors Expomobilia AG, which were responsible for the strong growth in terms of sales and profit. Such a gratifying figure provides a sound basis for the major investments that are required for the forthcoming “Basel Exhibition Center 2012” project. A proposal is to be submitted to the General Meeting for the creation of authorised capital in conjunction with the project. Based on the regular cycle of exhibitions, a fall in income and profit is due to be expected in 2008, compared with 2007.

Swiss Exhibition's consolidated result for 2007 shows a cash flow of CHF 87.9 million (CHF 48.3 million) for income of CHF 338.7 million (previous year CHF 218.1 million). With depreciation of CHF 42.2 million (CHF 34.5 million), this resulted in a group profit of CHF 45.7 million (CHF 13.8 million). Investments totalling CHF 34.3 million (CHF 20.4 million) were made. The consolidated total assets of the end of the year under review are CHF 535.7 million, with borrowed capital of CHF 351.0 million and equity capital of CHF 184.7 million. The equity ratio stands at 34.% (previous year: 33.1%).

A number of positive factors

The excellent result can be attributed to a number of positive factors: 2007 was a year in which an exceptionally large number of exhibitions were held, including Swissbau, Ilmac, go/ineltec, Holz and Igeho/mefa, which do not come round every year. In addition to this “cycle effect”, which only occurs in this form every six years, most exhibitions had a highly successful outcome. And, over the past year, Swiss Exhibition once again succeeded, in particular, in further strengthening its position as the world's leading exhibition in the watch and jewellery sector and also in the art world.

All in all, Swiss Exhibition was involved in holding 48 exhibitions last year: 19 of these were its own exhibitions (with 14 in Basel and four in Zurich, plus one in Miami Beach), five were joint ventures (with two in Zurich and one in each of Karlsruhe, Hamburg and Miami) and 24 were guest exhibitions (with six in Basel and 18 in Zurich). Almost 16,000 exhibitor companies attended these exhibitions, attracting more than 1.8 million visitors.

A further factor that contributed towards the outstanding operating result was the development of the event services segment. Subsidiary Expomobilia has been included in the group's consolidated result for the first time in 2007. Winkler Veranstaltungstechnik AG was also able to report gratifying growth once again. The two service companies accounted for some 26% of Swiss Exhibition's consolidated sales in 2007.

With next year's exhibition programme not being so tightly packed based on the regular cycle of exhibitions, which includes the absence of Swissbau and Igeho, a fall in income and profit must be expected in 2008, compared with 2007.

Large-scale investments

Swiss Exhibition will be engaging in large-scale investments over the next few years with the "Basel Exhibition Center 2012" project, which is aimed at securing the group's portfolio of its own exhibitions at the Basel location. On the basis of the cost estimate, which puts the overall investment at CHF 350 million, Swiss Exhibition and the public sector entities with a holding in the group have worked out a joint financing concept. Under the terms of this concept, Swiss Exhibition will be paying CHF 260 million itself – including the repayable loans. Added to this come the extra costs that have to be expected. The group is thus bearing a disproportionately high share of the investment in relation to the benefit it will derive – something that is only possible thanks to its successful business development.

In view of the forthcoming investments, the Board of Directors will propose to the General Meeting on 8 May 2008 that an unchanged dividend of CHF 5 be paid.

Creation of authorised capital

In conjunction with the "Basel Exhibition Centre 2012" project, the Board of Directors will submit a proposal to the General Meeting for the creation of authorised capital totalling a maximum of CHF 10 million. With a view to the implementation of this project, Swiss Exhibition and the Cantons of Basel-Stadt, Basel-Landschaft and Zurich, and also the City of Zurich, have jointly drawn up a financing concept. Swiss Exhibition will be contributing CHF 40 million of its own equity, which is to be created through the issue of new shares.

The authorised capital which is being requested will permit the Board of Directors to proceed with this capital increase, specifying the subscription ratio, at an appropriate point in time. It will, however, only be implemented if the voters of the Cantons of Basel-Stadt and Basel-Landschaft agree to the "Basel Exhibition Centre 2012" project on 1 June 2008. The Cantons of Basel-Stadt, Basel-Landschaft and Zurich, and also the City of Zurich, have already indicated that they wish to participate in this capital increase in the same ratio as their current holding.

Share split

The Board of Directors will also propose a share split, in a ratio of 1 to 10, to the General Meeting. This will then give the share a market value that better fits the environment. The tradability and hence the liquidity of the shares will be improved by the lower share price.

Elections

The Board of Directors will additionally propose to the General Meeting that current Board members Dr. Karin Lenzlinger Diedenhofen, Werner Helfenstein and Dr. Ulrich Vischer be confirmed as members of the Board of Directors for a further term of office of two years.

Notes

The Annual Report for Swiss Exhibition and the documents for the General meeting on 8 May 2008 will be sent out on 14 April 2008.

René Kamm, CEO, will be available to provide information to the media by telephone from 14.00 to 16.00 on 18 March 2008.

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