

swiss prime insight

ANNUAL REPORT AS AT 31 DECEMBER 2011


picking the real value



SWISS PRIME INSIGHT AS AT 31 DECEMBER 2011

Summary of key figures	2
Foreword by the Chairman of the Board of Directors	9
Corporate governance	13
Sustainability report	31
Valuation expert's report	37
Financial commentary	45
Consolidated financial statements	51
Report of the statutory auditor	53
Consolidated income statement	54
Consolidated statement of comprehensive income	55
Consolidated balance sheet	56
Consolidated cash flow statement	57
Consolidated statement of changes in shareholders' equity	58
Notes to the consolidated financial statements	60
Financial statements of Swiss Prime Site AG	121
Report of the statutory auditor	123
Income statement	124
Balance sheet	125
Notes to the financial statements	126
Proposed appropriation of balance sheet profit	130
Property details	133
Figures from the balance sheet and income statement	134/136/138/140/142/144
General property details	135/137/139/141/143/145
Property structure part 1, commercial properties	146/148/150/152/154/156
Property structure part 2, residential properties	147/149/151/153/155/157

Translation: The original of this annual report is written in German. In the case of inconsistencies between the German original and this English translation, the German version shall prevail.

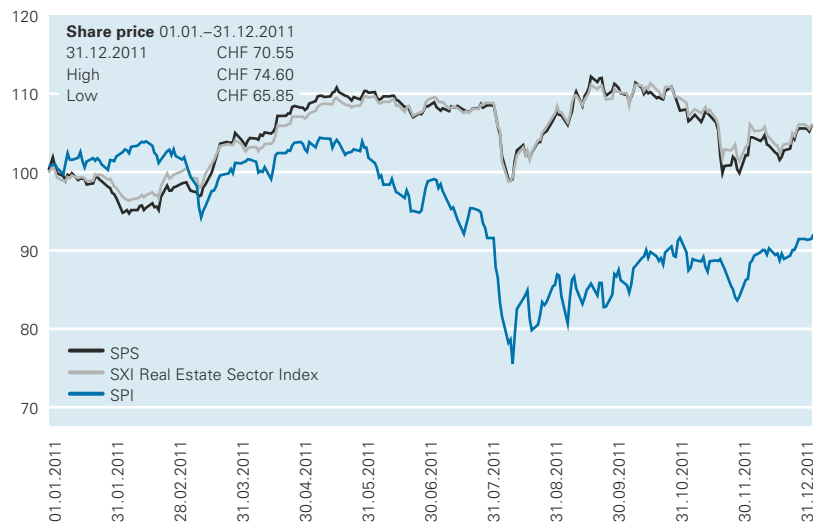
SELECTED KEY FIGURES

	in	31.12.2011	31.12.2010	Change in %
Group				
Investment properties	CHF m	8 165.1	8 020.3	1.8
Rental income, net	CHF m	410.8	417.3	(1.6)
Retail trade turnover, net	CHF m	155.1	157.0	(1.2)
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	CHF m	606.2	438.2	38.3
Earnings before interest and taxes (EBIT)	CHF m	592.1	411.1	44.0
Revaluation of investment properties, properties under construction and development sites (IAS 40)	CHF m	178.1	86.4	106.1
Profit attributable to shareholders of Swiss Prime Site AG	CHF m	355.1	235.0	51.1
Comprehensive income attributable to shareholders of Swiss Prime Site AG	CHF m	365.1	240.9	51.6
Shareholders' equity attributable to shareholders of Swiss Prime Site AG	CHF m	3 443.7	3 267.2	5.4
Equity ratio	%	40.0	39.3	1.8
Borrowed capital	CHF m	5 168.6	5 050.2	2.3
Borrowed capital ratio	%	60.0	60.7	(1.2)
Total capital	CHF m	8 612.3	8 317.4	3.5
ROE (weighted)	%	10.6	7.2	47.2
ROIC (weighted)	%	5.8	4.3	34.9
Cash flow from operating activities	CHF m	200.5	130.9	53.2
Cash flow from investing activities	CHF m	113.2	109.7	3.2
Cash flow from financing activities	CHF m	(196.9)	(321.2)	(38.7)
Figures without revaluation effects*				
Earnings before interest and taxes (EBIT)	CHF m	413.9	324.7	27.5
Profit attributable to shareholders of Swiss Prime Site AG	CHF m	250.8	171.7	46.1
Comprehensive income attributable to shareholders of Swiss Prime Site AG	CHF m	250.8	171.7	46.1
Earnings per share (weighted)	CHF/share	4.62	3.17	45.7
ROE (weighted)	%	7.7	5.4	42.6

* revaluations (IAS 40) and deferred taxes

PERFORMANCE OF THE SWISS PRIME SITE SHARE (REINVESTED), TOTAL RETURN

01.01.–31.12.2011

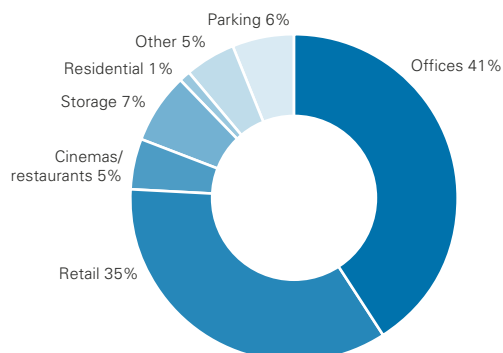


SHARE DETAILS

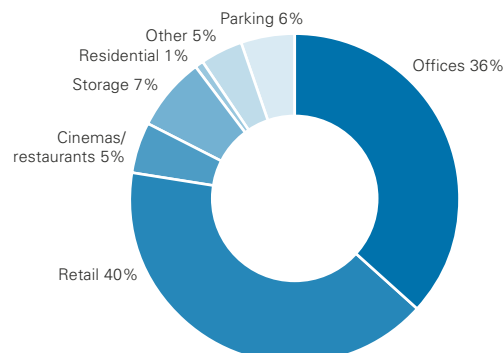
Share price (01.01.–31.12.2011)	31.12.2011	CHF 70.55
	Highest	CHF 74.60
	Lowest	CHF 65.85
Market capitalisation	31.12.2011	CHF m 3 835.7
NAV before deferred taxes	31.12.2011	CHF 76.72
	31.12.2010	CHF 72.11
	Change	6.4%
NAV after deferred taxes	31.12.2011	CHF 63.34
	31.12.2010	CHF 60.14
	Change	5.3%
Earnings per share (weighted)	31.12.2011	CHF 6.53
	31.12.2010	CHF 4.34
	Change	50.5%
Share statistics	Total registered shares	54 368 714
	Securities no.	803 838
	ISIN no.	CH 000 803 838 9
	SIX symbol	SPSN
	First trading day	05.04.2000

PORTFOLIO SPLIT BY TYPE OF USE

Based on net rental income as at 31.12.2011

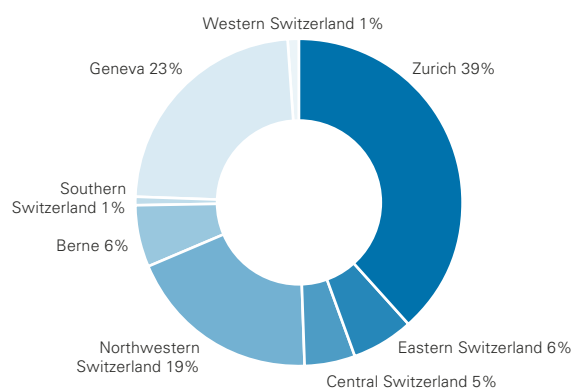


Based on net rental income as at 31.12.2010

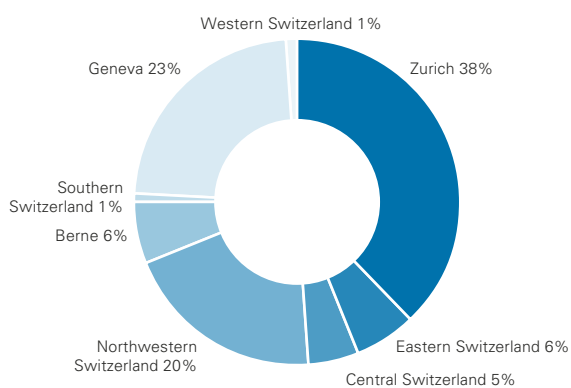


PORTFOLIO SPLIT BY REGION

Based on fair value as at 31.12.2011



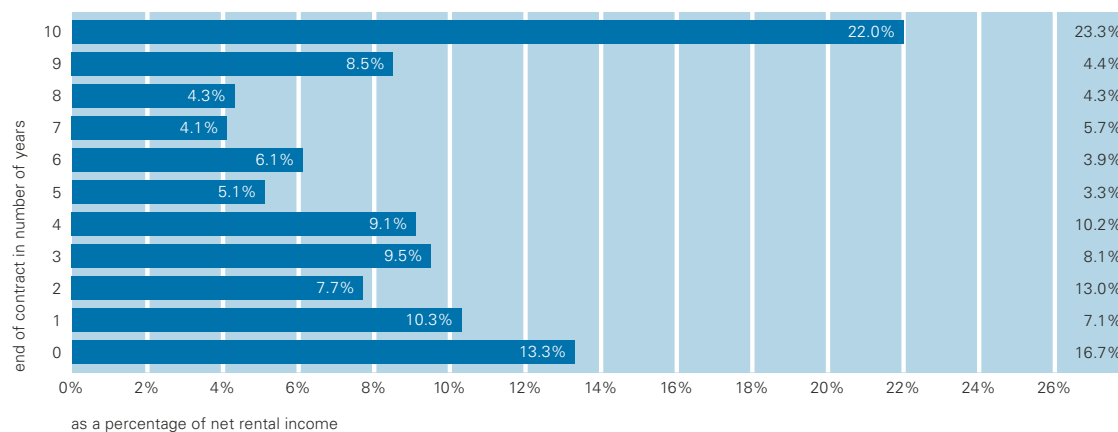
Based on fair value as at per 31.12.2010



LEASE EXPIRY PROFILE

Based on net rental income as at 31.12.2011

31.12.2010



MULTI-YEAR SUMMARY OF KEY FIGURES

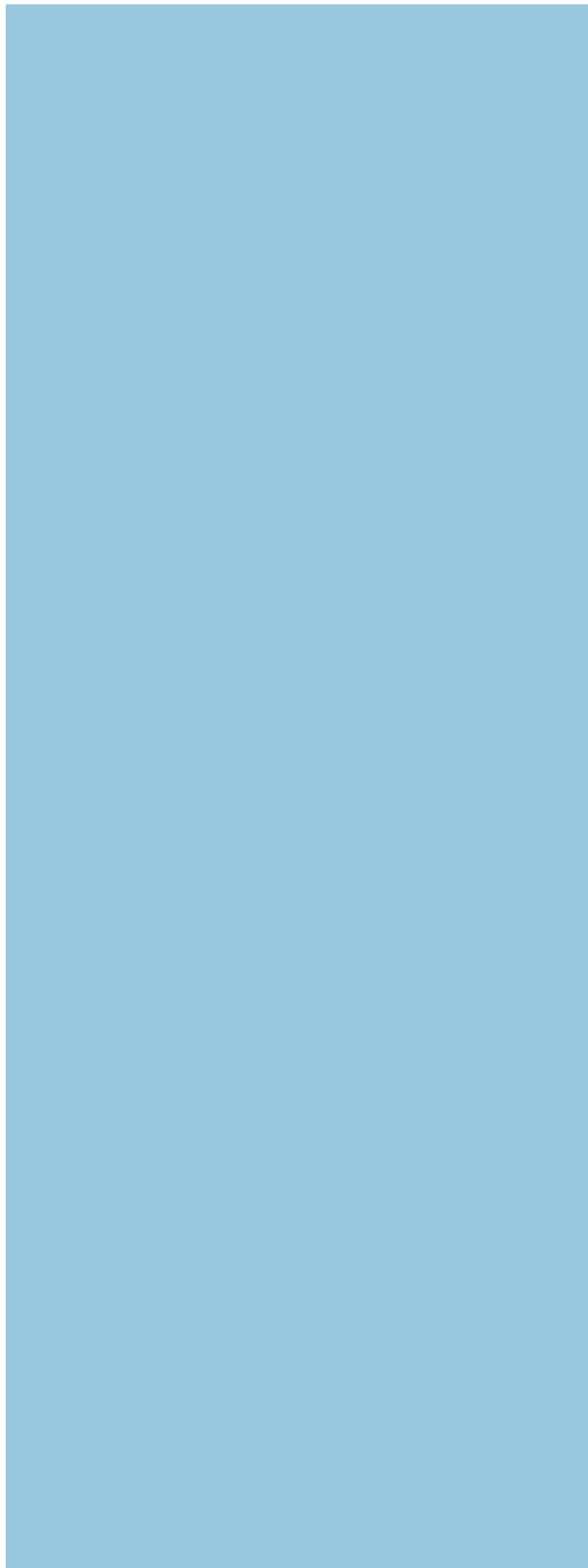
	in	31.12.2011	31.12.2010	31.12.2009	31.12.2008	31.12.2007
Key portfolio figures						
Investment properties (fair value)	CHF m	8 165.1	8 020.3	8 081.6	3 785.5	3 651.6
Investment properties	Number	186	198	230	110	118
Average property size	CHF m	43.9	40.5	35.1	34.4	30.9
Rental income, net	CHF m	410.8	417.3	251.7	207.1	204.2
Net yield on properties	%	4.8	4.9	4.9	5.1	5.2
Loss of earnings rate	%	4.6	4.2	4.0	4.5	4.9
Key retail figures						
Retail trade turnover, gross	CHF m	168.1	164.1	34.0	–	–
Loss of earnings	CHF m	(13.0)	(7.1)	(1.2)	–	–
Retail trade turnover, net	CHF m	155.1	157.0	32.8	–	–
Cost of goods sold	CHF m	73.0	75.1	17.8	–	–
Gross profit	CHF m	82.1	81.9	15.0	–	–
Gross profit margin	%	52.9	52.2	45.7	–	–
Key financial figures						
EBITDA	CHF m	606.2	438.2	223.3	200.9	308.6
EBIT	CHF m	592.1	411.1	219.4	200.9	308.6
Profit attributable to shareholders of Swiss Prime Site AG	CHF m	355.1	235.0	187.4	116.4	198.9
Comprehensive income attributable to shareholders of Swiss Prime Site AG	CHF m	365.1	240.9	190.5	116.4	198.9
Shareholders' equity attributable to shareholders of Swiss Prime Site AG	CHF m	3 443.7	3 267.2	3 221.4	1 418.8	1 329.6
Equity ratio	%	40.0	39.3	37.8	37.0	35.7
Borrowed capital	CHF m	5 168.6	5 050.2	5 273.5	2 411.4	2 399.0
Borrowed capital ratio	%	60.0	60.7	61.8	63.0	64.3
Non-controlling interests	CHF m	–	–	33.8	–	–
Total shareholders' equity and borrowed capital	CHF m	8 612.3	8 317.4	8 528.7	3 830.2	3 728.6
Interest-bearing financial liabilities	CHF m	4 188.7	4 192.1	4 440.1	1 607.5	2 198.5
Interest-bearing financial liabilities in % of balance sheet total	%	48.6	50.4	52.1	42.0	59.0
Loan-to-value ratio of property portfolio	%	51.0	52.1	54.6	58.2	59.6
Average interest rate on financial liabilities	%	2.8	2.8	2.8	3.0	3.0
Average residual term to maturity of interest-bearing financial liabilities	years	4.5	3.9	3.4	4.4	4.2
ROE (weighted)	%	10.6	7.2	10.0	8.5	14.6
ROIC (weighted)	%	5.8	4.3	4.3	4.9	7.2
Cash flow from operating activities	CHF m	200.5	130.9	109.7	77.5	85.3
Cash flow from investing activities	CHF m	113.2	109.7	(180.8)	(56.6)	(57.8)
Cash flow from financing activities	CHF m	(196.9)	(321.2)	159.0	(20.4)	(28.5)

MULTI-YEAR SUMMARY OF KEY FIGURES

	in	31.12.2011	31.12.2010	31.12.2009	31.12.2008	31.12.2007
Key financial figures excluding revaluation effects*						
EBIT	CHF m	413.9	324.7	165.4	158.6	150.1
Profit attributable to shareholders of Swiss Prime Site AG	CHF m	250.8	171.7	117.1	93.5	85.3
Comprehensive income attributable to shareholders of Swiss Prime Site AG	CHF m	250.8	171.7	117.0	93.5	85.3
ROE (weighted)	%	7.7	5.4	6.5	6.9	6.9
ROIC (weighted)	%	4.5	3.6	3.2	4.3	4.1
Key figures per share						
Share price at end of period	CHF	70.55	69.75	58.00	50.80	57.50
Share price, highest	CHF	74.60	72.25	59.90	68.00	75.90
Share price, lowest	CHF	65.85	58.00	41.80	49.30	57.50
Earnings per share (weighted)	CHF	6.53	4.34	6.09	4.95	8.13
NAV before deferred taxes	CHF	76.72	72.11	71.22	66.01	63.81
NAV after deferred taxes	CHF	63.34	60.14	59.52	59.25	57.52
Distribution/nominal value reduction	CHF	–	–	3.50	3.40	3.40
Distribution from capital contribution reserves	CHF	3.60**	3.50	–	–	–
Cash yield (on closing price of the reporting period)	%	5.1**	5.0	6.0	6.7	5.9
Share performance (TR) p.a. in the last 12 months	%	6.1	27.1	22.0	(6.7)	(17.9)
Share performance (TR) p.a. in the last 3 years	%	18.0	13.1	(2.4)	(1.1)	5.6
Share performance (TR) p.a. in the last 5 years	%	4.6	8.5	6.0	7.2	9.4
Premium/(discount)	%	11.4	16.0	(2.6)	(14.3)	–
Market capitalisation	CHF m	3 835.7	3 792.2	3 153.4	1 303.2	1 475.1
Employees						
End of period	Posts	771	602	876	2	2
Equal full-time employees	Posts	547	468	675	2	2
Share statistics						
Shares issued	Number	54 368 714	54 368 714	54 368 714	25 653 598	25 653 598
Average treasury shares held	Number	(36 117)	(173 262)	(1 465 828)	(2 122 988)	(1 183 939)
Average outstanding shares	Number	54 332 597	54 195 452	30 751 332	23 530 610	24 469 659
Treasury shares held	Number	(4 244)	(44 037)	(245 982)	(1 708 529)	(2 537 784)
Outstanding shares	Number	54 364 470	54 324 677	54 122 732	23 945 069	23 115 814

* revaluations (IAS 40) and deferred taxes

** according to proposal to Annual General Meeting





Foreword by the Chairman of the Board of Directors

FOREWORD BY THE CHAIRMAN OF THE BOARD OF DIRECTORS

Dear shareholders,
Ladies and gentlemen,

The financial year 2011 turned out very favourably for Swiss Prime Site. For instance, Prime Tower in Zurich West – which opened its doors in December 2011 – sparked a considerable amount of resonance and enjoyed widespread acclaim. The FY 2011 financial results also provided some upbeat news: earnings before interest and taxes (EBIT) soared by 44.0% to CHF 592.1 million, including a revaluation gain of CHF 178.1 million. Profit attributable to shareholders after revaluation effects surged by 51.1% from CHF 235.0 million in FY 2010 to CHF 355.1 million. The Swiss Prime Site share also reaped rewards from the general pick-up in demand for Swiss real estate investments, realising a performance of +6.1%, in contrast to the Swiss Performance Index (SPI) which lost ground to the extent of –7.7% last year.

The value of the real estate portfolio edged up by 1.8% to CHF 8.2 billion. However, this change expresses the momentum of the portfolio only to some degree. In fact, construction was completed on various development projects in the reporting period, such as Prime Tower with its annex buildings Cubus and Diagonal as well as Platform corporate building located at the Maag site in Zurich, in addition to the Business Park 60A–E situated at the Stückerli site in Basel, which were reclassified as existing properties at end-2011. Swiss Prime Site also divested 14 properties with a total price tag of CHF 333.1 million at a profit, including the Volkland shopping centre located in Volketswil and the nearby retail and commercial property at Grabenwis-Strasse.

Construction activities for the new development projects proceeded according to plan in 2011. Swiss Prime Site acquired the SkyKey commercial complex situated at Hagenholzstrasse in Zurich North. The 18-storey high-rise building will be completed in 2014 and is leased to Zurich Insurance Company Ltd under a long-term rental agreement. Furthermore, a deal regarding translocation of the MFO building located at the Oerlikon railway station in Zurich was concluded as well.

The Maaghof North and East residential building project is being constructed west of Prime Tower, comprising 137 rental apartments and 82 condominiums. The complex is situated in a subzone of the Maag site, for which a minimum 80% share of residential floor space is envisaged. The completion date is slated for winter 2014/2015.

The retail trade segment saw a change in the Chief Executive Officer position in the reporting period, with Franco Savastano taking over the reins as new CEO of Jelmoli – The House of Brands effective as at 01.04.2012. He succeeds Hanspeter Grüninger, who is leaving Swiss Prime Site and tackling new challenges in the wake of the successful renovation of the department store Jelmoli – The House of Brands in 2009/2010.

Indeed, Swiss Prime Site has closed the door on a successful financial year. The 50.5% surge in earnings per share to CHF 6.53 – coupled with the overall positive outlook for the current year, despite the uncertainty surrounding the economic picture – has prompted the Board of Directors to propose a distribution of CHF 3.60 [CHF 3.50] per share to the Annual General Meeting of 19.04.2012. The payout should be carried out through a withholding tax-exempt distribution from capital contribution reserves, corresponding to a cash yield of 5.1% based on the closing share price at year-end 2011.

Finally, I would like to thank the Board of Directors and Management Board for their constructive cooperation and strong commitment to Swiss Prime Site, as well as express my appreciation to the shareholders for the confidence they have placed in our Company.

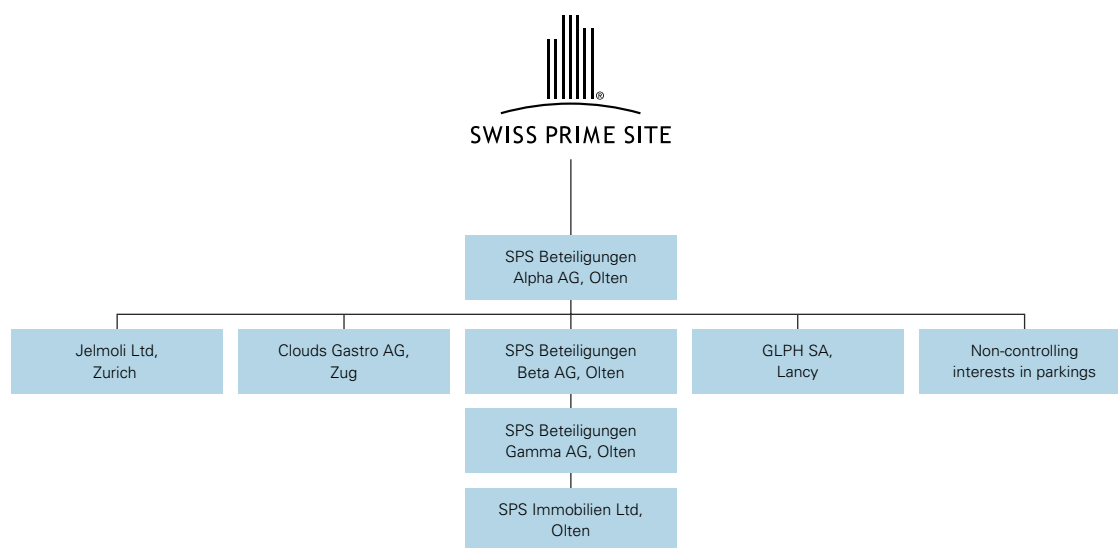
Hans Peter Wehrli





Corporate governance

GROUP STRUCTURE



During the reporting year, the Group implemented the following structural changes:

- retrospective merger of Jelmoli EKZ AG, SPS Immobilien AG and Tivona 009 AG real estate companies into Jelmoli Immobilien Ltd as at 01.01.2011, renaming of Jelmoli Immobilien Ltd to SPS Immobilien Ltd
- foundation of Clouds Gastro AG, Zug
- liquidation of Jelmoli International B.V., Amsterdam, NL

INVESTMENTS IN SUBSIDIARIES

		31.12.2011	31.12.2010
		Share capital	Share capital
Subsidiaries	Purpose	in CHF 1 000	in CHF 1 000
Fully consolidated investments in subsidiaries with a shareholding interest (directly or indirectly) of 100%			
Clouds Gastro AG, Zug, CH	Restaurant business	500	–
GLPH SA, Lancy, CH	Hotel business	100	100
Jelmoli Ltd, Zurich, CH	Retail company	6 600	6 600
Jelmoli International B.V., Amsterdam, NL, liquidated*	Investment company	–	90
SPS Beteiligungen Alpha AG, Olten, CH	Investment company	650 000	650 000
SPS Beteiligungen Beta AG, Olten, CH	Investment company	450 000	450 000
SPS Beteiligungen Gamma AG, Olten, CH	Investment company	300 000	300 000
SPS Immobilien Ltd, Olten, CH**	Real estate company	50 000	50 000
The following companies were merged with retroactive effect as at 01.01.2011 with Jelmoli Immobilien Ltd**, which was renamed SPS Immobilien Ltd			
Jelmoli EKZ AG, Olten, CH	Real estate company	–	487
SPS Immobilien AG, Olten, CH (old)	Real estate company	–	225 000
Tivona 009 AG, Olten, CH	Real estate company	–	100

* liquidated in 2011

** The former Jelmoli Immobilien Ltd was renamed SPS Immobilien Ltd following the merger with SPS Immobilien AG.

All investments in subsidiaries are unlisted companies. These companies are consolidated on the basis of their shareholding interest. The registered shares of the Holding Company itself, Swiss Prime Site AG located in Olten, Switzerland, are listed on the SIX Swiss Exchange under the securities number 803 838 and the ISIN number CH 000 803 838 9. Market capitalisation of Swiss Prime Site AG was CHF 3 835.7 million as at 31.12.2011 [CHF 3 792.2 million].

Investments in associates	Purpose	31.12.2011 Share capital in CHF 1 000	31.12.2010 Share capital in CHF 1 000
Investments in associates valued according to the equity method			
Ensemble artisanal et commercial de Riantbosson S.A., Frauenfeld, CH, investment of 31.0%	Real estate company	1 000	1 000
Parkgest Holding SA, Geneva, CH, investment of 38.8%	Parking	4 750	4 750
Parking Riponne S.A., Lausanne, CH, investment of 27.1%	Parking	5 160	5 160

SHAREHOLDER STRUCTURE

As at 31.12.2011

Breakdown by number of shares	Registered shareholders		Registered shares	
	Number	%	Number	% *
1 to 5 000	6 652	93.5	4 244 426	7.8
5 001 to 50 000	348	4.9	5 169 607	9.5
50 001 to 500 000	106	1.5	15 251 411	28.1
500 001 to 1 631 061	10	0.1	9 000 457	16.6
1 631 062 and above	3	–	7 301 552	13.4
Total registered shareholders/shares	7 119	100.0	40 967 453	75.4
Unrecorded shares			13 401 261	24.6
Total shares issued			54 368 714	100.0

* as % of shares issued

Breakdown by countries/regions	Registered shareholders		Registered shares	
	Number	%	Number	%
Switzerland	6 751	94.8	32 809 642	80.1
Europe (excluding Switzerland)	300	4.2	6 586 231	16.1
Other countries	68	1.0	1 571 580	3.8
Total registered shareholders/shares	7 119	100.0	40 967 453	100.0

Breakdown by shareholder categories	Registered shareholders		Registered shares	
	Number	%	Number	%
Natural persons	6 184	86.9	9 559 978	23.3
Legal entities	373	5.2	11 897 297	29.0
Pension funds	225	3.2	9 340 466	22.8
Insurance companies	30	0.4	1 466 928	3.6
Funds	108	1.5	5 783 906	14.1
Other	199	2.8	2 918 878	7.2
Total registered shareholders/shares	7 119	100.0	40 967 453	100.0

As at the balance sheet date, the Company was aware of the following major shareholders:

	31.12.2011 Shareholding interest* in %	31.12.2010 Shareholding interest* in %
Major shareholders (shareholding interest > 3.0%)		
Credit Suisse Funds AG, Zurich**	5.0	5.0
Wecken Klaus R., Bürgenstock	4.3	4.7
Fust Walter, Freienbach	4.3	4.7

* according to entry in the register of shareholders or the notifications received by the Company

** former Credit Suisse Asset Management Funds AG, Zurich

CROSS-INVESTMENTS

As at the balance sheet date, there were no cross-investments.

CAPITAL STRUCTURE ON 31.12.2011

Capital	Number of registered shares	Nominal per share in CHF	Total in CHF 1 000
Share capital	54 368 714	15.30	831 841
Authorised capital	10 000 000	15.30	153 000
Conditional capital	8 000 000	15.30	122 400

All outstanding shares are voting and dividend-entitled shares. There are no preferential rights.

Authorised capital

The Board of Directors is authorised to increase the share capital within the aforementioned limits at any time until 19.04.2013. The subscription right of the shareholders is safeguarded. The precise wording can be found in the Company's articles of association.

Conditional capital

The conditional capital is divided into an amount of up to CHF 99.297 million [CHF 99.297 million] (6 490 000 [6 490 000] shares) for exercising options and/or conversion rights granted with bond or similar issues, and into an amount of up to CHF 23.103 million [CHF 23.103 million] (1 510 000 [1 510 000] shares) for option rights granted to shareholders. The precise wording can be found in the Company's articles of association.

SHARE CAPITAL CHANGES OVER THE LAST THREE YEARS

Changes	Number of registered shares	Nominal per share in CHF	Nominal value in CHF 1 000
Share capital as at 31.12.2008	25 653 598	22.20	569 510
Nominal value reduction on 09.07.2009	–	(3.40)	(87 222)
Capital increase on 10.07.2009	4 480 000	18.80	84 224
Capital increase on 29.10.2009	24 235 116	18.80	455 620
Share capital as at 31.12.2009	54 368 714	18.80	1 022 132
Nominal value reduction on 12.07.2010	–	(3.50)	(190 290)
Share capital as at 31.12.2010	54 368 714	15.30	831 841
Share capital as at 31.12.2011	54 368 714	15.30	831 841

More details on the changes to the share capital can be found in Note 28 «Shareholders' equity». Swiss Prime Site AG has only registered shares outstanding.

RESTRICTIONS ON TRANSFERABILITY AND NOMINEE REGISTRATIONS

Pursuant to Article 5 of the articles of association, every shareholder and usufructuary may request to be registered in the share register. Only those persons whose names appear in the share register and who have acquired shares in their own name and on their own account are registered as shareholders or usufructuaries by the Company. The Company recognises only one beneficiary per share.

Each share is entitled to a vote at the General Meeting. The Board of Directors is authorised to reject foreign purchasers of registered shares as shareholders with voting rights insofar as and as long as their recognition can prevent the Company from providing the verification governing the composition of its shareholders that is required by federal law. Otherwise, there are no restrictions on registration or voting rights.

CONVERTIBLE BONDS AND OPTIONS

On 20.01.2010, Swiss Prime Site AG issued a convertible bond with the following key data:

Volume	CHF 300.000 million
Interest rate	1.875% p.a., payable annually on 20.01., starting on 20.01.2011
Maturity	5 years (20.01.2010–20.01.2015)
Conversion price	CHF 71.89
Listing	SIX Swiss Exchange
Securities number	10 877 415 (SPS10)

Each individual bond with a nominal value of CHF 5 000 can be converted into registered shares of the Company at any time. The new shares to be issued are secured by conditional capital.

On 21.06.2011, Swiss Prime Site AG issued a convertible bond with the following key data:

Volume	CHF 190.350 million
Interest rate	1.875% p.a., payable annually on 21.06., starting on 21.06.2012
Maturity	5 years (21.06.2011–21.06.2016)
Conversion price	CHF 83.97
Listing	SIX Swiss Exchange
Securities number	13 119 623 (SPS11)

Each individual bond with a nominal value of CHF 5 000 can be converted into registered shares of the Company at any time. The new shares to be issued are secured by conditional capital.

BOARD OF DIRECTORS

Hans Peter Wehrli (1952), Zurich

Prof. Dr. oec. publ.

Chairman of the Board of Directors

Non-executive member of the Board of Directors

Member since: 29.04.2002

Elected until: GM 2014

Education: graduated in 1977 in business management studies from the University of Zurich, received a PhD (Dr. oec. publ.) in 1980, various study visits to American universities

Professional activity: Hans Peter Wehrli has been professor of business management studies and has held the chair for marketing at the University of Zurich since 1993.

As at 31.12.2011, Hans Peter Wehrli had in addition to his mandate as Chairman of the Board of Directors of Swiss Prime Site AG the following mandates as member of the board of directors: Belimo Holding AG, Hinwil (chairman), and Datacolor Ltd, Lucerne.

Thomas Wetzel (1956), Küsnacht

Dr. iur. solicitor

Vice-Chairman of the Board of Directors

Non-executive member of the Board of Directors

Member since: 11.05.1999

Elected until: GM 2014

Education: graduated in law from the University of Zurich in 1981, dissertation at the University of Basel in 1983, admitted to the bar of the Canton of Schaffhausen in 1985

Professional activity: Thomas Wetzel has been a partner at the law office Wenger Plattner, Basel, Zurich and Berne, since 2003. Prior to that, he worked as a legal consultant and solicitor for several law offices and served as secretary to the Court of Appeal of the Canton of Schaffhausen. From 1988 to 1997 he was a member of the management board, and in the last years, deputy chairman of the management board of Intershop Holding Ltd, Zurich. Thomas Wetzel lectures at CUREM (Center for Urban & Real Estate Management) at the University of Zurich, Zurich.

As at 31.12.2011, Thomas Wetzel had in addition to his mandate as Vice-Chairman of Swiss Prime Site AG the following mandates as member of the board of directors: Brandenberger + Ruosch Ltd, Dietlikon (chairman), CCC Credit Card Center AG, Glattbrugg (chairman), EBV Immobilien AG, Urdorf (chairman), Reinvest Select Ltd, Glattbrugg (chairman), Wenger Plattner AG, Basel (chairman), Caretta + Weidmann Baumanagement AG, Zurich, Erdgas Zurich AG, Zurich, Geschäftshaus City AG Dübendorf, Dübendorf, Hertsch & Cie AG, Zurich, Polyterra Liegenschaften AG, Küsnacht, and Tanverco AG, Zurich. Further mandates: AFIAA Swiss foundation for International Real Estate Investments, Zurich (chairman of the investment committee), and Swiss Foundation for Anesthesia Research, Zurich (member of the board of trustees).

Christopher M. Chambers (1961), London

Non-executive member of the Board of Directors

Member since: 22.10.2009

Elected until: GM 2012

Professional activity: Christopher M. Chambers has been a senior adviser at Lone Star Europe (Real Estate), London since June 2011. He worked as a policy adviser for the Charities Office of Clarence House, HRH The Prince of Wales, London, from 2005 to 2008. He is a member of the board of managing directors of Kensington Preparatory School, London. From 2002 to 2005, he was CEO of Man Investments and executive member of group management (main board director) of Man Group Plc (leading global provider of alternative investments). From 1997 to 2002 he was managing director and head of European Equity Capital Markets at Credit Suisse First Boston, and from 1990 to 1997 he was a Director at Barclays de Zoete Wedd.

As at 31.12.2011, in addition to his mandate at Swiss Prime Site AG Christopher M. Chambers had, among others, the following mandates: Evolution Group Plc, London (member of the board of directors), GE Money Bank AG, Zurich (member of the board of directors), and Royal Society of Arts, Manufacturing and Commerce (fellow). From December 2007 to June 2010 he was non-executive chairman of the board of directors of Jelvoli Holding Ltd, Zurich, and member of the committee.

Bernhard M. Hammer (1950), Kammersrohr

Dr. iur. attorney-at-law and notary

Non-executive member of the Board of Directors

Member since: 29.04.2002

Elected until: GM 2013

Education: PhD in law (Dr. iur.) in 1978 from the University of Zurich, and qualified as an attorney and notary in 1979

Professional activity: From 1987 to 1997 Bernard M. Hammer was CEO of Stuag Holding, Berne, and from 1997 to 1999 member of the board of directors and steering committee of Batigroup AG, Basel. In addition, he was chairman of the board of directors of Comet Holding Ltd, Wünnewil-Flamatt, from 1990 to 2007.

As at 31.12.2011, in addition to his mandate at Swiss Prime Site AG Bernhard M. Hammer had, among others, the following mandates as member of the board of directors: BASO Holding SA, Fribourg, Centaur Scientific AG, Kammersrohr, DDI Direct Digital Imaging Ltd, Lucerne, Flumroc Ltd, Flums, PeterS AG, Zurich, Sasolim Holding AG, Solothurn, Sofisa Financial Corporation Ltd, Fribourg, and VINCI Energies Switzerland Ltd, Zurich. Further mandate: Bill de Vigier Stiftung, Solothurn (chairman of the board of trustees).

Rudolf Huber (1955), Pfäffikon SZ

Dr. oec. publ.

Non-executive member of the Board of Directors

Member since: 29.04.2002

Elected until: GM 2012

Education: PhD in business management studies in 1982 and doctorate in business management studies in 1985 from the University of Zurich

Professional activity: Rudolf Huber worked in the financial department of various industrial companies, including from 1992 to 2004 as member of the executive board and CFO of the Geberit group, Rapperswil-Jona. He currently works as an independent business consultant and guest lecturer at the School of Business at the Lucerne University of Applied Sciences and Arts and has a teaching position at the University of St. Gallen. Since 2006, he has been chairman of the CFO Forum Switzerland – CFOs.

As at 31.12.2011, in addition to his mandate at Swiss Prime Site AG, Rudolf Huber had, among others, the following mandates as member of the board of directors: Looser Holding AG, Arbon (chairman), Georg Fischer Ltd, Schaffhausen (member of the board of directors and chairman of the audit committee), Hoerbiger Holding AG, Zug, Wicor Holding AG, Rapperswil-Jona, and member of the board of directors of several private companies.

Mario F. Seris (1955), Zurich

lic. phil. I

Non-executive member of the Board of Directors

Member since: 27.04.2005

Elected until: GM 2013

Education: graduated in English and Education from the University of Zurich in 1981

Professional activity: From 1981 to 1997, Mario F. Seris managed various human resources departments at Credit Suisse AG. From 1997 he was Global Head of Human Resources at Credit Suisse Asset Management and from 2002 Chief Operating Officer of Credit Suisse Asset Management, Switzerland. From late 2002 to 2005 he was also Co-Chief Operating Officer, Europe, and directed Credit Suisse Asset Management Switzerland as CEO. From 2005 to 2010 he was global head of Real Estate Asset Management at Credit Suisse AG. Since 2011 he has represented Credit Suisse AG as senior adviser on various boards of directors and investment committees in the real estate and fund sectors.

As at 31.12.2011, Mario F. Seris had in addition to his mandate at Swiss Prime Site AG the following mandates as member of the board of directors: Credit Suisse Real Estate Fund International Holding Ltd, Zug (chairman), CS REFI Chile Fund Holding Ltd, Zug (chairman), REF Global Holding Ltd, Zug (chairman), and Credit Suisse Funds AG, Zurich. Further mandates: Credit Suisse Asset Management Immobilien Kapitalanlagegesellschaft mbH, Frankfurt am Main (chairman of the supervisory board), and Credit Suisse Realwerte (Deutschland) GmbH, Frankfurt am Main (chairman of the supervisory board).

Klaus R. Wecken (1951), Bürgenstock

Non-executive member of the Board of Directors

Member since: 22.10.2009

Elected until: GM 2012

Education: graduated in Economics from the University of Freiburg in Breisgau

Professional activity: From 1974 to 1997, Klaus R. Wecken was co-founder, partner and chairman of various companies in Germany and in Switzerland. From 1984, he was co-founder and chairman of KHK Software AG, Frankfurt am Main, which he sold to SAGE Group in 1997. From 1999 to 2009, he was co-founder and principal shareholder of Tivona AG, Basel, which was integrated into Jelmoli Holding Ltd, Zurich, in 2009; the latter was shortly thereafter merged with SPS Beteiligungen Alpha AG. From 2001 to 2002, he was member of the board of directors of Jelmoli Holding Ltd, Zurich. Since 2007, Klaus R. Wecken has established more than 30 participations focused on the areas of internet, software and medical technology through his family office.

As at 31.12.2011, Klaus R. Wecken had in addition to his mandate at Swiss Prime Site AG the following mandates: Care4 Ltd, Basel (chairman of the board of directors), FAIRRANK SE, Köln, (chairman of the supervisory board), Jodex AG, Freiburg i.Br. (chairman of the supervisory board) as well as member of the supervisory board/board of directors/ advisory board of many of his investment holding companies.

Peter Wullschleger (1965), Oftringen
 Secretary to the Board of Directors
 (not member of the Board of Directors)

In this function since: 11.05.1999

Education: Swiss certified accountant since 1992

Professional activity: Peter Wullschleger is CFO of Swiss Prime Site and head of Finance & Controlling of Real Estate Asset Management, Credit Suisse AG, Zurich (managing director). He began his career with Credit Suisse AG in the finance and controlling department in 1986. Prior to that, he was head accountant at Devo AG, Olten. He successfully completed his commercial training at Ritex AG, Zofingen.

As at 31.12.2011, Peter Wullschleger had mandates as member of the board of directors of the following companies of Swiss Prime Site Group: Clouds Gastro AG, Zug, Ensemble artisanal et commercial de Riantbosson S.A. (EACR), Frauenfeld, GLPH SA, Lancy, Jelmoli Ltd, Zurich, SPS Beteiligungen Alpha AG, Olten, SPS Beteiligungen Beta AG, Olten, SPS Beteiligungen Gamma AG, Olten, and SPS Immobilien Ltd, Olten. Further mandates: City Markt Aarau AG, Aarau (member of the board of directors), Supplementary Fund Foundation of Arthur Frey AG, Olten (representative of the board of trustees), pension fund of Jelmoli, Zurich (member of the board of trustees), Pension Fund Foundation of Arthur Frey AG, Olten (member of the board of trustees), and Charitable Foundation of Jelmoli S.A., Zurich (member of the board of trustees).

All members of the Board of Directors were Swiss nationals, except for Klaus R. Wecken (German national). The Board of Directors consisted entirely of non-executive members who had not served on the Management Board of Swiss Prime Site AG or another Group Company within the past three years. With the exception of business relationships (see management contract and Note 31 «Transactions with related parties»), the Company has no other significant business relations with Credit Suisse Group.

Retirements during the reporting period

None

Elections and period of office

After expiry of the individual term of office (maximum three years), the member must be re-elected by the Annual General Meeting. The aim is to progressively re-elect the members of the Board of Directors.

Members of the Board of Directors shall submit their resignation at the ordinary Annual General Meeting in the year in which they reach the age of 65.

Regulation of the powers and duties of the Board of Directors

The Board of Directors is responsible for the general management of the Company and the supervision and monitoring of the Management Board. The Board of Directors makes the fundamental decisions that determine the activity of the Company. Within the framework of its activities, the Board of Directors ensures a profit-focused and competent management of the Company by its Management Board according to the provisions of the articles of association, the regulations and the applicable legislation.

The Board of Directors acts as a joint body. If needed, it can form committees from among its members and allocate powers to these committees in separate sets of regulations or by amending the existing organisational regulations.

The Board of Directors acts as a collective body. Unless otherwise provided in the resolutions of the Board of Directors and the organisational regulations, its members shall have no personal authority over the Company, and for this reason cannot issue any instructions of their own accord.

The Board of Directors is responsible for the general management, the supervision and monitoring of the Company's Management Board. It issues directives on the business and investment policy and keeps itself regularly informed of the course of business.

The Board of Directors delegates all executive management activities to the Management Board unless otherwise provided by law, the articles of association or the organisational regulations.

The Board of Directors can delegate the preparation and implementation of all resolutions or the monitoring of activities to one or more committees, individual members or the Management Board. It shall ensure appropriate reporting to its members.

The Board of Directors can entrust executive management tasks to third parties on a contractual basis.

During the reporting year, five meetings and two conference calls of the Board of Directors took place.

On the basis of the organisational regulations, the Board of Directors currently has three committees (Audit Committee, Compensation Committee and Investment Committee) that are described in detail in the following sections.

AUDIT COMMITTEE

The functions, duties and powers of the Audit Committee are set out in separate rules and essentially comprise the following areas:

The Audit Committee monitors the Management Board of Swiss Prime Site AG with respect to financial reporting, compliance with legislation, requirements, internal rules and guidelines, as well as with respect to risk management and monitoring external corporate activities.

The Audit Committee monitors and assesses the independence, the work, the auditing costs, the scope of audit and the findings of the external auditors, the quality, implementation and disclosure of the accounting principles and the adequacy of the financial control mechanisms.

The Audit Committee monitors and assesses the independence and the work of the valuation experts and the valuation principles.

During the reporting year, three meetings and two conference calls of the Audit Committee took place.

Every year, at least one meeting with the external auditors is held. On the basis of this meeting, the Audit Committee forms an in-depth picture of the activities of the auditors and informs the Board of Directors about its findings.

The Audit Committee acts as a joint and collective body. Its members have no personal authority over the Company, and for this reason cannot issue instructions of their own accord. The Audit Committee has a right of proposal to the Board of Directors.

The Audit Committee reports regularly to the Board of Directors about its activities and submits the necessary proposals.

The Audit Committee comprised the following members:

Rudolf Huber, chairman
Christopher M. Chambers, member
Bernhard M. Hammer, member
Mario F. Seris, member

COMPENSATION COMMITTEE

The functions, duties and powers of the Compensation Committee are set out in separate rules and essentially comprise the following areas:

The Compensation Committee prepares the guidelines and proposals for the compensation payable to the Board of Directors and its committees, the Management Board, the real estate asset manager, the property/facility managers, related persons and the external valuation experts.

The Compensation Committee monitors compliance with the compensation principles determined by the Board of Directors, the Committee itself and the Management Board.

The Compensation Committee acts as a joint and collective body. Its members have no personal authority over the Company, and for this reason cannot issue instructions of their own accord. The Compensation Committee has the right to submit proposals to the full Board of Directors.

During the reporting year, three meetings of the Compensation Committee took place.

The Compensation Committee reports to the Board of Directors about its activities and submits the necessary proposals.

The Compensation Committee comprised the following members:

Thomas Wetzel, chairman

Mario F. Seris, member

Hans Peter Wehrli, member

INVESTMENT COMMITTEE

The functions, duties and powers of the Investment Committee are defined in the investment regulations and include the following main tasks:

The Investment Committee monitors compliance with the investment guidelines defined in the investment regulations.

The Investment Committee reviews the acquisition and divestment of properties and submits the proposal for the purchase or sale of properties to the Management Board and the Board of Directors.

The Investment Committee exercises its powers as a joint and collective body. Its members have no personal authority over the Company, and for this reason cannot issue instructions of their own accord. The Investment Committee has the right to submit proposals to the Management Board or the Board of Directors.

During the reporting year, five meetings and one conference call of the Investment Committee took place.

The Investment Committee reports on its activities to the Board of Directors and the Management Board and submits the necessary proposals.

The Investment Committee comprised the following members:

Markus Graf, chairman

Bernhard M. Hammer, member

Klaus R. Wecken, member

Thomas Wetzel, member

MANAGEMENT BOARD

Markus Graf (1949), Feldbrunnen
Member of the Management Board
Chief Executive Officer

In this function since: 01.12.2000

Education: graduated as HTL/STV architect

Professional activity: After holding management positions with several construction and real estate companies, Markus Graf accepted a management position with Credit Suisse AG, Real Estate Asset Management, Zurich, in 1995 (managing director). Since 01.12.2000 he has been CEO of Swiss Prime Site.

As at 31.12.2011, Markus Graf was the chairman of the board of directors of the following companies of Swiss Prime Site Group: Clouds Gastro AG, Zug, GLPH SA, Lancy, Jelmoli Ltd, Zurich, SPS Beteiligungen Alpha AG, Olten, SPS Beteiligungen Beta AG, Olten, SPS Beteiligungen Gamma AG, Olten, and SPS Immobilien Ltd, Olten. Further mandates: Société Internationale de Placements SA, Basel (member of the board of directors), Wincasa AG, Winterthur (member of the board of directors), Credit Suisse Asset Management Immobilien Kapitalanlagegesellschaft mbH, Frankfurt am Main (member of the supervisory board), Credit Suisse Investment Foundation, Zurich (member of the board of trustees), Swiss Funds Association (chairman of the specialist committee for «real estate funds»), and CUREM (Center for Urban & Real Estate Management), Zurich (adviser).

Peter Wullschleger (1965), Oftringen
Member of the Management Board
Chief Financial Officer

In this function since: 11.05.1999

Education: Swiss certified accountant since 1992

Professional activity: Peter Wullschleger is CFO of Swiss Prime Site and head of Finance & Controlling of Real Estate Asset Management, Credit Suisse AG, Zurich (managing director). He began his career with Credit Suisse AG in the finance and controlling department in 1986. Prior to that, he was head accountant at Devo AG, Olten. He successfully completed his commercial training at Ritex AG, Zofingen.

As at 31.12.2011, Peter Wullschleger had mandates as member of the board of directors of the following companies of Swiss Prime Site Group: Clouds Gastro AG, Zug, Ensemble artisanal et commercial de Riantbosson S.A. (EACR), Frauenfeld, GLPH SA, Lancy, Jelmoli Ltd, Zurich, SPS Beteiligungen Alpha AG, Olten, SPS Beteiligungen Beta AG, Olten, SPS Beteiligungen Gamma AG, Olten, and SPS Immobilien Ltd, Olten. Further mandates: City Markt Aarau AG, Aarau (member of the board of directors), Supplementary Fund Foundation of Arthur Frey AG, Olten (representative of the board of trustees), pension fund of Jelmoli, Zurich (member of the board of trustees), Pension Fund Foundation of Arthur Frey AG, Olten (member of the board of trustees), and Charitable Foundation of Jelmoli S.A., Zurich (member of the board of trustees).

Peter Lehmann (1958), Wilen bei Wollerau

Member of the Management Board

Chief Investment Officer

In this function since: 01.03.2002

Education: graduated as construction planner from GIB Solothurn in 1978

Professional activity: Peter Lehman has been with Credit Suisse AG, Real Estate Asset Management, Zurich, since 1991 where he headed the construction and acquisition departments (Switzerland) for Credit Suisse AG's real estate products. Since 2002, he has been CIO of Swiss Prime Site. From 2004 to 2009, he headed the development department of Real Estate Asset Management (managing director) and he is currently senior adviser for real estate. Prior to his position at Credit Suisse AG, he was regional manager for construction for the fund management arm of «Schweizerische Volksbank» and architectural project manager at W. Thommen AG, Trimbach.

As at 31.12.2011, Peter Lehman had mandates as member of the board of directors of the following companies of Swiss Prime Site Group: Clouds Gastro AG, Zug, GLPH SA, Lancy, Jelmoli Ltd, Zurich, SPS Beteiligungen Alpha AG, Olten, SPS Beteiligungen Beta AG, Olten, SPS Beteiligungen Gamma AG, Olten, and SPS Immobilien Ltd, Olten.

Hanspeter Grüninger (1953), Freienstein

Member of the Management Board

Chief Executive Officer of Jelmoli – The House of Brands (from 01.10.2008–31.03.2012)

In this function since: 01.04.2010 to 31.03.2012

Education: various studies in the field of commercial business

Professional activity: Hanspeter Grüninger has been CEO of Jelmoli – The House of Brands in Zurich since October 2008. Since 01.04.2010, he has been a member of the Management Board of Swiss Prime Site. Previously, he worked for ten years at Coop Group, last holding the position of head of department store marketing. During his 15 years at the Jelmoli Group, he last held the position of director and department head of fashion, sports goods and various speciality businesses. Prior to his return to the Jelmoli Group, he worked for eight years as CEO of the Beldona lingerie chain.

As at 31.12.2011, Hanspeter Grüninger did not have any mandates as member of boards of directors.

All members of the Management Board were Swiss nationals.

PRINCIPLES OF THE DISTRIBUTION OF POWERS BETWEEN THE BOARD OF DIRECTORS AND THE MANAGEMENT BOARD

The basic principles and the separation of the functions and powers between the Board of Directors and the Management Board are regulated in detail in the organisation and competence regulations.

The Board of Directors is responsible for the general management, the supervision and monitoring of the Company's Management Board. It issues directives on the business and investment policy and keeps itself regularly informed of course of business.

The Management Board is responsible for the operational management of the Company and represents the Company relative to third parties. As representative of the Management Board, the Chief Financial Officer also participates in the meetings of the Audit Committee and the Compensation Committee. In addition, the external auditors participate in the Audit Committee meeting in spring.

Members of the Management Board are invited to attend the meetings of the Board of Directors.

ARRANGEMENT OF THE INFORMATION AND CONTROL INSTRUMENTS APPLIED TO THE MANAGEMENT BOARD

The Management Board informs the Board of Directors regularly (at least quarterly) in detail on the course of business by means of a standardised reporting system. By means of this reporting system, the Board of Directors can monitor the Management Board and its actions. The Audit Committee, the Compensation Committee and the Investment Committee report to the Board of Directors regarding their activities during the regular meetings.

COMPENSATION, SHARE HOLDINGS AND LOANS TO MEMBERS OF THE BOARD OF DIRECTORS AND THE MANAGEMENT BOARD

Basic fees for members of the Board of Directors

Function	Basic fee in CHF 1 000	Expense allowance in CHF 1 000
Chairman of the Board of Directors	250	3
Vice-Chairman of the Board of Directors	125	3
Member of the Board of Directors	110	3
Secretary to the Board of Directors	15	3
Chairman of the Audit Committee	30	3
Member of the Audit Committee	20	3
Chairman of the Compensation Committee	20	3
Member of the Compensation Committee	15	3
Member of the Investment Committee	20	5

The members of the Board of Directors receive one half of their basic fee in cash and one half in shares of Swiss Prime Site AG. There are no further participation programmes.

The shares are allocated at the end of the financial year on the basis of the market price at the beginning of the financial year, less a 10% discount. The delivered shares remain blocked for a period of four years.

The fee for the same function within the group of companies is paid only once.

In the case of multiple functions, a maximum lump sum for expenses of CHF 0.006 million is paid.

The basic fees are proposed by the Compensation Committee and adopted by the Board of Directors.

No separate basic fees/salaries are paid in respect of the activity of the persons who serve as members of the Management Board if they are employed by the asset manager because their compensation is included in the management fee. One member of the Management Board sits on the Investment Committee and another member of the Management Board also serves as secretary to the Board of Directors.

Further information about fees and share holdings of the Board of Directors, the Management Board and members of the committees can be found in Note 31 «Transactions with related parties» and in Note 9 of the individual financial statements of Swiss Prime Site AG «Compensation, share holdings and loans to members of the Board of Directors and the Management Board».

Options

As at balance sheet date, there were no options outstanding or allocated.

Additional fees and compensation

No additional fees were paid in 2011.

Loans to governing bodies

As at balance sheet date, there were no outstanding loans to governing bodies.

SHAREHOLDER PARTICIPATION RIGHTS

The current articles of association can be found on the homepage at www.swiss-prime-site.ch under the heading Company/Corporate Governance. The following are references to selected articles:

- Share register and registration provisions (Article 5)
- Powers of General Meeting (Article 8)
- Convening/agenda of the General Meeting (Article 10)
- Voting rights and adoption of resolutions (Article 12)
- Special quorums (Article 13)

CHANGE OF CONTROL AND DEFENCE MEASURES

Anyone who directly, indirectly or in joint agreement with third parties acquires shares and, together with the shares already in their possession, exceeds the limit of 33 1/3% of the voting rights, whether exercisable or not, must submit an offer for all listed shares of the Company. There are no other provisions, agreements or plans.

STATUTORY AUDITOR

Duration of the mandate and period of office of the auditor in charge

Since the Company was founded (1999), the statutory auditor of Swiss Prime Site has been KPMG Ltd, Badenerstrasse 172, 8004 Zurich. KPMG Ltd also acts as independent auditor for all fully consolidated Swiss subsidiaries. The auditors are elected each year by the Annual General Meeting.

The auditor in charge has been in this role since 01.01.2007. The auditor's period of office will end in the financial year 2012 (subject to re-election).

Fee

For the current reporting period, audit fees in the amount of CHF 0.739 million [CHF 0.946 million] have been accrued and CHF 0.100 million [CHF 0.005 million] for the issue of the convertible bond [nominal value reduction carried out in July 2010] has been invoiced. Swiss Prime Site expects the total costs for the audit 2011 to amount to CHF 0.866 million [CHF 1.013 million].

MANAGEMENT CONTRACTS

Swiss Prime Site transferred the asset management functions to Credit Suisse AG, Real Estate Asset Management, Zurich. All details are regulated in the management contract dated August 2001. The contract was extended by ten years in November 2007 and can be terminated in writing with a notice period of 12 months, but not earlier than 31.12.2017. Furthermore the parties are entitled to terminate this contract at any time with immediate effect if there is good cause to do so.

Principle

Swiss Prime Site mandates Credit Suisse AG to implement, monitor and supervise the financial matters of the Company, as well as the administrative and technical management and the controlling of the properties. Credit Suisse AG assists, advises, prepares proposals and handles the property transactions within the framework of the investment regulations of Swiss Prime Site AG.

Management fee (basic compensation)

Per year 0.14% to 0.31% [0.22% to 0.33%] of total assets (total of all valued consolidated assets, at the beginning of each quarter):

from 01.01.2011	in CHF bn	in %
Share of total assets up to	1.5	0.31
Next share of total assets up to	3.0	0.29
Next share of total assets up to	4.5	0.22
Next share of total assets up to	6.0	0.21
Next share of total assets up to	7.5	0.20
Next share of total assets up to	10.0	0.17
Next share of total assets up to	12.5	0.16
Next share of total assets up to	15.0	0.15
Next share of total assets from	15.0	0.14

up to 31.12.2010	in CHF bn	in %
Share of total assets up to	1.5	0.33
Next share of total assets up to	3.0	0.31
Next share of total assets from	3.0	0.25
Next share of total assets from	4.5	0.22

Construction management fee (construction trustee, builder representative)

The construction management fee is 2.00% of the respective total construction costs (construction of buildings, comprehensive renovations and modification of buildings).

Purchase and sales commission

1.50% to 5.00% of the purchase or sales price (without purchase/sale costs) of each property acquired, contributed or sold by Swiss Prime Site:

	in CHF m	in %
Purchase and sales price under	1.0	5.00
Purchase and sales price under	3.0	3.00
Purchase and sales price from	3.0	1.50

For large transactions, for example, purchases of blocks of properties or company acquisitions, the parties will reach a separate compensation agreement.

Compensation paid to the asset manager is listed in Note 31 «Transactions with related parties».

INFORMATION POLICY**Frequency**

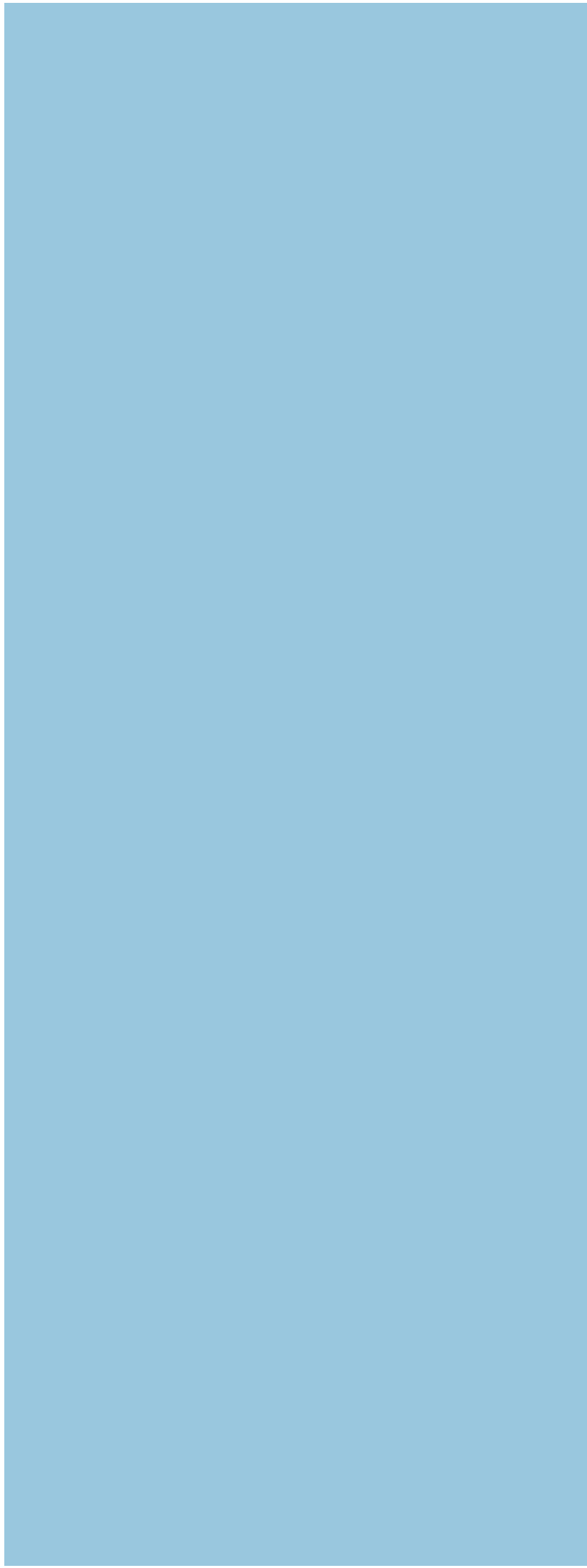
The Company publishes a semi-annual newsletter with information about the events of the preceding six months. The financial reporting occurs in the form of semi-annual and annual reports, complemented by quarterly press releases of selected key figures, in compliance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB).

Other information media

Further information about the Company can be found on the website www.swiss-prime-site.ch.

SIGNIFICANT CHANGES SINCE THE BALANCE SHEET DATE

No significant changes have taken place since the balance sheet date.





Sustainability report

SUSTAINABILITY REPORT

Principles

For Swiss Prime Site, sustainability is inextricably linked together with its strategic objectives and operating business. The Company operates according to the principles of sustainability since it was founded in 1999. In doing so, Swiss Prime Site is guided by the three most important aspects of the responsibility for pursuing sustainability: economic, social and ecological.

In economic terms, Swiss Prime Site strives for boosting enterprise value over the long term and achieving an attractive return for its shareholders. The most significant indicators for success are the performance of the real estate portfolio and the returns.

Swiss Prime Site fulfils the social requirements through taking responsibility for a property over its entire life cycle – from evaluation of the location and property, to market-oriented utilisation, and including demolition or sale of the real estate. The most important stakeholders comprise the tenants as well as people who spend their time primarily working or shopping in Swiss Prime Site properties on a daily basis.

In terms of the ecological aspects, Swiss Prime Site is committed to conserving resources, minimising pollutant emissions and boosting energy efficiency. Labels and certifications that are achieved in the project development constitute a noticeable exemplification of such commitments. The portfolio of existing real estate holdings is subject to review regarding economically practical ecological improvements on an ongoing basis. Significant emphasis is placed on optimising the energy efficiency and enhancing the ecological balance when renovating, modernising and converting properties.

Stakeholders

Swiss Prime Site takes its corporate responsibility toward all stakeholders seriously, through fostering a common dialogue and striving for finding constructive solutions together. The Company places particular significance on the interests of the tenants, which are the clients that actually «buy» the product that Swiss Prime Site has to offer (namely floor space) again and again on a day-to-day basis.

Historically, nine out of ten rental agreements have been either extended or the relevant extension option exercised prior to expiration of the contract. The high level of customer satisfaction enables Swiss Prime Site to keep the continually high costs resulting from the change in tenants low.

As at 31.12.2011, roughly 69% of rental agreements showed a term of contract of minimum three years (as measured by total net rental income), and roughly one third of the agreements extend over a period of minimum eight years.

Challenges

Regulatory environment

The regulations governing the construction industry that apply in the Swiss cantons and communities often include norms that prohibit optimal utilisation of the established construction zones and existing building structure. The prevailing zoning guidelines make supplemental property conversions complicated or even impossible: for example, converting office floor space into residential apartments, or adding additional storeys to commercial buildings for the construction of apartments. In view of the ever-shrinking land resources in Switzerland and the necessity for sustainability-relevant urban development, revisions to existing laws are inevitable. Greater flexibility regarding authorised use of real estate could also create additional incentives for renovating existing properties and boosting their sustainability attributes.

Existing properties

The proportion of buildings held in Swiss Prime Site's real estate portfolio that were constructed or totally renovated either prior the year 1900 or after the year 2000 amounts to roughly 55% (based on fair value and excluding building land and development sites). The low average age of the buildings in the portfolio is attributable to the fact that the Company has carried out investments according to the principle of real estate-picking since it was founded. In adherence to this principle, properties are acquired primarily based on their fulfilment of strict and sustainability-specific criteria. Hence, older buildings have only been acquired in the portfolio because they boast a sound basic structure and/or have a unique location.

Expectations of stakeholders

Internationally active firms, in particular, tend to increasingly incorporate the utilisation and management of a building's floor space into their own company-specific sustainability principles. Such firms aim to only lease floor space in buildings that are designed in accordance with sustainability standards. Labels are increasingly being enlisted as a means of verifying such sustainability.

Labels

The number of labels that define, measure and certify the sustainability standards of buildings has increased considerably in recent years. These labels can be roughly divided into two categories: First-generation labels – such as the popular Minergie label in Switzerland – only assess the ecological dimensions of sustainability. Second-generation labels also include the economic and social dimensions in the assessment of sustainability. Among these more comprehensive labels are, for example, the USA-based LEED (Leadership in Environmental and Energy Design) certification, the DGNB Certificate (German Sustainable Building Council) and the Credit Suisse greenproperty label. Prime Tower, which opened its doors in December 2011, is the very first building in Switzerland that has obtained three different labels: Minergie, LEED (Gold) and greenproperty (Gold).

While Minergie specifies absolute criteria for the certification process, LEED employs a relative point system that facilitates international comparability. The number of buildings certified according to the Minergie standard amounts to around 19 000, of which more than 90% are residential properties. Roughly 5 000 buildings, or parts thereof, have been certified according to the LEED standard to date, of which 70% are properties with commercial use.

LEED – the label that stands for comprehensive sustainability

With Prime Tower in Zurich, Swiss Prime Site not only constructed the tallest building in Switzerland, but also concluded the largest-scale real estate development project with the LEED certification Gold rating in 2011. The 18-storey commercial building complex SkyKey, which Swiss Prime Site is constructing in Zurich North, will also fulfil the LEED certification criteria. The major advantage of LEED certification is its significant international prominence, which noticeably facilitates the process of targeting and acquiring multinational tenants.

LEED provides a comprehensive assessment and evaluation of a building. Sustainability is taken into consideration for the entire life cycle of a property, for example, consisting of recyclability and biodegradability of construction materials, use of environmentally friendly cleansing agents, spatial lighting with natural daylight, reduction of water consumption, or decreased light pollution.

The first LEED pilot project programme (LEED version 1.0) was developed by the non-profit organisation US Green Building Council (USGBC) in 1998. The roughly 16 000 USGBC member firms comprise primarily companies from the construction and real estate industries. USGBC is also affiliated with around 170 000 certified experts.

Prime Tower shines bright with LEED Gold

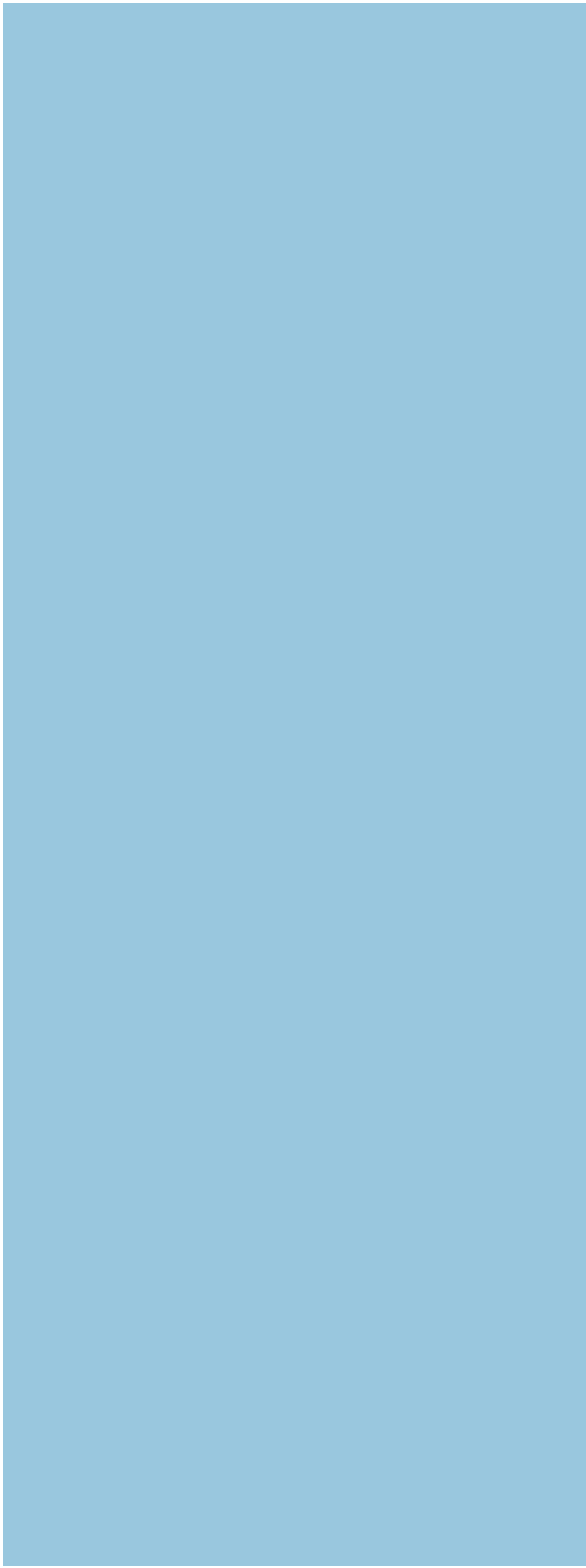
Swiss Prime Site succeeded in obtaining the LEED Gold certification on 02.11.2011, marking the official conclusion of a process that was initiated in 2009. The LEED certification of Prime Tower not only provides evidence of the high standard of sustainability of the prominent new building, but also lends support to tenants that aim to position their companies based on the sustainability theme. Such consideration has proven to be right on target. All the major tenants cited the high level of sustainability and LEED certification as significant criteria in their respective decision-making process for leasing floor space in Prime Tower.

At the same time, tenants were also guided by cost considerations. Apart from the fact that the average rent of CHF 500.00 per square metre is below the comparable levels for properties situated in good Zurich City locations, a building such as Prime Tower that is constructed according to sustainability criteria incurs lower ancillary costs as well. Moreover, thanks to its excellent proximity to the public transportation network, the building also incurs lower indirect costs for tenants and their employees and visitors.

Outlook

Swiss Prime Site aims to focus its real estate portfolio in the future even more strongly on recognised sustainability criteria through applying the standards designated by comprehensive labels such as LEED to its new real estate development projects. Pending renovation and modernisation of existing properties – insofar as strategically practical and economically justifiable – will adhere strictly to ecological and social specifications. Furthermore, sustainability aspects will play an even more significant role than previously in the ongoing review process of existing properties in terms of their strategic compatibility.

Swiss Prime Site will define a reporting framework in the medium term comprising various sustainability-relevant parameters, forming the basis for reportings on the progress realised.





Valuation expert's report

VALUATION EXPERT'S REPORT BY WÜEST & PARTNER AG, ZÜRICH

The properties of Swiss Prime Site are valued by Wüest & Partner AG on a half-yearly basis at their current fair values. The present valuation is valid as at 31.12.2011.

Valuation standards and principles

Wüest & Partner AG values the properties according to the principle of fair value, i.e. the derived fair value is defined as the sales price that could most probably be realised on the free market under fair conditions between well-informed parties at the time of valuation (IFRS/IAS 40). Extremely high and extremely low positions are therefore eliminated. Properties under construction and development sites designed for future use as investment properties are valued at project fair values, taking into account current market conditions, still outstanding investment costs and a risk premium according to the progress of the project (IFRS/IAS 40).

The valuation guarantees a high degree of transparency, uniformity, relevance and completeness. The relevant legal provisions, as well as the specific national and international standards, are complied with (i.e. regulations for real estate companies listed on SIX, IFRS and others). In order to ensure independent valuations and thus the highest possible degree of objectivity, the business activities of Wüest & Partner AG exclude both trading and related transactions on a commission basis, as well as the management of properties. The valuation principles are always based on the most recent information available regarding the properties and the real estate market. Data and documentation relating to the properties are provided by the owner and presumed to be accurate. All real estate market data stem from the data bases maintained by Wüest & Partner AG (Immo Monitoring 2012), which are updated on an ongoing basis.

Valuation method

Investment properties are generally valued by Wüest & Partner AG according to the discounted cash flow method, which corresponds to international standards and is also used in company valuations. The method is recognised – within the scope of general freedom of choice of method for real estate valuations – in the context of best practice. According to the discounted cash flow method, the fair value of a property is determined through deriving the sum of all future estimated net earnings (before interest, taxes, depreciation and amortisation = EBITDA) and discounting to the present time, taking into consideration investments or future repair costs. The net earnings (EBITDA) per property are individually discounted depending on any relevant opportunities and threats, adjusting for the current market situation and risks. A detailed report for each property discloses all expected cash flows, thus creating the greatest degree of transparency possible. In the report, attention is drawn to substantial changes compared with the previous valuation.

Development of the property portfolio

The reporting period from 01.01.2011 to 31.12.2011 was not just characterised by the strategic restructuring of the portfolio – within the scope of which numerous properties were divested – but particularly marked by the successful completion of the real estate development projects Prime Tower, Platform and Stücki Business Park as well. Consequently, Swiss Prime Site Group's real estate portfolio decreased in size by a net total of 12 properties (14 divestments, 2 acquisitions) and now stands at 186 properties overall. Specifically, nine smaller-sized properties (including one plot of building land), three medium-sized properties and two properties with a fair value of more than CHF 20 million were divested during the reporting period. One acquisition (new building project SkyKey) was carried out, and the portfolio was expanded by one building project (MFO building) during the same period. In addition, three project development properties were completed (Hochbergerstrasse 60/Stücki Business Park 60A–E, Basel; Hardstrasse 201/Prime Tower, Zurich; Maagplatz 1/Platform, Zurich) and added to the portfolio under the category existing properties (initial valuation following completion).

The consolidated overall portfolio comprises 171 existing investment properties, 12 plots of building land and the current Maaghof North and East development site in Zurich as well as the two new development projects Hagenholzstrasse 60/SkyKey, Zurich (acquisition), and Affolternstrasse 52/MFO building, Zurich (new building project).

The real estate divested included the properties located at Kreuzstrasse 54 in Zurich; the north plot in Mägenwil; Hinwilerstrasse 11 in Wetzikon; Fegistrasse 14–22 in Spreitenbach; Umfahungsstrasse 2 in Schattdorf; Alleestrasse 27 in Romanshorn; Rosenstrasse 9 in Interlaken; Lagerhausstrasse 1 in Solothurn; Wengimattstrasse 1/Solothurnerstrasse in Klus-Balsthal; Pfistergasse 2, 12, 14, 16 and 20 in Zofingen; Pfistergasse 22 in Zofingen; Volkiland shopping centre in Volketswil; Grabenwis-Strasse 1, 3 and 5 in Volketswil; and Dorfstrasse 11, 13 in Wangen b. Olten.

The overall sales price for the 14 divested properties amounted to 39.5% more than the total respective fair values of CHF 238.9 million reported as at 31.12.2010. The sales took place on the open market at the prevailing market conditions. The significant difference in price is attributable to the two properties Volkiland shopping centre and Grabenwis-Strasse 1, 3 and 5 in Volketswil. Factoring out these two properties, the overall difference between the fair value and sales price of the remaining properties would have amounted to roughly 3.8%.

Construction development of the Maag site in Zurich reached its interim highpoint with the opening of Platform and Prime Tower. Moreover, with the completion of construction work at the Stücki Business Park 60A-E property located in Basel, one more ongoing real estate development project has been concluded. These properties are recognised as existing properties on the balance sheet as at 31.12.2011.

Three interesting real estate development projects are currently in the construction phase, with the application of the building permit for the third development zone located at the Maag site – Maaghof North and East; the acquisition of the SkyKey project located in Zurich North – the future headquarters of Zurich Insurance Company Ltd; and the MFO building located in Zurich Oerlikon – the historic executive office building of the former tool and machinery factory Oerlikon, to be translocated.

New building development projects have been subject to valuation at fair value on a quarterly basis since 01.01.2009, taking into account the risks associated with planning, production and leasing.

No transactions were carried out with related parties during the reporting period.

Valuation results as at 31.12.2011

As at 31.12.2011, the fair value of Swiss Prime Site Group's overall portfolio (total 186 properties) amounted to CHF 8 165.1 million. The fair value of the portfolio therefore increased by CHF 144.8 million compared with the level at 31.12.2010, meaning that the portfolio value rose by 1.8%. The pick-up consists of value changes and investments in the Maaghof North and East project in Zurich (CHF +7.9 million), initial valuations following completion of Stücki Business Park in Basel as well as Prime Tower and Platform in Zurich (CHF +139.0 million), value changes (including renovations/investments) in existing properties (CHF +163.6 million) and plots of building land (CHF +4.8 million), in addition to the aforementioned divestments (CHF -238.9 million) as well as acquisition of the SkyKey project in Zurich (CHF +61.8 million) and new building project Affolternstrasse 52/MFO building in Zurich (CHF +6.6 million).

The value change in existing properties therefore amounts to 2.3% (excluding the three completed development projects) compared with 01.01.2011.

Of the 168 existing properties (excluding those with initial valuations following completion (3), plots of building land (12), properties under construction (3) – a total of 18 properties), 139 properties were valued higher and 29 properties lower than at 01.01.2011, while no properties retained its previous value.

While the commercial property markets generally trended on the rather sluggish side in Switzerland in the reporting period, the demand for retail and office floor space in very good locations still remains intact. Notwithstanding the nominal negative performance in sales in the retail trade sector in 2011 – amid a concurrently declining trend in prices – the portfolio exhibited a positive performance thanks to advantageously situated and heavily frequented locations.

The persistently low interest rate environment forms the basis of the primary value driver – a circumstance that has led to robust, favourable performances in the current transaction market of the Swiss real estate sector.

Additional factors leading to a boost in value include, among others, maintenance and investment measures (renovations), individual success in follow-up leasing of vacant space, sales trends at retail sites as well as positive development of projects.

Losses in value can be attributed primarily to changes in rental potential, newly concluded contracts at a lower level, adjusted revenue forecasts, constant vacancy rates or risk of vacancies, as well as higher cost estimates for future repair work.

Outlook for the commercial property market

The looming unfavourable environment for the Swiss commercial property market will likely intensify further in the coming months. Forecasts call for a decline in demand for office floor space against the backdrop of an economic slowdown, particularly in light of the fact that numerous newly constructed office properties will hit the market in 2012. This, in turn, should lead to an increasingly crowded-out competitive playing field. At the same time, there is a discernable change in demand preferences, too. This is manifested in the current shift and concentration of office property locations in new building development projects, while floor space in existing unfavourably situated properties becomes vacant to the same extent. Given the concurrent significant supply-side expansion of office floor space, this trend is consequently leading to a prolonged absorption period for existing vacancies. Hence, forecasts point to a further slight decline in rents throughout Switzerland in the coming months. Rent prices for office properties located in the two office market regions of Zurich and Lake Geneva in particular should come under pressure in view of the projected new construction activity – with the exception of selected, centralised prime urban locations.

Opportunities in the retail property market still remain intact despite the structural changes and prevailing crowding-out competition. However, such opportunities apply only to well-frequented prime locations, whereas declining prices can be anticipated for retail real estate in peripheral areas and regions along the Swiss border. Meanwhile, the recent trend in consumer sentiment leads to assumptions that private consumption will have a dampening effect on demand in the retail sector and, in turn, on demand for retail floor space as well.

On the other hand, real estate transaction prices are exhibiting a very stable trend, with properties situated in prime locations even showing a noticeably positive pattern. At the same time, the aforementioned low interest rate levels, corresponding favourable financing conditions and lack of investment opportunities have a supportive effect on the real estate transaction market.

Swiss Prime Site Group succeeded in further consolidating its portfolio with various divestments and continues to pursue the «Prime Site Strategy.» The Company is focusing its real estate development activities on building projects situated in very favourable locations or properties with multi-year rental agreements, which will sustainably underpin the intrinsic value of the portfolio.

The distinct focus on properties in the services and retail sectors – with a broadly diversified mix of utilisation and tenants – as well as concentration of allocation on prime, centrally located properties are indeed what distinguishes Swiss Prime Site's portfolio from all the rest.

Zurich, 23.01.2012
Wüest & Partner AG

Andreas Ammann
Dipl. Arch. ETH/SIA
Managing partner

Gino Fiorentin
Dipl. Arch. HTL/MAS MTEC ETHZ
Designated partner

NOTES: VALUATION ASSUMPTIONS

Valuation assumptions as at 31.12.2011

In addition to the previous comments on the valuation standards and methods, the most significant general valuation assumptions for the present valuations are presented in the following section.

Investment properties including building land

The properties are fundamentally valued on a going-concern basis. The valuation is based on the current rental situation and the present condition of the property. Beyond the expiry of the existing rental agreements, the earnings forecast is based on the current market level.

On the cost side, the repair and maintenance costs as well as recurring property management costs are taken into account that are required to ensure sustainable realisation of income.

The valuation assumption is fundamentally based on an average and expedient property management strategy. The specific scenarios of the owner are disregarded, or taken into account only to the extent that specific rental agreements had been made, or as far as they also seem plausible and practical to a third party, or do not deviate significantly in terms of the resulting fair value. Possible optimisation measures consistent with the market – such as an improved rental situation in future – are taken into account only insofar as they ensure the overall basic sustainability of the going-concern basis. The valuation does not take into consideration actual conversions, repositioning, modifications, conversions into freehold property and others.

The valuation or calculation period (discounted cash flow method) extends for 100 years from the valuation date. A more detailed cash flow forecast is prepared for the first ten years, while approximate annualised assumptions are made for the remainder of the term.

The valuation implicitly assumes an annual inflation rate of 1.0%. However, cash flows and discount rates are generally reported on a real basis in the valuation reports.

The specific indexing of the existing rental agreements is taken into account. Following expiration of the agreements, an average indexing rate of 80% is used for the calculation, and rents are adjusted to the market level once every five years. Payments are generally assumed to be made monthly in advance after expiration of the rental agreements.

At the operating cost (i.e. owner's cost) level, the general assumptions are that completely separate ancillary cost accounts are maintained, and that ancillary and operating costs are outsourced, insofar as this is permitted by law. Maintenance costs (i.e. repair and maintenance costs) are determined on the basis of benchmarks and model calculations. The residual lifetime of the individual parts of the buildings is determined on the basis of a rough estimate of their condition, the regular renewal is modelled and the resulting annual annuities calculated. The calculated values are subject to a plausibility check based on benchmarks set by Wüest & Partner AG and figures for comparable properties. Repair costs are included in the calculation at 100% for the first ten years, while the earnings forecast takes into account possible increases in rent, where appropriate. From the 11th year, repair costs of up to 50% to 70% are allowed (value-preserving components only) without factoring in possible rent increases. Costs for cleaning up contaminated sites are not quantified in the individual valuations and are to be considered separately by the Company.

The relevant discounting method is based on constant monitoring of the real estate market and is derived from models with plausibility checks, on the basis of a real interest rate that consists of the risk-free interest rate (long-term government bonds) plus general real-estate-related risks in addition to property-specific premiums. The risk is then adjusted for each property individually. The average real discount rate, weighted by fair value, applied to investment properties is 4.38% in the current valuation. Assuming an inflation rate of 1.0%, this rate corresponds to a nominal discount rate of 5.42%. The lowest real discount rate applied to a particular property is 3.4%, while the highest is 5.8%.

The valuations are based on the rental tables of the property managers as at 01.01.2012, as well as on floor space details provided by the Company/property managers.

Risks relating to credit ratings of individual tenants are not explicitly taken into account in the valuation since it is assumed that appropriate contractual safeguards were concluded.

Properties under construction and development sites

Properties under construction and development sites with projected use as investment properties have been valued and accounted for at fair value (IFRS/IAS 40) since 01.01.2009.

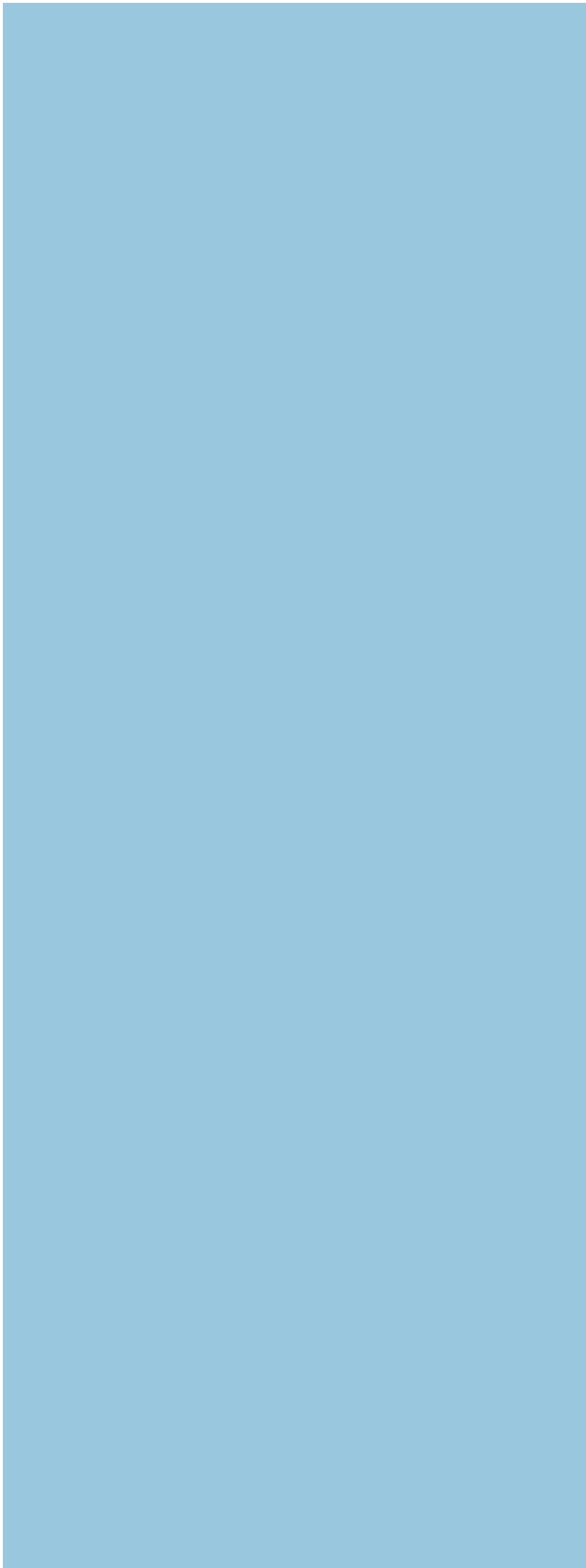
The planned or possible construction development as at the balance sheet date is therefore valued on the basis of the same assumptions and methods used for investment properties. To determine the current fair value as at the balance sheet date, the still outstanding investment costs are taken into account in the cash flows, and the additional risks are reported as a return premium on the discount rate. Information regarding projected construction work, schedules, building costs and future rentals is obtained from Swiss Prime Site AG insofar as it is specifically available (building permits, plans, cost calculations/investment applications, etc.) or appears to be plausible.

Disclaimer

The valuations carried out by Wüest & Partner AG represent an economic assessment based on available information, most of which was provided by Swiss Prime Site AG. Wüest & Partner AG did not conduct or commission any legal, structural engineering or other specific clarifications. Wüest & Partner AG assumes that the information and documents received are accurate. However, no guarantee can be provided in this respect. Value and price may not be the same. Specific circumstances that influence the price cannot be taken into account when making a valuation. The valuation performed as at the reporting date is only valid at that specific point in time and may be affected by subsequent or yet unknown events, in which case a revaluation would be necessary.

Since the accuracy of valuation results cannot be guaranteed objectively, no liability can be derived from it for Wüest & Partner AG and/or the author.

Zurich, 23.01.2012





Financial commentary

SIGNIFICANT EVENTS AND DEVELOPMENTS

Swiss Prime Site in the financial year 2011

General economic outlook

The maelstrom of the euro crisis also had an impact on Switzerland, cooling down the country's previously robust economic momentum. According to the latest data released by the Swiss State Secretariat for Economic Affairs (SECO), GDP growth edged up by 0.2% in the third quarter of 2011, following revised growth rates of 0.5% and 0.4% in the prior first and second quarters, respectively. Exports and capital investments in particular lost impetus in the wake of the Swiss franc's strength, while private consumption and investment in construction underpinned the economy. Hence, the slowdown in growth in the third quarter of last year provided some foresight into 2012. The debt crisis is likely to pose a burden for the Swiss economy in the coming year as well, even under the assumption that the numerous hot spots in foreign countries do not escalate any further. Accordingly, the major forecast institutes predict GDP growth rates of 0.2% (Swiss Institute for Business Cycle Research (KOF)) to 0.5% (SECO, Swiss National Bank (SNB)) for the current year. The trend on Switzerland's labour market painted a comparatively favourable picture over most of last year, notwithstanding the economic downswing and high Swiss franc exchange rate. In fact, the unemployment rate was hovering at the 3.3% mark in December 2011. Considering the meagre profit margins reported by Swiss companies and mounting concerns surrounding the international environment, pressure on the labour market will likely pick up further. For the current year, SECO forecasts a noticeable spurt in unemployment, with an estimated average jobless rate of 3.6%. The unfavourable labour market prospects and gloomy economic outlook have also left their mark on consumer confidence, resulting in continuous deterioration of sentiment since July 2010. The depressed consumer climate should also have an impact on the demand for real estate.

Prominent increase in profit

Swiss Prime Site – the leading real estate investment company in Switzerland – turned in a very favourable performance in the financial year 2011. The integration of Jelmoli Group was concluded in the reporting period, including the various related tax and legal restructuring measures. The resulting synergy effects as well as various one-time effects in the current year have had a positive impact on the earnings situation.

Rental income edged down slightly in the reporting period by 1.6% year-on-year to CHF 410.8 million [CHF 417.3 million]. The increase in rental income thanks to high occupancy rates for existing properties as well as successful initial leasing activities for the completed new building projects were diminished due to the elimination of income resulting from divestments of various properties and higher vacancy rates. The loss of earnings rate edged up from 4.2% to 4.6%. Comprehensive income attributable to shareholders of Swiss Prime Site AG of CHF 365.1 million exceeded the previous year's figure [CHF 240.9 million] by 51.6%. The value of the real estate portfolio increased by CHF 144.8 million to CHF 8 165.1 million [CHF 8 020.3 million]. Factoring out revaluation effects* would result in an increase in profit of 46.1% to CHF 250.8 million [CHF 171.7 million]. Net asset value (NAV) after deferred taxes rose by 5.3% to CHF 63.34 [CHF 60.14]. NAV before deferred taxes also climbed by 6.4% from CHF 72.11 to CHF 76.72. The Swiss Prime Site share recorded a closing price at end-2011 of CHF 70.55 [CHF 69.75] and a premium of 11.4% [16.0%] versus NAV.

Changes in scope of consolidation

The subsidiary Jelmoli International B.V., Amsterdam, NL, was liquidated in the reporting period. Furthermore, Clouds Gastro AG, Zug – the operating company for the Clouds restaurant/conference area in the newly opened Prime Tower – was founded as well.

Segment reporting

Swiss Prime Site's business activities comprised the real estate segment (leasing, purchasing, selling and constructing investment properties) as well as the retail trade segment (retail business of the Jelmoli – The House of Brands department store in Zurich in addition to restaurant and hotel activities). All properties were reported in the real estate segment, including the owner-occupied properties that were primarily provided for the retail trade segment.

* revaluations (IAS 40) and deferred taxes

Retail trade segment

Retail trade net turnover amounted to CHF 155.1 million [CHF 157.0 million], including retail net turnover of CHF 144.9 million [CHF 147.9 million] from Jelmoli – The House of Brands department store, as well as income of CHF 9.3 million [CHF 9.1 million] from the hotel business and CHF 0.9 million from the Clouds restaurant business, which opened its doors in December 2011. However, sales were affected by the weakness of major tourist currencies such as the euro and US dollar. Jelmoli – The House of Brands realised third-party net rental income of CHF 17.3 million [CHF 17.9 million], including minimum rent amounting to CHF 13.8 million [CHF 13.6 million] and turnover-based rent of CHF 3.5 million [CHF 4.3 million].

Rental income from investment properties

In FY 2011, rental income from investment properties declined to CHF 410.8 million [CHF 417.3 million]. The dip of 1.6% was attributable primarily to divestments carried out in the reporting period (CHF –2.8 million) and in the comparable period (CHF –12.1 million), which were nonetheless largely compensated by the successful initial leasing of the three completed new building projects (CHF +10.7 million). In addition, a slight increase in vacancy rates and rent default losses as well as various contract adjustments resulted in a negative impact on net rental income (CHF –2.3 million). The loss of earnings rate edged up in the reporting period by 0.4 percentage points to the current 4.6% [4.2%], but continued to hover noticeably below the supply rate of 7% published by Wüest & Partner. The net yield of the real estate portfolio amounted to 4.8% [4.9%].

The earnings quality was underscored by the good credit ratings of the tenants. The five largest tenants were all renowned companies and contributed 26.5% [30.1%] to overall rental income. Around 59% [55%] of all rental agreements had a residual term of four or more years.

Proceeds from property sales

Within the scope of portfolio optimisation, 14 [33] properties with a total fair value of CHF 238.9 million [CHF 339.4 million] as at 31.12.2010 [2009] were divested in the reporting period. The net sales proceeds after transaction costs amounted to CHF 77.5 million [CHF –0.8 million].

The Volkiland shopping centre in Volketswil as well as nearby retail and commercial property located at Grabenwis-Strasse 1, 3, 5 were divested at a price tag of CHF 280.0 million as at 01.12.2011. The divestments resulted in realisation of gross profit amounting to CHF 92.3 million, given fair values of CHF 144.3 million and CHF 43.4 million for the Volkiland shopping centre and Grabenwis-Strasse 1, 3, 5 property, respectively, as at 31.12.2010. The property gains tax incurred by these transactions resulted in an increase in current income tax and decrease in deferred tax expense.

Significant boost in operating and net profit (including revaluation effects*)

Profit attributable to shareholders amounted to CHF 355.1 million [CHF 235.0 million]. The pick-up of CHF 120.1 million [CHF 47.2 million] versus the previous year's level is attributable, among other factors, to the CHF 40.8 million higher net revaluation effect* of CHF 104.2 million [CHF 63.4 million]. The gross revaluation gain included CHF 57.5 million valuation gains realised in the reporting period resulting from the initial valuation of the three new building projects Prime Tower with annex buildings and Platform in Zurich, in addition to the Stücki Business Park in Basel. Prime Tower with Cubus and Diagonal as well as Platform have proven to be particularly successful investments. These building projects realised cumulated valuation gains amounting to a total of CHF 138.7 million as at the balance sheet date. Furthermore, the successful divestments of properties (with net sales proceeds of CHF 77.5 million [CHF –0.8 million]) as well as reductions in operating expenses had a positive impact on profit. Profit excluding revaluation effects* surged by 46.1% to CHF 250.8 million [CHF 171.7 million].

Direct operating expenses climbed by 3.6% from CHF 137.7 million to CHF 142.6 million, of which real estate costs accounted for CHF 69.6 million [CHF 62.5 million] and cost of goods made up CHF 73.0 million [CHF 75.1 million]. The increase in real estate costs could be traced, among other factors, to a spurt in maintenance and repair costs of CHF 3.1 million, higher ancillary costs incurred by the owner of CHF 1.6 million and an uptick in expenses relating to leasing activities of CHF 2.2 million. Operating expenses amounted to CHF 90.3 million [CHF 131.0 million] and consisted of the following items: personnel costs CHF 34.4 million [CHF 50.0 million], other operating expenses CHF 41.8 million [CHF 53.9 million] as well as depreciation, amortisation and impairments CHF 14.1 million [CHF 27.1 million]. The reduction in depreciation, amortisation and impairments of CHF 13.0 million was attributable primarily to the

* revaluations (IAS 40) and deferred taxes

elimination of a one-time impairment charge on an owner-occupied property in the previous year (CHF –10.0 million). Adjustments to the pension plan for the Jelmoli welfare foundation also resulted in a one-time reduction in personnel costs.

Revaluation of the real estate portfolio

Wüest & Partner AG valued the real estate portfolio at CHF 8 165.1 million [CHF 8 020.3 million] as at 31.12.2011. This revaluation led to a net valuation profit of CHF 178.1 million [CHF 86.4 million] (excluding revaluation of owner-occupied properties), or around 2.2% of the portfolio's value compared with the level at 31.12.2010. The total increase in the portfolio of CHF 144.8 million, or +1.8% versus the level at end-2010, is made up of value changes and investments in projects located at the Maaghof North and East site in Zurich (CHF +7.9 million), valuations following completion of Stücki Business Park as well as Prime Tower and Platform (CHF +139.0 million), value changes (including renovations/investments related to existing properties (CHF +163.6 million) and plots of building land (CHF +4.8 million), divestments (CHF –238.9 million), acquisition of the SkyKey project in Zurich (CHF +61.8 million), in addition to the development project located at Affolternstrasse 52/MFO building in Zurich (CHF +6.6 million).

Of the 168 existing properties (excluding initial valuation following completion (3), building land plots (12), properties under construction (3) – total 18 properties), 139 were valued higher and 29 lower than as at 01.01.2011. No properties retained their previous value.

The weighted average real discount rate of 4.38% declined by 0.22 percentage points year-on-year [4.60%]. Assuming an inflation rate of 1.0% [1.0%], this corresponded to a nominal discount rate of 5.42% [5.65%].

Prime Tower, Platform and Stücki Business Park completed – new projects under construction

Prime Tower and its annex buildings Cubus and Diagonal as well as Platform corporate building opened their doors in 2011. These new buildings, including Stücki Business Park, were reclassified as existing properties in the reporting period.

The SkyKey new building project in Zurich Oerlikon was acquired on 24.01.2011. Construction of this services building complex – comprising roughly 40 000 square metres of office floor space – will be completed in 2014 and 100% leased to Zurich Insurance Company Ltd effective as at 01.07.2014.

Preparation activities (i.e. constructing the basement and setting up the translocation tracks) are underway for the MFO building in Zurich Oerlikon, which is scheduled to be relocated in May 2012. The building is 100% leased effective as at 01.12.2012.

Swiss Prime Site is also planning to build 219 residential apartments – of which 82 are envisaged as condominiums – comprising total floor space of roughly 21 800 square metres at the Maag site in Zurich (Maaghof North and East).

Construction work on the three new building development projects is proceeding according to plan.

Financial situation

Compared with the end of 2010, the accounting ratios changed just slightly in the reporting period. Shareholders' equity attributable to shareholders increased by CHF 176.5 million to CHF 3 443.7 million [CHF 3 267.2 million]. The pick-up comprises for the most part comprehensive income (CHF +365.1 million) and the distribution from capital contribution reserves of 28.04.2011 (CHF –190.1 million). The number of treasury shares held as at 31.12.2011 amounted to 4 244 [44 037] (corresponding to 0.0% [0.1%] of the outstanding shares), with a fair value of CHF 0.3 million [CHF 3.1 million].

The amount of borrowed capital increased by CHF 118.4 million (+2.3%), from CHF 5 050.2 million to CHF 5 168.6 million, resulting in an equity ratio of 40.0% [39.3%] and borrowed capital ratio of 60.0% [60.7%]. The return on equity (ROE, weighted) amounted to 10.6% [7.2%] and the return on invested capital (ROIC, weighted) amounted to 5.8% [4.3%].

On 21.06.2011, a second convertible bond amounting to CHF 193.4 million was issued, with an interest rate of 1.875% and a term to maturity of five years. The 4.25% bond from the former Jelmoli Group amounting to CHF 175.9 million was redeemed on 05.07.2011.

The weighted average interest rate on all financial liabilities amounted to 2.8% [2.8%], and the weighted average residual term to maturity increased to 4.5 [3.9] years. The loan-to-value ratio (LTV) for the real estate portfolio was 51.0% [52.1%].

Financial expenses of CHF 131.4 million [CHF 128.6 million] included primarily mortgage interest (CHF 88.9 million) [CHF 85.2 million], other bank and default interest (CHF 1.4 million) [CHF 2.0 million], interest expense on bonds (CHF 20.6 million) [CHF 22.0 million], interest on interest rate swaps (CHF 8.9 million) [CHF 8.1 million], amortisation of costs relating to bonds (CHF 2.4 million) [CHF 2.3 million] and valuation effects from loans, interest-hedging transactions and securities including price losses (CHF 9.2 million) [CHF 9.0 million]. Financial income of CHF 2.3 million [CHF 7.0 million] was attributable to income from securities (CHF 0.7 million) [CHF 0.2 million], various interest income (CHF 1.5 million) [CHF 5.7 million] and price gains of CHF 0.1 million [CHF 1.1 million].

Information relating to the share/distribution

The closing price of the Swiss Prime Site AG share was CHF 70.55 [CHF 69.75] at the end of the financial year 2011, resulting in a total return (i.e. share-price performance and distribution = total return (TR)) of 6.1% [27.1%]. The stock's performance was in line with the benchmark SXI Real Estate Shares index (+6.1%) and clearly surpassed the Swiss Performance Index (SPI, -7.7%). The Swiss Prime Site AG share held a weighting of roughly 38% in the SXI Real Estate Shares index as at 31.12.2011.

Net asset value (NAV) after deferred taxes amounted to CHF 63.34 as at 31.12.2011, thus surpassing the previous year's figure of CHF 60.14 by 5.3%. NAV before deferred taxes climbed by 6.4% from CHF 72.11 to CHF 76.72. The premium – i.e. difference between the share price of CHF 70.55 [CHF 69.75] and NAV after deferred taxes of CHF 63.34 [CHF 60.14] – amounted to 11.4% [16.0%] at year-end 2011.

Based on the very favourable annual results, with earnings per share of CHF 6.53 [CHF 4.34] and upbeat outlook for the financial year 2012, the Board of Directors has decided to propose to the Annual General Meeting of 19.04.2012 a distribution of CHF 3.60 [CHF 3.50] per share. The payout should be carried out through a withholding tax-exempt distribution from capital contribution reserves. The proposed distribution of CHF 3.60 [CHF 3.50] corresponds to a cash yield of 5.1% [5.0%], based on the closing share price at year-end 2011.

Outlook

Swiss Prime Site AG aims to further optimise its real estate portfolio in the financial year 2012, continuing to implement its strategy focusing on prime properties. The new building projects completed in the reporting period – fully leased Prime Tower and Platform as well as partially leased Stücki Business Park – should have a positive impact on the Company's earnings situation. Construction of the two new real estate development projects, Maaghof North and East and SkyKey in Zurich, are proceeding according to plan, while the translocation of the MFO building is scheduled for the spring of 2012.

Despite the diminishing growth and dampening outlook for the economy, Swiss Prime Site is convinced that it is well-positioned to be able to generate stable and sustainable profits in the financial year 2012 as well. This optimistic stance is based on its high-quality real estate portfolio with attractive locations, successful initial and renewed leasing activities, long-term rental agreements as well as favourable diversification in terms of regional allocation, type of property utilisation and tenants. The loss of earnings rate should move in a corridor between 5.0% and 5.5%. Swiss Prime Site is assured that it can succeed in holding steady – or even slightly boosting – EBIT and net profit (before revaluation and one-time effects) relative to the respective levels recorded in the financial year 2011.





Consolidated financial statements

REPORT OF THE STATUTORY AUDITOR ON THE CONSOLIDATED FINANCIAL STATEMENTS TO THE GENERAL MEETING OF SHAREHOLDERS OF SWISS PRIME SITE AG, OLTEN

As statutory auditor, we have audited the accompanying consolidated financial statements of Swiss Prime Site AG, which comprise the balance sheet, income statement, statement of comprehensive income, statement of changes in equity, cash flow statement and notes (pages 54 – 119) for the year ended 31.12.2011.

Board of directors' responsibility

The board of directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), Article 17 of the Directive on Financial Reporting (Directive Financial Reporting, DFR) of SIX Swiss Exchange and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The board of directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

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

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

Opinion

In our opinion, the consolidated financial statements for the year ended 31.12.2011 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with International Financial Reporting Standards (IFRS) and comply with Article 17 of the Directive on Financial Reporting (Directive Financial Reporting, DFR) of SIX Swiss Exchange as well as the Swiss law.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence. In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the board of directors.

We recommend that the consolidated financial statements submitted to you be approved.

Zurich, 06.03.2012
KPMG AG

Astrid Keller
Licensed audit expert
Auditor in charge

Claudius Rügsegger
Licensed audit expert

CONSOLIDATED INCOME STATEMENT

in CHF 1 000	Notes	01.01.– 31.12.2011	01.01.– 31.12.2010
Rental income from investment properties	4/5	410 835	417 276
Proceeds of property sales, net	4/5/18/21	77 545	(817)
Retail trade turnover, net	4/5	155 107	156 998
Sales proceeds from investments	4/5	–	4 384
Other operating income	4/5	3 357	15 487
Operating income		646 844	593 328
Real estate costs	4/6/21	69 628	62 538
Cost of goods sold	4/6	72 983	75 122
Direct operating expenses		142 611	137 660
Personnel costs	4/7	34 408	49 996
Other operating expenses	4/8/29	41 746	53 855
Depreciation, amortisation and impairments	4/22/23/24	14 131	27 103
Operating expenses		90 285	130 954
Revaluation of investment properties, properties under construction and development sites, net	4/9/21	178 110	86 397
Operating profit (EBIT)		592 058	411 111
Financial expenses	10	131 378	128 646
Financial income	10	2 297	6 968
Income from investments in associates	20/32	12 003	1 978
Profit before income taxes		474 980	291 411
Income tax expenses	11/25/27	119 928	55 615
Profit		355 052	235 796
Profit attributable to shareholders of Swiss Prime Site AG		355 052	235 041
Profit attributable to non-controlling interests		–	755
Earnings per share, in CHF	12	6.53	4.34
Diluted earnings per share, in CHF	12	6.10	4.15

The explanations given in the Notes form an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in CHF 1 000	Notes	01.01.– 31.12.2011	01.01.– 31.12.2010
Profit		355 052	235 796
Revaluation of owner-occupied properties	22/28	12 996	7 592
Deferred taxes on revaluation of owner-occupied properties	11/28	(2 989)	(1 746)
Other comprehensive income		10 007	5 846
Comprehensive income		365 059	241 642
Comprehensive income attributable to shareholders of Swiss Prime Site AG		365 059	240 887
Comprehensive income attributable to non-controlling interests	28	–	755

The explanations given in the Notes form an integral part of the consolidated financial statements.

CONSOLIDATED BALANCE SHEET

in CHF 1 000	Notes	31.12.2011	31.12.2010
Assets			
Cash	13/35	126 596	9 800
Securities	35	398	1 285
Accounts receivable	14/35	107 585	97 486
Other current receivables	15/35	14 295	15 595
Current income tax assets		995	2 688
Inventories	16	25 079	23 287
Accrued income and prepaid expenses	17	22 913	20 405
Assets held for sale	18/21	85 964	130 625
Total current assets		383 825	301 171
Other non-current receivables	15/35	5 525	–
Pension plan assets	7	7 481	–
Non-current financial investments	19/35	1 911	2 029
Investments in associates	20/31	22 669	12 613
Investment properties and building land	21	7 641 307	7 051 166
Properties under construction and development sites	21	96 916	558 070
Owner-occupied properties	22	340 923	280 423
Tangible assets	23	46 099	45 583
Goodwill	24	36 010	36 010
Intangible assets	24	29 511	30 319
Deferred tax assets	11	92	–
Total non-current assets		8 228 444	8 016 213
Total assets		8 612 269	8 317 384
Liabilities and shareholders' equity			
Accounts payable	25/35	8 464	6 143
Current financial liabilities	25/35	537 424	918 367
Other current liabilities	25/35	23 667	30 295
Advance payments	25	85 558	83 216
Current income tax liabilities	25	48 889	30 152
Accrued expenses and deferred income	25	85 361	57 833
Total current liabilities		789 363	1 126 006
Non-current financial liabilities	26/35	3 625 277	3 256 351
Other non-current financial liabilities	35	26 042	17 411
Deferred tax liabilities	27	727 044	650 083
Pension provision obligations	7	848	355
Total non-current liabilities		4 379 211	3 924 200
Total liabilities		5 168 574	5 050 206
Share capital	28	831 841	831 841
Capital reserves	28	1 103 505	1 292 047
Revaluation reserves	28	19 009	9 002
Retained earnings	28	1 489 340	1 134 288
Shareholders' equity attributable to shareholders of Swiss Prime Site AG		3 443 695	3 267 178
Non-controlling interests	28	–	–
Total shareholders' equity		3 443 695	3 267 178
Total liabilities and shareholders' equity		8 612 269	8 317 384

The explanations given in the Notes form an integral part of the consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

in CHF 1 000	Notes	01.01.– 31.12.2011	01.01.– 31.12.2010
Profit		355 052	235 796
Depreciation, amortisation and impairments	22/23/24	14 131	27 103
Proceeds of property sales, net	5/18/21	(77 545)	817
Sales proceeds from investments	4/5	–	(4 384)
Income from investments in associates	20	(12 003)	(1 978)
Revaluation of investment properties, properties under construction and development sites, net	9/21	(178 110)	(86 397)
Other non-cash items affecting the income statement		116	1 139
Financial expenses	10	131 378	128 646
Financial income	10	(2 297)	(6 968)
Income tax expense	11/25/27	119 928	55 615
Increase of inventories	16	(1 792)	(3 513)
Net change in other current assets		(11 212)	(72 066)
Net change in recognised pension plan assets/liabilities		(7 082)	–
Change in other non-current receivables	15	(5 525)	–
Change of operative current liabilities	25	27 783	(3 411)
Interest payments made	10	(128 076)	(127 102)
Interest payments received	10	1 364	5 836
Income tax payments	11	(25 618)	(18 247)
Cash flow from operating activities		200 492	130 886
Investments in investment properties and building land	21	(121 013)	(50 049)
Investments in properties under construction and development sites	21	(75 041)	(147 666)
Investments in owner-occupied properties	22	(918)	(3 269)
Divestments of investment properties and building land	21	316 405	338 568
Divestments of owner-occupied properties	22	–	5
Investments in tangible assets	23	(9 092)	(27 356)
Divestments of tangible assets	23	–	1 425
Sale of Jelmoli Bonus Card Ltd, plus cash rendered	5	–	(3 550)
Investments in intangible assets	24	(355)	(2 438)
Divestments of intangible assets	24	–	282
Divestments of securities		506	4
Investments in non-current financial investments		(15)	–
Divestments of non-current financial investments	19	133	1 341
Dividends received	10/20	2 547	2 381
Cash flow from investing activities		113 157	109 678
Increase in financial liabilities	25/26	3 199 809	2 403 473
Redemption of financial liabilities	25/26	(3 218 793)	(2 660 166)
Redemption of convertible bond 2.0% 2005–2010		–	(123 400)
Issue of convertible bond 1.875% 2010–2015	26	–	300 000
Issue of convertible bond 1.875% 2011–2016	26	190 350	–
Costs of convertible bonds 1.875%	26	(3 849)	(6 234)
Redemption of bond 4.25% 2004–2011	25	(175 000)	–
Nominal value reduction	28	–	(190 131)
Distribution from capital contribution reserves	28	(190 117)	–
Purchase of treasury shares	28	(557)	(45 111)
Sale of treasury shares	28	1 304	332
Cash flow from financing activities		(196 853)	(321 237)
Increase/(decrease) in cash		116 796	(80 673)
Cash at beginning of period	13	9 800	90 473
Cash at end of period	13	126 596	9 800

The explanations given in the Notes form an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

in CHF 1 000	Notes	Share capital	Capital reserves (premium)	Revaluation reserves	Retained earnings	Shareholders' equity attributable to shareholders of Swiss Prime Site AG	Non-controlling interests	Total shareholders' equity
As at 01.01.2010		1 022 132	1 296 925	3 105	899 247	3 221 409	33 837	3 255 246
Profit	12/28	–	–	–	235 041	235 041	755	235 796
Revaluation of owner-occupied properties	22/28	–	–	7 592	–	7 592	–	7 592
Deferred taxes on revaluation of owner-occupied properties	11/28	–	–	(1 746)	–	(1 746)	–	(1 746)
Other comprehensive income		–	–	5 846	–	5 846	–	5 846
Comprehensive income		–	–	5 846	235 041	240 887	755	241 642
Issue of 1.875% convertible bond on 20.01.2010, equity component	28	–	1 662	–	–	1 662	–	1 662
Conversion of employee options on 25.03.2010	28	–	5 408	–	–	5 408	–	5 408
Squeeze-out on 12.05.2010	28	–	32 154	51	–	32 205	(32 205)	–
Disposal of investments on 28.05.2010	28	–	–	–	–	–	(2 387)	(2 387)
Nominal value reduction on 12.07.2010	28	(190 291)	160	–	–	(190 131)	–	(190 131)
Share-based payments	28/31	–	517	–	–	517	–	517
Purchase of treasury shares	28	–	(45 111)	–	–	(45 111)	–	(45 111)
Sale of treasury shares	28	–	332	–	–	332	–	332
As at 31.12.2010		831 841	1 292 047	9 002	1 134 288	3 267 178	–	3 267 178

The explanations given in the Notes form an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

in CHF 1 000	Notes	Share capital	Capital reserves (premium)	Revaluation reserves	Retained earnings	Shareholders' equity attributable to shareholders of Swiss Prime Site AG	Non-controlling interests	Total shareholders' equity
As at 31.12.2010		831 841	1 292 047	9 002	1 134 288	3 267 178	–	3 267 178
Profit	12/28	–	–	–	355 052	355 052	–	355 052
Revaluation of owner-occupied properties	22/28	–	–	12 996	–	12 996	–	12 996
Deferred taxes on revaluation of owner-occupied properties	11/28	–	–	(2 989)	–	(2 989)	–	(2 989)
Other comprehensive income		–	–	10 007	–	10 007	–	10 007
Comprehensive income		–	–	10 007	355 052	365 059	–	365 059
Distribution from capital contribution reserves on 28.04.2011	28	–	(190 136)	–	–	(190 136)	–	(190 136)
Issue of 1.875% convertible bond on 21.06.2011, equity component	28	–	397	–	–	397	–	397
Share-based payments	28/31	–	450	–	–	450	–	450
Purchase of treasury shares	28	–	(557)	–	–	(557)	–	(557)
Sale of treasury shares	28	–	1 304	–	–	1 304	–	1 304
As at 31.12.2011		831 841	1 103 505	19 009	1 489 340	3 443 695	–	3 443 695

The explanations given in the Notes form an integral part of the consolidated financial statements.

1 BUSINESS ACTIVITIES

1.1 Purpose

The purpose of Swiss Prime Site AG, Olten (hereinafter referred to as «Holding Company» or «Company»), is exclusively the acquisition, holding, management and disposal of investments in other companies.

1.2 Business strategy

Swiss Prime Site offers Swiss and foreign investors the opportunity to participate in a professionally managed Swiss property portfolio established according to strict investment criteria. Swiss Prime Site aims to set a benchmark in the Swiss real estate market by means of a clearly communicated strategy.

Swiss Prime Site invests in Swiss properties at selected locations and offers its shareholders the opportunity to participate in the potential for value growth of an enterprise managed by experienced real estate specialists. In operational terms, Swiss Prime Site works together with reputable industry partners.

With the acquisition of Jelmoli Group, Swiss Prime Site had, in addition to the real estate segment, also acquired the retail trade segment. The products and brands for the Jelmoli – The House of Brands department store are determined by means of evaluation procedures. The primary focus is on high-quality products and brands.

1.3 Investment strategy

The investment regulations define the Company's investment strategy. When selecting investments, the Company primarily concentrates on business properties with good development potential situated in the major economic locations in Switzerland. The significant criteria applied to the selection of investments in commercial properties are, among others: quality of the location, economic development potential, access via traffic routes and public transportation, architectural concept and finishing standard, occupancy rate or occupancy potential, solvency and mix of tenants, utilisation flexibility of the buildings, realised return as well as existing potential for value and revenue increases.

In order to optimise income, a loan-to-value ratio of 65% of all investment properties is permitted. Properties may be pledged to secure corresponding loans.

The loan-to-value ratio is the proportion of interest-bearing borrowed capital measured at the fair value of the property portfolio.

The investment strategy and the investment regulations are regularly reviewed by the Board of Directors.

1.4 Business activities

The Company's business activities are primarily carried out by its subsidiaries. As a real estate investment company, Swiss Prime Site aims to keep the headcount in the real estate segment as low as possible. Accordingly, the Company has transferred the management, the property management and certain other services to Credit Suisse AG, Real Estate Asset Management. On 31.12.2011, the Company reported headcount of 771 [602] employees working in the retail trade segment.

2 SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

2.1 Principles of consolidated reporting

The Company's consolidated reporting was produced in accordance with International Financial Reporting Standards (IFRS) and corresponds to Article 17 of the Guideline to Financial Accounting of the Swiss stock exchange (SIX Swiss Exchange). The consolidated financial statements comprise the Holding Company as well as its subsidiaries (hereinafter together referred to as «group companies»).

The consolidated financial statements are essentially based on the historical cost principle. Deviations from this principle are specifically mentioned in Notes 2.8 to 2.38. This applies to the investment properties, properties under construction, development sites and owner-occupied properties. In accordance with the fair value model of IAS 40 «Investment property» and due to the revaluation model of IAS 16 «Property, plant and equipment», these properties are valued at fair value. In addition, securities and derivatives are recognised at stock-exchange prices or at fair values as at the balance sheet date. The main accounting principles are explained below.

These consolidated financial statements are prepared in Swiss francs (CHF). All amounts, except for the figures per share, are rounded to CHF thousand. All group companies maintain their accounts in CHF. Transactions denominated in foreign currencies are immaterial.

2.2 Amendments to the IFRS accounting principles

Apart from the changes described below, the accounting principles remain the same as in the previous year. As at 01.01.2011, Swiss Prime Site introduced the following new or revised standards and interpretations:

IAS 32 rev.	Classification of rights issues
IFRIC 19	Extinguishing financial liabilities with equity instruments
IAS 24 rev.	Related party disclosures
IFRIC 14	Prepayments of a minimum funding requirement
Various	Annual improvement project (May 2010)

These revisions or amendments have no significant impact on the consolidated financial statements.

The following new and revised standards and interpretations have been adopted, but will not take effect until a later date and have not been applied in advance to the present consolidated financial statements. A systematic analysis of their impact on the consolidated financial statements of Swiss Prime Site has not yet been conducted; the anticipated effects disclosed below therefore represent no more than a first appraisal by the Management Board.

Standard/ interpretation	Title	Impact	Entering into force	Planned application by Swiss Prime Site
IFRS 7 rev.	Disclosures – transfers of financial assets	*	01.07.2011	Financial year 2012
IAS 12 rev.	Deferred taxes – recovery of underlying assets	*	01.01.2012	Financial year 2012
IAS 1 rev.	Presentation of items of other comprehensive income	*	01.07.2012	Financial year 2013
IAS 19 rev.	Employee benefits	***	01.01.2013	Financial year 2013
IAS 27	Separate financial statements (2011)	*	01.01.2013	Financial year 2013
IAS 28	Investments in associates and joint ventures (2011)	*	01.01.2013	Financial year 2013
IFRS 10	Consolidated financial statements	*	01.01.2013	Financial year 2013
IFRS 11	Joint arrangements	*	01.01.2013	Financial year 2013
IFRS 12	Disclosure of interests in other entities	*	01.01.2013	Financial year 2013
IFRS 13	Fair value measurement	**	01.01.2013	Financial year 2013
IFRIC 20	Stripping costs in the production phase of a surface mine	*	01.01.2013	Financial year 2013
IFRS 7 rev.	Disclosures – financial asset and liability offsetting	*	01.01.2013	Financial year 2013
IAS 32 rev.	Financial asset and liability offsetting	*	01.01.2014	Financial year 2014
IFRS 9	Financial instruments	**	01.01.2015	Financial year 2015

* No or no significant impact on the consolidated financial statements is anticipated.

** The effects on the consolidated financial statements cannot yet be determined with sufficient certainty.

*** This change will have effects on the consolidated financial statements through the discontinuation of the corridor method.

The significant changes from Swiss Prime Site's perspective are briefly explained in the following section:

IAS 19 rev. Employee benefits

As a result of the discontinuation of the corridor method, the unrecognised actuarial gains to date will have an effect through the restatement of shareholders' equity and will be booked under other comprehensive income in the future.

2.3 Valuations and assumptions

The preparation of semi-annual and annual accounts in accordance with IFRS accounting principles requires the use of appraisal values and assumptions that influence the amounts reported under assets and liabilities, the disclosure of contingent assets and liabilities as at the balance sheet date and the revenue and expenses recognised during the reporting period. Although these appraisal values have been determined by Swiss Prime Site according to the best knowledge of the Management Board with respect to current events and possible future measures, the results actually achieved may deviate from these appraisal values.

Investment properties, building land and owner-occupied properties

The properties are valued on a going-concern basis. The valuation is based on the current rental situation and the current condition of the property. Beyond the expiry of the existing rental agreements, the earnings forecast is based on the current market level.

On the cost side, allowance is made for the repair and maintenance costs required to ensure sustainable income and to cover recurring facility management costs.

Swiss Prime Site always works on the basis of an average and expedient facility management strategy. The specific circumstances are disregarded or taken into account only to the extent that specific stipulations have been included in the rental agreement, or if they appear plausible and feasible to third parties or do not deviate substantially as far as the resulting fair value is concerned.

Possible optimisation measures consistent with the market – such as improved rental situation in the future – are taken into account only insofar as they guarantee the continuation of the property on a going-concern basis. Not included in the valuation are changes in use, repositioning, conversion work, conversion into freehold apartments, and others.

The valuation or calculation period (discounted cash flow method) extends for 100 years from the valuation date. A more detailed cash flow forecast is prepared for the first ten years, while approximate annualised assumptions are made for the rest of the term.

The valuation implicitly assumes a current annual inflation rate of 1.0% [1.0%]. However, cash flows and discount rates are usually presented on a real basis in the valuation reports.

The specific indexing of the existing rental relationships is taken into account. Beyond the expiry of the contracts, an average indexing rate of 80% is used for the calculation, and rents are adjusted to the market level once every five years. Payments are generally assumed to be made monthly in advance after expiry of the rental agreements.

On the operating cost (owner's cost) side, it is assumed that completely separate ancillary cost accounts are kept and that ancillary and operating costs are outsourced, insofar as this is permitted by law. Maintenance costs (repair and maintenance costs) are determined on the basis of benchmarks and model calculations. The residual lifetime of the individual parts of the buildings is determined on the basis of a rough estimate of their condition, the regular renewal is modelled and the resulting annual annuity calculated. The calculated values are subject to a plausibility check based on the benchmarks set by Wüest & Partner AG and figures of comparable properties. Repair costs are included in full (100%) for the first ten years, while the earnings forecast takes into account, where appropriate, possible increases in rent. From the eleventh year, repair costs of 50% to 70% are allowed (value-preserving components only) without including possible rent increases. Costs for removing contamination are not quantified in the individual valuations; they are considered separately.

The applied discounting method is based on constant monitoring of the real estate market and is derived from models with plausibility checks, on the basis of a real interest rate that is made up of the risk-free interest rate (long-term government bonds) plus general property risks, plus property-specific premiums. The risk is adjusted for each individual property. The range of applied discount rates is disclosed in Notes 21 «Investment properties» and 22 «Owner-occupied properties».

The valuations are based on the rental tables, taking into account rental floor space.

The credit rating risks of the individual tenants are not explicitly taken into account in the valuation, since, where necessary, appropriate contractual safeguards are obtained.

The fair values of the investment properties, including building land and owner-occupied properties that are affected by these valuations and assumptions, are described in Notes 21 «Investment properties» and 22 «Owner-occupied properties» as well as in the property details.

Properties under construction and development sites

Properties under construction and development sites with projected use as investment properties should be recognised at fair value according to IAS 40, insofar as this value can be reliably determined. The existence of a legally valid building permit is an important indicator to reliably determine the fair value of a property under construction or a development site.

At the same time, planned or possible construction projects after completion are valued on the basis of the same assumptions used for the investment properties and building land. To determine the current fair value as at the balance sheet date, outstanding investment costs are deducted from the value of the building after completion. Information on projected construction works, timetables, building costs and future leasing are considered as far as they are available (e.g. building permits, plans, cost calculations/investment applications, and others), or as far as they are believed to be plausible. The range of applied discount rates is disclosed in Note 21 «Investment properties».

The fair values of the properties under construction and development sites affected by these valuations and assumptions are included in Note 21 «Investment properties» as well as in the property details.

Impairment of goodwill and brand names

With respect to goodwill and brand names with indefinite useful life, assumptions as to the calculation of the value in use are applied in the impairment test, which is performed at least annually. The main assumptions with regard to the calculation of value in use are growth rates and discount rates. These assumptions may prove to be incorrect in the future. Moreover, the effective cash flows may differ from the discounted projections.

The underlying book values for these assumptions and valuations are specified in Note 24 «Intangible assets».

Deferred taxes

Deferred tax liabilities are calculated on the valuation difference between the book value of an asset or a liability for consolidation purposes and the value relevant for tax purposes. In principle, deferred taxes are to be apportioned on all temporary differences at the current or future anticipated and full rate (balance sheet liability method).

If the revaluation of properties under IFRS compared with the tax base is due to recaptured, previously claimed depreciation, the tax is reported and treated separately on an individual property basis and taking into account the property gains tax.

Revaluations exceeding the recapture of previously claimed depreciation are taxed using two different systems. In cantons that do not levy any special taxes, the tax on the property gain is calculated at the current maximum tax rates. The other cantons levy a separate property gains tax, which also contains speculation premiums or discounts relating to and depending on the effective duration of ownership, in addition to the ordinary rate for property gains tax.

Accordingly, property gains taxes are reduced in proportion to the duration of ownership of the property. Swiss Prime Site generally assumes a duration of ownership of 20 years: i.e. any applicable speculation premiums are not taken into account. Determination of the minimum holding period is subject to considerable discretion.

Devaluations below cost (losses) can also be taken into account due to the practice of the Swiss Federal Court and the circulation letter 27 of the Swiss Tax Conference dated 15.03.2007 regarding intercantonal loss offsetting. This practice aims to ensure that there are no more losses from intercantonal tax allocations: i.e. the cantons where the property is held must assume losses from the headquarters or other cantons.

Of the total losses carried forward, deferred tax assets are only recognised if the losses carried forward can in all probability be offset against future profits.

The tax liabilities resulting from these assumptions and valuations are described in Note 27 «Deferred tax liabilities».

2.4 Scope of consolidation and consolidation methods

The consolidated financial statements of Swiss Prime Site comprise Swiss Prime Site AG and all its subsidiaries, controlled directly or indirectly via majority of votes or under a single management. These subsidiaries are included in the financial statements within the scope of full consolidation.

The scope of consolidation comprises 8 [11] companies (including the Holding Company). An overview of the major subsidiaries is provided in Note 32 «Major subsidiaries».

The three real estate companies Jelmoli EKZ AG, SPS Immobilien AG and Tivona 009 AG were merged into Jelmoli Immobilien Ltd with retroactive effect as at 01.01.2011. Jelmoli Immobilien Ltd was renamed SPS Immobilien Ltd. Jelmoli International B.V., Amsterdam, NL, was liquidated during the reporting period. In addition, Clouds Gastro AG was founded in May 2011. Jelmoli Bonus Card Ltd was divested the previous year as at 28.05.2010.

The consolidation is based on the audited annual financial statements of the group companies as at 31.12.2011, which have been prepared applying uniform accounting principles. All significant transactions and balances between the individual group companies as well as intragroup profits are eliminated.

Investments in associates in which Swiss Prime Site exercises a decisive influence, but which it does not control, are valued according to the equity method. In this case, the fair value of the pro-rated net assets is determined at the time of acquisition. These investments are recognised for the first time as pro-rated equity including any goodwill as investments in associates. In subsequent reporting periods after the acquisition, this value is adjusted to reflect Swiss Prime Site's share in the additional equity generated or net income earned. All balances/transactions with investments valued according to the equity method are reported separately as items with associates.

Companies in which Swiss Prime Site holds an investment of less than 20% are recognised at fair value (provided that this value can be reliably determined), either as securities or as non-current financial investments.

Investments in subsidiaries and associates are included in the consolidated financial statements from the time when control of the subsidiaries or associates is taken – or when significant influence is gained – and they are no longer included from the time when control is relinquished or significant influence is lost. These two dates are not necessarily identical to the date of acquisition or sale.

The share of third-party shareholders (non-controlling interests) in the consolidated net assets and the consolidated result or comprehensive result is reported separately in the consolidated balance sheet, income statement, statement of comprehensive income as well as in the statement of changes of shareholders' equity. Purchases of non-controlling interests are recognised in shareholders' equity (not affecting profit).

2.5 Capital consolidation

Capital consolidation is carried out using the purchase method. The difference between the purchase price of an acquired company and the fair value of the net assets acquired is recognised in the balance sheet as goodwill from acquisitions. Goodwill is subject to impairment test annually or at shorter intervals, if there is any indication of impairment.

2.6 Segment reporting

Segment reporting complies with IFRS 8 «Operating segments» and is based on the management approach. Swiss Prime Site's primary decision-making authority is the Management Board. Since the acquisition of Jelmoli Group, the operational activities have been divided into two segments (real estate, comprising purchase and sale, lease and development of properties; and retail trade, comprising sales activities in retail trade and in hotel and restaurant operations), which are subject to reporting requirements. All properties are reported under the real estate segment, including the owner-occupied properties that are provided for the retail trade segment.

The disclosure on investments in non-current assets in the segment reporting includes all investments in non-current assets with the exception of financial instruments and deferred tax assets during the reporting period.

2.7 Comparative figures of the previous period

The presentation of the comparative periods and figures is in accordance with IAS 1 «Presentation of financial statements». The figures for the comparative period are shown in the text in brackets [].

2.8 Cash

Cash comprises cash in hand and sight deposits held at financial institutions. Cash also comprises fixed-term deposits with financial institutions and short-term money market investments with an original term of maximum three months, which are recognised in the balance sheet at nominal values.

2.9 Securities

Securities (qualified as held for trading according to IFRS and affecting the income statement) include tradable equities held on a short-term basis that are valued at fair value as well as term deposits with an original term to maturity of more than three months that are recognised at nominal value. Unrealised and realised gains from securities are posted as financial result in the income statement.

2.10 Accounts receivable

Accounts receivable and other receivables are valued at amortised cost, which generally is the nominal value, less any requisite impairments for uncollectible receivables. Receivables can be short term (as a rule) or long term. The receivables of the real estate segment are subject to individual valuation with strict credit-rating guidelines. The value of the receivables of the retail trade segment is adjusted using statistical figures regarding default risk.

2.11 Impairment of accounts receivable

To cover debtor risk, outstanding accounts receivable are evaluated at the end of the reporting period by means of maturity lists and legal case reporting with respect to collectability. The necessary impairments are formed, and impairments that are no longer necessary are released.

2.12 Inventories

Inventories are valued at average cost price, but not exceeding the fair value (net realisable value). The value of inventories with long storage periods and goods that are hard to sell is impaired.

2.13 Accrued income and prepaid expenses

Accrued income and prepaid expenses comprise prepaid expenses relating to the next reporting period and income for the current reporting period that will not be received until a later date.

2.14 Assets held for sale

These are assets or groups of assets held for sale that have not yet been sold but will be sold with high probability. These assets are valued at the lower of book value or fair value less sales costs. Investment properties held for sale are subject to IFRS 5 only with respect to their classification, but not for valuation purposes and are therefore recognised at fair value.

2.15 Non-current financial investments

Non-current financial investments comprise tenants' loans with a residual term to maturity of more than one year and are valued at amortised cost less any requisite impairments. Impairment losses are recognised in the income statement. Tenants' improvements and other collaterals can be used as security for such loans. If necessary, loans secured by real estate can also be granted, provided that the pledged real estate collateral is located in Switzerland. The maximum loan-to-value ratio per property amounts to 70% of the fair value. Under financial investments, free capital can be invested in Swiss francs and euros. Investments in first-class, stock exchange-listed shares, in bonds with a minimum rating by a leading rating agency of «A» and money market paper are permitted. These financial investments are valued similar to securities (see Note 2.9 «Securities»).

2.16 Investment properties and building land

Investment properties and building land are recognised at fair values. The principles of individual valuation apply, with the same valuation method being applied to all properties. Changes in fair value are recognised in the income statement.

Investment properties and building land are valued at least on a semi-annual basis by a neutral, independent valuation expert (Wüest & Partner AG, Zurich) according to the discounted cash flow method. The change in the new valuation is recognised permanently in the consolidated income statement. Related deferred tax liabilities or assets on such sums are debited, or credited, to the consolidated income statement as deferred tax expense or deferred tax revenue.

2.17 Properties under construction and development sites

Properties under construction and development sites with future utilisation as investment properties are recognised at fair value already during construction – the same as other investment properties – provided that the fair value can be reliably determined, according to IAS 40 «Investment property». The existence of a legally valid building permit is an important indicator for Swiss Prime Site to reliably determine the fair value of a property under construction or a development site. The change in fair value is recognised in the income statement.

If a reliable valuation of the fair value of properties under construction and development sites is not possible, they are recognised at cost less any required impairments. Existing investment properties are maintained under the category «Investment properties» for the duration of conversion or renovation.

2.18 Owner-occupied properties

Owner-occupied properties are recognised on the balance sheet at fair value. Positive revaluation is credited to other comprehensive income unless it is due to reversed, previously claimed impairments. In case of a negative valuation, any previous increases in value are first reversed in group shareholders' equity until the corresponding revaluation reserve is released, and any further devaluation is debited to the consolidated income statement. As with investment properties, owner-occupied properties are revaluated on a semi-annual basis.

On 01.07.2010, an adjustment in useful life was carried out for the property located at Seidengasse 1, Jelmoli – The House of Brands, in Zurich, from 60 to 100 years, as well as for the useful life for tenants' improvements and equipment, from 10 to 8 years. Hence, ordinary depreciation is now carried out over a period of 100 years for Jelmoli – The House of Brands and 60 years for the other owner-occupied properties. The extension of useful life for the owner-occupied property Jelmoli – The House of Brands, from 60 to 100 years, resulted in a reduction in depreciation of CHF 1.217 million [CHF 1.612 million]. The decrease in useful life for tenants' improvements and equipment, from 10 to 8 years, necessitated an increase in depreciation of CHF 1.826 million [CHF 1.585 million] in the current reporting period.

2.19 Tangible assets

Tangible assets are recognised at acquisition or production costs less cumulated depreciation and impairment. Expenses on repairs and maintenance are charged directly to the consolidated income statement. Depreciation is calculated according to the straight-line method based on the economic useful life.

2.20 Intangible assets and goodwill

Intangible assets are recognised at cost less amortisation and impairments and include goodwill, software for which a license was obtained from third parties or which was developed by third parties or within the Group, as well as customer relationships and brand names. The amortisation periods for software and customer relationships are five and ten years, respectively (straight line). As with goodwill, an indefinite useful life is assumed for the brand names currently recognised in the balance sheet.

2.21 Depreciation and amortisation

The useful life of the respective assets is as follows:

	Years
Owner-used property Jelmoli – The House of Brands, Seidengasse 1, Zurich	100
Other owner-occupied properties	60
Production facilities	20
Tenants' improvements	8
Equipment	8
Computer and software	5
Customer relationships	10
Goodwill and brand names	indefinite

2.22 Impairment of tangible and intangible assets including goodwill

The value of tangible and intangible assets is always reviewed if changed circumstances or events indicate the possibility of an overvaluation in the book values. If the book value exceeds the realisable value (fair value less disposal costs or higher value in use), an impairment is applied to the realisable value.

Goodwill and other intangible assets with indefinite useful life are subject to impairment test annually or at shorter intervals if there is any reason to presume an impairment.

2.23 Leasing

Swiss Prime Site as lessor

Property leases and land lease contracts are operating lease contracts, which are generally recognised in the consolidated income statement linearly over the duration of the contract. In some of the rental agreements, target turnovers have been agreed upon with the tenants (turnover-based rents). If these are exceeded on an annual basis, the resulting rental income is recognised in the reporting year.

Swiss Prime Site as lessee

Contracts relating to the use of land, for which land lease or right of use payments are effected, should be subject to review in terms of whether they are to be classified as operating or finance lease.

Payments within the scope of operating leases are recognised in the income statement linearly over the term of the lease or rental agreement, or duration of the land lease.

Rental/lease contracts with third parties are recognised in the balance sheet as finance leases, if the risks and benefits associated with ownership are essentially transferred to the lessee on entering into the agreement. Such investments are recognised in the balance sheet at the present value of the minimum lease payments or at the lower fair value. The corresponding lease obligations are recognised as financial liabilities. The lease rates are split in interest expenses and amortisation of the lease debt. Recognised leasing objects are amortised over their useful life or the lower term of the lease.

No finance leases currently exist, neither as lessee nor as lessor.

2.24 Income taxes

Income taxes consist of current income taxes and deferred taxes.

Current income taxes comprise the expected tax liability on the taxable profit calculated at the tax rates applicable on the balance sheet date, property gains taxes on real estate sales and adjustments to tax liabilities or tax assets for previous years.

Deferred taxes are calculated on temporary valuation differences between the book value of an asset or a liability in the consolidated balance sheet and its tax base (i.e. balance sheet liability method). Determination of the deferred taxes takes into account the expected date of settlement of the temporary differences. In this regard, the tax rates used are those applicable or announced at the balance sheet date.

Tax effects from losses carried forward and tax credits are recognised as deferred tax assets if it seems likely that the losses carried forward can be offset against future profits within the stipulated statutory periods.

2.25 Financial liabilities

Financial liabilities comprise current financial liabilities that fall due for repayment within the year and non-current financial liabilities with residual terms to maturity of more than 12 months. Financial liabilities can consist of loans secured by real estate, borrowed capital components of convertible bonds and other financial debt. All loans were granted to Swiss Prime Site in Swiss francs. A maximum loan-to-value ratio of 65% of the fair value of the entire real estate portfolio is permitted. Financial liabilities are recognised on the balance sheet at amortised cost.

2.26 Other financial liabilities (derivative financial instruments)

Derivative financial instruments can be utilised within the scope of ordinary business activities (for example to hedge interest risks). Hedge accounting in the context of IAS 39 is not used. The derivative financial instruments are valued at fair value and recognised as other financial liabilities. Unrealised as well as realised profits and losses are recognised in net financial income. Further information is provided in Note 35 «Financial instruments and financial risk management».

2.27 Advance payments

Advance payments comprise in particular payments from tenants for rent claims or payments on account for cumulative ancillary costs. Advance payments are recognised in the balance sheet at nominal value.

2.28 Provisions

Provisions are set aside for liabilities that are uncertain because of their due date or amount. A provision is set up if a past event creates a legal or constructive obligation, and if future outflows of resources can be reliably estimated. Given any legal disputes, the amount of the provisions recognised for obligations is based on how the Management Board judges the outcome of the dispute in good faith, according to the facts known at the balance sheet date.

2.29 Convertible bond

The full amount of a convertible bond is recognised as a liability. If the convertible bond is issued on conditions that differ from a bond without conversion rights, it is divided into borrowed capital and equity components. The issuing costs are attributed to the borrowed capital and equity component based on their initial book values. Given premature redemption, the purchase price (less paid accrued interest) is compared with the pro-rata book value. The loss or income attributable to the borrowed capital component from the redemption is recognised in net financial income.

A convertible bond can contain embedded derivatives, which should be recognised separately from the basic contract depending on their form.

2.30 Shareholders' equity

Shareholders' equity is subdivided into share capital, capital reserves, revaluation reserves, retained earnings and non-controlling interests. In the share capital, the nominal share capital of the Company is stated. Nominal value changes are recognised in the share capital. Revaluation gains of owner-occupied properties are recognised as revaluation reserves if they exceed previous impairments. Impairments of owner-occupied properties primarily reduce the revaluation reserves. All impairments exceeding these reserves are recognised in the income statement. Profits/losses are credited/debited to retained earnings and dividend payments are debited to retained earnings. All other changes of capital are recorded in the capital reserves.

The Company aims to maintain an equity ratio of 40%. The Board of Directors can approve a shortfall of this ratio. In a long-term view, the Company strives for a return on equity (ROE) of 6% to 8%.

2.31 Treasury shares

Treasury shares are recognised at cost in shareholders' equity (capital reserves). Proceeds from the sale of treasury shares are set off directly against shareholders' equity (capital reserves).

2.32 Dividends

In compliance with Swiss statutory provisions and the Company's articles of association, dividends are treated as an appropriation of profit in the financial year in which they were approved by the Annual General Meeting and subsequently paid out. Estimates generally indicate a payout of 60% to 80% of the result before revaluation effects.

2.33 Employee benefits

The group companies maintain employee benefit schemes and foundations that are financially independent from Swiss Prime Site. All foundations are treated as defined benefit plans according to IAS 19 «Employee benefits». They are generally financed by means of employer and employee contributions. Pension assets and obligations under defined benefit plans are determined by external experts according to the projected unit credit method. The actuarial appraisals are prepared separately for each benefit plan.

Actuarial profits or losses are credited or debited, respectively, to pension costs over the average remaining period of service of the insured employees, if the cumulated profits/losses exceed a range of 10% of the larger of the two values: i.e. plan assets at fair value, or present value of defined benefit obligations. However, actuarial overfunds are only recognised in the balance sheet to the extent that the Group stands to gain economically from this in the future in the form of reduced contributions or reimbursements for the purposes of IFRIC 14 «IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction», or if they are actuarial losses that must not yet be recorded.

2.34 Share plans and share-based compensation

Fifty per cent of the fees paid to members of the Board of Directors are effected in the form of shares, which are subject to a freeze on their sale for a period of four years. The shares are allocated at the end of the financial year, based on the market price at the beginning of the financial year, less a discount of 10%. Claims on treasury shares, including the social insurance contributions payable thereon, are recognised as personnel costs in compliance with IFRS 2. The claims are settled by means of treasury shares.

2.35 Operating income and realisation of income

Operating income includes all revenue from leasing and selling investment properties, investments and other assets, retail trade turnover as well as other operating income. Vacancy costs and collection losses (loss of income) are deducted directly from the target rental income of investment properties and retail trade turnover. Operating income is recognised upon maturity or upon provision of services. Profits from the sale of investments are reported net, less all incidental selling expenses. Turnover from the retail trade segment is recognised upon delivery of the goods or provision of the services: i.e. when the right of use and risk has passed to the customer.

2.36 Interest

Interest on borrowed capital for qualified properties under construction and development sites are attributed to cost. With this method, financial expenses are relieved, but at the same time, the revaluation gain is lowered correspondingly.

Other interest on borrowed capital is recognised in the income statement using the effective interest rate method. Interest payable and interest receivable are accrued as set out in the loan agreements and directly debited or credited to the financial result.

2.37 Transactions with related parties

Related parties are regarded as the Board of Directors, the Management Board, the subsidiaries, Credit Suisse Group Ltd and its subsidiaries and managed real estate products, the pension fund foundations of the Group, the associated companies and their subsidiaries.

All transactions with related parties are presented and itemised including the relevant amounts in Note 31 «Transactions with related parties».

2.38 Earnings per share

Basic earnings per share are determined by dividing the consolidated profit attributable to shareholders of Swiss Prime Site AG by the weighted average number of outstanding shares. The diluted earnings per share are determined by deducting expenses in connection with the convertible bond, such as interest (coupon), amortisation of the proportional costs and tax effects. The potential shares (options and the like) that might lead to a dilution of the number of shares must be taken into account when determining the average number of shares outstanding.

3 RESTRUCTURING

The three real estate companies Jelvoli EKZ AG, SPS Immobilien AG and Tivona 009 AG were merged into Jelvoli Immobilien Ltd with retroactive effect as at 01.01.2011. At the same time, Jelvoli Immobilien Ltd was renamed SPS Immobilien Ltd.

Clouds Gastro AG, the operating company for the restaurant located on the top floor of Prime Tower, was founded in the first half-year 2011. The opening of the restaurant took place on 12.12.2011. This company is classified under the retail trade segment.

In addition, Jelvoli International B.V., Amsterdam, NL, was liquidated during the reporting period.

An overview of the group companies is provided in Note 32 «Major subsidiaries».

Sale of Jelvoli Bonus Card Ltd in the previous year

On 28.05.2010, Swiss Prime Site entered into a sales agreement for its 72.5% share of Jelvoli Bonus Card Ltd with the Swiss banking group Valartis. The sale was finalised on 28.05.2010. The sales price was CHF 10.803 million in cash.

In the previous year Jelvoli Bonus Card Ltd was fully consolidated until its sale.

Jelvoli Bonus Card Ltd's balance sheet as at 28.05.2010

in CHF 1 000	28.05.2010
Cash	14 353
Other current assets	150 059
Non-current assets	3 152
Total assets	167 564
Current liabilities	159 178
Shareholders' equity	8 386
Total liabilities and shareholders' equity	167 564

4 SEGMENT REPORTING

Swiss Prime Site's business activities comprise renting investment properties and carrying out retail trade operations. The consolidated financial data are subdivided according to required reporting standards into the segments real estate and retail trade for the assessment of the earning potential and financial situation of each segment.

Segment income statement

in CHF 1 000	01.01.– 31.12.2011 Total Group	01.01.– 31.12.2010 Total Group	01.01.– 31.12.2011 Eliminations	01.01.– 31.12.2010 Eliminations
Rental income from investment properties	410 835	417 276	(36 359)	(34 938)
– thereof from third and related parties	410 835	417 276	–	–
– thereof from the other segment	–	–	(36 359)	(34 938)
Proceeds of property sales, net	77 545	(817)	–	–
Retail trade turnover, net	155 107	156 998	–	–
Sales proceeds from investments	–	4 384	–	–
Other operating income	3 357	15 487	(310)	(52)
Operating income	646 844	593 328	(36 669)	(34 990)
Real estate costs	69 628	62 538	(232)	(2 758)
Cost of goods sold	72 983	75 122	–	(59)
Direct operating expenses	142 611	137 660	(232)	(2 817)
Personnel costs	34 408	49 996	–	–
Other operating expenses	41 746	53 855	(36 438)	(32 173)
Depreciation and amortisation	14 131	16 891	4 392	6 707
Impairment of owner-occupied properties	–	10 212	–	10 212
Operating expenses	90 285	130 954	(32 046)	(15 254)
Revaluation of investment properties, properties under construction and development sites, net	178 110	86 397	(8 605)	9 327
Operating profit (EBIT)	592 058	411 111	(12 996)	(7 592)
Financial expenses	131 378	128 646		
Financial income	2 297	6 968		
Income from investments in associates	12 003	1 978		
Profit before income taxes	474 980	291 411		

In the column «Eliminations», the transactions between the segments are eliminated. In addition, these columns contain ordinary depreciation and impairments on owner-occupied properties as well as the elimination of revaluation recorded – affecting net income – in the real estate segment on investment properties used within the Group, which are stated in the consolidated financial statements as «owner-occupied properties».

in CHF 1 000	01.01.– 31.12.2011 Total segments	01.01.– 31.12.2010 Total segments	01.01.– 31.12.2011 Real estate segment	01.01.– 31.12.2010 Real estate segment	01.01.– 31.12.2011 Retail trade segment	01.01.– 31.12.2010 Retail trade segment
Rental income from investment properties	447 194	452 214	429 927	434 364	17 267	17 850
– thereof from third and related parties	410 835	417 276	393 568	399 426	17 267	17 850
– thereof from the other segment	36 359	34 938	36 359	34 938	–	–
Proceeds of property sales, net	77 545	(817)	77 545	(817)	–	–
Retail trade turnover, net	155 107	156 998	–	–	155 107	156 998
Sales proceeds from investments	–	4 384	–	–	–	4 384
Other operating income	3 667	15 539	1 089	5 976	2 578	9 563
Operating income	683 513	628 318	508 561	439 523	174 952	188 795
Real estate costs	69 860	65 296	69 860	65 296	–	–
Cost of goods sold	72 983	75 181	–	–	72 983	75 181
Direct operating expenses	142 843	140 477	69 860	65 296	72 983	75 181
Personnel costs	34 408	49 996	1 588	4 836	32 820	45 160
Other operating expenses	78 184	86 028	27 202	34 834	50 982	51 194
Depreciation and amortisation	9 739	10 184	851	1 743	8 888	8 441
Impairment of owner-occupied properties	–	–	–	–	–	–
Operating expenses	122 331	146 208	29 641	41 413	92 690	104 795
Revaluation of investment properties, properties under construction and development sites, net	186 715	77 070	186 715	77 070	–	–
Operating profit (EBIT)	605 054	418 703	595 775	409 884	9 279	8 819

In the previous year, Jelmoli Bonus Card Ltd was included in the retail trade segment until the date of its sale on 28.05.2010.

Composition of operating income by products and services

in CHF 1 000	01.01.–31.12.2011	01.01.–31.12.2010
Income from rental and sale of investment properties	488 380	416 459
Retail trade income from department store	144 858	147 920
Income from hotel	10 249	9 078
Income from credit card business	–	6 821
Sales proceeds from investments	–	4 384
Other operating income	3 357	8 666
Total operating income	646 844	593 328

In the previous year, income from the divested Jelmoli Bonus Card Ltd was included from 01.01.2010 to 28.05.2010.

Segment balance sheet

in CHF 1 000	31.12.2011 Total Group	31.12.2010 Total Group	31.12.2011 Eliminations	31.12.2010 Eliminations
Total assets	8 612 269	8 317 384	(45 531)	(31 217)
Total liabilities	5 168 574	5 050 206	(45 531)	(31 217)
Investments in non-current assets	206 419	230 778	–	–

in CHF 1 000	31.12.2011 Total segments	31.12.2010 Total segments	31.12.2011 Real estate segment	31.12.2010 Real estate segment	31.12.2011 Retail trade segment	31.12.2010 Retail trade segment
Total assets	8 657 800	8 348 601	8 526 246	8 241 161	131 554	107 440
Total liabilities	5 214 105	5 081 423	5 139 964	5 025 763	74 141	55 660
Investments in non-current assets	206 419	230 778	198 137	201 290	8 282	29 488

All assets held by Swiss Prime Site are located in Switzerland.

5 OPERATING INCOME

in CHF 1 000	01.01.–31.12.2011	01.01.–31.12.2010
Target rental income from investment properties	430 442	435 776
Increase of impairments based on individual valuation	(1 057)	(1 630)
Release of impairments based on individual valuation	1 106	1 152
Write-offs on receivables	(338)	(280)
Vacancies	(19 318)	(17 742)
Rental income from investment properties	410 835	417 276
Proceeds of property sales, net	77 545	(817)
Retail trade turnover, gross	168 115	164 136
Discounts	(13 019)	(7 134)
Increase of impairments based on individual valuation	–	(12)
Release of impairments based on individual valuation	12	8
Write-offs on receivables	(1)	–
Retail trade turnover, net	155 107	156 998
Sales proceeds from investments, net	–	4 384
Other operating income	3 357	15 487
Total operating income	646 844	593 328

Swiss Prime Site's primary business activity is renting investment properties. Net rental income from investment properties as well as land lease income totalled CHF 410.835 million [CHF 417.276 million], including CHF 10.981 million [CHF 12.255 million] of variable rental income (turnover-based rent). Rental income included rental income from either the acquisition date of the individual properties or since 01.01.2011 [01.01.2010].

During the reporting period, rental income was derived from renting total floor space of 1 421 472 m² [1 429 661 m²], which was subdivided into 1 401 041 m² [1 408 235 m²] of commercial space and 20 431 m² [21 426 m²] of residential space.

Loss of income (i.e. losses due to vacancies, unpaid rents and write-offs) in the reporting period totalled CHF 19.608 million [CHF 18.500 million], equivalent to a loss of earnings rate of 4.6% [4.2%]. Loss of income was deducted from the target rental income. Detailed information can be found under «Property details» starting on page 133.

Retail trade constitutes the second business segment, where net retail trade turnover amounted to CHF 155.107 million [CHF 156.998 million].

Sales proceeds from divestments of subsidiaries in the previous year amounting to CHF 4.384 million resulted from the divestment of Jelmoli Bonus Card Ltd as at 28.05.2010.

Other operating income of CHF 3.357 million [CHF 15.487 million] included various other income from the real estate and retail trade segments. In the previous year, this position included income from Jelmoli Bonus Card Ltd until 28.05.2010.

The following table depicts the breakdown of the contractual end of the term of rental agreements based on future annual rental income and land lease income from investment properties (excluding properties under construction and development sites) as at 31.12.2011:

End of contract	31.12.2011		31.12.2010	
	Share in %	Future rental income in CHF 1 000	Share in %	Future rental income in CHF 1 000
Under 1 year*	13.3	57 100	16.7	70 603
Over 1 year	10.3	44 217	7.1	30 012
Over 2 years	7.7	32 961	13.0	54 745
Over 3 years	9.5	40 652	8.1	33 994
Over 4 years	9.1	38 956	10.2	42 964
Over 5 years	5.1	21 632	3.3	13 821
Over 6 years	6.1	26 217	3.9	16 239
Over 7 years	4.1	17 548	5.7	24 206
Over 8 years	4.3	18 542	4.3	18 051
Over 9 years	8.5	36 351	4.4	18 531
Over 10 years	22.0	94 467	23.3	98 541
Total	100.0	428 643	100.0	421 707

* contains all unlimited tenancies (residences, parking, commercial properties, etc.)

Future rental income was presented from the real estate segment view.

At the balance sheet date of 31.12.2011, the five largest external tenant groups accounted for 26.5% [30.1%] of future annual rental income and land lease income. These individual tenants had good credit ratings and consisted of the following companies, in particular:

31.12.2011		31.12.2010	
Share in %		Share in %	
Coop	8.0	Coop	9.7
Migros	5.3	UBS	6.3
Credit Suisse Group	4.9	Migros	5.6
UBS	4.5	Credit Suisse Group	4.5
Swisscom	3.8	Swisscom	4.0

Under IAS 17, rental agreements represent leasing transactions. The rental agreements are generally indexed; in the case of retail property, additional turnover-based rents are sometimes agreed. Rental agreements are normally entered into for a term of five to ten years, often with a five-year extension option.

Details regarding the property portfolio

(15 largest properties based on their fair values)

No. City, address	Type of property*	Fair values CHF 1 000	Share of owner-ship**	Plot area m ²	Year of construction	Year of renovation	Vacancy rate %	Floor space m ²
1 Zurich, Seidengasse 1/ Jelmoli – The House of Brands	1	699 950	1	6 514	1896	2010	–	32 494
2 Zurich, Hardstrasse 201/ Prime Tower	2	439 620	1	10 416	2008–11	–	–	47 807
3 Geneva, Rue du Rhône 48–50	2	404 520	1	5 166	1921	2002	0.1	33 365
4 Basel, Hochbergerstrasse 70/ Stücki shopping	2	335 390	1	46 416	2009	–	5.7	54 174
5 St. Gallen, Zürcherstrasse 462–464/ Shopping Arena	2	278 370	2	33 106	2008	–	2.0	39 930
6 Grand-Lancy, Route des Jeunes 12/ CCL La Praille	2	250 420	3	20 602	2002	–	0.3	33 344
7 Geneva, Place du Molard 2–4	2	205 290	1	1 718	1690	2002	0.5	7 158
8 Zurich, Sihlcity	2	192 010	2	10 162	2007	–	0.9	23 634
9 Basel, Messeplatz 12/Messeturm	2	183 680	3	1 230	2003	–	–	24 101
10 Zurich, Affolternstrasse 54, 56/ Cityport	2	159 200	1	10 754	2001	–	–	23 420
11 Carouge, Avenue Cardinal- Mermillod 36–44	2	147 360	1	14 372	1956	2002	1.4	34 998
12 Zurich, Maagplatz 1/Platform	2	145 350	1	5 942	2009–11	–	–	20 478
13 Zurich, Fraumünsterstrasse 16	2	144 150	1	2 475	1901	1990	9.9	8 587
14 Zug, Zählerweg 8, 10/ Dammstrasse 21, 23/Opus 2	2	132 260	1	8 981	2003	–	–	19 951
15 Zurich, Brandschenkestrasse 25	2	125 870	1	3 902	1910	1984	6.7	13 246

* type of property

1 commercially used properties (investment properties) which are partly owner-used (owner-occupied properties)

2 commercially used properties (pure investment properties)

** share of ownership

1 in sole ownership

2 in co-ownership

3 sole ownership with land lease

Further details on the 15 largest properties based on fair values

No.	Retail			Offices, practices, etc.			Cinemas and restaurants			Storage facilities			Other commercial units			Apartments		
	no.	m ²	%	no.	m ²	%	no.	m ²	%	no.	m ²	%	no.	m ²	%	no.	m ²	%
1	41	20 300	62.5	7	1 316	4.1	11	4 459	13.7	54	4 026	12.4	16	2 392	7.4	–	–	–
2	1	321	0.7	51	41 984	87.8	9	2 398	5	16	3 077	6.4	2	27	0.1	–	–	–
3	12	14 789	44.3	43	11 131	33.4	2	2 394	7.2	22	3 015	9.0	23	2 036	6.1	–	–	–
4	112	33 305	61.5	11	4 279	7.9	20	9 343	17.2	77	6 131	11.3	29	1 116	2.1	–	–	–
5	51	22 924	57.4	9	3 745	9.4	7	1 597	4.0	49	7 746	19.4	26	3 918	9.8	–	–	–
6	57	18 678	56.0	2	311	0.9	11	4 327	13.0	42	5 921	17.8	57	4 107	12.3	–	–	–
7	12	2 536	35.4	21	4 034	56.4	1	154	2.2	5	264	3.7	7	170	2.4	–	–	–
8	86	10 013	42.4	26	5 838	24.7	17	4 463	18.9	95	1 813	7.7	43	1 087	4.6	16	420	1.8
9	2	165	0.7	26	13 306	55.2	14	9 818	40.7	9	772	3.2	5	40	0.2	–	–	–
10	–	–	–	13	21 574	92.1	–	–	–	4	1 775	7.6	1	71	0.3	–	–	–
11	20	8 296	23.7	92	20 038	57.3	2	283	0.8	47	5 183	14.8	16	1 198	3.4	–	–	–
12	1	107	0.5	7	18 500	90.3	1	434	2.1	8	1 437	7.0	–	–	–	–	–	–
13	1	1 317	15.3	9	6 446	75.1	–	–	–	21	824	9.6	2	–	–	–	–	–
14	–	–	–	20	18 165	91.0	–	–	–	5	1 786	9.0	–	–	–	–	–	–
15	2	392	3.0	16	11 412	86.2	–	–	–	28	895	6.8	11	547	4.1	–	–	–

6 DIRECT OPERATING EXPENSES

in CHF 1 000	01.01.–31.12.2011	01.01.–31.12.2010
Property expenses	49 204	45 035
Land lease expenses	3 055	2 886
Expenses for third-party services	17 369	14 617
Total real estate costs	69 628	62 538
Total cost of goods sold	72 983	75 122
Total direct operating expenses	142 611	137 660

Property expenses included maintenance and repair costs of CHF 28.835 million [CHF 25.707 million], ancillary costs borne by the owner of CHF 11.943 million [CHF 10.336 million], property-related insurance costs and fees of CHF 6.961 million [CHF 7.417 million] and rent paid to third parties of CHF 1.465 million [CHF 1.575 million].

An amount of CHF 3.055 million [CHF 2.886 million] was spent on land lease expenses, which are detailed in Note 21 «Investment properties».

Of third-party expenses, CHF 12.656 million [CHF 11.630 million] was attributable to property management fees. The total average fee rate as at 31.12.2011 was 3.1% [2.8%] of net income from the rental of investment properties that are managed by facility management companies. An additional CHF 0.654 million [CHF 0.716 million] constituted costs for the revaluation of properties by Wüest & Partner AG and CHF 4.059 million [CHF 2.271 million] related to rental expense and other administrative costs for third parties.

Cost of goods sold was reported net (after deduction of discount income) and included services provided by third parties for the retail trade segment.

7 PERSONNEL COSTS

in CHF 1 000	01.01.–31.12.2011	01.01.–31.12.2010
Wages and salaries	32 796	39 025
Fees to members of the Board of Directors and members of the Management Board	1 038	1 125
Social security expenses	3 392	3 489
Pension plan expenses	(4 886)	2 477
Other personnel expenses	1 838	3 562
Expenses for personnel and the Board of Directors	230	318
Total personnel costs	34 408	49 996
Number of employees as at 31.12.	771	602

As at 31.12.2011, Swiss Prime Site employed a workforce of 771 [602] persons. The increase in the number of employees in the financial year 2011 was attributable primarily to the opening of the Clouds restaurant, which commenced operations in December 2011. The divestment of Jelvoli Bonus Card Ltd in May 2010 resulted in the departure of 82 employees from the Company. Personnel costs reflected salaries to employees of the retail trade segment, fees to the members of the Board of Directors and the Management Board, including the social security contributions on these fees, as well as expenses for leasing of personnel from Credit Suisse AG, Real Estate Asset Management. Portfolio management for Swiss Prime Site has been entrusted to Credit Suisse AG, Real Estate Asset Management. The corresponding expenses are reported as administrative expenses in Notes 8 «Other operating expenses» and 31 «Transactions with related parties». The Jelvoli portfolio was managed by employees of Jelvoli Group until the end of the first quarter of 2010.

The one-time reduction of pension plan expenses in the reporting period was attributable to changes in regulations as well as other adjustments in the pension fund foundations and resulting economic benefit under IAS 19.

The technical principles of the Swiss Federal Law on Occupational Old-age, Survivor's and Disability Insurance (BVG) 2010 were applied for the first time in the calculation of the provisions as generation table, with which the future increase in life expectancy (in computation model) has already been taken into account.

Pension plan of former Jelvoli Group and newly founded Clouds Gastro AG operating company

There are various pension funds and a welfare foundation providing retirement provisions for the employees from the retail trade segment. These plans qualify as defined benefit plans according to IAS 19. The obligations and costs were calculated and recognised using actuarial principles according to the regulations of IAS 19.

As at 01.04.2010, the employees in the real estate segment of the former Jelvoli Group transferred to Credit Suisse AG or to Wincasa AG, leading to a partial liquidation of the personnel pension plan. The financial settlement was concluded in the first half-year 2011. As at 31.12.2010, employees of the divested Jelvoli Bonus Card Ltd no longer participated in the pension plan. The resulting requisite partial liquidations were carried out in the second half-year 2011.

Pension plan of former Arthur Frey AG

There are two independent foundations for retired employees from the former Arthur Frey AG: the Pension Fund Foundation of Arthur Frey AG and the Supplementary Pension Fund Foundation of Arthur Frey AG in Olten. There are no active employees insured in either of the two foundations. These two plans are designated as defined benefit plans according to IAS 19. The obligations and costs were calculated and recognised using actuarial principles according to the guidance of IAS 19.

Reconciliations in the defined benefit obligations and plan assets

in CHF 1 000	01.01.–31.12.2011 Actual	01.01.–31.12.2010 Actual
Reconciliation in defined benefit obligations		
Present value of defined benefit obligations at beginning of period	305 797	321 516
Current service cost (employer)	4 663	3 243
Interest cost	7 454	9 753
Contributions by plan participants	2 278	2 887
Benefits paid	(29 483)	(41 634)
Past service cost	(2 617)	–
Curtailment and settlements	–	(34 422)
Actuarial (gain)/loss on benefit obligations	27 212	44 454
Present value of defined benefit obligations at end of period	315 304	305 797
Reconciliation in plan assets		
Fair value of plan assets at beginning of period	333 440	393 731
Expected return on plan assets	12 222	13 832
Contributions by plan participants	2 278	2 887
Contributions by the employer	2 299	2 887
Benefits paid	(29 483)	(41 634)
Curtailment and settlements	–	(36 270)
Actuarial gain/(loss) on plan assets	(1 775)	(1 993)
Fair value of plan assets at end of period	318 981	333 440
(Overfund)/underfund at beginning of period	(27 643)	(72 215)
(Overfund)/underfund at end of period	(3 677)	(27 643)

Amounts recognised in the consolidated balance sheet

in CHF 1 000	31.12.2011	31.12.2010
Present value of funded defined benefit obligations	315 304	305 797
Fair value of plan assets	318 981	333 440
(Overfund)/underfund at end of period	(3 677)	(27 643)
Unrecognised actuarial gain/(loss)	(11 367)	(5 343)
Amounts not recognised	8 411	33 341
(Net plan assets)/net defined benefit obligations recognised in the consolidated balance sheet	(6 633)	355

Net pension plan assets of CHF 6.633 million [net defined benefit obligations of CHF 0.355 million] were divided into CHF 7.481 million [CHF 0.000 million] in assets and CHF 0.848 million [CHF 0.355 million] in obligations.

(Income)/expenses recognised in the consolidated income statement

in CHF 1 000	01.01.–31.12.2011	01.01.–31.12.2010
Current service cost (employer)	4 663	3 243
Interest cost	7 454	9 753
Expected return on plan assets	(12 222)	(13 832)
Actuarial loss/(gain) recognised in current period (§ 58A)	22 963	39 961
Past service cost	(2 617)	–
Effect of § 58 (b) limitation	(24 930)	(38 080)
Effect of curtailment and settlements	–	1 848
Net (income)/expenses recognised in the income statement	(4 689)	2 893

Changes in the plan assets/net defined benefit obligations recognised in the consolidated balance sheet

in CHF 1 000	31.12.2011	31.12.2010
Net defined benefit obligations at beginning of period	355	349
Expenses recognised in profit or loss	(4 689)	2 893
Contributions by the employer	(2 299)	(2 887)
(Net plan assets)/net defined benefit obligations recognised in the consolidated balance sheet at end of period	(6 633)	355

Experienced profits and losses

in CHF 1 000	2011	2010	2009	2008	2007
Actual return on plan assets	10 447	11 389	4 796	(3 406)	523
Difference expected to actual return respectively actuarial gain/(loss) on plan assets	(1 775)	(1 993)	1 417	(5 131)	(1 128)
Experience adjustments on defined benefit obligations (gain)/loss	(8 032)	(22 525)	(87)	(599)	(108)
Present value of the defined benefit obligations at the end of the period	315 304	305 797	321 516	31 485	33 411
Fair value of plan assets at end of period	(318 981)	(333 440)	(393 731)	(33 845)	(41 067)

Plan assets on balance sheet date

	31.12.2011	31.12.2010
Asset categories	Asset structure in %	Asset structure in %
Equity instruments	24.0	19.6
Debt instruments	37.6	54.9
Real estate	23.9	19.8
Other	14.5	5.7
Total plan assets	100.0	100.0

The following assumptions were applied to the valuation of the personnel pension benefit plans:

in % p.a.	31.12.2011	31.12.2010
Discount rate	2.3	2.5
Expected rate of return on plan assets	3.8	3.8
Future salary increases	1.0	1.0
Expected future pension increases	–	–

Swiss Prime Site is expected to provide CHF 2.523 million in contributions to defined benefit plans in 2012 (based on the number of employees as at 31.12.2011).

8 OTHER OPERATING EXPENSES

in CHF 1 000	01.01.–31.12.2011	01.01.–31.12.2010
Cost of space	3 069	4 137
Maintenance and repair of tangible assets	3 026	4 532
Non-life insurance, fees	760	3 821
Capital taxes	1 503	3 039
Administrative expenses	22 749	24 709
Audit and consultancy costs	4 920	4 582
Advertising	5 719	9 035
Total other operating expenses	41 746	53 855

Cost of space included rents paid to third parties of CHF 0.054 million [CHF 0.183 million] and ancillary costs including cleaning, energy and water of CHF 3.015 million [CHF 3.954 million].

Expenses for tangible assets included maintenance and repair expenses as well as leasing expenses.

Capital taxes were calculated according to the effective tax rates on the basis of intercantonal tax allocation. The capital taxes of Swiss Prime Site AG, SPS Beteiligungen Alpha AG, SPS Beteiligungen Beta AG and SPS Beteiligungen Gamma AG were reduced due to the holding privilege.

Administrative expenses consisted of the net management fee (after deduction of value-added tax) for the fulfilment, monitoring and supervision of the financial matters of Swiss Prime Site by the related Credit Suisse AG of CHF 20.612 million [CHF 20.490 million]. The remainder included costs incurred for the reporting process and other administrative expenses.

Audit and consultancy costs reflected consultancy fees of CHF 3.198 million [CHF 1.942 million], as well as CHF 0.815 million [CHF 1.255 million] for advisory-related expenses to the related Wincasa AG for Jelvoli – The House of Brands. In the previous year, CHF 0.215 million in advisory-related expenses were incurred in connection with the acquisition of Jelvoli Group. Audit fees amounted to CHF 0.907 million [CHF 1.170 million].

The decrease in advertising expense was attributable to the divestment of Jelvoli Bonus Card Ltd in the previous year.

9 REVALUATION OF INVESTMENT PROPERTIES, PROPERTIES UNDER CONSTRUCTION AND DEVELOPMENT SITES

in CHF 1 000	01.01.–31.12.2011	01.01.–31.12.2010
Revaluation	316 496	198 193
Devaluation	(138 386)	(111 796)
Total revaluation of investment properties, properties under construction and development sites, net	178 110	86 397

According to IAS 40, investment properties, properties under construction and development sites with projected use as investment properties are required to be recognised in the balance sheet at fair value. During the reporting period, the entire portfolio (excluding owner-occupied properties) underwent a net revaluation of CHF 178.110 million [CHF 86.397 million]. Further information is available in Note 21 «Investment properties».

10 FINANCIAL EXPENSES AND FINANCIAL INCOME

Financial expenses

in CHF 1 000	01.01.–31.12.2011	01.01.–31.12.2010
Interest expenses	122 242	119 653
Net income affecting adjustment of fair value of financial instruments	9 136	8 407
Other financial expenses	–	586
Total financial expenses	131 378	128 646

The financial expenses were paid to the related Credit Suisse Group and to third parties. Market conditions were always applied (see Notes 25 «Current liabilities» and 26 «Non-current financial liabilities»).

Financial income

in CHF 1 000	01.01.–31.12.2011	01.01.–31.12.2010
Interest income	1 442	5 689
Dividend income on securities and financial investments	600	158
Net income affecting adjustment of fair value of financial instruments	119	31
Other financial income	136	1 090
Total financial income	2 297	6 968

Interest income in the previous year was derived primarily from the credit card business divested in May 2010. Financial income was realised from related and third parties always in line with market conditions (see Notes 13 «Cash» and 19 «Non-current financial investments»).

11 INCOME TAXES

in CHF 1 000	01.01.–31.12.2011	01.01.–31.12.2010
Current income taxes for reporting period	46 783	30 725
Current income taxes for previous years	(735)	1 881
Total current income taxes	46 048	32 606
Deferred taxes resulting from revaluation and depreciation	81 536	33 631
Deferred taxes resulting from the sale of investment properties	(11 273)	(19 756)
Deferred taxes from tax rate changes and reductions from durations of ownership deductions	(1 376)	(161)
Deferred taxes resulting from loss offsetting	(92)	7 750
Other deferred taxes	5 085	1 545
Total deferred taxes	73 880	23 009
Total income taxes	119 928	55 615

Current income taxes were calculated at the effective maximum tax rates. Agreements with the appropriate tax authorities were considered as well. According to IAS 12, current income taxes were divided into current income taxes for the reporting period and current income taxes for previous years.

Deferred taxes were split in deferred taxes due to revaluation and depreciation, sale of investment properties, tax rate changes and reductions resulting from duration of ownership deductions and other deferred taxes. Deferred tax assets on losses carried forward that in all probability can be offset in the future were recognised as such. Deferred taxes are subject to the risk of tax rate changes as well as changes in the cantonal tax regulations.

Income taxes/reconciliation

Income taxes have been calculated using the effective relevant tax rates. Liabilities for current income taxes were recognised in the balance sheet as current income tax liabilities under current liabilities.

The tax reconciliation in the following table shows how the effective tax burden deviated from the average tax rate of 23%.

in CHF 1 000	01.01.–31.12.2011	01.01.–31.12.2010
Profit before income taxes	474 980	291 411
Income taxes at average tax rate of 23%	109 245	67 025
Taxes at other rates (including property gains taxes)	3 792	(11 978)
Income taxes for previous years	(735)	1 881
Change of deferred tax assets and use of losses carried forward for which no deferred tax assets have been recognised	347	(8 974)
Taxes on intercompany expenses and revenues	8 628	8 631
Other effects	(1 349)	(970)
Total income taxes	119 928	55 615

Deferred taxes

Where the revaluations according to IFRS versus the fiscal values were due to recaptured, previously claimed depreciation, the taxes have been allocated per property after deduction of any applicable property gains tax and taken into account separately. Tax rates of between 5.7% and 18.0% [5.7% and 18.0%] were applied.

Upward revaluations exceeding the recaptured, previously claimed depreciation are subject to tax using two different systems. Cantons that do not levy any special taxes also calculate taxes at the above rates. The other cantons levy a separate property gains tax using rates of between 3.0% and 25.0% [3.0% and 25%].

Accordingly, property gains taxes are reduced in proportion to the increased duration of ownership of the property. Swiss Prime Site generally assumes ownership for a minimum period of 20 years, which means that potential speculation premiums are not taken into account. Deferred tax expenses as a result of statutory depreciation and revaluation amounted to CHF 81.536 million [CHF 33.631 million]. The deferred taxes on revaluation of owner-occupied properties totalling CHF 2.989 million [CHF 1.746 million] were charged to shareholders' equity.

Total deferred tax expense of CHF 73.880 million [CHF 23.009 million] was debited to the consolidated income statement. This was mainly due to the fact that deferred tax liabilities or deferred tax assets had to be taken into account for revaluation and depreciation under commercial law. Of the total deferred tax assets subject to offsetting losses, only those were recognised that in all probability can be offset with future profits. The other deferred tax assets on losses carried forward were not recognised due to the insufficient future probability of offsetting losses.

Deferred tax assets

in CHF 1 000	31.12.2011	31.12.2010
Taxable losses carried forward of subsidiaries	5 177	3 305
Possible tax effect on taxable losses carried forward at an average tax rate of 23%	1 191	760
Losses carried forward which can in all probability be offset against future profits	(400)	–
Total recognised deferred tax assets at an average tax rate of 23%	(92)	–
Total deferred tax assets not recognised at an average tax rate of 23%	1 099	760

According to IAS 12 «Income taxes», deferred tax assets (for losses carried forward and tax credits) can only be recognised if the facts and timing of their utilisation have been established.

Taxable losses carried forward of subsidiaries for which no deferred tax assets were recognised expire as follows:

in CHF 1 000	31.12.2011	31.12.2010
Under 1 year	–	–
After 1 year	–	–
After 2 years	386	236
After 3 years	547	929
After 4 years	155	547
After 5 years	627	155
After 6 years	811	627
After 7 and more years	2 251	811
Total expiring taxable losses carried forward	4 777	3 305

12 EARNINGS PER SHARE

The profit used to calculate the earnings per share or the diluted earnings per share was the reported profit attributable to shareholders of Swiss Prime Site AG. According to IAS 33, both the basic earnings per share and the diluted earnings per share must be reported.

Weighted average number of shares

Number of shares	01.01.–31.12.2011	01.01.–31.12.2010
Shares issued 01.01.–31.12. (360 days)	54 368 714	54 368 714
Average number of treasury shares (360 days)	(36 117)	(173 262)
Weighted average number of shares 01.01.–31.12. (360 days)	54 332 597	54 195 452

Weighted average earnings and NAV per share

in CHF 1	31.12.2011	31.12.2010
Earnings per share, weighted	6.53	4.34
Diluted earnings per share, weighted	6.10	4.15
NAV before deferred taxes per share	76.72	72.11
NAV after deferred taxes per share	63.34	60.14

When calculating diluted earnings per share, the profit attributable to shareholders of Swiss Prime Site AG of CHF 355.052 million [CHF 235.041 million] was corrected by the following effects as a result of the convertible bond: interest (coupon), amortisation of proportional costs and tax effect. This resulted in a diluted profit of CHF 364.194 million [CHF 241.761 million]. The weighted average number of shares of 54 332 597 [54 195 452] increased by the maximum weighted number of shares that can be issued on a conversion of 5 363 155 [3 999 165] to 59 695 752 [58 194 617] shares.

Conversion price and weighted number of possible shares given 100% conversion

	31.12.2011 Conversion price in CHF	31.12.2011 Number of possible shares	31.12.2010 Conversion price in CHF	31.12.2010 Number of possible shares
Convertible bonds				
1.875% convertible bond 20.01.2010–20.01.2015, CHF 300.000 million	71.89	4 173 042	71.89	3 999 165
1.875% convertible bond 21.06.2011–21.06.2016, CHF 190.350 million	83.97	1 190 113	–	–
Total weighted number of possible shares		5 363 155		3 999 165

No conversions were exercised. Further information on the convertible bonds is provided in Note 26 «Non-current financial liabilities».

13 CASH

in CHF 1 000	31.12.2011	31.12.2010
Cash on hand	2 652	1 791
Sight deposits with third parties	1 075	620
Sight deposits with related parties	122 869	7 389
Total cash	126 596	9 800

Sight deposits comprised bank accounts exclusively. The investments were made at market conditions.

14 ACCOUNTS RECEIVABLE

in CHF 1 000	31.12.2011	31.12.2010
Accounts receivable from third parties	109 120	94 546
Accounts receivable from related parties	73	4 609
Total accounts receivable, gross	109 193	99 155
Impairments	(1 608)	(1 669)
Total accounts receivable	107 585	97 486

Most of the accounts receivable related to claims for rent and ancillary costs as well as customer claims related to the retail trade segment.

Due dates of receivables

in CHF 1 000	31.12.2011 Gross receivables	31.12.2011 Impairments	31.12.2010 Gross receivables	31.12.2010 Impairments
Not yet due	86 901		87 424	
Due between 0 and 30 days	6 179		2 224	
Due between 31 and 90 days	5 460		2 760	
Due between 91 and 120 days	1 172		757	
Due for more than 120 days	9 481		5 990	
Total gross receivables and impairments	109 193	1 608	99 155	1 669

Receivables not yet due were primarily receivables from cumulative ancillary costs of the current ancillary cost period.

Development of the impairments of accounts receivable

in CHF 1 000	31.12.2011	31.12.2010
Impairments at beginning of period	1 669	1 187
Increase of impairments based on individual valuation	1 057	1 642
Release of impairments based on individual valuation	(1 118)	(1 160)
Impairments at end of period	1 608	1 669

15 OTHER RECEIVABLES

in CHF 1 000	31.12.2011	31.12.2010
Current accounts receivable from third parties	14	41
Current accounts receivable from related parties	6 737	8 194
Total current accounts receivable	6 751	8 235
Other receivables	2 540	249
Withholding tax credits	1 644	932
VAT credits	3 360	6 179
Total other current receivables	14 295	15 595
Other non-current receivables	5 525	–
Total other non-current receivables	5 525	–

Current accounts receivable from related parties included receivables from real estate management companies of CHF 6.737 million [CHF 8.188 million] as well as receivables from pension fund foundations of Jelvoli Group of CHF 0.000 million [CHF 0.006 million]. The real estate management companies transfer the cumulated real estate surpluses or current accounts receivable to the relevant company on a monthly basis.

The other non-current receivables of CHF 5.525 million [CHF 0.000 million] resulted from the divestment of the Algerian investment acquired in February 2011.

16 INVENTORIES

in CHF 1 000	31.12.2011	31.12.2010
Merchandise	25 464	24 010
Other inventories	169	157
Impairments	(554)	(880)
Total inventories	25 079	23 287

Inventories included merchandise from the retail trade segment, primarily from Jelvoli – The House of Brands, which were valued at average cost – or if lower – at net divestment values.

17 ACCRUED INCOME AND PREPAID EXPENSES

in CHF 1 000	31.12.2011	31.12.2010
Accrued income and prepaid expenses	22 913	20 405
Total accrued income and prepaid expenses	22 913	20 405

Accrued income and prepaid expenses included mainly accruals from the real estate accounts (essentially rents and ancillary costs) of CHF 19.891 million [CHF 17.553 million].

The remaining accruals and deferrals were incurred in the areas of capital taxes, personnel costs and administrative expenses, as well as expenses in the retail trade segment and financing costs.

18 ASSETS HELD FOR SALE

According to IFRS 5, assets held for sale were recognised separately in the balance sheet.

in CHF 1 000	31.12.2011	31.12.2010
Belp, Aemmenmattstrasse 43	19 260	19 480
Burgdorf, Industry Buchmatt	14 470	14 680
Frick, Hauptstrasse 132/Fricktal Centre A3	20 780	20 190
Granges-Paccot, Route d'Agy 3	7 774	7 775
Interlaken, Rosenstrasse 9, sold	–	992
Klus-Balsthal, Wengimattstrasse 1/ Solothurnerstrasse, sold	–	1 519
Losone, Via Locarno/Via Truscio	895	–
Mägenwil, Birrfeldstrasse/parcel north, sold	–	2 670
Moosseedorf, Moosseestrasse 21	1 939	1 935
Moosseedorf, Moosseestrasse 23	3 243	4 745
Oberwil, Mühlemattstrasse 23	4 390	4 422
Romanshorn, Alleestrasse 27, sold	–	750
Schattdorf Umfahrungsstrasse 2, sold	–	973
Solothurn, Lagerhausstrasse 1, sold	–	9 947
Spreitenbach, Fegistrasse 14–22, sold	–	11 180
Spreitenbach, Müslistrasse 44	4 713	4 791
St. Gallen, Vadianstrasse 25	8 500	–
Wangen b. Olten, Dorfstrasse 11, 13, sold	–	3 454
Wangen b. Olten, Rickenbacherfeld	–	1 487
Wetzikon, Hinwilerstrasse 11, sold	–	2 035
Zofingen, Pfistergasse 2, 12, 14, 16, 20, sold	–	4 051
Zofingen, Pfistergasse 22, sold	–	899
Zurich, Kreuzstrasse 54, sold	–	12 650
Total assets held for sale	85 964	130 625

Various properties of the real estate segment that do not conform to the strategy were intended for sale.

The investment properties held for sale were recognised in the balance sheet at fair value similar to the investment properties reported in non-current assets. On conclusion of sale, payment is secured via a legally binding promise to pay from a corporate bank or insurance company.

The divestment gains or losses were reported under net proceeds of property sales (see Note 5 «Operating income»).

19 NON-CURRENT FINANCIAL INVESTMENTS

in CHF 1 000	31.12.2011	31.12.2010
Loans	688	688
Other non-current financial investments	1 223	1 341
Total non-current financial investments	1 911	2 029

Loans comprised three [three] fixed-rate loans with a term of up to 12 [13] years and an interest rate of 0% to 8%.

Other non-current financial investments comprised various non-consolidated investments with a share of less than 20% and without significant influence.

20 INVESTMENTS IN ASSOCIATES

The following investments in associated companies were valued according to the equity method:

in CHF 1 000	31.12.2011	31.12.2010
Ensemble artisanal et commercial de Riantbosson S.A., Frauenfeld	2 246	2 249
Parkgest Holding SA, Geneva	8 701	8 976
Parking Riponne S.A., Lausanne	1 666	1 633
Total investments in associates	12 613	12 858
Proportional result of the period	12 003	1 978
Less dividends received	(1 947)	(2 223)
Total investments in associates	22 669	12 613

The valuation of the investments in associates according to the equity method was based on new information. It is not possible for Swiss Prime Site to obtain up-to-date relevant financial information due to the limited exertion of influence on these companies. After the valuation of the investments in associates according to the equity method the value corresponded to the expected cash flows from these investments.

Following is a summary of financial information on associated companies (not adjusted in Swiss Prime Site's shareholding interest):

in CHF 1 000	31.12.2011	31.12.2010
Current assets	20 516	24 426
Non-current assets	74 637	36 048
Current liabilities	6 621	10 201
Non-current liabilities	22 447	15 613
Net assets	66 085	34 660
Income	26 354	27 482
Annual result	6 040	3 143

21 INVESTMENT PROPERTIES

in CHF 1 000	Building land	Commercial properties without significant residential space	Commercial properties with minimal residential space	Properties held for sale	Total investment properties	Properties under construction/development sites	Total at fair value
As at 01.01.2010	54 058	6 725 113	352 202	142 018	7 273 391	369 500	7 642 891
Follow-up investments	13	49 741	179	117	50 050	147 666	197 716
Transfer of investment properties to properties held for sale	(2 662)	(90 326)	(3 064)	96 052	–	–	–
Transfer of properties held for sale to investment properties	–	32 623	–	(32 623)	–	–	–
Transfer of properties under construction to investment properties*	–	10 610	–	–	10 610	(10 610)	–
Transfer of investment properties to properties under construction**	–	(16 120)	–	–	(16 120)	16 120	–
Transfer of owner-occupied properties to investment properties***	–	155 046	–	–	155 046	–	155 046
Transfer of investment properties to owner-occupied properties****	–	(2 803)	–	–	(2 803)	–	(2 803)
Disposal by sale	(15 584)	(201 022)	(48 535)	(74 245)	(339 386)	–	(339 386)
Positive fair value adjustment	25	149 110	10 795	2 503	162 433	35 760	198 193
Negative fair value adjustment	(470)	(107 658)	(105)	(3 197)	(111 430)	(366)	(111 796)
Fair value adjustment 2010	(445)	41 452	10 690	(694)	51 003	35 394	86 397
As at 31.12.2010	35 380	6 704 314	311 472	130 625	7 181 791	558 070	7 739 861
Purchases	–	–	–	–	–	67 567	67 567
Follow-up investments	–	118 451	467	2 095	121 013	7 474	128 487
Transfer of building land to properties held for sale	(895)	–	–	895	–	–	–
Transfer of properties held for sale to building land*****	1 487	–	–	(1 487)	–	–	–
Transfer of properties under construction to investment properties	–	537 470	–	–	537 470	(537 470)	–
Transfer of investment properties to properties held for sale	–	(6 840)	–	6 840	–	–	–
Transfer of owner-occupied properties to investment properties	–	2 224	–	–	2 224	–	2 224
Transfer of investment properties to owner-occupied properties	–	(53 202)	–	–	(53 202)	–	(53 202)
Disposal by sale	–	(187 740)	–	(51 120)	(238 860)	–	(238 860)
Positive fair value adjustment	4 857	294 109	14 364	1 891	315 221	1 275	316 496
Negative fair value adjustment	(24)	(134 556)	(31)	(3 775)	(138 386)	–	(138 386)
Fair value adjustment 2011	4 833	159 553	14 333	(1 884)	176 835	1 275	178 110
As at 31.12.2011	40 805	7 274 230	326 272	85 964	7 727 271	96 916	7 824 187

* Olten, Solothurnerstrasse 231/Usego was reclassified as investment property in 2010.

** Zurich, Hardstrasse/Maaghof North and East, was reclassified as property under construction in 2010 due to scheduled new construction (formerly part of investment property Zurich, Hardstrasse 219/Maaghof & Event).

*** reclassification of various owner-occupied properties into investment properties, see Note 22 «Owner-occupied properties»

**** Olten, Frobürgstrasse 1, partial reclassification into owner-occupied properties as a consequence of setting up own offices in 2010

***** Wangen b. Olten, Rickenbacherfeld, was reclassified as building land.

in CHF 1 000	Building land	Commercial properties without significant residential space	Commercial properties with minimal residential space	Properties held for sale	Total investment properties	Properties under construction/development sites	Total
Fire insurance values*							
On 01.01.2010	2 951	5 430 518	298 860	250 406	5 982 735	316 491	6 299 226
On 01.01.2011	3 161	5 535 480	254 156	186 985	5 979 782	471 757	6 451 539
On 31.12.2011	13 435	5 823 929	299 957	94 211	6 231 532	95 624	6 327 156
Net rental income							
01.01.–31.12.2010	344	384 217	19 119	10 329	414 009	3 267	417 276
01.01.–31.12.2011	322	387 320	17 468	5 725	410 835	–	410 835
Losses due to vacancies and unpaid rents in %							
01.01.–31.12.2010	0.1	3.3	4.9	29.4	4.2	–	4.2
01.01.–31.12.2011	–	4.2	4.3	23.3	4.6	–	4.6
Sales proceeds							
01.01.–31.12.2010 gains	1 430	2 485	1 976	–	5 891	–	5 891
01.01.–31.12.2010 losses	(67)	(3 308)	(992)	(2 341)	(6 708)	–	(6 708)
01.01.–31.12.2011 gains	–	77 810	–	2 060	79 870	–	79 870
01.01.–31.12.2011 losses	–	–	–	(2 325)	(2 325)	–	(2 325)

* There were no building insurance values for properties under construction. For building projects, the respective builders' liability insurance had been taken out.

The fair value adjustments were carried out on the basis of a regular (semi-annual) fair value appraisal by a renowned independent real estate expert (Wüest & Partner AG, Zurich) using the discounted cash flow method. The discount rates for the valuation of investment properties, building land, investment properties held for sale, properties under construction and development sites hovered in a range between 3.4% and 5.8% [3.6% and 5.9%] on the balance sheet date.

As at the balance sheet date, 10 [21] investment properties were held for sale.

Sensitivity of fair value

In the following analysis, the existing real estate portfolio (excluding building land, projects and development sites) was taken into account with a current fair value as at the balance sheet date of CHF 8 026.5 million (fair value of entire portfolio was CHF 8 165.1 million).

A change in fair value can result from fluctuations in various market and property factors, or several valuation parameters: e.g. changes in rental income, real estate costs and discount rates (returns). With regard to potential changes in the market environment, sensitivity is given particularly regarding discount rates. The fair value adjustment in connection with the change in discount rate is depicted as follows (average discount rate over the entire portfolio, approximate calculation):

Average discount rate	Change in fair value in %	Change in fair value in CHF 1 000	Fair value in CHF 1 000
4.1%	6.7	537 800	8 564 300
4.2%	4.4	353 200	8 379 700
4.3%	2.1	168 600	8 195 100
4.4% (valuation as at 31.12.2011)	–	–	8 026 500
4.5%	(2.1)	(168 600)	7 857 900
4.6%	(4.1)	(329 100)	7 697 400
4.7%	(6.0)	(481 600)	7 544 900
4.8%	(7.8)	(626 100)	7 400 400
4.9%	(9.6)	(770 500)	7 256 000
5.0%	(11.3)	(907 000)	7 119 500

An increase in the discount rate (expected return) over the entire portfolio of more than 50 basis points within a short period seems very improbable. In this regard, real estate returns trend much more sluggishly than nominal interest rates on bonds or mortgages. Vice versa, in the current environment marked by still moderate returns on real estate in Switzerland, a discount rate that is more than 30 basis points lower over the entire portfolio also seems improbable.

The impact of changes in rental income on fair value is also essentially significant. However, substantial changes in rental income over the entire portfolio (with a varying diversity of uses and tenants) in accumulated form and within a shorter period are less probable, whereas more significant effects on the portfolio would occur with a prolonged time lag. A linear correlation between rental income and fair value can be approximately assumed, whereby the rental income forecast in the valuation comprises several components, such as current contractually guaranteed rents and market rental estimates after the present contracts have expired. If just one of these components changes, the impact on fair value is diminished (for example, fair value declines by 3.5% given a reduction of market rental potential of 4.0%).

Change in market rental potential	Change in fair value in %	Change in fair value in CHF 1 000	Fair value in CHF 1 000
6.0%	5.3	425 400	8 451 900
4.0%	3.5	280 900	8 307 400
2.0%	1.8	144 500	8 171 000
0.0% (valuation as at 31.12.2011)	–	–	8 026 500
(2.0%)	(1.8)	(144 500)	7 882 000
(4.0%)	(3.5)	(280 900)	7 745 600
(6.0%)	(5.3)	(425 400)	7 601 100
(8.0%)	(7.0)	(561 900)	7 464 600
(10.0%)	(8.8)	(706 300)	7 320 200

The sensitivity of fair value with regard to changes in recurring real estate costs for operation and proper maintenance is considerably lower than in the case of the aforementioned factors. However, the impact of modified costs for renovations and restructuring or construction costs for projects can have substantial effects on the fair value of the relevant real estate. Since this concerns only a limited number of affected properties over the entire portfolio, the sensitivity is relativised in this regard.

Overall, any change in the fair value of the entire portfolio of more than 5% within a year is regarded as less probable.

Current development and new building projects

City, address	Additional information
Zurich, Affolternstrasse 52/ MFO building	<ul style="list-style-type: none"> • Project description: The project involves the translocation of the executive office building of the former tool and machinery factory Oerlikon (MFO). The historic building must be moved to make way for the Swiss Federal Railways' cross-city link. The brick building, which weighs 6 000 tons and measures 80 metres in length, will be relocated roughly 60 metres away using steel rollers. • Project status: The ground-breaking ceremony took place on 07.07.2011. Following receipt of the valid building permit in July 2011, the utility lines were constructed and the excavation started. The preparation phase is currently underway for the relocation (e.g. construction of basement and translocation rails). • Occupancy rate*: 100% • Completion: The translocation of the historic building is scheduled for May 2012, with the building development and final construction carried out thereafter. The transfer of the land plot to the Swiss Federal Railways is planned for August 2012.
Zurich, Hagenholzstrasse 60/ SkyKey	<ul style="list-style-type: none"> • Project description: The concept of the SkyKey development project is based on a commercial services building comprising roughly 40 000 square metres of office floor space, conference rooms and personnel restaurant. The complex will be equipped with around 2 300 workplaces. Warehouse space and auxiliary rooms, in addition to approximately 230 parking places and a fitness centre – as well as the building's requisite technology centre – will all be situated in the subterranean levels. The building volume comprises a seven-storey base structure, from which an 18-storey-high tower will ascend from the southeast corner with a total height of 63 metres. The ensemble fits seamlessly together with the modern buildings constructed in recent years located between Andreasstrasse and Hagenholzstrasse. • Project status: The excavation work and foundation construction was in full swing as of the balance sheet date. Construction of the subterranean levels can begin in March 2012. Laying of the cornerstone is envisaged for spring 2012, and completion of the building shell is planned for mid-2013. • Occupancy rate*: The building is 100% leased to Zurich Insurance Company Ltd effective 01.07.2014. • Completion: Tenants' improvements can be started from mid-2013; the entire new building will be ready for occupancy by mid-2014.
Zurich, Hardstrasse/ Maaghof North and East	<ul style="list-style-type: none"> • Project description: The project involves a residential building complex located to the west of Prime Tower and situated on the former industrial site. Maaghof North and East will comprise residential floor space of 21 800 square metres, consisting of 219 units, of which 82 are planned as condominiums. The ground floors are reserved for social utilisation such as day-care centres and kindergartens, or commercial floor space for shops, businesses and a cafeteria. The building concept envisages an L-shaped complex, with a spacious park-like courtyard. • Project status: The building application was submitted in January 2011. Building authorisation was granted in August 2011, and receipt of the valid building permit is expected in March 2012. The plans foresee a construction start date (deconstruction) in April/May 2012. • Occupancy rate*: 0% • Completion: Winter 2014/2015

* Data on occupancy rates are as at 31.12.2011.

Swiss Prime Site as land lease holder

Land leases should be checked insofar as they are operating or finance leases using general criteria according to IAS 17. Based on analyses and present value tests, it was determined that all current land lease contracts (Swiss Prime Site as land lease holder and land lease grantor) were operating leases. Swiss Prime Site was the land lease holder for the following properties:

Properties subject to land leases

Basel, Hochbergerstrasse 40/parking
 Basel, Messeplatz 12/Messeturm
 Berne, Mingerstrasse 12–18/PostFinance Arena
 Berne, Weltpoststrasse 5
 Biel, Solothurnstrasse 122
 Burgdorf, Industry Buchmatt
 Conthey, Route Cantonale 4
 Conthey, Route Cantonale 11
 Dietikon, Zentralstrasse 12
 Dübendorf, Bahnhofstrasse 1
 Eyholz, Kantonsstrasse 79
 Geneva Airport, Route de Pré-Bois 10/underground parking facility
 Grand-Lancy, Route des Jeunes 10
 Grand-Lancy, Route des Jeunes 12/CCL La Praille
 Heimberg, Gurnigelstrasse 38
 Locarno, parking Centro
 Meyrin, Route de Meyrin 210
 Moosseedorf, Moosstrasse 21
 Moosseedorf, Moosstrasse 23
 Oberwil, Mühlemattstrasse 23
 Spreitenbach, Fegistrasse 14–22, sold
 Zuchwil, Dorfackerstrasse 45/Birchi Centre
 Zurich, Limmattalstrasse 180

Key figures of the land leases

Land lease areas	477 m ² to 31 074 m ²
Residual term to maturity	3 to 81 years
Contract extension options	none to 50 years
Price adjustments	annually to every 10 years
Pre-emption rights	none, unilateral and bilateral

Future land lease expenses

in CHF 1 000	31.12.2011	31.12.2010
Land lease expenses up to 1 year	3 043	3 411
Land lease expenses from 1 year up to 5 years	12 052	13 643
Land lease expenses after 5 years	179 275	191 573
Total future land lease expenses	194 370	208 627

Land lease expenses in the period

in CHF 1 000	01.01.–31.12.2011	01.01.–31.12.2010
Land lease expenses	3 055	2 886
Total land lease expenses in the period	3 055	2 886

Rights of use

Similar to land lease, rights of use of all current contracts were defined as operating leases according to IAS 17. Expenses for rights of use are shown in the tables under «Future land lease expenses» and «Land lease expenses in the period». The following properties were encumbered with a contract for right of use (user):

Geneva, Place Cornavin 10
Zurich, Stadelhoferstrasse 22

Key figures of the rights of use

Right of use areas	80 m ² to 202 m ²
Residual term to maturity	4 to 32 years
Contract extension option	5 to 20 years
Price adjustments	every year
Pre-emption rights	none

Swiss Prime Site as grantor of land leases

Swiss Prime Site has granted land leases on the following properties:

Basel, Hochbergerstrasse 62/petrol station
Bellach, Gurzelenstrasse 2
Burgdorf, Emmentalstrasse 14
Gossau, Wilerstrasse 82
Granges-Paccot, Route d'Agy 3
Heimberg, Gurnigelstrasse 38
Holderbank, Hauptstrasse 43
Klus-Balsthal, Wengistrasse 1/Solothurnerstrasse, sold
Mägenwil, Weststrasse 6/Birrfeldstrasse south
Meyrin, Route de Meyrin 210
Oftringen, Spitalweidstrasse 1/shopping centre a1
Wetzikon, Hinwilerstrasse 11, sold

Key figures of the land leases

Land lease areas	384 m ² to 2 839 m ²
Residual term to maturity	5 to 74 years
Contract extension options	none until 3 times 5 years
Price adjustments	annually to every 10 years
Pre-emption rights	none, unilateral and bilateral

Future land lease income

in CHF 1 000	31.12.2011	31.12.2010
Land lease income up to 1 year	1 470	1 663
Land lease income from 1 year up to 5 years	5 879	6 650
Land lease income after 5 years	19 550	22 026
Total future land lease income	26 899	30 339

Land lease income in the period

in CHF 1 000	01.01.–31.12.2011	01.01.–31.12.2010
Land lease income	1 598	1 874
Total land lease income in the period	1 598	1 874

Land lease income was recognised as rental income.

22 OWNER-OCCUPIED PROPERTIES

in CHF 1 000	31.12.2011	31.12.2010
Owner-occupied properties at beginning of period	280 423	438 728
Additions	918	3 269
Disposals	–	(4)
Transfer from investment properties	53 202	2 803
Transfer in investment properties	(2 224)	(155 046)
Transfer depreciation	(4 392)	(16 919)
Positive fair value adjustment due to revaluation	13 105	7 592
Negative fair value adjustment due to revaluation	(109)	–
Owner-occupied properties before cumulative depreciation and impairments at end of period	340 923	280 423
Cumulative depreciation and impairments at beginning of period	–	–
Depreciation of the period	4 392	6 707
Impairments	–	10 212
Transfer depreciation	(4 392)	(16 919)
Cumulative depreciation and impairments at end of period	–	–
Total owner-occupied properties after cumulative depreciation and impairments	340 923	280 423

The properties located at Frobургstrasse 1 in Olten, Seidengasse 1/Jelmoli – The House of Brands in Zurich, Obere Bahnhofstrasse 14 in Affoltern a.A. and Route des Jeunes 10 in Grand-Lancy were used partially as owner-occupied properties.

The portion of the property located at Ohmstrasse 11 in Zurich used as owner-occupied property was reclassified as investment property the previous year due to the divestment of Jelmoli Bonus Card Ltd. The portion of the property located at Sihlstrasse 24/St. Annagasse 16 in Zurich previously used as owner-occupied property was no longer used as such and reclassified as investment property in the previous year as a result of restructuring. Reclassification of investment properties into owner-occupied properties and vice versa is carried out annually using the current rent tables.

In the previous year impairments of CHF 10.212 million were required for the properties located at Route des Jeunes 10 in Grand-Lancy (CHF 10.042 million) and Frobургstrasse 1 in Olten (CHF 0.170 million).

Owner-occupied properties are valued on the basis of a regular (semi-annual) fair value appraisal by the independent real estate expert Wüest & Partner AG, Zurich, by means of the discounted cash flow method.

The real discount rates applied hovered in range between 4.0% and 4.8% [4.2% and 5.0%] on the balance sheet date. These valuations were based on market prices of recently executed transactions. If the owner-occupied properties had been valued according to the historical cost model, the book value would have been CHF 318.149 million [CHF 273.857 million] as at the balance sheet date.

Transfer depreciation was based on the cumulative depreciation as at the revaluation date, which was eliminated against the gross book value of the revalued owner-occupied properties.

23 TANGIBLE ASSETS

in CHF 1 000	Tenants' improve- ments	Furniture and equipment	31.12.2011 Total
Tangible assets at beginning of period	26 863	26 098	52 961
Additions	3 180	5 912	9 092
Disposals	–	–	–
Tangible assets before cumulative depreciation and impairments at end of period	30 043	32 010	62 053
Cumulative depreciation and impairments at beginning of period	3 509	3 869	7 378
Depreciation during the period	4 003	4 573	8 576
Disposals	–	–	–
Cumulative depreciation and impairments at end of period	7 512	8 442	15 954
Total tangible assets after cumulative depreciation and impairments	22 531	23 568	46 099

in CHF 1 000	Tenants' improve- ments	Furniture and equipment	31.12.2010 Total
Tangible assets at beginning of period	13 345	16 269	29 614
Additions	13 604	13 752	27 356
Disposals	(3)	(2 148)	(2 151)
Disposals from sale of Jelmoli Bonus Card Ltd	(83)	(1 775)	(1 858)
Tangible assets before cumulative depreciation and impairments at end of period	26 863	26 098	52 961
Cumulative depreciation and impairments at beginning of period	464	336	800
Depreciation during the period	3 058	4 981	8 039
Disposals	–	(723)	(723)
Disposals from sale of Jelmoli Bonus Card Ltd	(13)	(725)	(738)
Cumulative depreciation and impairments at end of period	3 509	3 869	7 378
Total tangible assets after cumulative depreciation and impairments	23 354	22 229	45 583

24 INTANGIBLE ASSETS

in CHF 1 000	Goodwill	Software	Customer relations	Brands	31.12.2011 Total
Intangible assets at beginning of period	36 010	2 498	5 650	22 797	66 955
Additions	–	355	–	–	355
Disposals	–	–	–	–	–
Intangible assets before cumulative amortisation and impairments at end of period	36 010	2 853	5 650	22 797	67 310
Cumulative amortisation and impairments at beginning of period	–	14	612	–	626
Amortisation during the period	–	565	598	–	1 163
Disposals	–	–	–	–	–
Cumulative amortisation and impairments at end of period	–	579	1 210	–	1 789
Total intangible assets after cumulative amortisation and impairments	36 010	2 274	4 440	22 797	65 521

in CHF 1 000	Goodwill	Software	Customer relations	Brands	31.12.2010 Total
Intangible assets at beginning of period	36 130	4 958	5 650	22 797	69 535
Additions	–	2 438	–	–	2 438
Disposals	–	(2 122)	–	–	(2 122)
Disposals from sale of Jelvoli Bonus Card Ltd	(120)	(2 776)	–	–	(2 896)
Intangible assets before cumulative amortisation and impairments at end of period	36 010	2 498	5 650	22 797	66 955
Cumulative amortisation and impairments at beginning of period	–	1 015	47	–	1 062
Amortisation during the period	–	1 583	565	–	2 148
Disposals	–	(1 840)	–	–	(1 840)
Disposals from sale of Jelvoli Bonus Card Ltd	–	(744)	–	–	(744)
Cumulative amortisation and impairments at end of period	–	14	612	–	626
Total intangible assets after cumulative amortisation and impairments	36 010	2 484	5 038	22 797	66 329

Impairment test for cash-generating units including goodwill and brand names

To perform the impairment test, goodwill and brand names were attributed to the cash-generating units of Swiss Prime Site that corresponded to the operating segments.

Goodwill

in CHF 1 000	31.12.2011	31.12.2010
Retail trade segment	36 010	36 010
Total goodwill	36 010	36 010

The retail trade segment constitutes an operating segment. The amount to be realised by the cash-generating units was based on value in use.

Value in use was based on the following underlying key assumptions:

- Taking into consideration past experience, cash flows were based on a business plan for the forthcoming four years. A constant growth rate of 1.0% [1.0%] was used for cash flows of the detailed horizon of the subsequent periods.
- A pre-tax discount rate of 8.4% [9.4%] was applied.

In the opinion of the Management Board, no realistically expected, possible changes in the designated key assumptions can lead to a situation in which the book value of goodwill would exceed the relevant amount to be realised. The impairment test was carried out in the fourth quarter of 2011.

Brand names

in CHF 1 000	31.12.2011	31.12.2010
Retail trade segment	22 797	22 797
Total brand names	22 797	22 797

The useful life of the brand name acquired in connection with the acquisition of Jelmoli Group (Jelmoli including The House of Brands) was regarded as indefinite because there were absolutely no plans for re-branding.

The underlying key assumptions for the impairment test conducted at 31.12.2011 by means of the so-called relief from royalty method included a pre-tax discount rate of 9.6% [9.5%] as well as net licensing fee of 1.3% [1.3%]. The values assigned to the key assumptions have been derived from industry-specific values from companies in the retail trade sector.

Based on the impairment test, there was no need for any impairment as at end-2011. Due to the nature of the valuation method, sales growth contrary to expectations would directly lead to value impairment.

25 CURRENT LIABILITIES

in CHF 1 000	31.12.2011	31.12.2010
Accounts payable to third parties	8 184	5 473
Accounts payable to related parties	280	670
Total accounts payable	8 464	6 143
Current financial liabilities to third parties	495 249	738 367
Current financial liabilities to related parties	42 175	180 000
Total current financial liabilities	537 424	918 367
Other current liabilities to third parties	23 667	25 176
Other current liabilities to related parties	–	5 119
Total other current liabilities	23 667	30 295
Advance payments from third parties	85 556	83 141
Advance payments from related parties	2	75
Total advance payments	85 558	83 216
Current income tax liabilities	48 889	30 152
Accrued expenses and deferred income	85 361	57 833
Total current liabilities	789 363	1 126 006

Accounts payable comprised mainly liabilities from ancillary cost accounts, property expense invoices and commercial invoices.

Current financial liabilities to third and related parties (Credit Suisse Group) generally consisted of mortgages. Furthermore, in the prior year this position also included a bond from the former Jelmoli Group amounting to CHF 175.942 million, which was redeemed on 05.07.2011.

Accrued expenses and deferred income included accruals from the real estate accounts (primarily renovation and project costs) in the amount of CHF 74.768 million [CHF 40.124 million]. The other accrued expenses and deferred income was made up of CHF 1.981 million [CHF 2.387 million] for goods and services from the retail trade segment, as well as of CHF 6.488 million [CHF 5.133 million] for administrative and advertising expenses in addition to auditing and valuation fees. Interest liabilities toward lenders accounted for CHF 2.044 million [CHF 2.833 million] and other amounted to CHF 0.080 million [CHF 4.356 million]. In the previous year, CHF 3.000 million was accrued for outstanding invoices relating to the acquisition of Jelmoli Group and restructuring.

26 NON-CURRENT FINANCIAL LIABILITIES

Non-current financial liabilities consisted of loans secured by real estate of CHF 2 941.807 million [CHF 2 759.124 million], one bond [one bond] of CHF 202.373 million [CHF 203.868 million] from the acquired Jelmoli Group, and two [one] convertible bonds of CHF 481.097 million [CHF 293.359 million]. One convertible bond has a nominal value of CHF 300.000 million and was issued on 20.01.2010. The second convertible bond, with a nominal value of CHF 190.350, was issued on 21.06.2011. Both convertible bonds have an interest rate of 1.875% and a term to maturity of five years.

Non-current financial liabilities of CHF 3 625.277 million [CHF 3 256.351 million] were recognised at amortised cost, which generally corresponded to the nominal value. There were no extraordinary debt covenants for loans secured by real estate or for bonds. For the previous year, see Note 25 «Current liabilities». The contractual limits were complied with by the Company and are continually monitored.

To secure the financial liabilities, various credit line agreements were concluded under market conditions (at arm's length), both with third-party banks and with related banks. Within the scope of the general credit lines, the maximum credit available is determined and adjusted by the banks on the basis of the valuation of the land mortgage rights transferred to them as security.

Increasing credit lines or individual loans, repayment of existing loans and refinancing are carried out continuously on the basis of the liquidity plan. The Management Board (Chief Financial Officer) is responsible for the timely implementation and is supervised by the Board of Directors.

As at the balance sheet date, the loan-to-value ratio of the entire property portfolio was 51.0% [52.1%].

Convertible bonds

On 20.01.2010, Swiss Prime Site AG issued a convertible bond with the following key data:

Volume	CHF 300.000 million (book value as at 31.12.2011 CHF 294.586 million)
Interest rate	1.875% p.a., payable annually on 20.01., initially on 20.01.2011
Term to maturity	5 years (20.01.2010–20.01.2015)
Conversion price	CHF 71.89
Listing	SIX Swiss Exchange
Securities number	10 877 415 (SPS10)

Each individual bond with a nominal value of CHF 5 000 can be converted into registered shares of the Company at any time. The newly issued shares are secured by conditional capital.

The equity component resulting from the convertible bond was recognised directly in shareholders' equity. The other embedded options of the convertible bond – i.e. premature repayment option of Swiss Prime Site under certain preconditions (clean-up call and share price appreciation call) – as well as the put option granted under certain preconditions (delisting of shares put) are contained within the borrowed capital component and were not recognised separately.

On 21.06.2011, Swiss Prime Site AG issued a new convertible bond with the following key data:

Volume	CHF 190.350 million (book value as at 31.12.2011 CHF 186.511 million)
Interest rate	1.875% p.a., payable annually on 21.06., initially on 21.06.2012
Term to maturity	5 years (21.06.2011–21.06.2016)
Conversion price	CHF 83.97
Listing	SIX Swiss Exchange
Securities number	13 119 623 (SPS11)

Each individual bond with a nominal value of CHF 5 000 can be converted into registered shares of the Company at any time. The newly issued shares are secured by conditional capital.

The equity component resulting from the convertible bond was recognised directly in shareholders' equity. The other embedded options of the convertible bond – i.e. premature repayment option of Swiss Prime Site under certain preconditions (clean-up call and issuer call) – as well as the put option granted under certain preconditions (delisting of shares put) are contained within the borrowed capital component and were not recognised separately.

Bonds

The bond from the former Jelmoli Group has the following key data:

Volume	CHF 200.000 million (book value as at 31.12.2011 CHF 202.373 million)
Interest rate	4.625% p.a., payable annually on 11.07.
Term to maturity	8 years (11.07.2005–11.07.2013)
Listing	SIX Swiss Exchange
Securities number	2 190 735 (JEL05)

The bond will be redeemed at its nominal value.

For more information regarding non-current financial liabilities, see Note 35 «Financial instruments and financial risk management».

27 DEFERRED TAX LIABILITIES

in CHF 1 000	31.12.2011	31.12.2010
Deferred tax liabilities at beginning of period	650 083	632 969
Deconsolidation of Jelmoli Bonus Card Ltd	–	229
Increase through depreciation/revaluation, net	84 525	35 377
Decrease through property sales	(11 273)	(19 756)
Provisions and other liabilities	5 085	1 425
Tax rate changes	(1 376)	(161)
Total deferred tax liabilities at end of period	727 044	650 083

Deferred tax liabilities result from differences in valuation between statutory reporting of financial results and reporting according to IFRS standards. They result particularly from revaluations and statutory depreciation of investment properties and owner-occupied properties. Conversely, deferred tax liabilities decrease upon disposals of the properties.

The calculation of deferred taxes on real estate assets is based on the assumption of a holding period of minimum 20 years. Given a holding period of 15 years, the relevant deferred tax liabilities on future property gains would be roughly 4% higher; given a reduction of the holding period to 10 years, deferred tax liabilities would be around 7% higher.

Information about the status and changes in revaluations can be found in Notes 9 «Revaluation of investment properties, properties under construction and development sites» and 21 «Investment properties». Note 11 «Income taxes» explains the calculation of the deferred taxes.

28 SHAREHOLDERS' EQUITY

	Number of registered shares issued	Nominal value in CHF	in CHF 1 000
Share capital			
Nominal share capital at 01.01.2010	54 368 714	18.80	1 022 132
Nominal value reduction on 12.07.2010	–	(3.50)	(190 291)
Nominal share capital at 31.12.2010	54 368 714	15.30	831 841
Total nominal share capital at 31.12.2011	54 368 714	15.30	831 841

A share register is maintained for the registered shares. Only the person registered in the share register is recognised as shareholder or usufructuary. Each share is entitled to one vote at the General Meeting. The Board of Directors is entitled to decline foreign buyers of registered shares as shareholders with voting rights, insofar and as long as their acknowledgement might prevent the Company from producing evidence of the composition of the circle of shareholders required by law. Otherwise, there are no restrictions on registration or voting rights. Anyone who acquires or holds – either directly or indirectly or in joint agreement with third parties – more than 33 ⅓% of the voting shares must submit an offer to acquire all listed shares of the Company.

The 4 244 [44 037] treasury shares held at 31.12.2011 were not entitled to dividends. At the balance sheet date, the dividend-entitled share capital of CHF 831.776 million [CHF 831.168 million] therefore comprised 54 364 470 [54 324 677] shares.

	Number of registered shares	Nominal value in CHF	in CHF 1 000
Authorised capital			
Authorised capital at 01.01.2010	8 000 000	18.80	150 400
Nominal value reduction on 12.07.2010	–	(3.50)	(28 000)
Authorised capital at 31.12.2010	8 000 000	15.30	122 400
Approval of capital increase by Annual General Meeting of 19.04.2011	2 000 000	15.30	30 600
Total authorised capital 31.12.2011	10 000 000	15.30	153 000

The Board of Directors is authorised to increase the share capital to the extent mentioned above at any time until 19.04.2013. The precise wording can be found in the Company's articles of association.

	Number of registered shares	Nominal value in CHF	in CHF 1 000
Conditional capital			
Conditional capital at 01.01.2010	8 000 000	18.80	150 400
Nominal value reduction on 12.07.2010	–	(3.50)	(28 000)
Conditional capital at 31.12.2010	8 000 000	15.30	122 400
Total conditional capital at 31.12.2011	8 000 000	15.30	122 400

Conditional capital is divided into an amount of up to CHF 99.297 million [CHF 99.297 million] (6 490 000 [6 490 000] shares) for exercising options and/or conversion rights granted in connection with bonds or similar obligations and an amount of up to CHF 23.103 million [CHF 23.103 million] (1 510 000 [1 510 000] shares) for option rights granted to the shareholders. The precise wording can be found in the Company's articles of association.

Capital reserves	in CHF 1 000
Capital reserves at 01.01.2010	1 296 925
Issue of 1.875% convertible bond on 20.01.2010, equity component	1 662
Exchange of employee options on 25.03.2010	5 408
Increase resulting from squeeze-out on 12.05.2010	32 154
Nominal value reduction on treasury shares on 12.07.2010	160
Share-based payments, 7 803 shares	517
Purchase of treasury shares, 721 664 shares	(45 111)
Sale of treasury shares, 5 137 shares	332
Capital reserves at 31.12.2010	1 292 047
Distribution from capital contribution reserves on 28.04.2011	(190 136)
Issue of 1.875% convertible bond on 21.06.2011, equity component	397
Share-based payments, 6 490 shares	450
Purchase of treasury shares, 8 000 shares	(557)
Sale of treasury shares, 41 303 shares	1 304
Total capital reserves at 31.12.2011	1 103 505

Capital reserves are based on above-par issues on foundation, capital increases as well as changes from trading with subscription rights, treasury shares and share-based compensation.

The squeeze-out (i.e. exchange of the remaining Jelmoli shares for Swiss Prime Site shares) in the prior year and the exchange of employee options took place in exchange for Swiss Prime Site shares, which were provided from the Company's treasury shares.

Revaluation reserves	in CHF 1 000
Revaluation reserves at 01.01.2010	3 105
Revaluation of owner-occupied properties	7 592
Deferred taxes on revaluation of owner-occupied properties	(1 746)
Derecognition of non-controlling interests from squeeze-out on 12.05.2010	51
Revaluation reserves at 31.12.2010	9 002
Revaluation of owner-occupied properties	12 996
Deferred taxes on revaluation of owner-occupied properties	(2 989)
Total revaluation reserves at 31.12.2011	19 009

Revaluation reserves are not available to the Company shareholders.

Retained earnings	in CHF 1 000
Retained earnings at 01.01.2010	899 247
Profit distributions	–
Profit	235 041
Retained earnings at 31.12.2010	1 134 288
Profit distributions	–
Profit	355 052
Total retained earnings at 31.12.2011	1 489 340

Retained earnings are derived from earnings retained since the foundation of the Company.

Non-controlling interests	in CHF 1 000
Non-controlling interests at 01.01.2010	33 837
Comprehensive income attributable to non-controlling interests	755
Derecognition of non-controlling interests from squeeze-out on 12.05.2010	(32 205)
Derecognition of non-controlling interests from sale of Jelvoli Bonus Card Ltd on 28.05.2010	(2 387)
Non-controlling interests at 31.12.2010	–
Total non-controlling interests at 31.12.2011	–
Total shareholders' equity	3 443 695

The Annual General Meeting on 19.04.2011 passed the following resolutions:

A distribution from capital contribution reserves of CHF 3.50 per share. The share capital on which the distribution is based consists of 54 368 714 shares.

The distribution from capital contribution reserves amounting to CHF 190.136 million was carried out on 28.04.2011.

29 FUTURE OBLIGATIONS AND CONTINGENT LIABILITIES

in CHF 1 000	31.12.2011	31.12.2010
2011	–	68 948
2012	101 693	–
2013	60 500	–
Total future obligations	162 193	68 948

On 11.12.2006, a general contractor agreement was signed with HRS Real Estate Ltd followed by an addendum on 15.05.2009 totalling CHF 75.385 million. Both contracts dealt with the construction of the commercial property Stücki Business Park with five buildings on Hochbergerstrasse in Basel. The buildings were completed in the financial year 2011. Final payment amounting to CHF 1.000 million [CHF 10.357 million] is still outstanding.

On 19.12.2007, a general contractor agreement was signed with ARGE Losinger/Steiner dealing with the construction of Prime Tower including annex buildings Cubus and Diagonal on the Maag site in Zurich West totalling CHF 248.200 million. Construction was completed in autumn 2011. Final payment amounting to CHF 9.328 million [CHF 34.200 million] is still outstanding from this general contractor agreement.

On 08.02.2008, a general contractor agreement totalling CHF 80.350 million was signed with HRS Real Estate Ltd for the construction of the Platform corporate building on the Maag site in Zurich West. The building was completed in mid-2011. There are no remaining payments [CHF 20.891 million] outstanding from this general contractor agreement.

From summer 2009 until autumn 2010, Jelmoli – The House of Brands department store on Seidengasse 1 in Zurich was extensively renovated and qualitatively improved, with an investment volume of CHF 42.400 million. The orders were assigned individually to contractors. The still outstanding payments amounting to CHF 3.500 million due in 2011 were paid in full [CHF 3.500 million] in the first half-year.

In January 2011, the Company acquired the SkyKey new building project located at Hagenholzstrasse 60 in Zurich. With the acquisition, Swiss Prime Site also entered into the existing total contractor agreement with Steiner Ltd of 23.11.2010, according to which payments totalling CHF 168.000 million are to be effected for construction of the building that will probably extend until end-2013. Payments amounting to CHF 147.700 million will still be incurred until the planned completion of the project.

On 17.06.2011, a services contract was concluded with Iten AG, Morgarten, relating to the translocation of the property located at Affolternstrasse 52 in Zurich (MFO building). The agreement including addendums calls for payments totalling CHF 7.670 million. Payments amounting to CHF 4.165 million will still be incurred until completion of the project in May 2012.

The group company SPS Beteiligungen Alpha AG holds 31.0% of Ensemble artisanal et commercial de Riantbosson S.A. (EACR) with a share capital of CHF 1.000 million. In the shareholders' agreement dated 15.02.1999, a reserve liability is stipulated, which the General Meeting can decide with a simple majority. In any case, the contracting partners are obligated to effect additional payments to cover any possible excessive debt. The equity of EACR amounted to CHF 0.951 million [CHF 0.971 million] as at 31.12.2010 (status completion 2010 [2009]).

Operating lease agreements

In addition to the obligations for operating lease agreements mentioned in Note 21 «Investment properties», there were also the following future obligations relating to leasing of office equipment:

in CHF 1 000	31.12.2011	31.12.2010
Lease expenses up to 1 year	149	107
Lease expenses from 1 year up to 5 years	192	118
Total future lease expenses	341	225

In the reporting period, CHF 0.196 million [CHF 0.256 million] in lease expenses for the rental of office equipment were recognised in «Other operating expenses».

Contingent liabilities

There were no other contingent liabilities at the balance sheet date, neither securities nor guarantees.

30 DETAILS OF PLEDGED ASSETS

in CHF 1 000	31.12.2011	31.12.2010
Fair value of affected investment properties	7 161 275	7 065 030
Fair value of affected owner-occupied properties	302 378	241 785
Nominal value of pledged mortgage notes	4 626 956	4 415 014
Current claim (nominal)	3 476 831	3 501 548

31 TRANSACTIONS WITH RELATED PARTIES

Related parties are regarded as the Board of Directors, the Management Board, the subsidiaries, Credit Suisse Group Ltd and all its subsidiaries and managed real estate products, the Group's pension fund foundations as well as investments in associates and their subsidiaries.

Board of Directors and Management Board

Disclosure in accordance with IAS 24 of the following remuneration for members of the Board of Directors and the Management Board is based on the accrual principle (i.e. recognised in the relevant period, regardless of cash flow).

Members of the Board of Directors receive 50% of their fee at the end of the year in the form of Swiss Prime Site AG shares. The corresponding expense was reported as share-based compensation. The number of shares was determined using the closing price as at the end of the previous year of CHF 69.75 [CHF 58.00], adjusted by 10% to CHF 62.80 [CHF 52.20]. The share-based compensation was debited to the relevant amount of shares so calculated at the settlement price of CHF 69.40 [CHF 68.80].

Note 9 «Compensation, share holdings and loans to members of the Board of Directors and the Management Board» of the individual financial statements of Swiss Prime Site AG shows a list with the names and the individual fees paid to the members of the Board of Directors and the Management Board.

The basic fee for the reporting period was stated gross in the following tables, i.e. before deduction of the ordinary social contributions. Expense allowances paid to the members of the Board of Directors and the Management Board in the form of lump-sum expenses were reported under «Other remuneration».

The term «Board of Directors» as used in the following tables refers exclusively to non-executive directors since Swiss Prime Site did not have executive members of the Board of Directors during the reporting period, nor in the previous period.

Remuneration to members of the Board of Directors

in CHF 1 000	01.01.–31.12.2011	01.01.–31.12.2010
Basic fee to members of the Board of Directors including fee for committee members	588	588
Share-based payments	450	537
Other remuneration	48	48
Total remuneration to members of the Board of Directors, gross	1 086	1 173

The share-based basic fee was calculated at 6 490 [7 803] shares at a price of CHF 69.40 [CHF 68.80]. No separate termination pay was paid to former members of company bodies in the current or in the previous period.

Remuneration to members of the Management Board

in CHF 1 000	01.01.–31.12.2011	01.01.–31.12.2010
Basic fee to members of the Management Board including fee for committee members	–	–
Other remuneration	8	8
Total remuneration to members of the Management Board, gross	8	8

The reported remuneration included expenses of CHF 0.008 million [CHF 0.008 million].

Options

As at balance sheet date there were no outstanding or allocated options.

Additional fees and remuneration

No additional fees were paid.

Loans to members of governing bodies

As at balance sheet date there were no outstanding loans to governing bodies.

Other related parties**Balance sheet items with Credit Suisse Group**

in CHF 1 000	31.12.2011	31.12.2010
Cash	122 869	7 389
Accounts receivable	73	4 609
Current accounts	6 737	8 194
Total assets with Credit Suisse Group	129 679	20 192
Accounts payable	280	670
Current financial liabilities	42 175	180 000
Other current liabilities	–	5 119
Advance payments	2	75
Accrued expenses and deferred income	–	3 033
Non-current financial liabilities	748 000	620 175
Other non-current financial liabilities	7 395	3 232
Total liabilities with Credit Suisse Group	797 852	812 304

Income statement items with Credit Suisse Group

in CHF 1 000	01.01.–31.12.2011	01.01.–31.12.2010
Rental income	18 477	18 270
Other operating income	4	3
Bank interests	48	57
Interest income swaps	123	358
Total income from Credit Suisse Group	18 652	18 688
Expenses for services rendered	10 850	9 077
Charged salary costs for administration, rental of furnishings and contributions to client events	1 031	132
Management fee	20 612	20 490
Other administrative expenses	143	243
Mortgage and loan interest payments	24 428	21 445
Bank interests	185	238
Interest expense swaps	1 818	3 892
Sales and purchase commissions	7 906	6 354
Construction commissions	4 911	3 611
Total expenses to Credit Suisse Group	71 884	65 482

Management fees amounted to between 0.14% and 0.31% [0.22% and 0.33%] annually of total assets (total of all valued, consolidated assets, at the beginning of each quarter).

Generally, agency commissions of 1.50% and 5.00% of the purchase or sales price (without purchasing costs) are paid on every property bought, acquired or sold by Swiss Prime Site.

Wincasa AG was responsible for the management of most properties. The properties from Jelmoli Group were managed by own employees until the end of the first quarter of 2010, and thereafter management of these properties was entrusted to Wincasa AG. Most of the employees of Jelmoli Group that were responsible for administration of properties were subsequently employed by Wincasa AG in 2010.

Other transactions with Credit Suisse Group

in CHF 1 000	01.01.–31.12.2011	01.01.–31.12.2010
Divestments of investment properties	–	189 122
Convertible bond-related costs	3 660	6 057
Total other transactions with Credit Suisse Group	3 660	195 179

There were no investments or divestments relative to related parties carried out in the reporting period. In the previous year, there weren't any investments, neither. Divestments of investment properties in the prior year included 13 sales amounting to CHF 189.122 million to Credit Suisse Investment Foundation, Zurich – Real Estate Switzerland and Real Estate Switzerland Commercial. The costs for issuing the convertible bonds were paid to Credit Suisse AG.

There were current accounts receivable relative to the various pension funds and the welfare trust of former Jelvoli Group of CHF 0.023 million [CHF 0.006 million], as well as current accounts payable of CHF 0.118 million [CHF 0.167 million]. An amount of CHF 0.078 million [CHF 0.000 million] was settled with the Jelvoli S.A. welfare trust for services. Administrative costs of CHF 0.208 million [CHF 0.009 million] were paid to the Jelvoli pension fund and Jelvoli S.A. welfare trust.

There were no additional transactions with other related parties carried out either in the reporting period or previous period.

32 MAJOR SUBSIDIARIES

Subsidiaries	Purpose	31.12.2011 Share capital in CHF 1 000	31.12.2010 Share capital in CHF 1 000
Fully consolidated investments in subsidiaries with a shareholding interest (directly or indirectly) of 100%			
Clouds Gastro AG, Zug, CH	Restaurant business	500	–
GLPH SA, Lancy, CH	Hotel business	100	100
Jelvoli Ltd, Zurich, CH	Retail company	6 600	6 600
Jelvoli International B.V., Amsterdamt, NL, liquidated*	Investment company	–	90
SPS Beteiligungen Alpha AG, Olten, CH	Investment company	650 000	650 000
SPS Beteiligungen Beta AG, Olten, CH	Investment company	450 000	450 000
SPS Beteiligungen Gamma AG, Olten, CH	Investment company	300 000	300 000
SPS Immobilien Ltd, Olten, CH**	Real estate company	50 000	50 000
The following companies were merged with retroactive effect as at 01.01.2011 with Jelvoli Immobilien Ltd**, which was renamed SPS Immobilien Ltd			
Jelvoli EKZ AG, Olten, CH	Real estate company	–	487
SPS Immobilien AG, Olten, CH (old)	Real estate company	–	225 000
Tivona 009 AG, Olten, CH	Real estate company	–	100

* liquidated in 2011

** The former Jelvoli Immobilien Ltd was renamed SPS Immobilien Ltd following the merger with SPS Immobilien AG.

Investments in associates	Purpose	31.12.2011 Share capital in CHF 1 000	31.12.2010 Share capital in CHF 1 000
Investments in associates valued according to the equity method			
Ensemble artisanal et commercial de Riantbosson S.A., Frauenfeld, CH, investment of 31.0%	Real estate company	1 000	1 000
Parkgest Holding SA, Geneva, CH, investment of 38.8%	Parking	4 750	4 750
Parking Riponne S.A., Lausanne, CH, investment of 27.1%	Parking	5 160	5 160

33 MAJOR SHAREHOLDERS

Major shareholders (shareholding interest > 3.0%)	31.12.2011 Shareholding interest* in %	31.12.2010 Shareholding interest* in %
Credit Suisse Funds AG, Zurich**	5.0	5.0
Wecken Klaus R., Bürgenstock	4.3	4.7
Fust Walter, Freienbach	4.3	4.7

* according to entry in the register of shareholders or the notifications received by the Company

** former Credit Suisse Asset Management Funds AG, Zurich

34 RISK MANAGEMENT

Principles

Swiss Prime Site attaches considerable importance to the identification, measurement and control of risks. By applying comprehensive and systematic measures for the identification and valuation of risks, risk management aims to ensure that undesirable risks are minimised well in advance, and that there is always an adequate balance between return and risk.

The effect of risks on the Company's cash flow and value is reviewed regularly and, if necessary, appropriate counter-measures are taken.

The principles of risk distribution/optimisation are set out in separate investment and financing regulations.

The Management Board and the Board of Directors are accordingly informed regularly – at least on a quarterly basis – regarding the risk situation.

Swiss Prime Site has divided the risk management process into the following sub-processes:

- identifying risks
- valuating risks
- determining risk strategy
- implementing risk strategy
- managing risks

The responsibility is assigned to the various entities of the Company such as the Board of Directors and Management Board, etc.

Risk types

Swiss Prime Site's businesses (real estate and retail trade segments) are subject to specific risks that can be divided into the following categories (list is not exhaustive):

- real estate-specific risks
- risks associated with construction activities
- market risk and diversification
- refinancing and liquidity risks
- credit risks
- valuation risks
- retail trade-specific risks
- changes to laws and regulations
- tax risks
- risks associated with litigations
- restricted purchase/sale opportunities for real estate
- environmental risks and risks associated with contamination
- company-specific operational risks
- risks associated with outsourcing

General economic development and structural changes are decisive factors for determining the trend in general and specific supply and demand in the market for office and commercial properties, which, in turn, affects the level of rents and vacancy risks. The financial markets have an effect through financing costs, fundraising opportunities and investors' expectations for returns. Swiss Prime Site considers all operational risks and the risk of losing key skilled specialists or managers as company-specific risks.

These risks are addressed by means of appropriate selection and diversification of properties and tenants, adjustment of the expiry profile of rental agreements, constructional measures, finance assurances, the degree of indebtedness, as well as regular monitoring of processes and procedures.

Real estate-specific risks

Normal real estate risks are covered by appropriate insurance policies.

When acquiring any property, Swiss Prime Site examines the environmental risks and risks related to contamination. If there are any identifiable environmentally relevant problems, either the expected costs are factored into the calculation of the purchase price or an indemnity is agreed with the vendor or the operator of the facility, or else Swiss Prime Site refrains from concluding the purchase of the property.

Risks associated with construction activities (new buildings, modifications and renovations)

Various risks exist relative to construction activities, for example:

- delays in the issue of building permits following objections, which may lead to additional costs or termination of the project
- incurred higher-than-expected construction costs, under certain circumstances also possibly related to construction defects
- failure of the company engaged (usually the general contractor) to fulfil performance of the relevant services, or insolvency on the part of that company
- inability to find a suitable tenant or buyer after completion of the building

In order to minimise risks associated with construction activities, various measures are contractually agreed with the general contractor, such as:

- contract penalties for construction delays
- performance guarantees in the form of joint guarantees from first-rate banks or insurance companies

These risks are especially monitored during the individual construction phases, among others, with the involvement of building owner trustees that exercise strict control over the project.

Market risk and diversification

In order to diversify risks, Swiss Prime Site invests in office as well as retail properties in prime locations, assigning particular importance to a diversified tenant structure and good credit ratings on the part of the tenants.

The focus is on broadly diversified types of utilisation, as well as deliberate diversification of tenant mix, combined with a high degree of flexibility in possible floor plan uses. The high-quality standard of a property is maintained, or enhanced, through targeted modernisation and improvement investments. Active management ensures an excellent administrative service that checks and monitors tenant credit ratings as well as ensures a balanced profile of tenancy renewal dates.

The following guidelines apply to the diversification of investment risks:

- the net target rent of one tenant group should amount to a maximum of 25% of the total target rental income
- the fair value of an individual property should amount to a maximum of 20% of the total portfolio value
- the share of new construction projects should amount to a maximum of 25% of the total portfolio value
- the proportion of residential properties (excluding residential space required by law) should amount to a maximum of 20% of the total investment volume
- the proportion of vacant land should amount to a maximum of 5% of the total fair value of the properties

Valuation risks

The property portfolio is valued on a semi-annual basis by an external, independent appraisal company according to the fair value principle. The valuation is based on international standards using the discounted cash flow method.

Retail trade-specific risks

The retail trade segment – particularly represented by Jelmoli – The House of Brands – is subject to inherent business risks associated with potential losses resulting from fluctuations in prices, interest rates and currencies. Additional risks include counterparty risks and liquidity risks. Risk management forms an integral part of the management and controlling system, comprising the identification, assessment and acceptance of risks (limits), finding solutions for risks, determining and addressing risks, monitoring and reporting risks as well as periodic supervision of the risk management process. The Board of Directors and Management Board define the risk strategy and risk policy, while designated responsible top executives review their implementation.

The risk model is divided into two categories: strategic and functional risks. The focus of managing strategic risks is directed at the external perception of the Company, fulfilment of statutory requirements and the success of the business model, which are monitored and addressed by the Board of Directors. Managing functional risks involves the operating business activities and support function of the organisation. These risks emerge in day-to-day business operations and accordingly are monitored and addressed by the operating management.

Strategic risks

- macroeconomic trends
- corporate governance
- financial risks
- business model
- reputation

Functional risks

- safety and environment
- operating business activities
- human resources
- management information
- financial reporting
- information technology
- taxes

Risk assessment relates to the analysis of the gross and net risks regarding probability of occurrence and impact.

The following factors, among others, form an integral part of the risk management process at the operating level: the code of conduct regarding the principles governing responsible actions in matters involving clients, employees, the public sector/community, suppliers as well as the environment and social responsibility, in addition to the supplier code of conduct with guidelines regarding child labour, freedom of association, forced labour, discrimination, health and safety, working hours and compensation, environmental policy and supervision.

In the retail trade, Jelmoli – The House of Brands, confronts these risks with a foresighted, structured market research strategy, coupled with periodic review and adjustment of the strategy. A competent presence on the market with an attractive range of products and additional services significant to added value, together with an optimal location, are the prerequisites for succeeding in this very dynamic environment. Jelmoli – The House of Brands boasts a first-class location. The ideal mix of product range and services is constantly subject to review and adapted to the market trends and associated demand behaviour on the part of consumers, so that the attractiveness of this location is maintained at all times.

The risks of financial losses resulting from volatile market prices, interest rates or exchange rates, from credit or counterparty risks, or from risks associated with liquidity and refinancing are countered by daily analysis of market and credit conditions, by risk limits and by explicit regulations covering the authorisation of transactions.

Regulatory and fiscal risks

Possible future changes to legislation, other regulations or official practice – in particular in the areas of tax, tenancy or environmental protection law – could have an impact on property prices, costs and income and hence on Swiss Prime Site's business performance.

Such developments are followed very closely, and appropriate measures are taken.

Risks associated with litigations

Swiss Prime Site Group can be involved in various judicial, regulatory and arbitration proceedings concerning matters arising in connection of its normal businesses. Swiss Prime Site accrues litigation provisions (including fees and expenses of external lawyers and other service providers) in connection with certain expected judicial, regulatory and arbitration proceedings when such losses are probable and reasonably estimable. Swiss Prime Site reviews its judicial, regulatory and arbitration proceedings each quarter to determine the adequacy of its litigation provisions and may increase or release provisions based on the Management Board's judgement and the advice of counsel. Further provisions or releases of litigation provisions may be necessary in the future as developments in such litigations, claims or proceedings warrant.

It is inherently difficult to determine whether a loss is probable or even reasonably possible or to estimate the amount of any loss or loss range. In presenting the consolidated financial statements, the Management Board makes estimates regarding the outcome of these matters. Estimates involve a variety of factors, including, but not limited to, the type and nature of the litigation, claim or proceeding, the progress of the matter, the advice of legal counsel, Swiss Prime Site's defenses and its experience in similar cases or proceedings, as well as its assessment of matters.

Risks associated with outsourcing

Swiss Prime Site has entrusted its portfolio management to Credit Suisse AG, Real Estate Asset Management. By not employing its own staff (except in the retail trade segment) and completely outsourcing the property portfolio management and management of the Company entails certain risks, such as dependence and loss of know-how in the event of the termination of contracts, etc.

Risk monitoring

The various risks are monitored and controlled by the following Swiss Prime Site bodies and departments:

- Board of Directors
- Audit Committee
- Internal Risk Management

35 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

in CHF 1 000	31.12.2011	31.12.2010
Cash (without cash in hand)	123 944	8 009
Accounts receivable	107 585	97 486
Current accounts	6 751	8 235
Other receivables	2 540	249
Other non-current receivables	5 525	–
Non-current financial investments	1 911	2 029
Total receivables and non-current financial investments	248 256	116 008
Securities	398	1 285
Total financial assets held for trading purposes	398	1 285
Accounts payable	8 464	6 143
Current financial liabilities	537 424	918 367
Other current liabilities	23 667	30 295
Non-current financial liabilities	3 625 277	3 256 351
Total financial liabilities valued at amortised cost	4 194 832	4 211 156
Derivatives with negative fair values	26 042	17 411
Total financial liabilities held for trading purposes	26 042	17 411

Financing and liquidity risks

Financial risk and capital management is dealt with in accordance with the following principles of capital structure and interest commitment as determined by the Board of Directors in the investment regulations:

- a maximum average of 65% borrowed capital may be used to finance the real estate portfolio
- the equity ratio target is 40%, although the Board of Directors can approve a shortfall of this ratio
- a return on equity (ROE) of 6% to 8% is targeted in the long term
- borrowings with a residual term to maturity of less than one year should account for a maximum of 50% of financial liabilities
- the objective is a balanced maturity profile of the financial liabilities

Selected key company figures

in %	31.12.2011	31.12.2010
Loan-to-value ratio for the property portfolio*	51.0	52.1
Non-current financial liabilities relative to property portfolio*	44.4	40.6
Current financial liabilities relative to overall financial liabilities	12.8	21.9
Current assets to current liabilities	48.6	26.7
Equity ratio	40.0	39.3
Borrowed capital ratio	60.0	60.7
Return on equity (ROE weighted)	10.6	7.2
Return on invested capital (ROIC weighted)	5.8	4.3

* without derivatives

To minimise refinancing risk on the part of lenders and to avoid cluster risks, diversification of lenders receives particular attention when borrowing capital.

The interest commitment is determined, among other things, by taking into account the maturity structure of the existing rental agreements, the intended purchases and sales of properties, and the potential trends in market rents, inflation and interest rates.

The liquidity risk is the risk that Swiss Prime Site cannot meet its financial obligations. Cash management is the responsibility of the asset manager – Credit Suisse AG, Real Estate Asset Management, Zurich – which is responsible for provision of the necessary liquidity.

Current income basically ensures sufficient cash flow to meet current obligations. A possible lack of liquidity is financed through current loans.

Sight deposits are invested in secure investments. Foreign currencies are immaterial. Cash and cash equivalents are kept as low as possible and are used primarily to pay back loans. The goal is to invest available cash in real estate. To secure larger liabilities, non-secured but open credit limits are available. The Management Board (Chief Financial Officer) is responsible for the timely provision of the required cash. In doing so, they comply with, among others, the provisions of the investment regulations and use rolling liquidity planning as a tool. The Board of Directors monitors compliance with the provisions of the investment regulations.

The overview of future contractual cash outflows (including interest) from all financial liabilities as at the balance sheet date was as follows:

in CHF 1 000	31.12.2011 Book value	Contractual cash flows	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	Over 5 years
Accounts payable	8 464	8 464	8 464	–	–	–	–
Current financial liabilities	537 424	544 315	294 916	249 399	–	–	–
Other current liabilities	23 667	23 667	23 667	–	–	–	–
Non-current financial liabilities	3 625 277	4 100 942	50 580	51 399	605 153	1 671 937	1 721 873
Total non-derivative financial liabilities	4 194 832	4 677 388	377 627	300 798	605 153	1 671 937	1 721 873
Derivatives with negative fair values	26 042	25 464	4 284	4 291	8 571	8 318	–
Total derivative financial liabilities	26 042	25 464	4 284	4 291	8 571	8 318	–
Total financial liabilities	4 220 874	4 702 852	381 911	305 089	613 724	1 680 255	1 721 873
– of which interest payments for finance liabilities to third parties		365 867	43 531	39 879	68 369	74 874	139 214
– of which interest payments for finance liabilities to Credit Suisse Group		112 209	11 597	11 567	20 692	26 194	42 159
Total interest payments		478 076	55 128	51 446	89 061	101 068	181 373
– of which amortisation payments for finance liabilities to third parties		3 377 006	258 193	239 352	406 092	1 269 869	1 203 500
– of which amortisation payments for finance liabilities to Credit Suisse Group		790 175	32 175	10 000	110 000	301 000	337 000
Total amortisation payments for finance liabilities		4 167 181	290 368	249 352	516 092	1 570 869	1 540 500

in CHF 1 000	31.12.2010 Book value	Contractual cash flows	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	Over 5 years
Accounts payable	6 143	6 143	6 143	–	–	–	–
Current financial liabilities	918 367	919 195	561 381	357 814	–	–	–
Other current liabilities	30 295	30 295	30 295	–	–	–	–
Non-current financial liabilities	3 256 351	3 705 154	58 326	51 940	527 570	1 720 770	1 346 548
Total non-derivative financial liabilities	4 211 156	4 660 787	656 145	409 754	527 570	1 720 770	1 346 548
Derivatives with negative fair values	17 411	16 886	3 970	3 882	6 250	3 149	(365)
Total derivative financial liabilities	17 411	16 886	3 970	3 882	6 250	3 149	(365)
Total financial liabilities	4 228 567	4 677 673	660 115	413 636	533 820	1 723 919	1 346 183
– of which interest payments for finance liabilities to third parties		357 429	46 064	38 949	69 678	128 181	74 557
– of which interest payments for finance liabilities to Credit Suisse Group		96 096	10 418	10 087	19 115	41 985	14 491
Total interest payments		453 525	56 482	49 036	88 793	170 166	89 048
– of which amortisation payments for finance liabilities to third parties		3 370 649	403 050	340 543	396 952	1 269 604	960 500
– of which amortisation payments for finance liabilities to Credit Suisse Group		800 175	160 175	20 175	41 825	281 000	297 000
Total amortisation payments for finance liabilities		4 170 824	563 225	360 718	438 777	1 550 604	1 257 500

The weighted average residual term to maturity of all interest-bearing financial liabilities was 4.5 [3.9] years due to the contractual maturities.

Currency risk

Currency risk is the risk that movements in the exchange rates could have an effect on the profit or book value of the financial instruments held by Swiss Prime Site. There is currently no significant currency risk.

Credit risk

Credit risk is the risk that Swiss Prime Site suffers financial losses if a customer or counterparty of a financial instrument does not meet its contractual obligations. To have a positive impact on cash flows, outstanding debt risk is managed through active debt management.

Rent defaults are prevented as far as possible by maintaining a balanced tenant mix and avoiding dependencies on large tenants. First, arrears are prevented by performing strict credit rating checks before entering into a contract. Second, efficient debt collection and legal case reporting by the property managers ensure that debt levels are kept as low as possible.

The threat of outstanding debt risks is influenced by general economic development. As a result, it is possible that tenants have a good credit rating at the time of signing a contract, but then run into payment difficulties if the economic situation deteriorates.

The credit risk is limited to the book value of the relevant financial assets. The maximum default risk as at the balance sheet date was as follows:

in CHF 1 000	31.12.2011	31.12.2010
Cash (without cash in hand)	123 944	8 009
Securities	398	1 285
Accounts receivable	107 585	97 486
Current accounts	6 751	8 235
Other receivables	2 540	249
Other non-current receivables	5 525	–
Non-current financial investments	1 911	2 029
Maximum credit risk	248 654	117 293

Interest risk

Interest risk is the risk that movements in interest rates can have an effect on the profit and/or fair value of the financial instruments held by Swiss Prime Site.

As at the balance sheet date, the Company held the following fixed and variable interest-bearing financial instruments:

in CHF 1 000	31.12.2011	31.12.2010
Fixed interest-bearing financial instruments		
Financial assets	8 434	688
Financial liabilities	4 011 821	3 740 366
Surplus of fixed interest-bearing financial liabilities	4 003 387	3 739 678
Variable interest-bearing financial instruments		
Financial assets	123 944	8 009
Financial liabilities	155 360	430 458
Surplus of variable interest-bearing financial liabilities	31 416	422 449

Interest risk is continuously monitored and assessed by the Management Board. Depending on the expected developments of long-term interest rates and taking into account the current market environment, an individual decision as to the term to maturity is made at each refinancing. Particular attention is paid to a balanced maturity profile, and the entire interest exposure is continuously taken into account. Derivatives are used as well.

The Group's cash is invested on a short-term basis. For more information regarding interest-bearing borrowed capital, see Notes 25 «Current liabilities» and 26 «Non-current financial liabilities».

Current and non-current financial liabilities split by interest rate

in CHF 1 000	31.12.2011 Total	31.12.2011 Thereof to related parties	31.12.2010 Total	31.12.2010 Thereof to related parties
Financial liabilities up to 2.00%	860 710	20 000	740 458	130 000
Financial liabilities up to 2.50%	740 500	157 000	676 000	57 000
Financial liabilities up to 3.00%	1 222 500	158 000	1 081 500	158 000
Financial liabilities up to 3.50%	505 500	245 000	675 050	285 000
Financial liabilities up to 4.00%	497 025	210 175	428 525	170 175
Financial liabilities up to 4.75%	340 946	–	569 291	–
Total financial liabilities	4 167 181	790 175	4 170 824	800 175

The weighted average interest rate for all interest-bearing financial liabilities was 2.8% [2.8%]. The loans were mainly taken at fixed interest rates.

Interest rate sensitivity of fixed interest-bearing financial instruments

Swiss Prime Site did not recognise any fixed interest-bearing financial instruments at fair value in the balance sheet. Therefore, a change in interest rates would not influence the comprehensive income.

Interest rate sensitivity of variable interest-bearing financial instruments

The following sensitivity analysis is based on the book values of variable interest-bearing financial instruments as at balance sheet date and shows how the interest result would change if the interest level increased or decreased by 0.5%.

in CHF 1 000	2011	2010
Change of interest result with increase of interest rate by 0.5%	1 529	158
Change of interest result with decrease of interest rate by 0.5%	143	1 239

Derivatives and hedge accounting

Swiss Prime Site utilises various derivatives (swaps and caps) for the purpose of partial interest fixing of variable interest-bearing financial liabilities. Hedge accounting in the context of IAS 39 is not used. Swaps are balanced on a net basis.

Special price risk

Special price risk is the risk of changes in fair value of securities. Such changes can have an effect on the fair value of securities held by Swiss Prime Site as well as on profit.

A change of the fair value of securities amounting to 10% would accordingly increase or decrease the profit by CHF 0.040 million [CHF 0.129 million]. The fair value of securities corresponded to the listing price as at the balance sheet date.

Fair value

The book values of the financial instruments valued at amortised cost corresponded roughly with their fair value. The fair values of the outstanding SPS Beteiligungen Alpha AG (prior to the merger of Jelmoli Holding Ltd) bond issues was CHF 0.000 million [CHF 178.168 million] (JEL04) and CHF 209.800 million [CHF 213.700 million] (JEL05), respectively, based on the market price as at 31.12.2011.

The fair values of the two outstanding convertible bonds based on the market price on the closing date were as follows:

- convertible bond of nominal CHF 300.000 million, 1.875%, 2010–2015:
fair value of CHF 306.000 million [CHF 318.000 million] (SPS 10)
- convertible bond of nominal CHF 190.350 million, 1.875%, 2011–2016:
fair value of CHF 192.254 million (SPS 11)

The financial instruments valued at fair value in the consolidated balance sheet were classified in a three-level hierarchy according to their valuation method. The levels were defined as follows:

Level 1	Fair value was determined on the basis of (unchanged) quotations in active markets for identical assets and liabilities.
Level 2	Fair value was determined on the basis of input factors other than the quotations of level 1. The input factors for financial assets and liabilities in markets must be directly (for example quotations) or indirectly (for example derived from quotations) observable.
Level 3	Fair value was determined on the basis of input factors which are not based on observable markets.

As at the balance sheet date, the fair value hierarchy was as follows:

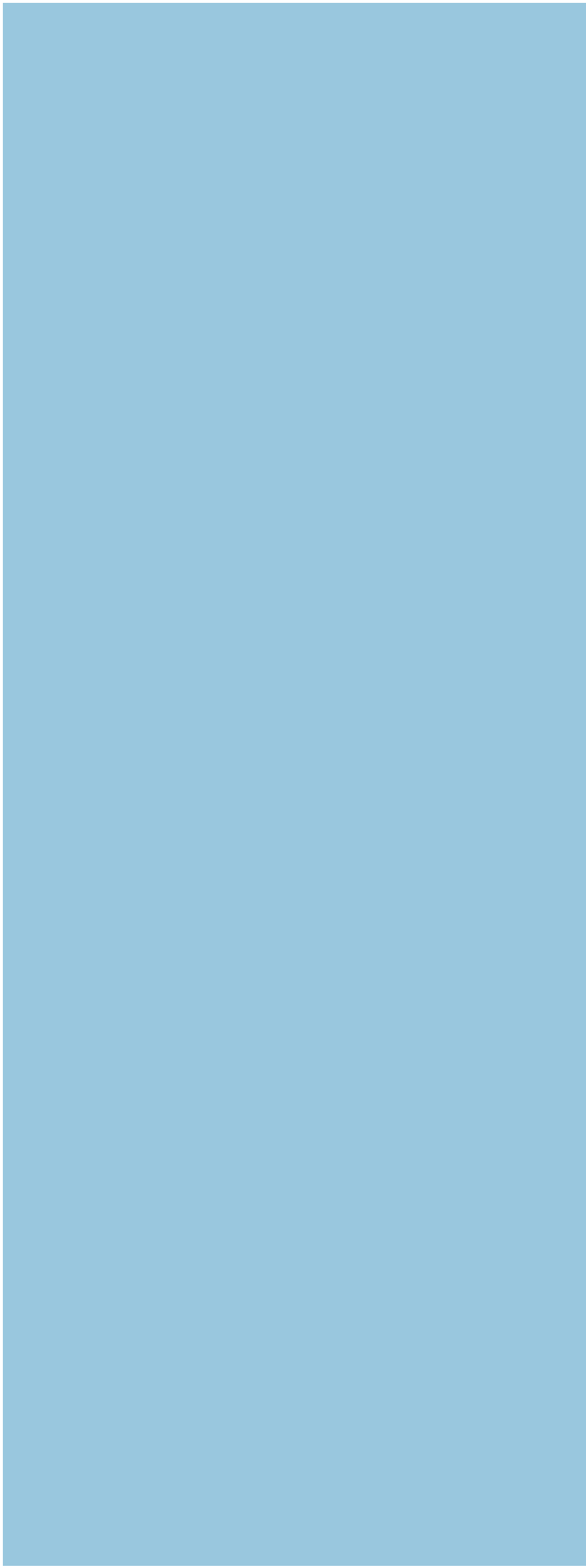
in CHF 1 000	31.12.2011 Level 1	31.12.2011 Level 2	31.12.2011 Total
Securities	398	–	398
Derivatives with negative fair values	–	(26 042)	(26 042)
Total at 31.12.2011	398	(26 042)	(25 644)

in CHF 1 000	31.12.2010 Level 1	31.12.2010 Level 2	31.12.2010 Total
Securities	1 285	–	1 285
Derivatives with negative fair values	–	(17 411)	(17 411)
Total at 31.12.2010	1 285	(17 411)	(16 126)

36 EVENTS AFTER THE BALANCE SHEET DATE

The annual consolidated financial statements were approved for publication by the Board of Directors on 06.03.2012 and are subject to the approval of the Annual General Meeting of Swiss Prime Site of 19.04.2012.

There were no events occurring between 31.12.2011 and the date of publication of these annual consolidated financial statements that would result in adjustment of the book values of the Group's assets and liabilities as at 31.12.2011, or which would need to be disclosed at this point.





Financial statements of Swiss Prime Site AG

REPORT OF THE STATUTORY AUDITOR ON THE FINANCIAL STATEMENTS TO THE GENERAL MEETING OF SHAREHOLDERS OF SWISS PRIME SITE AG, OLTEN

As statutory auditor, we have audited the accompanying financial statements of Swiss Prime Site AG, which comprise the balance sheet, income statement and notes (pages 124 – 130) for the year ended 31.12.2011.

Board of directors' responsibility

The board of directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The board of directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

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

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

Opinion

In our opinion, the financial statements for the year ended 31.12.2011 comply with Swiss law and the company's articles of incorporation.

Report on other legal requirements

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

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

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

Zurich, 06.03.2012
KPMG AG

Astrid Keller
Licensed audit expert
Auditor in charge

Claudius Rügsegger
Licensed audit expert

INCOME STATEMENT

in CHF 1 000	Notes	01.01.– 31.12.2011	01.01.– 31.12.2010
Operating income			
Income from investments in participations	4	40 000	242 000
Other operating income		156	162
Total operating income		40 156	242 162
Operating expenses			
Personnel costs	9	1 556	1 569
Other costs		2 742	4 822
Total operating expenses		4 298	6 391
Operating result		35 858	235 771
Financial result			
Financial expenses	3/5	93 682	70 245
Financial income		56 193	34 472
Total financial result		37 489	35 773
Amortisation			
Amortisation of convertible bond costs	3	1 633	1 220
Total amortisation		1 633	1 220
Operating result before taxes		(3 264)	198 778
Current income taxes		(714)	1 800
Annual (loss)/profit	12	(2 550)	196 978

BALANCE SHEET

in CHF 1 000	Notes	31.12.2011	31.12.2010
Assets			
Cash		102 170	510
Securities, shares of Swiss Prime Site AG	5	153	46
Securities, other		120	116
Other receivables			
– from third parties		68	829
Accrued income and prepaid expenses			
– from third parties		41	30
– from group companies		40 000	62 000
Total current assets		142 552	63 531
Capitalised financing costs	3	7 194	4 979
Financial assets			
– participations	4	4 029 072	4 029 072
– non-current receivables from subsidiaries		1 251 327	1 235 763
– non-current receivables from subsidiaries, subordinated		2 700	–
Total non-current assets		5 283 099	5 264 835
Total assets		5 432 845	5 333 345
Liabilities and shareholders' equity			
Financial liabilities			
– to third parties	3	355 850	444 550
– to related parties		42 175	91 000
Dividends due		58	40
Accrued expenses and deferred income			
– to third parties		9 084	8 660
– to related parties		–	3 007
Total current liabilities		407 167	547 257
Convertible bonds	3	490 350	300 000
Other non-current liabilities			
– to third parties		1 427 892	1 213 791
– to related parties		648 000	620 175
Total non-current liabilities		2 566 242	2 133 966
Total liabilities		2 973 409	2 681 223
Share capital		831 841	831 841
General statutory reserves			
– from paid-in capital		1 087 549	1 280 890
– from retained earnings	12	148 378	142 808
Treasury shares reserve			
– from paid-in capital	5	–	1 165
– from retained earnings	5/12	296	1 496
Free reserves	12	159 729	159 729
Balance sheet profit	12	231 643	234 193
Total shareholders' equity		2 459 436	2 652 122
Total liabilities and shareholders' equity		5 432 845	5 333 345

1 PRINCIPLES OF ACCOUNTING AND VALUATION

The financial statements of Swiss Prime Site AG comply with the statutory provisions of the Swiss Code of Obligations (CO).

2 ASSETS ASSIGNED TO SECURE COMPANY'S OWN LIABILITIES

There were no assets assigned to secure company's own liabilities as at the balance sheet date.

3 CONVERTIBLE BONDS

On 20.01.2010, a convertible bond was issued with the following key data:

Volume	CHF 300.000 million (nominal value on 31.12.2011 CHF 300.000 million)
Interest rate	1.875% p.a., payable annually on 20.01., starting on 20.01.2011
Term to maturity	5 years (20.01.2010–20.01.2015)
Conversion price	CHF 71.89 (on 31.12.2011 CHF 71.89)
Listing	SIX Swiss Exchange
Securities number	10877415 (SPS10)

On 21.06.2011, a convertible bond was issued with the following key data:

Volume	CHF 190.350 million (nominal value on 31.12.2011 CHF 190.350 million)
Interest rate	1.875% p.a., payable annually on 21.01., starting on 21.06.2011
Term to maturity	5 years (21.06.2011–21.06.2016)
Conversion price	CHF 83.97 (on 31.12.2011 CHF 83.97)
Listing	SIX Swiss Exchange
Securities number	13119623 (SPS11)

4 INVESTMENTS IN SUBSIDIARIES

	31.12.2011 Share capital in CHF 1 000	31.12.2011 Shareholding interest in %	01.01.– 31.12.2011 Paid-out dividends in CHF 1 000	01.01.– 31.12.2010 Paid-out dividends in CHF 1 000
Participations				
SPS Beteiligungen Alpha AG Investment company Olten, CH	650 000	100.0	40 000	62 000
Jelmoli Holding Ltd* Investment company Zurich, CH	–	–	–	180 000

* Jelmoli Holding Ltd was merged retroactively on 01.01.2010 into SPS Beteiligungen Alpha AG, Olten.

The dividends of SPS Beteiligungen Alpha AG of CHF 40.000 million [CHF 62.000 million] were decreed by the Annual General Meeting. At the same time, the dividend income was recognised by Swiss Prime Site AG as receivables or income from investments in participations. This approach was permitted since all companies close their accounts on the same balance sheet date, and the resolution to pay the dividend was passed.

A list of all Group companies can be found in Note 32 «Major subsidiaries» to the consolidated financial statements.

5 TREASURY SHARES

As at the balance sheet date, Swiss Prime Site AG held 2 169 [659] treasury shares. Purchases and sales were carried out at the applicable daily market rate.

	2011 Volume- weighted average share price in CHF	2011 Number of treasury shares	2010 Volume- weighted average share price in CHF	2010 Number of treasury shares
Holdings of treasury shares on 01.01.	–	659	–	89 100
Purchases at the volume-weighted average share price	69.56	8 000	62.87	494 012
Share-based payments	69.40	(6 490)	68.80	(7 803)
Exchange of the residual tendered shares of Jelvoli (squeeze-out on 12.05.2010)	–	–	61.87	(574 650)
Holdings of treasury shares on 31.12.	–	2 169	–	659

Earnings resulting from fair value changes of treasury shares were reported in net financial income. SPS Beteiligungen Alpha AG held 2 075 [43 378] treasury shares as at the balance sheet date.

6 CONDITIONAL CAPITAL

The conditional capital amounts to CHF 122.400 million [CHF 122.400 million], divided into an amount of up to CHF 99.297 million [CHF 99.297 million] (6 490 000 [6 490 000] shares) for exercising options and/or conversion rights granted in connection with bond or similar obligations and an amount of up to CHF 23.103 million [CHF 23.103 million] (1 510 000 [1 510 000] shares) for option rights granted to the shareholders.

7 AUTHORISED CAPITAL

The Annual General Meeting of 19.04.2011 authorised an increase of the authorised capital to 10 000 000 [8 000 000] shares or CHF 153.000 million [CHF 122.400 million]. The Board of Directors is authorised to increase the share capital accordingly at any time before 19.04.2013.

8 FUTURE COMMITMENTS AND CONTINGENT LIABILITIES

As a result of the acquisition of Jelvoli Holding Ltd, Swiss Prime Site AG granted guarantees in accordance with article 111 CO for the 4.25% bonds issued by Jelvoli Holding Ltd at a nominal value of CHF 175.000 million with a term to maturity to 2011 (which was redeemed on 05.07.2011) and for the 4.625% bonds of nominal value CHF 200.000 million with a term to maturity to 2013.

9 COMPENSATION, SHARE HOLDINGS AND LOANS TO MEMBERS OF THE BOARD OF DIRECTORS AND THE MANAGEMENT BOARD

Fees and expenses of the Board of Directors, the Management Board, as well as members of the Audit Committee, Compensation Committee and Investment Committee.

in CHF 1 000	Prof. Dr. Hans Peter Wehrli, Chairman of the Board of Directors	Dr. Thomas Wetzel, Vice-Chairman of the Board of Directors	Christopher M. Chambers, member of the Board of Directors	Dr. Bernhard M. Hammer, member of the Board of Directors	Dr. Rudolf Huber, member of the Board of Directors	Mario F. Seris, member of the Board of Directors	Klaus R. Wecken, member of the Board of Directors	Markus Graf, member of the Management Board (CEO)	Hanspeter Grüninger*, member of the Management Board and CEO of Jelmoli – The House of Brands	Peter Lehmann, member of the Management Board (CIO)	Peter Wullschlegler, member of the Management Board (CFO) and secretary of the Board of Directors	Total
01.01.–31.12.2011												
Basic fee in cash	125	63	55	55	55	55	–	–	–	–	–	408
Share-based payments	138	69	61	60	61	61	–	–	–	–	–	450
Audit Committee fee	–	–	20	20	30	20	–	–	–	–	–	90
Compensation Committee fee	15	20	–	–	–	15	–	–	–	–	–	50
Investment Committee fee	–	20	–	20	–	–	–	–	–	–	–	40
AVS/Invalidity Insurance contributions	(15)	(10)	(8)	–	(8)	(9)	–	–	–	–	–	(50)
Withholding tax	–	–	(25)	–	–	–	–	–	–	–	–	(25)
Expense allowance	6	6	6	6	6	6	12	5	–	–	3	56
Net fee 2011	269	168	109	161	144	148	12	5	–	–	3	1 019
01.01.–31.12.2010												
Basic fee in cash	125	63	55	55	55	55	–	–	–	–	–	408
Share-based payments	165	82	72	72	73	73	–	–	–	–	–	537
Audit Committee fee	–	–	20	20	30	20	–	–	–	–	–	90
Compensation Committee fee	15	20	–	–	–	15	–	–	–	–	–	50
Investment Committee fee	–	20	–	20	–	–	–	–	–	–	–	40
AVS/Invalidity Insurance contributions	(15)	(10)	(8)	–	(8)	–	–	–	–	–	–	(41)
Withholding tax	–	–	(26)	–	–	–	–	–	–	–	–	(26)
Expense allowance	6	6	6	6	6	6	12	5	–	–	3	56
Net fee 2010	296	181	119	173	156	169	12	5	–	–	3	1 114

* 01.04.2010 to 31.03.2012

Share holdings of the Board of Directors and the Management Board

Number of shares	31.12.2011	31.12.2010
Prof. Dr. Hans Peter Wehrli, Chairman of the Board of Directors	18 102	16 111
Dr. Thomas Wetzol, Vice-Chairman of the Board of Directors	2 324	2 529
Christopher M. Chambers, member of the Board of Directors	33 591	32 715
Dr. Bernhard M. Hammer, member of the Board of Directors	5 489	4 613
Dr. Rudolf Huber, member of the Board of Directors	14 164	13 288
Mario F. Seris, member of the Board of Directors	2 076	1 200
Klaus R. Wecken, member of the Board of Directors	2 318 561	2 568 561
Markus Graf, member of the Management Board (CEO)	20 949	18 149
Hanspeter Grüninger*, member of the Management Board and CEO of Jelmoli – The House of Brands	–	–
Peter Lehmann, member of the Management Board (CIO)	4 250	3 500
Peter Wullschleger, member of the Management Board (CFO) and secretary of the Board of Directors	6 500	6 500
Total	2 426 006	2 667 166

* 01.04.2010 to 31.03.2012

No loans, credit, nor other remunerations to the Board of Directors, Management Board and related parties that are subject to disclosure existed at balance sheet date. There were no outstanding or allocated options.

No additional fees were paid.

10 RISK MANAGEMENT

The Board of Directors has, in collaboration with the Audit Committee, the Compensation Committee and the Management Board, identified and assessed operational risks and taken the appropriate measures where necessary. The handling of the risks is described in more detail in the notes to the consolidated financial statements in Note 34 «Risk management». The most significant risks are summarised briefly in the following section.

The greatest risks that Swiss Prime Site AG is subject to are first, the real estate market itself and second, changes in the interest market. The real estate market will be assessed by the Board of Directors with the aid of a market sensitivity analysis created by Wüest & Partner AG. The sensitivity analysis is presented in Note 21 «Investment properties».

Interest risk is minimised by predominantly concluding mortgages with fixed interest rates and a balanced duration. For current liabilities, interest rate fluctuations of up to half a percentage point are estimated. A listing of possible interest rate variations is shown in Note 35 «Financial instruments and financial risk management».

Rental income is dependent on the general economic situation, the real estate market and interest rates. This risk is minimised with a balanced tenant structure, a strict creditworthiness assessment, as well as rigorous debt collection management by the property managers. The Management Board supervises the property managers with the aid of efficient legal case reporting.

To minimise liquidity risk, the required funds are determined by means of rolling liquidity planning and provided by the Management Board to meet ongoing obligations. To hedge against more significant liabilities or investments, unsecured but open credit lines are available.

11 MAJOR SHAREHOLDERS

	31.12.2011 Shareholding interest* in %	31.12.2010 Shareholding interest* in %
Major shareholders (shareholding interest > 3.0%)		
Credit Suisse Funds AG, Zurich**	5.0	5.0
Wecken Klaus R., Bürgenstock	4.3	4.7
Fust Walter, Freienbach	4.3	4.7

* according to entry in the register of shareholders or the notifications received by the Company

** former Credit Suisse Asset Management Funds AG, Zurich

12 PROPOSED APPROPRIATION OF BALANCE SHEET PROFIT

The Board of Directors proposes to the Annual General Meeting that the balance sheet profit for the financial year ended 31.12.2011 in the amount of CHF 231.643 million be appropriated as follows:

in CHF 1 000	31.12.2011	31.12.2010
Retained earnings brought forward	234 193	37 215
Allocation to treasury share reserves	–	–
Annual (loss)/profit	(2 550)	196 978
Total balance sheet profit	231 643	234 193
Allocation to general statutory reserves	–	–
Allocation to free reserves	–	–
Dividend payment	–	–
Balance brought forward to new account	231 643	234 193

The Board of Directors requests the Annual General Meeting of 19.04.2012 to approve a withholding tax-exempt distribution of CHF 3.60 per share from the capital contribution reserves. Based on the total number of 54 368 714 shares issued at the end of the year, this is equivalent to a reduction in capital contribution reserves of CHF 195.727 million.





Property details

FIGURES FROM THE BALANCE SHEET AND INCOME STATEMENT AS AT 31.12.2011

City, address	Cost* (before depreciation)	Fair value (source: W&P)	Target rental income including land lease income 01.01.–31.12.2011	Losses due to vacancies and unpaid rents 01.01.–31.12.2011	Net rental income including land lease income 01.01.–31.12.2011	Losses due to vacancies and unpaid rents %
Commercial properties without significant residential space						
Aarau, Bahnhofstrasse 23	9 206 000.00	12 890 000.00	674 283.05	0.00	674 283.05	0.0
Affoltern a.A., Obere Bahnhofstrasse 14	4 470 000.00	7 606 000.00	348 666.65	762.80	347 903.85	0.2
Allschwil, Hegenheimermattweg 91	67 942 356.01	86 090 000.00	6 914 127.00	0.00	6 914 127.00	0.0
Amriswil, Weinfelderstrasse 74	5 399 021.00	6 145 000.00	460 102.10	13 320.00	446 782.10	2.9
Baden, Bahnhofstrasse 2	5 501 000.00	8 191 000.00	404 590.20	0.00	404 590.20	0.0
Baden, Weite Gasse 34, 36	5 697 000.00	7 799 000.00	391 944.00	0.00	391 944.00	0.0
Basel, Aeschenvorstadt 2–4	33 848 000.00	37 660 000.00	2 052 073.00	4 500.00	2 047 573.00	0.2
Basel, Barfüsserplatz 3	23 502 000.00	31 250 000.00	1 478 867.00	0.00	1 478 867.00	0.0
Basel, Centralbahnplatz 9/10	13 914 652.67	16 030 000.00	802 921.80	0.00	802 921.80	0.0
Basel, Elisabethenstrasse 15	27 650 000.00	26 030 000.00	1 399 839.37	5 500.00	1 394 339.37	0.4
Basel, Freie Strasse 26/ Falknerstrasse 3	17 430 000.00	34 200 000.00	1 356 627.55	52 890.20	1 303 737.35	3.9
Basel, Freie Strasse 36	24 189 441.00	34 680 000.00	1 644 621.00	0.00	1 644 621.00	0.0
Basel, Freie Strasse 68	47 504 000.00	53 860 000.00	2 942 336.96	1 513 618.96	1 428 718.00	51.4
Basel, Henric Petri-Strasse 9/ Elisabethenstrasse 19	27 340 000.00	26 430 000.00	1 516 366.94	187 534.39	1 328 832.55	12.4
Basel, Hochbergerstrasse 40/ parking	3 302 000.00	3 646 000.00	482 545.05	2 611.85	479 933.20	0.5
Basel, Hochbergerstrasse 60/ building 805	5 998 000.00	3 751 000.00	247 800.00	0.00	247 800.00	0.0
Basel, Hochbergerstrasse 60/ building 860	2 170 000.00	2 028 000.00	119 831.20	69 415.75	50 415.45	57.9
Basel, Hochbergerstrasse 60/ Stücki Business Park 60A–E	98 365 000.00	91 520 000.00	3 774 439.52	0.00	3 774 439.52	0.0
Basel, Hochbergerstrasse 62/ petrol station	1 457 000.00	9 490 000.00	424 272.00	0.00	424 272.00	0.0
Basel, Hochbergerstrasse 70/ Stücki Shopping	275 152 000.00	335 390 000.00	22 643 031.40	1 279 961.50	21 363 069.90	5.7
Basel, Messeplatz 12/Messturm	171 820 000.00	183 680 000.00	10 332 001.84	980.00	10 331 021.84	0.0
Basel, Peter Merian-Strasse 80	49 233 000.00	49 300 000.00	2 527 540.37	303 769.67	2 223 770.70	12.0
Basel, Rebgrasse 20	48 062 000.00	36 580 000.00	2 569 558.95	17 713.50	2 551 845.45	0.7
Bellach, Gurzelenstrasse 2	2 496 585.50	4 022 000.00	254 814.60	0.00	254 814.60	0.0
Belp, Aemmenmattstrasse 43	34 717 000.00	19 260 000.00	1 613 505.90	579 756.78	1 033 749.12	35.9
Berne, Bahnhofplatz 9	8 441 000.00	12 310 000.00	630 721.15	0.00	630 721.15	0.0
Berne, Genfergasse 11, 14	84 243 000.00	102 140 000.00	4 295 439.00	0.00	4 295 439.00	0.0
Berne, Laupenstrasse 6	8 022 000.00	10 540 000.00	588 026.10	0.00	588 026.10	0.0
Berne, Mingerstrasse 12–18/ PostFinance Arena	105 838 000.00	110 280 000.00	6 583 438.80	0.00	6 583 438.80	0.0
Berne, Schwarztorststrasse 48	48 546 000.00	45 630 000.00	2 815 674.00	17 700.00	2 797 974.00	0.6
Berne, Weltpoststrasse 5	85 006 000.00	48 330 000.00	6 297 063.00	0.00	6 297 063.00	0.0
Biel, Solothurnstrasse 122	6 861 000.00	7 604 000.00	516 340.60	31 635.20	484 705.40	6.1
Brugg, Hauptstrasse 2	11 841 000.00	13 250 000.00	1 011 016.45	373 704.00	637 312.45	37.0
Buchs, St. Gallerstrasse 5	7 690 000.00	6 714 000.00	429 003.32	23 108.00	405 895.32	5.4
Burgdorf, Emmentalstrasse 14	8 752 000.00	8 165 000.00	554 479.95	6 360.00	548 119.95	1.1

* All costs incurred by the purchase of the property (purchase price, legal fees, conveyancing costs, purchase commission, value-adding investments as well as costs of debt regarding properties under construction and development sites, etc.) are recognised as cost.

GENERAL PROPERTY DETAILS

City, address	Vacancies as at 31.12.2011 m² %		Site area m²	Register of polluted sites* (entry yes/no)	Built	Year of renovation/ type of renovation	Acquired	Ownership status
Commercial properties without significant residential space								
Aarau, Bahnhofstrasse 23	0	0.0	685	no	1946	1986, total renovation	22.12.2003	sole ownership
Affoltern a.A., Obere Bahnhofstrasse 14	11	0.6	2 492	no	1904		29.10.2009	sole ownership
Allschwil, Hegenheimermattweg 91	0	0.0	4 880	no	2006		29.10.2009	sole ownership
Amriswil, Weinfelderstrasse 74	0	0.0	3 672	no	2004		29.10.2009	sole ownership
Baden, Bahnhofstrasse 2	0	0.0	212	no	1927	1975, total renovation	01.04.2004	sole ownership
Baden, Weite Gasse 34, 36	0	0.0	366	no	1953	1975, total renovation	22.12.2003	sole ownership
Basel, Aeschenvorstadt 2–4	0	0.0	1 362	yes, no action required	1960	2005, external renovation	31.10.1999	sole ownership
Basel, Barfüsserplatz 3	0	0.0	751	no	1874	1993, total renovation	22.12.2003	sole ownership
Basel, Centralbahnplatz 9/10	0	0.0	403	no	1870/2005	2005, total renovation	29.10.2009	sole ownership
Basel, Elisabethenstrasse 15	0	0.0	953	yes, no action required	1933	1993, total renovation	31.10.1999	sole ownership
Basel, Freie Strasse 26/ Falknerstrasse 3	148	5.2	471	no	1854	1980, total renovation	01.07.1999	sole ownership
Basel, Freie Strasse 36	0	0.0	517	no	1894	2003, partial renovation	29.10.2009	sole ownership
Basel, Freie Strasse 68	5 139	68.9	1 461	no	1930	1999, internal renovation	31.10.1999	sole ownership
Basel, Henric Petri-Strasse 9/ Elisabethenstrasse 19	628	9.0	2 387	yes, no action required	1949	1985, total renovation	31.10.1999	sole ownership
Basel, Hochbergerstrasse 40/ parking	0	0.0	4 209	no	1976		29.10.2009	sole ownership, land lease
Basel, Hochbergerstrasse 60/ building 805	0	0.0	5 420	yes, no action required	1958	2006, partial renovation	29.10.2009	sole ownership
Basel, Hochbergerstrasse 60/ building 860	693	76.2	980	yes, no action required	1990		29.10.2009	sole ownership
Basel, Hochbergerstrasse 60/ Stücki Business Park 60A–E	15 628	41.8	8 343	yes, no action required	2009–2011		29.10.2009	sole ownership
Basel, Hochbergerstrasse 62/ petrol station	0	0.0	2 680	yes, no action required	2005		29.10.2009	sole ownership
Basel, Hochbergerstrasse 70/ Stücki Shopping	5 249	9.7	46 416	yes, almost fully decontami- nated upon construction	2009		29.10.2009	sole ownership
Basel, Messeplatz 12/Messeturm	0	0.0	1 230	yes, no action required	2003		01.06.2001	sole ownership, land lease
Basel, Peter Merian-Strasse 80	1 431	15.7	19 214	no	1999		01.04.2001	freehold property
Basel, Rebgasse 20	123	1.3	3 713	yes, no action required	1973	1998, partial renovation	29.10.2009	sole ownership
Bellach, Gurzelenstrasse 2	0	0.0	3 839	yes, no action required	1962		29.10.2009	sole ownership
Belp, Aemmenmattstrasse 43	3 093	33.3	5 861	yes, no action required	1992		01.11.1999	sole ownership
Berne, Bahnhofplatz 9	0	0.0	275	no	1930	1985, total renovation	22.12.2003	sole ownership
Berne, Genfergasse 11, 14	0	0.0	4 602	no	1905	1998, total renovation	01.04.2001	sole ownership
Berne, Laupenstrasse 6	0	0.0	503	no	1911	1998, partial renovation	29.10.2009	sole ownership
Berne, Mingerstrasse 12–18/ PostFinance Arena	0	0.0	73 172	yes, no action required	1969/2009	2008/2009, total renovation	01.09.2008	sole ownership, land lease
Berne, Schwarztorstrasse 48	0	0.0	1 959	no	1981	2011, internal renovation	31.10.1999	sole ownership
Berne, Weltpoststrasse 5	0	0.0	31 074	no	1975/1985		01.03.2000	sole ownership, land lease
Biel, Solothurnstrasse 122	22	0.7	3 882	no	1961	1993, total renovation	29.10.2009	sole ownership, land lease
Brugg, Hauptstrasse 2	2 057	45.9	3 364	no	1958	2000, partial renovation	29.10.2009	sole ownership
Buchs, St. Gallerstrasse 5	30	1.7	2 192	no	1995		31.10.1999	sole ownership
Burgdorf, Emmentalstrasse 14	0	0.0	1 845	no	1972	1998, total renovation	31.10.1999	sole ownership

* The register of polluted sites contains suspected but not identified contamination sites, but does not claim to be comprehensive. The Company refrains from purchasing identified or suspected contamination sites, or factors the corresponding costs into its price calculation. However, it cannot be ruled out that latent sources of contamination unknown at the time of purchase may manifest themselves at a later date.

FIGURES FROM THE BALANCE SHEET AND INCOME STATEMENT AS AT 31.12.2011

City, address	Cost* (before depreciation)	Fair value (source: W&P)	Target rental income including land lease income 01.01.–31.12.2011	Losses due to vacancies and unpaid rents 01.01.–31.12.2011	Net rental income including land lease income 01.01.–31.12.2011	Losses due to vacancies and unpaid rents %
Commercial properties without significant residential space						
Burgdorf, Industrie Buchmatt	13 083 066.00	14 470 000.00	793 671.60	0.00	793 671.60	0.0
Carouge, Avenue Cardinal-Mermillod 36–44	97 735 000.00	147 360 000.00	8 863 060.58	120 388.60	8 742 671.98	1.4
Cham, Dorfplatz 2	4 462 000.00	4 613 000.00	253 684.70	0.00	253 684.70	0.0
Conthey, Route Cantonale 2	3 444 603.00	6 789 000.00	383 225.40	0.00	383 225.40	0.0
Conthey, Route Cantonale 4	14 894 000.00	20 300 000.00	1 358 153.95	39 428.00	1 318 725.95	2.9
Conthey, Route Cantonale 11	16 507 353.99	28 720 000.00	1 851 556.55	10 203.20	1 841 353.35	0.6
Dietikon, Bahnhofplatz 11	7 336 000.00	9 265 000.00	507 104.70	10 490.00	496 614.70	2.1
Dietikon, Kirchstrasse 20	8 193 000.00	10 370 000.00	561 814.10	0.00	561 814.10	0.0
Dietikon, Zentralstrasse 12	4 122 000.00	4 956 000.00	487 509.60	0.00	487 509.60	0.0
Dübendorf, Bahnhofstrasse 1	5 485 000.00	5 966 000.00	446 733.00	0.00	446 733.00	0.0
Eyholz, Kantonsstrasse 79	3 506 000.00	4 630 000.00	288 876.60	0.00	288 876.60	0.0
Frauenfeld, Zürcherstrasse 305	7 844 331.00	9 285 000.00	570 267.60	0.00	570 267.60	0.0
Frick, Hauptstrasse 132/ Fricktal Centre A3	15 154 807.85	20 780 000.00	1 141 712.40	56 799.40	1 084 913.00	5.0
Füllinsdorf, Schneckelerstrasse 1	10 757 161.00	11 300 000.00	726 130.55	102 207.45	623 923.10	14.1
Geneva, Centre Rhône-Fusterie	45 838 000.00	72 060 000.00	3 123 216.00	0.00	3 123 216.00	0.0
Geneva, Place Cornavin 10	15 479 000.00	24 560 000.00	1 232 287.00	0.00	1 232 287.00	0.0
Geneva, Place du Molard 2–4	140 310 000.00	205 290 000.00	8 518 640.60	41 456.50	8 477 184.10	0.5
Geneva, Route de Meyrin 49	57 369 000.00	62 470 000.00	3 672 075.20	138 057.13	3 534 018.07	3.8
Geneva, Rue Céard 14/Croix-d'Or 11	11 341 000.00	17 980 000.00	318 856.00	0.00	318 856.00	0.0
Geneva, Rue de Rive 3	16 861 000.00	29 850 000.00	1 356 039.60	0.00	1 356 039.60	0.0
Geneva, Rue du Rhône 48–50	133 483 000.00	404 520 000.00	18 175 437.80	22 057.60	18 153 380.20	0.1
Glattbrugg, Schaffhauserstrasse 59	5 413 000.00	5 168 000.00	400 891.80	0.00	400 891.80	0.0
Gossau, Wilerstrasse 82	14 953 000.00	18 920 000.00	1 115 771.80	0.00	1 115 771.80	0.0
Grand-Lancy, Route des Jeunes 10	62 713 000.00	55 620 000.00	1 468 733.65	101 086.70	1 367 646.95	6.9
Grand-Lancy, Route des Jeunes 12/ CCL La Praille	160 036 000.00	250 420 000.00	15 356 687.05	45 234.80	15 311 452.25	0.3
Granges-Paccot, Route d'Agy 3	5 012 428.57	7 774 000.00	460 015.85	0.00	460 015.85	0.0
Heimberg, Gurnigelstrasse 38	4 601 747.00	8 317 000.00	613 478.75	0.00	613 478.75	0.0
Holderbank, Hauptstrasse 43	2 290 006.00	2 903 000.00	221 221.80	0.00	221 221.80	0.0
Horgen, Zugerstrasse 22, 24	7 882 000.00	11 360 000.00	606 226.20	2 220.00	604 006.20	0.4
Interlaken, Rosenstrasse 9, sold	0.00	0.00	28 829.75	0.00	28 829.75	0.0
Klus-Balsthal, Wengimattstrasse 1/ Solothurnerstrasse, sold	0.00	0.00	79 093.85	0.00	79 093.85	0.0
La Chaux-de-Fonds, Boulevard des Eplatures 44	4 346 870.00	6 407 000.00	433 557.00	0.00	433 557.00	0.0
Lachen, Seidenstrasse 2	6 276 000.00	6 388 000.00	340 985.00	0.00	340 985.00	0.0
Lausanne, Avenue de Chailly 1	3 144 000.00	3 459 000.00	226 712.00	4 000.00	222 712.00	1.8
Lausanne, Rue de Sébeillon 9/ Sébeillon Centre	15 874 276.00	15 140 000.00	958 212.70	8 100.15	950 112.55	0.8

* All costs incurred by the purchase of the property (purchase price, legal fees, conveyancing costs, purchase commission, value-adding investments as well as costs of debt regarding properties under construction and development sites, etc.) are recognised as cost.

GENERAL PROPERTY DETAILS

City, address	Vacancies as at 31.12.2011 m² %		Site area m²	Register of polluted sites* (entry yes/no)	Built	Year of renovation/ type of renovation	Acquired	Ownership status
Commercial properties without significant residential space								
Burgdorf, Industrie Buchmatt	0	0.0	15 141	no	1973		29.10.2009	sole ownership partial land lease
Carouge, Avenue Cardinal-Mermillod 36–44	257	0.7	14 372	no	1956	2002, partial renovation	29.10.2009	sole ownership
Cham, Dorfplatz 2	0	0.0	523	no	1992		31.10.1999	sole ownership
Conthey, Route Cantonale 2	0	0.0	3 057	no	1989		29.10.2009	sole ownership
Conthey, Route Cantonale 4	86	1.7	7 444	no	2009		29.10.2009	sole ownership, land lease
Conthey, Route Cantonale 11	83	1.1	10 537	no	2002		29.10.2009	sole ownership, land lease
Dietikon, Bahnhofplatz 11	0	0.0	1 004	no	1989		31.10.1999	sole ownership
Dietikon, Kirchstrasse 20	0	0.0	1 087	yes, no action required	1988		01.07.1999	sole ownership
Dietikon, Zentralstrasse 12	0	0.0	1 215	no	1965		29.10.2009	sole ownership partial land lease
Dübendorf, Bahnhofstrasse 1	0	0.0	1 309	no	1988		31.10.1999	sole ownership, land lease
Eyholz, Kantonsstrasse 79	0	0.0	2 729	no	1991		29.10.2009	sole ownership, land lease
Frauenfeld, Zürcherstrasse 305	0	0.0	3 866	yes, no action required	1982	2006, partial renovation	29.10.2009	sole ownership
Frick, Hauptstrasse 132/ Fricktal Centre A3	392	7.9	13 365	no	2007		29.10.2009	sole ownership
Füllinsdorf, Schneekelerstrasse 1	728	16.9	3 033	no	1987		29.10.2009	sole ownership
Geneva, Centre Rhône-Fusterie	0	0.0	2 530	no	1990		15.09.1999	freehold property
Geneva, Place Cornavin 10	0	0.0	381	no	1958	2003, total renovation	29.10.2009	sole ownership partial land lease
Geneva, Place du Molard 2–4	0	0.0	1 718	no	1690	2002, total renovation	29.10.2009	sole ownership
Geneva, Route de Meyrin 49	128	1.3	9 890	no	1987		01.04.2001	sole ownership
Geneva, Rue Céard 14/Croix-d’Or 11	0	0.0	285	no	1974/1985	1981, total renovation	22.12.2003	sole ownership
Geneva, Rue de Rive 3	0	0.0	377	no	1900	2002, partial renovation	29.10.2009	sole ownership
Geneva, Rue du Rhône 48–50	0	0.0	5 166	no	1921	2002, partial renovation	29.10.2009	sole ownership
Glattbrugg, Schaffhauserstrasse 59	0	0.0	1 429	no	1972	1990, total renovation	31.10.1999	sole ownership
Gossau, Wilerstrasse 82	0	0.0	13 064	yes, only allotment 4415	2007		29.10.2009	sole ownership
Grand-Lancy, Route des Jeunes 10	0	0.0	5 345	no	2003		29.10.2009	sole ownership, land lease
Grand-Lancy, Route des Jeunes 12/ CCL La Praille	0	0.0	20 602	no	2002		29.10.2009	sole ownership, land lease
Granges-Paccot, Route d’Agy 3	0	0.0	3 550	no	2000		29.10.2009	sole ownership
Heimberg, Gurnigelstrasse 38	0	0.0	7 484	no	2000		29.10.2009	sole ownership, land lease
Holderbank, Hauptstrasse 43	0	0.0	4 169	register in preparation	1907	2006, partial renovation	29.10.2009	sole ownership
Horgen, Zugerstrasse 22, 24	0	0.0	868	yes, no action required	1990		31.10.1999	sole ownership
Interlaken, Rosenstrasse 9, sold								
Klus-Balsthal, Wengimattstrasse 1/ Solithurnerstrasse, sold								
La Chaux-de-Fonds, Boulevard des Eplatures 44	0	0.0	3 021	no	1972		29.10.2009	sole ownership
Lachen, Seidenstrasse 2	0	0.0	708	no	1993		31.10.1999	sole ownership
Lausanne, Avenue de Chailly 1	0	0.0	498	no	1925	1999, internal renovation	31.10.1999	sole ownership
Lausanne, Rue de Sébeillon 9/ Sébeillon Centre	0	0.0	2 923	no	1930	2001, partial renovation	29.10.2009	sole ownership

* The register of polluted sites contains suspected but not identified contamination sites, but does not claim to be comprehensive. The Company refrains from purchasing identified or suspected contamination sites, or factors the corresponding costs into its price calculation. However, it cannot be ruled out that latent sources of contamination unknown at the time of purchase may manifest themselves at a later date.

FIGURES FROM THE BALANCE SHEET AND INCOME STATEMENT AS AT 31.12.2011

City, address	Cost* (before depreciation)	Fair value (source: W&P)	Target rental income including land lease income 01.01.–31.12.2011	Losses due to vacancies and unpaid rents 01.01.–31.12.2011	Net rental income including land lease income 01.01.–31.12.2011	Losses due to vacancies and unpaid rents %
Commercial properties without significant residential space						
Lausanne, Rue du Pont 5	38 733 000.00	123 210 000.00	7 177 089.40	0.00	7 177 089.40	0.0
Locarno, Largo Zorzi 4/Piazza Grande	19 921 000.00	25 980 000.00	1 554 037.80	23 875.00	1 530 162.80	1.5
Locarno, Parking Centro	10 511 000.00	15 500 000.00	1 423 654.77	0.00	1 423 654.77	0.0
Locarno, Via delle Monache 8	1 220 000.00	982 400.00	66 279.60	0.00	66 279.60	0.0
Lutry, Route de l'Ancienne Cible 2	18 808 000.00	26 350 000.00	1 723 161.85	0.00	1 723 161.85	0.0
Lucerne, Pilatusstrasse 4/Flora	40 162 822.00	59 070 000.00	2 835 122.15	0.00	2 835 122.15	0.0
Lucerne, Schwanenplatz 3	7 878 000.00	12 980 000.00	587 293.75	0.00	587 293.75	0.0
Lucerne, Weggisgasse 20, 22	9 155 000.00	14 100 000.00	662 484.00	0.00	662 484.00	0.0
Lucerne, Weinbergstrasse 4/ Tribtschenstrasse 62	48 999 000.00	49 240 000.00	3 259 840.57	109 762.87	3 150 077.70	3.4
Mägenwil, Weststrasse 6/ Birrfeldstrasse south	1 820 000.00	3 258 000.00	167 146.35	0.00	167 146.35	0.0
Meyrin, Route de Meyrin 210	1 538 000.00	2 080 000.00	192 430.20	0.00	192 430.20	0.0
Moosseedorf, Moosstrasse 23	5 053 861.00	3 243 000.00	298 906.90	43 284.70	255 622.20	14.5
Neuchâtel, Avenue J.-J. Rousseau 7	9 012 000.00	7 471 000.00	508 037.00	19 350.00	488 687.00	3.8
Neuchâtel, Rue de l'Ecluse 19/ parking	332 726.00	485 900.00	35 700.00	2 700.00	33 000.00	7.6
Neuchâtel, Rue du Temple-Neuf 11	3 162 273.00	4 342 000.00	287 886.35	0.00	287 886.35	0.0
Neuchâtel, Rue du Temple-Neuf 14	12 834 000.00	14 340 000.00	1 149 388.90	9 125.00	1 140 263.90	0.8
Niederwangen b. Bern, Riedmoosstrasse 10	28 224 000.00	38 250 000.00	2 351 241.40	22 000.00	2 329 241.40	0.9
Oberbüren, Buchental 2	5 740 992.00	11 900 000.00	766 923.60	0.00	766 923.60	0.0
Oberbüren, Buchental 3	2 821 059.00	4 533 000.00	387 431.20	0.00	387 431.20	0.0
Oberbüren, Buchental 3a	1 975 458.00	2 656 000.00	238 252.20	0.00	238 252.20	0.0
Oberbüren, Buchental 4	20 977 168.00	24 020 000.00	1 497 897.00	0.00	1 497 897.00	0.0
Oberbüren, Haslen 3/ logistics centre Haslen	25 910 948.00	53 280 000.00	3 147 691.80	0.00	3 147 691.80	0.0
Oberwil, Mühlemattstrasse 23	3 441 109.00	4 390 000.00	304 633.20	0.00	304 633.20	0.0
Oftringen, Spitalweidstrasse 1/ shopping centre a1	73 679 000.00	102 770 000.00	6 321 090.10	199 367.49	6 121 722.61	3.2
Olten, Bahnhofquai 18	25 728 000.00	25 630 000.00	1 592 529.00	0.00	1 592 529.00	0.0
Olten, Bahnhofquai 20	36 986 000.00	36 700 000.00	2 065 789.20	20 700.00	2 045 089.20	1.0
Olten, Frobürgstrasse 1	6 472 000.00	6 123 000.00	166 416.00	76 588.00	89 828.00	46.0
Olten, Frobürgstrasse 15	8 860 000.00	10 750 000.00	603 340.50	10 359.00	592 981.50	1.7
Olten, Solothurnerstrasse 201	4 080 000.00	5 574 000.00	333 099.60	0.00	333 099.60	0.0
Olten, Solothurnerstrasse 231–235/ Usego	30 435 000.00	24 420 000.00	1 821 720.65	1 271 668.10	550 052.55	69.8
Otelfingen, Industriestrasse 19/21	110 363 000.00	98 610 000.00	7 474 210.20	71 180.40	7 403 029.80	1.0
Otelfingen, Industriestrasse 31	20 670 000.00	21 800 000.00	1 506 053.80	8 940.00	1 497 113.80	0.6
Payerne, Route de Bussy 2	14 954 184.04	21 050 000.00	1 214 964.60	0.00	1 214 964.60	0.0
Petit-Lancy, Route de Chancy 59	103 003 000.00	122 560 000.00	7 272 084.74	243 620.93	7 028 463.81	3.4
Rapperswil-Jona, Grünfeldstrasse 25	12 069 000.00	12 320 000.00	1 332 780.00	0.00	1 332 780.00	0.0
Rapperswil-Jona, Rathausstrasse 8	15 997 000.00	17 860 000.00	1 040 135.35	30 360.00	1 009 775.35	2.9

* All costs incurred by the purchase of the property (purchase price, legal fees, conveyancing costs, purchase commission, value-adding investments as well as costs of debt regarding properties under construction and development sites, etc.) are recognised as cost.

GENERAL PROPERTY DETAILS

City, address	Vacancies as at 31.12.2011 m² %		Site area m²	Register of polluted sites* (entry yes/no)	Built	Year of renovation/ type of renovation	Acquired	Ownership status
Commercial properties without significant residential space								
Lausanne, Rue du Pont 5	0	0.0	3 783	no	1910	2004, partial renovation	29.10.2009	sole ownership
Locarno, Largo Zorzi 4/Piazza Grande	65	1.0	2 365	no	1956	2001, partial renovation	29.10.2009	sole ownership
Locarno, Parking Centro	0	0.0	4 013	no	1990	2001, total renovation	29.10.2009	sole ownership, land lease
Locarno, Via delle Monache 8	0	0.0	2 409	no	1989		29.10.2009	freehold property
Lutry, Route de l'Ancienne Ciblerie 2	0	0.0	13 150	no	2006		29.10.2009	freehold property
Lucerne, Pilatusstrasse 4/Flora	0	0.0	4 376	no	1979	2008, partial renovation	29.10.2009	freehold property
Lucerne, Schwanenplatz 3	0	0.0	250	no	1958	2004, internal renovation	31.10.1999	sole ownership
Lucerne, Weggisgasse 20, 22	0	0.0	228	no	1982		22.12.2003	sole ownership
Lucerne, Weinberglistrasse 4/ Tribtschenstrasse 62	793	7.0	11 466	yes, no action required	1991	1993, total renovation	01.04.2001	sole ownership
Mägenwil, Weststrasse 6/ Birrfeldstrasse south	0	0.0	3 728	no	2007		29.10.2009	sole ownership
Meyrin, Route de Meyrin 210	0	0.0	3 863	no	1979	1999, partial renovation	29.10.2009	sole ownership partial land lease
Moosseedorf, Moosstrasse 23	642	42.2	2 397	no	1999		29.10.2009	freehold property, partial land lease
Neuchâtel, Avenue J.-J. Rousseau 7	0	0.0	1 020	yes, no action required	1991	1992, total renovation	31.10.1999	sole ownership
Neuchâtel, Rue de l'Ecluse 19/ parking	0	0.0	715	no	1960	1997, total renovation	29.10.2009	sole ownership
Neuchâtel, Rue du Temple-Neuf 11	0	0.0	262	no	1953	1993, partial renovation	29.10.2009	sole ownership
Neuchâtel, Rue du Temple-Neuf 14	9 349	98.5	1 938	no	1902	1995, total renovation	29.10.2009	sole ownership
Niederwangen b. Bern, Riedmoosstrasse 10	0	0.0	12 709	no	1985	2006, partial renovation	29.10.2009	sole ownership
Oberbüren, Buchental 2	0	0.0	6 401	no	1980	2007, partial renovation	29.10.2009	sole ownership
Oberbüren, Buchental 3	0	0.0	4 651	no	1964		29.10.2009	sole ownership
Oberbüren, Buchental 3a	0	0.0	3 613	no	1964		29.10.2009	sole ownership
Oberbüren, Buchental 4	0	0.0	4 963	no	1990		29.10.2009	sole ownership
Oberbüren, Haslen 3/ logistics centre Haslen	0	0.0	15 240	no	2004		29.10.2009	sole ownership
Oberwil, Mühlemattstrasse 23	0	0.0	6 200	no	1986		29.10.2009	freehold property, land lease
Oftringen, Spitalweidstrasse 1/ shopping centre a1	876	4.4	45 269	no	2006		29.10.2009	sole ownership
Olten, Bahnhofquai 18	0	0.0	2 553	no	1996		01.04.2001	sole ownership
Olten, Bahnhofquai 20	0	0.0	1 916	no	1999		01.04.2001	sole ownership
Olten, Frobürgstrasse 1	337	29.2	379	no	1899	2009, total renovation	01.07.2008	sole ownership
Olten, Frobürgstrasse 15	42	2.2	596	no	1961	1998, external renovation	01.08.1999	sole ownership
Olten, Solothurnerstrasse 201	0	0.0	5 156	no	2006		29.10.2009	sole ownership
Olten, Solothurnerstrasse 231–235/ Usego	5 584	47.9	12 922	no	1907	2009–2011, total renovation	29.10.2009	sole ownership
Otelfingen, Industriestrasse 19/21	0	0.0	101 933	yes, no action required	1965	2000, partial renovation	29.10.2009	sole ownership
Otelfingen, Industriestrasse 31	68	0.6	12 135	no	1986	1993, partial renovation	29.10.2009	sole ownership
Payerne, Route de Bussy 2	0	0.0	12 400	no	2006		29.10.2009	sole ownership
Petit-Lancy, Route de Chancy 59	834	3.8	13 052	no	1990		01.03.2000	sole ownership
Rapperswil-Jona, Grünfeldstrasse 25	0	0.0	25 483	yes, no action required	1958		30.06.1958	sole ownership
Rapperswil-Jona, Rathausstrasse 8	0	0.0	1 648	no	1992	2008, internal renovation	31.10.1999	sole ownership

* The register of polluted sites contains suspected but not identified contamination sites, but does not claim to be comprehensive. The Company refrains from purchasing identified or suspected contamination sites, or factors the corresponding costs into its price calculation. However, it cannot be ruled out that latent sources of contamination unknown at the time of purchase may manifest themselves at a later date.

FIGURES FROM THE BALANCE SHEET AND INCOME STATEMENT AS AT 31.12.2011

City, address	Cost* (before depreciation)	Fair value (source: W&P)	Target rental income including land lease income 01.01.–31.12.2011	Losses due to vacancies and unpaid rents 01.01.–31.12.2011	Net rental income including land lease income 01.01.–31.12.2011	Losses due to vacancies and unpaid rents %
Commercial properties without significant residential space						
Romanel , Chemin du Marais 8	15 177 000.00	20 320 000.00	1 234 216.20	0.00	1 234 216.20	0.0
Romanshorn , Alleestrasse 27, sold	0.00	0.00	26 600.00	26 600.00	0.00	0.0
Rümlang , Hofwisenstrasse 50	30 011 000.00	20 710 000.00	1 937 381.50	1 182 891.80	754 489.70	61.1
Schattdorf , Umfahrungsstrasse 2, sold	0.00	0.00	24 544.55	0.00	24 544.55	0.0
Schwyz , Oberer Steisteg 18, 20	9 150 000.00	8 754 000.00	520 502.20	0.00	520 502.20	0.0
Solothurn , Amthausplatz 1	15 073 000.00	12 690 000.00	853 946.25	0.00	853 946.25	0.0
Solothurn , Lagerhausstrasse 1, sold	0.00	0.00	431 972.20	162 991.40	268 980.80	37.7
Spreitenbach , Fegistrasse 14–22, sold	0.00	0.00	353 884.08	135 893.63	217 990.45	38.4
Spreitenbach , Industriestrasse/Tivoli	6 913 000.00	9 833 000.00	478 956.00	13 956.00	465 000.00	2.9
Spreitenbach , Mülistrasse 44	3 220 869.21	4 713 000.00	187 900.35	0.00	187 900.35	0.0
Spreitenbach , Pfadackerstrasse 6/ Limmatpark	108 765 000.00	104 830 000.00	6 504 691.90	746 665.45	5 758 026.45	11.5
St. Gallen , Spisergasse 12	3 756 000.00	4 531 000.00	223 422.00	0.00	223 422.00	0.0
St. Gallen , Vadianstrasse 25	8 099 000.00	8 500 000.00	496 984.00	120 048.00	376 936.00	24.2
St. Gallen , Zürcherstrasse 462–464/ Shopping Arena	201 663 000.00	278 370 000.00	16 105 628.29	324 805.90	15 780 822.39	2.0
Sursee , Moosgasse 20	7 513 766.00	11 410 000.00	652 997.65	0.00	652 997.65	0.0
Thalwil , Gotthardstrasse 40	3 793 000.00	5 229 000.00	270 387.42	900.00	269 487.42	0.3
Thun , Bälliz 67	13 114 000.00	15 530 000.00	780 823.30	0.00	780 823.30	0.0
Uster , Poststrasse 10	6 787 000.00	6 369 000.00	377 016.00	0.00	377 016.00	0.0
Uster , Poststrasse 14/20	8 942 706.00	11 300 000.00	647 230.95	71 442.40	575 788.55	11.0
Vernier , Chemin de l'Etang 72/ Patio Plaza	82 309 000.00	89 510 000.00	5 789 867.10	2 290 617.90	3 499 249.20	39.6
Vevey , Rue de la Clergère 1	11 253 000.00	11 050 000.00	719 366.00	0.00	719 366.00	0.0
Volketswil , shopping centre Volkiland, sold	0.00	0.00	8 945 609.60	74 498.25	8 871 111.35	0.8
Volketswil , Grabenwis-Strasse 1, 3, 5, sold	0.00	0.00	2 682 169.05	456 591.30	2 225 577.75	17.0
Wangen b. Olten , Dorfstrasse 11, 13, sold	0.00	0.00	691 322.25	483 235.60	208 086.65	69.9
Wetzikon , Hinwilerstrasse 11, sold	0.00	0.00	8 964.35	0.00	8 964.35	0.0
Wil , Obere Bahnhofstrasse 40	11 100 000.00	16 600 000.00	964 032.90	45 741.00	918 291.90	4.7
Winterthur , Theaterstrasse 17	65 101 000.00	67 640 000.00	3 403 684.90	0.00	3 403 684.90	0.0
Winterthur , Untertor 24	6 623 000.00	8 639 000.00	315 175.20	0.00	315 175.20	0.0
Worblaufen , Alte Tiefenaustrasse 6	70 897 000.00	77 800 000.00	4 792 780.80	0.00	4 792 780.80	0.0
Zofingen , Pfistergasse 2, 12, 14, 16, 20, sold	0.00	0.00	344 347.50	132 168.70	212 178.80	38.4
Zollikon , Bergstrasse 17, 19	9 603 000.00	10 900 000.00	624 170.00	3 520.00	620 650.00	0.6
Zollikon , Forchstrasse 452–456	14 855 000.00	15 020 000.00	733 956.00	0.00	733 956.00	0.0
Zuchwil , Dorfackerstrasse 45/ Birchi-Centre	26 481 000.00	32 660 000.00	2 441 054.00	0.00	2 441 054.00	0.0
Zug , Zählerweg 4, 6/Dammstrasse 19/ Landis+Gyr-Strasse 3/Opus 1	75 879 000.00	104 860 000.00	5 676 060.50	1 073.35	5 674 987.15	0.0
Zug , Zählerweg 8, 10/ Dammstrasse 21, 23/Opus 2	93 902 000.00	132 260 000.00	6 977 642.40	3 000.00	6 974 642.40	0.0
Zurich , Affolternstrasse 54, 56/ Cityport	121 062 000.00	159 200 000.00	9 172 621.80	0.00	9 172 621.80	0.0

* All costs incurred by the purchase of the property (purchase price, legal fees, conveyancing costs, purchase commission, value-adding investments as well as costs of debt regarding properties under construction and development sites, etc.) are recognised as cost.

GENERAL PROPERTY DETAILS

City, address	Vacancies as at 31.12.2011 m² %		Site area m²	Register of polluted sites* (entry yes/no)	Built	Year of renovation/ type of renovation	Acquired	Ownership status
Commercial properties without significant residential space								
Romanel, Chemin du Marais 8	0	0.0	7 264	no	1973	1995, partial renovation	29.10.2009	sole ownership
Romanshorn, Alleestrasse 27, sold								
Rümlang, Hofwisenstrasse 50	7 252	66.9	17 720	no	1988	1998, internal renovation	01.03.2000	sole ownership
Schattdorf, Umfahrungsstrasse 2, sold								
Schwyz, Oberer Steisteg 18, 20	0	0.0	1 039	no	1988	2004, internal renovation	31.10.1999	sole ownership
Solothurn, Amthausplatz 1	0	0.0	1 614	no	1955	1988, total renovation	31.10.1999	sole ownership
Solothurn, Lagerhausstrasse 1, sold								
Spreitenbach, Fegistrasse 14–22, sold								
Spreitenbach, Industriestrasse/Tivoli	125	12.4	25 780	yes, no action required	1974	2009–2010, total renovation	29.10.2009	freehold property
Spreitenbach, Müslistrasse 44	0	0.0	2 856	no	2002		29.10.2009	sole ownership
Spreitenbach, Pfadackerstrasse 6/ Limmatpark	3 679	13.4	10 318	no	1972	2003, partial renovation	01.08.2006	sole ownership
St. Gallen, Spisergasse 12	0	0.0	165	no	1423	1984, partial renovation	01.07.2007	sole ownership
St. Gallen, Vadianstrasse 25	552	38.2	800	no	1974	2001, internal renovation	01.04.2000	sole ownership
St. Gallen, Zürcherstrasse 462–464/ Shopping Arena	2 150	5.4	33 106	no	2008		29.10.2009	co-ownership
Sursee, Moosgasse 20	0	0.0	4 185	yes, no action required	1998		29.10.2009	sole ownership
Thalwil, Gotthardstrasse 40	0	0.0	541	no	1958	2004, internal renovation	31.10.1999	sole ownership
Thun, Bälliz 67	0	0.0	875	no	1953	2001, partial renovation	22.12.2003	sole ownership
Uster, Poststrasse 10	0	0.0	701	no	1972	1988, total renovation	31.10.1999	sole ownership
Uster, Poststrasse 14/20	470	14.8	2 449	no	1854	2000, partial renovation	29.10.2009	sole ownership
Vernier, Chemin de l'Etang 72/ Patio Plaza	3 912	28.7	10 169	no	2007		29.10.2009	sole ownership
Vevey, Rue de la Clergère 1	0	0.0	717	no	1927	1994, internal renovation	31.10.1999	sole ownership
Volketswil, shopping centre Volkiland, sold								
Volketswil, Grabenwis-Strasse 1, 3, 5, sold								
Wangen b. Olten, Dorfstrasse 11, 13, sold								
Wetzikon, Hinwilerstrasse 11, sold								
Wil, Obere Bahnhofstrasse 40	528	15.6	1 105	no	1958	2008, total renovation	29.10.2009	sole ownership
Winterthur, Theaterstrasse 17	0	0.0	7 535	yes, no action required	1999		01.04.2001	sole ownership
Winterthur, Untertor 24	0	0.0	290	no	1960	2006, partial renovation	22.12.2003	sole ownership
Worblaufen, Alte Tiefenaustrasse 6	0	0.0	21 596	no	1999		01.04.2001	49/100 co-ownership
Zofingen, Pfistergasse 2, 12, 14, 16, 20, sold								
Zollikon, Bergstrasse 17, 19	0	0.0	1 768	no	1989	2004, internal renovation	31.10.1999	sole ownership
Zollikon, Forchstrasse 452–456	0	0.0	2 626	no	1984/1998		01.01.2007	sole ownership
Zuchwil, Dorfackerstrasse 45/ Birchi-Centre	0	0.0	9 563	no	1997		29.10.2009	sole ownership, land lease
Zug, Zählerweg 4, 6/Dammstrasse 19/ Landis+Gyr-Strasse 3/Opus 1	0	0.0	7 400	no	2002		30.06.2000	sole ownership
Zug, Zählerweg 8, 10/ Dammstrasse 21, 23/Opus 2	0	0.0	8 981	no	2003		30.06.2000	sole ownership
Zurich, Affolternstrasse 54, 56/ Cityport	0	0.0	10 754	yes, no action required	2001		15.09.1999	sole ownership

* The register of polluted sites contains suspected but not identified contamination sites, but does not claim to be comprehensive. The Company refrains from purchasing identified or suspected contamination sites, or factors the corresponding costs into its price calculation. However, it cannot be ruled out that latent sources of contamination unknown at the time of purchase may manifest themselves at a later date.

FIGURES FROM THE BALANCE SHEET AND INCOME STATEMENT AS AT 31.12.2011

City, address	Cost* (before depreciation)	Fair value (source: W&P)	Target rental income including land lease income 01.01.–31.12.2011	Losses due to vacancies and unpaid rents 01.01.–31.12.2011	Net rental income including land lease income 01.01.–31.12.2011	Losses due to vacancies and unpaid rents %
Commercial properties without significant residential space						
Zurich, Bahnhofstrasse 42	32 850 000.00	50 520 000.00	1 357 933.35	0.00	1 357 933.35	0.0
Zurich, Bahnhofstrasse 69	7 359 000.00	42 340 000.00	1 476 967.13	1 200.00	1 475 767.13	0.1
Zurich, Bahnhofstrasse 106	22 215 000.00	31 850 000.00	1 145 642.00	0.00	1 145 642.00	0.0
Zurich, Brandschenkestrasse 25	119 923 000.00	125 870 000.00	7 005 317.30	469 101.55	6 536 215.75	6.7
Zurich, Flurstrasse 55	168 050 000.00	97 380 000.00	10 399 824.00	0.00	10 399 824.00	0.0
Zurich, Flurstrasse 89	8 145 000.00	7 527 000.00	448 044.40	0.00	448 044.40	0.0
Zurich, Fraumünsterstrasse 16	126 094 000.00	144 150 000.00	5 446 950.20	536 796.80	4 910 153.40	9.9
Zurich, Hardstrasse 201/Prime Tower	343 848 000.00	439 620 000.00	6 328 102.04	0.00	6 328 102.04	0.0
Zurich, Hardstrasse 219/ Eventblock Maag	11 801 000.00	11 100 000.00	1 987 235.66	1 015.00	1 986 220.66	0.1
Zurich, Josefstrasse 53, 59	48 028 000.00	72 890 000.00	3 981 384.09	90 145.85	3 891 238.24	2.3
Zurich, Kreuzstrasse 54, sold	0.00	0.00	0.00	0.00	0.00	0.0
Zurich, Limmattalstrasse 180	3 263 000.00	2 727 000.00	241 920.00	0.00	241 920.00	0.0
Zurich, Maagplatz 1/Platform	102 405 000.00	145 350 000.00	3 847 141.03	0.00	3 847 141.03	0.0
Zurich, Manessestrasse 85	53 241 000.00	40 200 000.00	3 317 289.00	3 316 489.00	800.00	100.0
Zurich, Ohmstrasse 11	20 840 000.00	35 650 000.00	2 289 681.10	16 705.00	2 272 976.10	0.7
Zurich, Schaffhauserstrasse 339	7 035 000.00	7 861 000.00	462 497.50	0.00	462 497.50	0.0
Zurich, Seidengasse 1/ Jelmoli – The House of Brands	193 950 000.00	699 950 000.00	17 267 874.70	900.00	17 266 974.70	0.0
Zurich, Siewerdtstrasse 8	19 522 000.00	16 240 000.00	1 228 814.95	20 234.18	1 208 580.77	1.6
Zurich, Sihlcity	144 036 000.00	192 010 000.00	11 592 459.98	105 829.74	11 486 630.24	0.9
Zurich, Sihlstrasse 24/ St. Annagasse 16	22 189 000.00	35 260 000.00	1 689 688.70	93 637.90	1 596 050.80	5.5
Zurich, Stadelhoferstrasse 18	14 262 000.00	22 410 000.00	1 055 012.85	0.00	1 055 012.85	0.0
Zurich, Stadelhoferstrasse 22	21 170 000.00	29 740 000.00	1 517 574.95	660.00	1 516 914.95	0.0
Zurich, Steinmühleplatz/ Jelmoli parking	23 534 000.00	38 020 000.00	3 270 885.85	0.00	3 270 885.85	0.0
Zurich, Steinmühleplatz 1/ St. Annagasse 18/Sihlstrasse 20	40 490 000.00	87 250 000.00	3 557 456.60	546 109.20	3 011 347.40	15.4
Zurich, Talacker 21, 23	46 830 000.00	65 410 000.00	2 978 159.40	0.00	2 978 159.40	0.0
Total I	5 721 004 647.84	7 698 282 300.00	411 690 890.25	18 824 918.52	392 865 971.73	4.6
Mixed properties						
Geneva, Quai du Seujet 30	11 368 000.00	13 590 000.00	929 691.00	1 661.40	928 029.60	0.2
Geneva, Route de Malagnou 6/ Rue Michel-Chauvet 7	12 808 000.00	17 250 000.00	836 100.00	750.00	835 350.00	0.1
Geneva, Rue de la Croix-d'Or 7/ Rue Neuve-du-Molard 4–6	36 832 000.00	53 750 000.00	2 291 980.00	0.00	2 291 980.00	0.0
Lausanne, Rue de la Mercerie 14	2 981 720.00	3 068 000.00	160 956.05	592.50	160 363.55	0.4
Lausanne, Rue de la Mercerie 16–20	3 003 072.00	5 825 000.00	332 688.60	0.00	332 688.60	0.0
Moosseedorf, Moosstrasse 21	2 555 307.00	1 939 000.00	126 560.00	0.00	126 560.00	0.0
Oberbüren, Buchental 5	1 077 965.00	991 600.00	65 400.00	0.00	65 400.00	0.0
St. Gallen, Bohl 1/Goliathgasse 6	21 259 000.00	25 120 000.00	1 357 816.00	4 712.00	1 353 104.00	0.3
St. Gallen, Spisergasse 12	7 158 000.00	9 519 000.00	491 664.00	0.00	491 664.00	0.0

* All costs incurred by the purchase of the property (purchase price, legal fees, conveyancing costs, purchase commission, value-adding investments as well as costs of debt regarding properties under construction and development sites, etc.) are recognised as cost.

GENERAL PROPERTY DETAILS

City, address	Vacancies as at 31.12.2011 m² %		Site area m²	Register of polluted sites* (entry yes/no)	Built	Year of renovation/ type of renovation	Acquired	Ownership status
Commercial properties without significant residential space								
Zurich, Bahnhofstrasse 42	0	0.0	482	no	1968	1990, total renovation	22.12.2003	sole ownership
Zurich, Bahnhofstrasse 69	11	1.0	230	no	1898	2007, partial renovation	29.10.2009	sole ownership
Zurich, Bahnhofstrasse 106	0	0.0	200	yes, permanent monitoring	1958		30.11.2004	sole ownership
Zurich, Brandschenkestrasse 25	371	2.8	3 902	no	1910	1984, total renovation	01.04.2001	sole ownership
Zurich, Flurstrasse 55	0	0.0	8 270	no	1979	2002, internal renovation	31.10.1999	sole ownership
Zurich, Flurstrasse 89	0	0.0	2 330	no	1949	2003, internal renovation	31.10.1999	sole ownership
Zurich, Fraumünsterstrasse 16	976	11.4	2 475	no	1901	1990, total renovation	01.04.2001	sole ownership
Zurich, Hardstrasse 201/Prime Tower	0	0.0	10 416	yes, no action required	2011		n/a	sole ownership
Zurich, Hardstrasse 219/ Eventblock Maag	10 362	52.8	8 002	yes, no action required	1929–1978		n/a	sole ownership
Zurich, Josefstrasse 53, 59	0	0.0	2 931	no	1962/1972	2001, total renovation	01.07.1999	sole ownership
Zurich, Kreuzstrasse 54, sold								
Zurich, Limmattalstrasse 180	0	0.0	477	no	1989	1994, internal renovation	31.10.1999	sole ownership, land lease
Zurich, Maagplatz 1/Platform	0	0.0	5 942	yes, no action required	2011		n/a	sole ownership
Zurich, Manessestrasse 85	9 869	100.0	3 284	no	1985		01.07.2002	sole ownership
Zurich, Ohmstrasse 11	151	2.4	1 970	no	1927	2007, partial renovation	29.10.2009	sole ownership
Zurich, Schaffhauserstrasse 339	0	0.0	307	no	1957	1997, internal renovation	31.10.1999	sole ownership
Zurich, Seidengasse 1/ Jelmoli – The House of Brands	0	0.0	6 514	no	1896	2010, partial renovation	29.10.2009	sole ownership
Zurich, Siewerdtstrasse 8	45	1.2	1 114	no	1981		30.06.1998	sole ownership
Zurich, Sihlcity	460	1.9	10 162	no	2007		26.06.2003	242/100 co-ownership
Zurich, Sihlstrasse 24/ St. Annagasse 16	0	0.0	1 155	no	1885	2007, total renovation	29.10.2009	sole ownership
Zurich, Stadelhoferstrasse 18	0	0.0	1 046	no	1983	2004, internal renovation	30.06.1998	sole ownership
Zurich, Stadelhoferstrasse 22	0	0.0	1 024	no	1983	2004, internal renovation	30.06.1998	sole ownership, land lease
Zurich, Steinmühleplatz/ Jelmoli parking	0	0.0	1 970	yes, no action required	1972	2009, partial renovation	29.10.2009	sole ownership with concession
Zurich, Steinmühleplatz 1/ St. Annagasse 18/Sihlstrasse 20	670	10.5	1 534	yes, no action required	1957	1999, total renovation	29.10.2009	sole ownership
Zurich, Talacker 21, 23	0	0.0	1 720	no	1965	2008, internal renovation	31.10.1999	sole ownership
Total I	96 099	7.0	1 022 631					

Mixed properties

Geneva, Quai du Seujet 30	0	0.0	389	no	1984		01.07.1999	sole ownership
Geneva, Route de Malagnou 6/ Rue Michel-Chauvet 7	0	0.0	1 321	no	1960/1969	1989, total renovation	01.06.2000	sole ownership
Geneva, Rue de la Croix-d'Or 7/ Rue Neuve-du-Molard 4–6	0	0.0	591	no	1974/1985	1994, partial renovation	15.09.2004	sole ownership
Lausanne, Rue de la Mercerie 14	0	0.0	220	no	1900	2002, total renovation	29.10.2009	sole ownership
Lausanne, Rue de la Mercerie 16–20	0	0.0	400	no	1930		29.10.2009	sole ownership
Moosseedorf, Moosstrasse 21	7	1.0	948	no	1999		29.10.2009	freehold property, partial land lease
Oberbüren, Buchental 5	0	0.0	3 456	yes, no action required	1920		29.10.2009	sole ownership
St. Gallen, Bohl 1/Goliathgasse 6	0	0.0	1 131	no	1920	1995, total renovation	01.06.1999	sole ownership
St. Gallen, Spisergasse 12	0	0.0	208	no	1900	1998, partial renovation	01.04.2004	sole ownership

* The register of polluted sites contains suspected but not identified contamination sites, but does not claim to be comprehensive. The Company refrains from purchasing identified or suspected contamination sites, or factors the corresponding costs into its price calculation. However, it cannot be ruled out that latent sources of contamination unknown at the time of purchase may manifest themselves at a later date.

FIGURES FROM THE BALANCE SHEET AND INCOME STATEMENT AS AT 31.12.2011

City, address	Cost* (before depreciation)	Fair value (source: W&P)	Target rental income including land lease income 01.01.–31.12.2011	Losses due to vacancies and unpaid rents 01.01.–31.12.2011	Net rental income including land lease income 01.01.–31.12.2011	Losses due to vacancies and unpaid rents %
Mixed properties						
Thônex, Rue de Genève 104–108	58 878 000.00	84 530 000.00	4 660 218.46	0.00	4 660 218.46	0.0
Visp, Kantonsstrasse 8	3 454 868.00	4 060 000.00	266 063.40	0.00	266 063.40	0.0
Zofingen, Pfistergasse 22, sold	0.00	0.00	52 430.00	0.00	52 430.00	0.0
Zurich, Hönggerstrasse 40/ Röschibachstrasse 22	28 021 000.00	28 980 000.00	2 265 894.72	771 784.50	1 494 110.22	34.1
Zurich, Nansenstrasse 5/7	31 876 000.00	40 810 000.00	2 475 494.20	2 857.85	2 472 636.35	0.1
Zurich, Querstrasse 6	731 697.00	3 539 000.00	164 132.00	225.00	163 907.00	0.1
Zurich, Schulstrasse 34, 36	7 382 900.00	10 280 000.00	541 112.85	0.00	541 112.85	0.0
Zurich, Stauffacherstrasse 94, 96/ Molkenstrasse 15, 17	16 150 000.00	24 960 000.00	1 411 304.25	0.00	1 411 304.25	0.0
Total II	245 537 529.00	328 211 600.00	18 429 505.53	782 583.25	17 646 922.28	4.2
Building land						
Basel, Hochbergerstrasse 60/ car park	3 050 000.00	3 160 000.00	148 671.10	0.00	148 671.10	0.0
Dietikon, Bodacher	70 001.00	0.00	13 999.80	0.00	13 999.80	0.0
Dietikon, Bodacher/Im Maienweg	2 564 923.00	1 875 000.00	300.00	0.00	300.00	0.0
Dietikon, Bodacher/Ziegelägerten	1 508 972.00	1 688 000.00	0.00	0.00	0.00	0.0
Geneva Airport, Route de Pré-Bois	5 535 622.42	6 897 000.00	0.00	0.00	0.00	0.0
Geneva Airport, Route de Pré-Bois 10/ underground car park	5 029 000.00	6 183 000.00	76 840.20	0.00	76 840.20	0.0
Losone, Via Locarno/Via Truscio	1 403 328.70	895 000.00	0.00	0.00	0.00	0.0
Mägenwil, Birrfeldstrasse/ allotment north, sold	0.00	0.00	0.00	0.00	0.00	0.0
Niederwangen b. Bern, Riedmoosstrasse 10	604 000.00	2 358 000.00	0.00	0.00	0.00	0.0
Oberbüren, Buchental/car park	694 112.00	574 700.00	29 224.20	0.00	29 224.20	0.0
Plan-les-Ouates, Chemin des Aulx	11 982 921.71	13 680 000.00	0.00	0.00	0.00	0.0
Spreitenbach, Joosacker 7	1.00	0.00	52 876.80	0.00	52 876.80	0.0
Wangen b. Olten, Rickenbacherfeld	1 385 942.40	4 389 000.00	0.00	0.00	0.00	0.0
Total III	33 828 824.23	41 699 700.00	321 912.10	0.00	321 912.10	0.0
Properties under construction and development sites						
Zurich, Affolternstrasse 52/ MFO building	6 597 000.00	6 646 000.00	0.00	0.00	0.00	0.0
Zurich, Hagenholzstrasse 60/SkyKey	60 970 000.00	61 780 000.00	0.00	0.00	0.00	0.0
Zurich, Hardstrasse/ Maaghof North and East	28 057 000.00	28 490 000.00	0.00	0.00	0.00	0.0
Total IV	95 624 000.00	96 916 000.00	0.00	0.00	0.00	0.0
Overall total	6 095 995 001.07	8 165 109 600.00	430 442 307.88	19 607 501.77	410 834 806.11	4.6

* All costs incurred by the purchase of the property (purchase price, legal fees, conveyancing costs, purchase commission, value-adding investments as well as costs of debt regarding properties under construction and development sites, etc.) are recognised as cost.

GENERAL PROPERTY DETAILS

City, address	Vacancies as at 31.12.2011 m² %		Site area m²	Register of polluted sites* (entry yes/no)	Built	Year of renovation/ type of renovation	Acquired	Ownership status
Mixed properties								
Thônex, Rue de Genève 104–108	7	0.1	9 224	no	2008		29.10.2009	sole ownership
Visp, Kantonsstrasse 8	0	0.0	806	no	1959		29.10.2009	sole ownership
Zofingen, Pfistergasse 22, sold								
Zurich, Hönggerstrasse 40/ Röschibachstrasse 22	1 817	27.2	2 571	yes, no action required	1986		01.07.1999	sole ownership
Zurich, Nansenstrasse 5/7	11	0.2	1 740	no	1985		29.10.2009	sole ownership
Zurich, Querstrasse 6	0	0.0	280	no	1927	1990, total renovation	29.10.2009	sole ownership
Zurich, Schulstrasse 34, 36	0	0.0	697	no	1915	1995, total renovation	01.07.1999	sole ownership
Zurich, Stauffacherstrasse 94, 96/ Molkenstrasse 15, 17	0	0.0	1 501	no	1879/1956	1990, internal renovation	01.07.1999	sole ownership
Total II	1 842	3.6	25 483					
Building land								
Basel, Hochbergerstrasse 60/ car park	0	0.0	5 440	yes, no action required			29.10.2009	sole ownership
Dietikon, Bodacher	0	0.0	13 615	yes			29.10.2009	sole ownership
Dietikon, Bodacher/Im Maienweg	0	0.0	4 249	no			29.10.2009	sole ownership
Dietikon, Bodacher/Ziegelägerten	0	0.0	3 825	yes			29.10.2009	sole ownership
Geneva Airport, Route de Pré-Bois	0	0.0	7 631	no			29.10.2009	sole ownership
Geneva Airport, Route de Pré-Bois 10/ underground car park	0	0.0	2 154	no	2003		29.10.2009	sole ownership, land lease
Losone, Via Locarno/Via Truscio	0	0.0	1 380	no			29.10.2009	sole ownership
Mägenwil, Birrfeldstrasse/ allotment north, sold								
Niederwangen b. Bern, Riedmoosstrasse 10	0	0.0	5 895	register in preparation			29.10.2009	sole ownership
Oberbüren, Buchental/car park	0	0.0	1 825	no			29.10.2009	sole ownership
Plan-les-Ouates, Chemin des Aulx	0	0.0	28 429	no			29.10.2009	sole ownership
Spreitenbach, Joosacker 7	0	0.0	16 405	yes			29.10.2009	sole ownership
Wangen b. Olten, Rickenbacherfeld	0	0.0	11 197	no			22.12.2003	sole ownership
Total III	0	0.0	102 045					
Properties under construction and development sites								
Zurich, Affolternstrasse 52/ MFO building	0	0.0	not yet parceled	yes, no action required	1889	2012, translocation/ basement	30.09.2011	sole ownership
Zurich, Hagenholzstrasse 60/SkyKey	0	0.0	9 573	yes, will be decontam- inated before construction	2011–2014		24.01.2011	sole ownership
Zurich, Hardstrasse/ Maaghof North and East	0	0.0	11 199	yes, will be decontam- inated upon construction	2012 et seq.		n/a	sole ownership
Total IV	0	0.0	20 772					
Overall total	97 941	6.9	1 170 931					

* The register of polluted sites contains suspected but not identified contamination sites, but does not claim to be comprehensive. The Company refrains from purchasing identified or suspected contamination sites, or factors the corresponding costs into its price calculation. However, it cannot be ruled out that latent sources of contamination unknown at the time of purchase may manifest themselves at a later date.

PROPERTY STRUCTURE PART 1, COMMERCIAL PROPERTIES

City, address	Retail			Offices, medical practice premises, etc.			Cinemas and restaurants			Storage facilities			Other commercial units			Total commercial properties, excl. parking		
	no.	m²	%	no.	m²	%	no.	m²	%	no.	m²	%	no.	m²	%	no.	m²	%
Commercial properties without significant residential space																		
Aarau, Bahnhofstrasse 23	4	1 258	60.8	2	255	12.3	0	0	0.0	4	556	26.9	0	0	0.0	10	2 069	100.0
Affoltern a.A., Obere Bahnhofstrasse 14	3	1 416	72.9	0	0	0.0	0	0	0.0	6	189	9.7	5	39	2.0	14	1 644	84.6
Allschwil, Hegenheimermattweg 91	0	0	0.0	24	13 150	68.6	0	0	0.0	10	1 859	9.7	23	4 173	21.8	57	19 182	100.0
Amriswil, Weinfelderstrasse 74	4	1 217	40.2	2	20	0.7	4	1 337	44.2	2	133	4.4	4	320	10.6	16	3 027	100.0
Baden, Bahnhofstrasse 2	5	914	93.4	0	0	0.0	0	0	0.0	1	65	6.6	0	0	0.0	6	979	100.0
Baden, Weite Gasse 34, 36	2	590	37.7	7	632	40.4	0	0	0.0	2	169	10.8	0	0	0.0	11	1 391	88.9
Basel, Aeschenvorstadt 2–4	6	800	12.7	7	3 997	63.6	0	0	0.0	14	1 487	23.7	0	0	0.0	27	6 284	100.0
Basel, Barfüsserplatz 3	5	2 048	53.0	4	1 045	27.0	0	0	0.0	3	768	19.9	4	3	0.1	16	3 864	100.0
Basel, Centralbahnplatz 9/10	2	122	8.5	7	544	38.1	4	302	21.1	5	168	11.8	17	139	9.7	35	1 275	89.2
Basel, Elisabethenstrasse 15	8	889	20.7	6	3 117	72.7	0	0	0.0	8	284	6.6	0	0	0.0	22	4 290	100.0
Basel, Freie Strasse 26/ Falknerstrasse 3	3	1 250	43.6	10	1 444	50.3	0	0	0.0	3	176	6.1	0	0	0.0	16	2 870	100.0
Basel, Freie Strasse 36	4	1 440	59.7	6	326	13.5	0	0	0.0	4	277	11.5	12	371	15.4	26	2 414	100.0
Basel, Freie Strasse 68	2	887	11.9	10	4 597	61.6	0	0	0.0	5	1 933	25.9	1	43	0.6	18	7 460	100.0
Basel, Henric Petri-Strasse 9/ Elisabethenstrasse 19	2	285	4.1	14	4 999	71.9	0	0	0.0	13	1 673	24.0	0	0	0.0	29	6 957	100.0
Basel, Hochbergerstrasse 40/ parking	0	0	0.0	0	0	0.0	0	0	0.0	0	0	0.0	2	0	0.0	2	0	0.0
Basel, Hochbergerstrasse 60/ building 805	0	0	0.0	5	1 117	23.4	0	0	0.0	1	500	10.5	7	3 158	66.1	13	4 775	100.0
Basel, Hochbergerstrasse 60/ building 860	0	0	0.0	4	754	82.9	0	0	0.0	4	124	13.6	2	32	3.5	10	910	100.0
Basel, Hochbergerstrasse 60/ Stücki Business Park 60A–E	0	0	0.0	51	33 878	90.6	0	0	0.0	33	1 585	4.2	3	1 940	5.2	87	37 403	100.0
Basel, Hochbergerstrasse 62/ petrol station	0	0	0.0	0	0	0.0	0	0	0.0	0	0	0.0	1	0	0.0	1	0	0.0
Basel, Hochbergerstrasse 70/ Stücki Shopping	112	33 305	61.5	11	4 279	7.9	20	9 343	17.2	77	6 131	11.3	29	1 116	2.1	249	54 174	100.0
Basel, Messeplatz 12/Meseturm	2	165	0.7	26	13 306	55.2	14	9 818	40.7	9	772	3.2	5	40	0.2	56	24 101	100.0
Basel, Peter Merian-Strasse 80	0	0	0.0	24	7 759	85.3	0	0	0.0	10	1 340	14.7	0	0	0.0	34	9 099	100.0
Basel, Rebgassee 20	6	4 357	47.3	6	1 019	11.1	2	1 262	13.7	26	2 408	26.2	10	161	1.7	50	9 207	100.0
Bellach, Gurzelenstrasse 2	1	212	14.2	1	55	3.7	0	0	0.0	0	0	0.0	7	1 135	75.8	9	1 402	93.7
Belp, Aemmenmattstrasse 43	0	0	0.0	35	7 117	76.6	2	457	4.9	21	1 518	16.3	4	194	2.1	62	9 286	100.0
Berne, Bahnhofplatz 9	6	1 090	67.5	0	0	0.0	0	0	0.0	4	526	32.5	1	0	0.0	11	1 616	100.0
Berne, Genfergasse 11, 14	1	654	4.1	7	13 428	85.0	0	0	0.0	2	103	0.7	1	1 616	10.2	11	15 801	100.0
Berne, Laupenstrasse 6	3	855	41.5	11	1 028	49.9	0	0	0.0	1	6	0.3	4	99	4.8	19	1 988	96.5
Berne, Mingerstrasse 12–18/ PostFinance Arena	2	118	0.3	2	8 294	17.9	1	30 699	66.3	1	7 175	15.5	0	0	0.0	6	46 286	100.0
Berne, Schwarztorstrasse 48	0	0	0.0	14	6 168	75.7	0	0	0.0	2	1 873	23.0	2	107	1.3	18	8 148	100.0
Berne, Weltpoststrasse 5	0	0	0.0	9	16 003	66.7	1	1 050	4.4	4	6 955	29.0	0	0	0.0	14	24 008	100.0
Biel, Solothurnstrasse 122	7	2 482	75.0	3	90	2.7	0	0	0.0	9	505	15.3	3	49	1.5	22	3 126	94.5
Brugg, Hauptstrasse 2	8	2 956	65.9	4	255	5.7	2	147	3.3	11	986	22.0	14	139	3.1	39	4 483	100.0
Buchs, St. Gallerstrasse 5	1	236	13.2	5	1 072	60.1	0	0	0.0	2	326	18.3	1	15	0.8	9	1 649	92.4
Burgdorf, Emmentalstrasse 14	2	953	46.2	4	896	43.5	0	0	0.0	3	177	8.6	1	35	1.7	10	2 061	100.0
Burgdorf, Industrie Buchmatt	2	351	2.9	16	638	5.3	0	0	0.0	3	10 688	89.4	7	279	2.3	28	11 956	100.0
Carouge, Avenue Cardinal- Mermillod 36–44	20	8 296	23.7	92	20 038	57.3	2	283	0.8	47	5 183	14.8	16	1 198	3.4	177	34 998	100.0
Cham, Dorfplatz 2	1	122	11.4	8	656	61.5	0	0	0.0	4	289	27.1	0	0	0.0	13	1 067	100.0
Conthey, Route Cantonale 2	9	1 771	71.6	7	113	4.6	0	0	0.0	3	490	19.8	3	98	4.0	22	2 472	100.0
Conthey, Route Cantonale 4	9	4 342	86.3	0	0	0.0	1	149	3.0	3	302	6.0	7	236	4.7	20	5 029	100.0

PROPERTY STRUCTURE PART 2, RESIDENTIAL PROPERTIES

									Summary	
City, address	1–1½ rooms no.	2–2½ rooms no.	3–3½ rooms no.	4–4½ rooms no.	5 or more rooms no.	no.	Total apartments m²	%	Total rented properties, commercial and residential, excl. parking no.	m²
Commercial properties without significant residential space										
Aarau, Bahnhofstrasse 23	0	0	0	0	0	0	0	0.0	10	2 069
Affoltern a.A., Obere Bahnhofstrasse 14	0	1	2	1	0	4	299	15.4	18	1 943
Allschwil, Hegenheimermattweg 91	0	0	0	0	0	0	0	0.0	57	19 182
Amriswil, Weinfelderstrasse 74	0	0	0	0	0	0	0	0.0	16	3 027
Baden, Bahnhofstrasse 2	0	0	0	0	0	0	0	0.0	6	979
Baden, Weite Gasse 34, 36	0	0	2	0	0	2	174	11.1	13	1 565
Basel, Aeschenvorstadt 2–4	0	0	0	0	0	0	0	0.0	27	6 284
Basel, Barfüsserplatz 3	0	0	0	0	0	0	0	0.0	16	3 864
Basel, Centralbahnplatz 9/10	0	0	1	0	0	1	154	10.8	36	1 429
Basel, Elisabethenstrasse 15	0	0	0	0	0	0	0	0.0	22	4 290
Basel, Freie Strasse 26/ Falknerstrasse 3	0	0	0	0	0	0	0	0.0	16	2 870
Basel, Freie Strasse 36	0	0	0	0	0	0	0	0.0	26	2 414
Basel, Freie Strasse 68	0	0	0	0	0	0	0	0.0	18	7 460
Basel, Henric Petri-Strasse 9/ Elisabethenstrasse 19	0	0	0	0	0	0	0	0.0	29	6 957
Basel, Hochbergerstrasse 40/ parking	0	0	0	0	0	0	0	0.0	2	0.0
Basel, Hochbergerstrasse 60/ building 805	0	0	0	0	0	0	0	0.0	13	4 775
Basel, Hochbergerstrasse 60/ building 860	0	0	0	0	0	0	0	0.0	10	910
Basel, Hochbergerstrasse 60/ Stückli Business Park 60A–E	0	0	0	0	0	0	0	0.0	87	37 403
Basel, Hochbergerstrasse 62/ petrol station	0	0	0	0	0	0	0	0.0	1	0.0
Basel, Hochbergerstrasse 70/ Stückli Shopping	0	0	0	0	0	0	0	0.0	249	54 174
Basel, Messeplatz 12/Meseturm	0	0	0	0	0	0	0	0.0	56	24 101
Basel, Peter Merian-Strasse 80	0	0	0	0	0	0	0	0.0	34	9 099
Basel, Rebgassee 20	0	0	0	0	0	0	0	0.0	50	9 207
Bellach, Gurzelenstrasse 2	0	0	0	1	0	1	95	6.3	10	1 497
Belp, Aemmenmattstrasse 43	0	0	0	0	0	0	0	0.0	62	9 286
Berne, Bahnhofplatz 9	0	0	0	0	0	0	0	0.0	11	1 616
Berne, Genfergasse 11, 14	0	0	0	0	0	0	0	0.0	11	15 801
Berne, Laupenstrasse 6	1	0	0	0	0	1	73	3.5	20	2 061
Berne, Mingerstrasse 12–18/ PostFinance Arena	0	0	0	0	0	0	0	0.0	6	46 286
Berne, Schwarztorstrasse 48	0	0	0	0	0	0	0	0.0	18	8 148
Berne, Weltpoststrasse 5	0	0	0	0	0	0	0	0.0	14	24 008
Biel, Solothurnstrasse 122	0	0	0	0	1	1	182	5.5	23	3 308
Brugg, Hauptstrasse 2	0	0	0	0	0	0	0	0.0	39	4 483
Buchs, St. Gallerstrasse 5	0	0	1	0	0	1	135	7.6	10	1 784
Burgdorf, Emmentalstrasse 14	0	0	0	0	0	0	0	0.0	10	2 061
Burgdorf, Industrie Buchmatt	0	0	0	0	0	0	0	0.0	28	11 956
Carouge, Avenue Cardinal- Mermillod 36–44	0	0	0	0	0	0	0	0.0	177	34 998
Cham, Dorfplatz 2	0	0	0	0	0	0	0	0.0	13	1 067
Conthey, Route Cantonale 2	0	0	0	0	0	0	0	0.0	22	2 472
Conthey, Route Cantonale 4	0	0	0	0	0	0	0	0.0	20	5 029

PROPERTY STRUCTURE PART 1, COMMERCIAL PROPERTIES

City, address	Retail			Offices, medical practice premises, etc.			Cinemas and restaurants			Storage facilities			Other commercial units			Total commercial properties, excl. parking		
	no.	m²	%	no.	m²	%	no.	m²	%	no.	m²	%	no.	m²	%	no.	m²	%
Commercial properties without significant residential space																		
Conthey , Route Cantonale 11	6	5 270	72.1	10	552	7.6	1	51	0.7	12	1 162	15.9	4	143	2.0	33	7 178	98.2
Dietikon , Bahnhofplatz 11	1	347	19.2	7	1 001	55.2	0	0	0.0	2	464	25.6	0	0	0.0	10	1 812	100.0
Dietikon , Kirchstrasse 20	6	445	23.5	5	1 232	65.0	0	0	0.0	6	217	11.5	0	0	0.0	17	1 894	100.0
Dietikon , Zentralstrasse 12	2	1 335	41.0	7	199	6.1	0	0	0.0	9	1 517	46.5	5	208	6.4	23	3 259	100.0
Dübendorf , Bahnhofstrasse 1	2	296	17.7	3	990	59.2	0	0	0.0	6	385	23.0	0	0	0.0	11	1 671	100.0
Eyholz , Kantonsstrasse 79	4	1 216	92.6	4	72	5.5	0	0	0.0	0	0	0.0	4	25	1.9	12	1 313	100.0
Frauenfeld , Zürcherstrasse 305	5	2 358	54.8	6	800	18.6	0	0	0.0	5	779	18.1	7	111	2.6	23	4 048	94.0
Frick , Hauptstrasse 132/ Fricktal Centre A3	11	3 296	66.3	1	392	7.9	1	157	3.2	9	809	16.3	8	315	6.3	30	4 969	100.0
Füllinsdorf , Schneckelerstrasse 1	8	2 495	58.1	3	587	13.7	0	0	0.0	10	916	21.3	7	299	7.0	28	4 297	100.0
Geneva , Centre Rhône-Fusterie	4	8 527	76.2	1	29	0.3	0	0	0.0	2	2 630	23.5	0	0	0.0	7	11 186	100.0
Geneva , Place Cornavin 10	2	485	17.6	13	303	11.0	13	1 678	60.8	5	178	6.4	7	118	4.3	40	2 762	100.0
Geneva , Place du Molard 2–4	12	2 536	35.4	21	4 034	56.4	1	154	2.2	5	264	3.7	7	170	2.4	46	7 158	100.0
Geneva , Route de Meyrin 49	0	0	0.0	24	8 715	85.9	0	0	0.0	13	1 343	13.2	7	0	0.0	44	10 058	99.2
Geneva , Rue Céard 14/Croix-d'Or 11	5	1 107	66.0	0	0	0.0	0	0	0.0	4	570	34.0	0	0	0.0	9	1 677	100.0
Geneva , Rue de Rive 3	7	971	51.4	6	529	28.0	2	177	9.4	4	150	7.9	6	62	3.3	25	1 889	100.0
Geneva , Rue du Rhône 48–50	12	14 789	44.3	43	11 131	33.4	2	2 394	7.2	22	3 015	9.0	23	2 036	6.1	102	33 365	100.0
Glattbrugg , Schaffhauserstrasse 59	1	216	13.1	5	931	56.5	0	0	0.0	2	502	30.4	0	0	0.0	8	1 649	100.0
Gossau , Wilerstrasse 82	7	3 632	78.1	5	96	2.1	0	0	0.0	3	498	10.7	10	423	9.1	25	4 649	100.0
Grand-Lancy , Route des Jeunes 10	2	426	3.3	17	4 826	37.5	8	5 471	42.5	20	1 886	14.7	10	263	2.0	57	12 872	100.0
Grand-Lancy , Route des Jeunes 12/ CCL La Praille	57	18 678	56.0	2	311	0.9	11	4 327	13.0	42	5 921	17.8	57	4 107	12.3	169	33 344	100.0
Granges-Paccot , Route d'Agy 3	2	388	39.2	5	42	4.2	0	0	0.0	2	436	44.0	5	124	12.5	14	990	100.0
Heimberg , Gurnigelstrasse 38	3	1 289	83.9	5	41	2.7	0	0	0.0	3	106	6.9	4	101	6.6	15	1 537	100.0
Holderbank , Hauptstrasse 43	0	0	0.0	3	66	8.8	1	209	27.8	2	91	12.1	11	320	42.6	17	686	91.2
Horgen , Zugerstrasse 22, 24	1	264	11.0	14	1 820	75.6	0	0	0.0	2	324	13.5	0	0	0.0	17	2 408	100.0
Interlaken , Rosenstrasse 9, sold																		
Klus-Balsthal , Wengimattstrasse 1/ Solothurnerstrasse, sold																		
La Chaux-de-Fonds , Boulevard des Eplatures 44	7	2 370	94.8	5	41	1.6	0	0	0.0	2	74	3.0	2	14	0.6	16	2 499	100.0
Lachen , Seidenstrasse 2	1	213	13.9	6	1 035	67.6	0	0	0.0	2	284	18.5	0	0	0.0	9	1 532	100.0
Lausanne , Avenue de Chailly 1	2	408	37.7	5	464	42.9	0	0	0.0	1	115	10.6	1	0	0.0	9	987	91.2
Lausanne , Rue de Sébeillon 9/ Sébeillon Centre	2	851	8.4	30	5 696	56.5	0	0	0.0	26	2 483	24.6	13	1 058	10.5	71	10 088	100.0
Lausanne , Rue du Pont 5	9	10 516	50.7	46	4 821	23.2	1	1 910	9.2	16	2 089	10.1	20	1 426	6.9	92	20 762	100.0
Locarno , Largo Zorzi 4/Piazza Grande	5	4 103	61.5	8	934	14.0	2	110	1.6	7	680	10.2	14	354	5.3	36	6 181	92.7
Locarno , Parking Centro	0	0	0.0	0	0	0.0	0	0	0.0	5	47	100.0	5	0	0.0	10	47	100.0
Locarno , Via delle Monache 8	0	0	0.0	0	0	0.0	0	0	0.0	2	239	93.7	1	16	6.3	3	255	100.0
Lutry , Route de l'Ancienne Cibleterie 2	8	2 341	72.7	1	89	2.8	2	147	4.6	5	476	14.8	10	168	5.2	26	3 221	100.0
Lucerne , Pilatusstrasse 4/Flora	9	6 866	69.6	16	1 195	12.1	0	0	0.0	8	946	9.6	11	863	8.7	44	9 870	100.0
Lucerne , Schwanenplatz 3	1	163	10.8	5	946	62.6	0	0	0.0	3	283	18.7	1	8	0.5	10	1 400	92.6
Lucerne , Weggisgasse 20, 22	5	987	76.8	0	0	0.0	0	0	0.0	2	298	23.2	0	0	0.0	7	1 285	100.0
Lucerne , Weinberglistrasse 4/ Tribtschenstrasse 62	2	262	2.3	46	8 844	78.4	1	532	4.7	16	699	6.2	22	950	8.4	87	11 287	100.0
Mägenwil , Weststrasse 6/ Birrfeldstrasse south	0	0	0.0	0	0	0.0	0	0	0.0	0	0	0.0	2	0	0.0	2	0	0.0
Meyrin , Route de Meyrin 210	1	732	65.9	4	73	6.6	0	0	0.0	1	175	15.8	4	130	11.7	10	1 110	100.0
Moosseedorf , Moosstrasse 23	4	1 345	88.4	0	0	0.0	0	0	0.0	2	177	11.6	0	0	0.0	6	1 522	100.0

PROPERTY STRUCTURE PART 2, RESIDENTIAL PROPERTIES

									Summary	
City, address	1–1½ rooms no.	2–2½ rooms no.	3–3½ rooms no.	4–4½ rooms no.	5 or more rooms no.	Total apartments no. m² %			Total rented properties, commercial and residential, excl. parking no. m²	
Commercial properties without significant residential space										
Conthey, Route Cantonale 11	0	0	0	1	0	1	129	1.8	34	7 307
Dietikon, Bahnhofplatz 11	0	0	0	0	0	0	0	0.0	10	1 812
Dietikon, Kirchstrasse 20	0	0	0	0	0	0	0	0.0	17	1 894
Dietikon, Zentralstrasse 12	0	0	0	0	0	0	0	0.0	23	3 259
Dübendorf, Bahnhofstrasse 1	0	0	0	0	0	0	0	0.0	11	1 671
Eyholz, Kantonsstrasse 79	0	0	0	0	0	0	0	0.0	12	1 313
Frauenfeld, Zürcherstrasse 305	2	0	1	1	0	4	258	6.0	27	4 306
Frick, Hauptstrasse 132/ Fricktal Centre A3	0	0	0	0	0	0	0	0.0	30	4 969
Füllinsdorf, Schneekelerstrasse 1	0	0	0	0	0	0	0	0.0	28	4 297
Geneva, Centre Rhône-Fusterie	0	0	0	0	0	0	0	0.0	7	11 186
Geneva, Place Cornavin 10	0	0	0	0	0	0	0	0.0	40	2 762
Geneva, Place du Molard 2–4	0	0	0	0	0	0	0	0.0	46	7 158
Geneva, Route de Meyrin 49	0	0	0	0	1	1	83	0.8	45	10 141
Geneva, Rue Céard 14/Croix-d’Or 11	0	0	0	0	0	0	0	0.0	9	1 677
Geneva, Rue de Rive 3	0	0	0	0	0	0	0	0.0	25	1 889
Geneva, Rue du Rhône 48–50	0	0	0	0	0	0	0	0.0	102	33 365
Glattbrugg, Schaffhauserstrasse 59	0	0	0	0	0	0	0	0.0	8	1 649
Gossau, Wilerstrasse 82	0	0	0	0	0	0	0	0.0	25	4 649
Grand-Lancy, Route des Jeunes 10	0	0	0	0	0	0	0	0.0	57	12 872
Grand-Lancy, Route des Jeunes 12/ CCL La Praille	0	0	0	0	0	0	0	0.0	169	33 344
Granges-Paccot, Route d’Agy 3	0	0	0	0	0	0	0	0.0	14	990
Heimberg, Gurnigelstrasse 38	0	0	0	0	0	0	0	0.0	15	1 537
Holderbank, Hauptstrasse 43	0	1	0	0	0	1	66	8.8	18	752
Horgen, Zugerstrasse 22, 24	0	0	0	0	0	0	0	0.0	17	2 408
Interlaken, Rosenstrasse 9, sold										
Klus-Balsthal, Wengimattstrasse 1/ Solothurnerstrasse, sold										
La Chaux-de-Fonds, Boulevard des Eplatures 44	0	0	0	0	0	0	0	0.0	16	2 499
Lachen, Seidenstrasse 2	0	0	0	0	0	0	0	0.0	9	1 532
Lausanne, Avenue de Chailly 1	0	0	0	1	0	1	95	8.8	10	1 082
Lausanne, Rue de Sébeillon 9/ Sébeillon Centre	0	0	0	0	0	0	0	0.0	71	10 088
Lausanne, Rue du Pont 5	0	0	0	0	0	0	0	0.0	92	20 762
Locarno, Largo Zorzi 4/Piazza Grande	0	0	5	1	0	6	487	7.3	42	6 668
Locarno, Parking Centro	0	0	0	0	0	0	0	0.0	10	47
Locarno, Via delle Monache 8	0	0	0	0	0	0	0	0.0	3	255
Lutry, Route de l’Ancienne Ciblerie 2	0	0	0	0	0	0	0	0.0	26	3 221
Lucerne, Pilatusstrasse 4/Flora	0	0	0	0	0	0	0	0.0	44	9 870
Lucerne, Schwanenplatz 3	0	0	0	1	0	1	112	7.4	11	1 512
Lucerne, Weggisgasse 20, 22	0	0	0	0	0	0	0	0.0	7	1 285
Lucerne, Weinberglistrasse 4/ Tribtschenstrasse 62	0	0	0	0	0	0	0	0.0	87	11 287
Mägenwil, Weststrasse 6/ Birrfeldstrasse south	0	0	0	0	0	0	0	0.0	2	0.0
Meyrin, Route de Meyrin 210	0	0	0	0	0	0	0	0.0	10	1 110
Moosseedorf, Moosstrasse 23	0	0	0	0	0	0	0	0.0	6	1 522

PROPERTY STRUCTURE PART 1, COMMERCIAL PROPERTIES

City, address	Retail			Offices, medical practice premises, etc.			Cinemas and restaurants			Storage facilities			Other commercial units			Total commercial properties, excl. parking		
	no.	m²	%	no.	m²	%	no.	m²	%	no.	m²	%	no.	m²	%	no.	m²	%
Commercial properties without significant residential space																		
Neuchâtel, Avenue J.-J. Rousseau 7	0	0	0.0	19	2 188	70.2	0	0	0.0	9	693	22.2	1	236	7.6	29	3 117	100.0
Neuchâtel, Rue de l'Ecluse 19/ parking	0	0	0.0	0	0	0.0	0	0	0.0	0	0	0.0	0	0	0.0	0	0	0.0
Neuchâtel, Rue du Temple-Neuf 11	4	209	18.3	9	646	56.6	0	0	0.0	9	158	13.8	7	33	2.9	29	1 046	91.7
Neuchâtel, Rue du Temple-Neuf 14	7	5 383	56.7	21	1 363	14.4	0	0	0.0	9	1 914	20.2	16	836	8.8	53	9 496	100.0
Niederwangen b. Bern, Riedmoosstrasse 10	10	4 280	33.2	9	1 690	13.1	0	0	0.0	21	5 888	45.7	10	962	7.5	50	12 820	99.5
Oberbüren, Buchental 2	2	2 225	34.3	5	114	1.8	0	0	0.0	7	4 042	62.4	5	98	1.5	19	6 479	100.0
Oberbüren, Buchental 3	1	470	20.1	5	759	32.5	0	0	0.0	6	750	32.1	3	121	5.2	15	2 100	90.0
Oberbüren, Buchental 3a	0	0	0.0	0	0	0.0	0	0	0.0	9	2 461	100.0	1	0	0.0	10	2 461	100.0
Oberbüren, Buchental 4	16	3 669	38.5	2	1 935	20.3	0	0	0.0	5	3 932	41.2	1	0	0.0	24	9 536	100.0
Oberbüren, Haslen 3/ logistics centre Haslen	0	0	0.0	3	840	3.0	0	0	0.0	15	23 778	86.0	4	3 031	11.0	22	27 649	100.0
Oberwil, Mühlemattstrasse 23	3	1 044	63.5	5	68	4.1	0	0	0.0	5	475	28.9	6	58	3.5	19	1 645	100.0
Oftringen, Spitalweidstrasse 1/ Einkaufszentrum a1	43	15 765	78.6	4	650	3.2	2	283	1.4	20	2 641	13.2	42	720	3.6	111	20 059	100.0
Oiten, Bahnhofquai 18	0	0	0.0	10	4 803	93.6	0	0	0.0	2	331	6.4	0	0	0.0	12	5 134	100.0
Oiten, Bahnhofquai 20	0	0	0.0	12	6 294	85.4	0	0	0.0	4	1 072	14.6	0	0	0.0	16	7 366	100.0
Oiten, Froburgstrasse 1	0	0	0.0	5	936	81.2	0	0	0.0	4	217	18.8	0	0	0.0	9	1 153	100.0
Oiten, Froburgstrasse 15	0	0	0.0	7	1 657	88.0	0	0	0.0	7	225	12.0	1	0	0.0	15	1 882	100.0
Oiten, Solothurnerstrasse 201	1	991	62.3	0	0	0.0	0	0	0.0	2	501	31.5	2	98	6.2	5	1 590	100.0
Oiten, Solothurnerstrasse 231–235/ Usego	3	2 778	23.9	16	7 650	65.7	0	0	0.0	4	886	7.6	5	333	2.9	28	11 647	100.0
Otelfingen, Industriestrasse 19/21	0	0	0.0	55	16 334	19.5	0	0	0.0	66	63 160	75.3	33	4 152	5.0	154	83 646	99.7
Otelfingen, Industriestrasse 31	0	0	0.0	25	3 990	34.6	1	48	0.4	13	6 617	57.4	14	881	7.6	53	11 536	100.0
Payerne, Route de Bussy 2	1	5 054	84.1	4	259	4.3	0	0	0.0	1	429	7.1	5	269	4.5	11	6 011	100.0
Petit-Lancy, Route de Chancy 59	0	0	0.0	20	15 429	69.5	1	1 237	5.6	10	4 818	21.7	19	728	3.3	50	22 212	100.0
Rapperswil-Jona, Grünfeldstrasse 25	0	0	0.0	2	1 887	15.0	0	0	0.0	6	2 992	23.8	4	7 691	61.2	12	12 570	100.0
Rapperswil-Jona, Rathausstrasse 8	4	743	23.6	6	1 591	50.6	0	0	0.0	12	809	25.7	1	0	0.0	23	3 143	100.0
Romanel, Chemin du Marais 8	11	5 991	88.4	1	13	0.2	0	0	0.0	7	704	10.4	4	70	1.0	23	6 778	100.0
Romanshorn, Alleestrasse 27, sold																		
Rümlang, Hofwisenstrasse 50	0	0	0.0	8	10 182	94.0	0	0	0.0	2	650	6.0	0	0	0.0	10	10 832	100.0
Schattdorf, Umfahrungsstrasse 2, sold																		
Schwyz, Oberer Steisteg 18, 20	2	231	8.6	11	1 559	58.3	0	0	0.0	12	870	32.6	1	12	0.4	26	2 672	100.0
Solothurn, Amthausplatz 1	2	602	17.9	7	1 942	57.9	0	0	0.0	3	811	24.2	0	0	0.0	12	3 355	100.0
Solothurn, Lagerhausstrasse 1, sold																		
Spreitenbach, Fegistrasse 14–22, sold																		
Spreitenbach, Industriestrasse/Tivoli	1	881	87.6	0	0	0.0	0	0	0.0	1	125	12.4	0	0	0.0	2	1 006	100.0
Spreitenbach, Müslistrasse 44	0	0	0.0	1	35	6.8	1	156	30.5	1	20	3.9	5	301	58.8	8	512	100.0
Spreitenbach, Pfadackerstrasse 6/ Limmatpark	7	15 517	56.7	17	7 695	28.1	0	0	0.0	4	3 975	14.5	3	0	0.0	31	27 187	99.3
St. Gallen, Spisergasse 12	2	195	31.6	1	109	17.7	0	0	0.0	2	149	24.1	0	0	0.0	5	453	73.4
St. Gallen, Vadianstrasse 25	1	467	32.3	2	515	35.6	0	0	0.0	6	439	30.4	2	25	1.7	11	1 446	100.0
St. Gallen, Zürcherstrasse 462–464/ Shopping Arena	51	22 924	57.4	9	3 745	9.4	7	1 597	4.0	49	7 746	19.4	26	3 918	9.8	142	39 930	100.0
Sursee, Moosgasse 20	7	1 859	77.3	0	0	0.0	1	164	6.8	5	381	15.8	0	0	0.0	13	2 404	100.0
Thalwil, Gotthardstrasse 40	1	90	9.1	7	570	57.8	2	130	13.2	4	196	19.9	0	0	0.0	14	986	100.0
Thun, Bälliz 67	4	1 027	32.4	16	1 625	51.2	1	65	2.0	5	338	10.7	1	0	0.0	27	3 055	96.3
Uster, Poststrasse 10	1	245	17.1	4	877	61.3	0	0	0.0	2	309	21.6	1	0	0.0	8	1 431	100.0

PROPERTY STRUCTURE PART 2, RESIDENTIAL PROPERTIES

									Summary	
City, address	1–1½ rooms no.	2–2½ rooms no.	3–3½ rooms no.	4–4½ rooms no.	5 or more rooms no.	no.	Total apartments m²	%	Total rented properties, commercial and residential, excl. parking no.	m²
Commercial properties without significant residential space										
Neuchâtel, Avenue J.-J. Rousseau 7	0	0	0	0	0	0	0	0.0	29	3 117
Neuchâtel, Rue de l'Ecluse 19/ parking	0	0	0	0	0	0	0	0.0	0	0.0
Neuchâtel, Rue du Temple-Neuf 11	0	0	1	0	0	1	95	8.3	30	1 141
Neuchâtel, Rue du Temple-Neuf 14	0	0	0	0	0	0	0	0.0	53	9 496
Niederwangen b. Bern, Riedmoosstrasse 10	0	1	0	0	0	1	60	0.5	51	12 880
Oberbüren, Buchental 2	0	0	0	0	0	0	0	0.0	19	6 479
Oberbüren, Buchental 3	0	0	0	2	0	2	233	10.0	17	2 333
Oberbüren, Buchental 3a	0	0	0	0	0	0	0	0.0	10	2 461
Oberbüren, Buchental 4	0	0	0	0	0	0	0	0.0	24	9 536
Oberbüren, Haslen 3/ logistics centre Haslen	0	0	0	0	0	0	0	0.0	22	27 649
Oberwil, Mühlemattstrasse 23	0	0	0	0	0	0	0	0.0	19	1 645
Oftringen, Spitalweidstrasse 1/ Einkaufszentrum a1	0	0	0	0	0	0	0	0.0	111	20 059
Olten, Bahnhofquai 18	0	0	0	0	0	0	0	0.0	12	5 134
Olten, Bahnhofquai 20	0	0	0	0	0	0	0	0.0	16	7 366
Olten, Froburgstrasse 1	0	0	0	0	0	0	0	0.0	9	1 153
Olten, Froburgstrasse 15	0	0	0	0	0	0	0	0.0	15	1 882
Olten, Solothurnerstrasse 201	0	0	0	0	0	0	0	0.0	5	1 590
Olten, Solothurnerstrasse 231–235/ Usego	0	0	0	0	0	0	0	0.0	28	11 647
Otelfingen, Industriestrasse 19/21	0	0	1	1	0	2	212	0.3	156	83 858
Otelfingen, Industriestrasse 31	0	0	0	0	0	0	0	0.0	53	11 536
Payerne, Route de Bussy 2	0	0	0	0	0	0	0	0.0	11	6 011
Petit-Lancy, Route de Chancy 59	0	0	0	0	0	0	0	0.0	50	22 212
Rapperswil-Jona, Grünfeldstrasse 25	0	0	0	0	0	0	0	0.0	12	12 570
Rapperswil-Jona, Rathausstrasse 8	0	0	0	0	0	0	0	0.0	23	3 143
Romanel, Chemin du Marais 8	0	0	0	0	0	0	0	0.0	23	6 778
Romanshorn, Alleestrasse 27, sold										
Rümlang, Hofwisenstrasse 50	0	0	0	0	0	0	0	0.0	10	10 832
Schattdorf, Umfahrungsstrasse 2, sold										
Schwyz, Oberer Steisteg 18, 20	0	0	0	0	0	0	0	0.0	26	2 672
Solothurn, Amthausplatz 1	0	0	0	0	0	0	0	0.0	12	3 355
Solothurn, Lagerhausstrasse 1, sold										
Spreitenbach, Fegistrasse 14–22, sold										
Spreitenbach, Industriestrasse/Tivoli	0	0	0	0	0	0	0	0.0	2	1 006
Spreitenbach, Müslistrasse 44	0	0	0	0	0	0	0	0.0	8	512
Spreitenbach, Pfadackerstrasse 6/ Limmatpark	0	1	0	1	0	2	184	0.7	33	27 371
St. Gallen, Spisergasse 12	0	1	0	1	0	2	164	26.6	7	617
St. Gallen, Vadianstrasse 25	0	0	0	0	0	0	0	0.0	11	1 446
St. Gallen, Zürcherstrasse 462–464/ Shopping Arena	0	0	0	0	0	0	0	0.0	142	39 930
Sursee, Moosgasse 20	0	0	0	0	0	0	0	0.0	13	2 404
Thalwil, Gotthardstrasse 40	0	0	0	0	0	0	0	0.0	14	986
Thun, Bälliz 67	0	0	1	0	0	1	118	3.7	28	3 173
Uster, Poststrasse 10	0	0	0	0	0	0	0	0.0	8	1 431

PROPERTY STRUCTURE PART 1, COMMERCIAL PROPERTIES

City, address	Retail			Offices, medical practice premises, etc.			Cinemas and restaurants			Storage facilities			Other commercial units			Total commercial properties, excl. parking		
	no.	m²	%	no.	m²	%	no.	m²	%	no.	m²	%	no.	m²	%	no.	m²	%
Commercial properties without significant residential space																		
Uster , Poststrasse 14/20	4	2 022	63.6	4	372	11.7	1	120	3.8	18	612	19.3	5	51	1.6	32	3 177	100.0
Vernier , Chemin de l'Etang 72/ Patio Plaza	0	0	0.0	19	11 220	82.2	0	0	0.0	21	2 323	17.0	1	100	0.7	41	13 643	100.0
Vevey , Rue de la Clergère 1	1	479	15.5	13	2 235	72.5	0	0	0.0	1	370	12.0	0	0	0.0	15	3 084	100.0
Volketswil , shopping centre Volkiland, sold																		
Volketswil , Grabenwis-Strasse 1, 3, 5, sold																		
Wangen b. Olten , Dorfstrasse 11, 13, sold																		
Wetzikon , Hinwilerstrasse 11, sold																		
Wil , Obere Bahnhofstrasse 40	6	2 308	68.0	6	245	7.2	0	0	0.0	10	735	21.6	4	107	3.2	26	3 395	100.0
Winterthur , Theaterstrasse 17	0	0	0.0	31	10 419	73.7	3	198	1.4	6	873	6.2	11	2 656	18.8	51	14 146	100.0
Winterthur , Untertor 24	4	953	69.9	0	0	0.0	0	0	0.0	2	411	30.1	0	0	0.0	6	1 364	100.0
Worblaufen , Alte Tiefenastrasse 6	0	0	0.0	4	15 870	87.4	0	0	0.0	1	2 189	12.1	2	106	0.6	7	18 165	100.0
Zofingen , Pfistergasse 2, 12, 14, 16, 20, sold																		
Zollikon , Bergstrasse 17, 19	1	554	26.1	5	939	44.2	0	0	0.0	9	633	29.8	2	0	0.0	17	2 126	100.0
Zollikon , Forchstrasse 452–456	0	0	0.0	8	1 540	68.4	0	0	0.0	3	711	31.6	0	0	0.0	11	2 251	100.0
Zuchwil , Dorfackerstrasse 45/ Birchi-Centre	10	10 079	77.0	4	216	1.7	0	0	0.0	15	1 605	12.3	10	877	6.7	39	12 777	97.6
Zug , Zählerweg 4, 6/Dammstrasse 19/ Landis+Gyr-Strasse 3/Opus 1	0	0	0.0	25	14 294	90.3	0	0	0.0	19	1 537	9.7	0	0	0.0	44	15 831	100.0
Zug , Zählerweg 8, 10/ Dammstrasse 21, 23/Opus 2	0	0	0.0	20	18 165	91.0	0	0	0.0	5	1 786	9.0	0	0	0.0	25	19 951	100.0
Zurich , Affolternstrasse 54, 56/ Cityport	0	0	0.0	13	21 574	92.1	0	0	0.0	4	1 775	7.6	1	71	0.3	18	23 420	100.0
Zurich , Bahnhofstrasse 42	3	855	42.7	5	893	44.6	0	0	0.0	2	255	12.7	3	0	0.0	13	2 003	100.0
Zurich , Bahnhofstrasse 69	1	121	11.0	12	860	77.8	0	0	0.0	6	122	11.0	7	2	0.2	26	1 105	100.0
Zurich , Bahnhofstrasse 106	1	141	11.8	6	635	53.1	0	0	0.0	6	384	32.1	4	36	3.0	17	1 196	100.0
Zurich , Brandschenkestrasse 25	2	392	3.0	16	11 412	86.2	0	0	0.0	28	895	6.8	11	547	4.1	57	13 246	100.0
Zurich , Flurstrasse 55	0	0	0.0	10	21 621	67.3	0	0	0.0	7	8 368	26.1	1	2 127	6.6	18	32 116	100.0
Zurich , Flurstrasse 89	0	0	0.0	1	400	12.1	0	0	0.0	1	327	9.9	6	2 573	78.0	8	3 300	100.0
Zurich , Fraumünsterstrasse 16	1	1 317	15.3	9	6 446	75.1	0	0	0.0	21	824	9.6	2	0	0.0	33	8 587	100.0
Zurich , Hardstrasse 201/Prime Tower	1	321	0.7	51	41 984	87.8	9	2 398	5.0	16	3 077	6.4	2	27	0.1	79	47 807	100.0
Zurich , Hardstrasse 219/ Eventblock Maag	0	0	0.0	35	5 670	28.9	0	0	0.0	28	2 748	14.0	18	11 221	57.1	81	19 639	100.0
Zurich , Josefstrasse 53, 59	5	848	7.0	19	9 115	75.1	1	165	1.4	24	2 012	16.6	0	0	0.0	49	12 140	100.0
Zurich , Kreuzstrasse 54, sold																		
Zurich , Limmattalstrasse 180	1	223	24.8	2	391	43.5	0	0	0.0	4	285	31.7	0	0	0.0	7	899	100.0
Zurich , Maagplatz 1/Platform	1	107	0.5	7	18 500	90.3	1	434	2.1	8	1 437	7.0	0	0	0.0	17	20 478	100.0
Zurich , Manessestrasse 85	0	0	0.0	4	5 654	57.3	1	1 053	10.7	5	3 162	32.0	0	0	0.0	10	9 869	100.0
Zurich , Ohmstrasse 11	11	3 296	53.5	4	1 407	22.8	2	153	2.5	16	1 054	17.1	22	254	4.1	55	6 164	100.0
Zurich , Schaffhauserstrasse 339	1	219	12.7	5	1 197	69.4	0	0	0.0	3	310	18.0	0	0	0.0	9	1 726	100.0
Zurich , Seidengasse 1/ Jelmoli – The House of Brands	41	20 300	62.5	7	1 316	4.1	11	4 459	13.7	54	4 026	12.4	16	2 392	7.4	129	32 494	100.0
Zurich , Siewerdtstrasse 8	0	0	0.0	12	3 360	91.2	0	0	0.0	9	324	8.8	1	0	0.0	22	3 684	100.0
Zurich , Sihlcity	86	10 013	42.4	26	5 838	24.7	17	4 463	18.9	95	1 813	7.7	43	1 087	4.6	267	23 214	98.2
Zurich , Sihlstrasse 24/ St. Annagasse 16	1	110	3.6	24	1 996	66.2	4	502	16.7	10	209	6.9	21	197	6.5	60	3 014	100.0
Zurich , Stadelhoferstrasse 18	4	374	19.6	5	938	49.0	1	227	11.9	8	363	19.0	1	11	0.6	19	1 913	100.0

PROPERTY STRUCTURE PART 2, RESIDENTIAL PROPERTIES

									Summary	
City, address	1–1½ rooms no.	2–2½ rooms no.	3–3½ rooms no.	4–4½ rooms no.	5 or more rooms no.	no.	Total apartments m²	%	Total rented properties, commercial and residential, excl. parking no.	m²
Commercial properties without significant residential space										
Uster, Poststrasse 14/20	0	0	0	0	0	0	0	0.0	32	3 177
Vernier, Chemin de l'Etang 72/ Patio Plaza	0	0	0	0	0	0	0	0.0	41	13 643
Vevey, Rue de la Clergère 1	0	0	0	0	0	0	0	0.0	15	3 084
Volketswil, shopping centre Volkiland, sold										
Volketswil, Grabenwis-Strasse 1, 3, 5, sold										
Wangen b. Olten, Dorfstrasse 11, 13, sold										
Wetzikon, Hinwilerstrasse 11, sold										
Wil, Obere Bahnhofstrasse 40	0	0	0	0	0	0	0	0.0	26	3 395
Winterthur, Theaterstrasse 17	0	0	0	0	0	0	0	0.0	51	14 146
Winterthur, Untertor 24	0	0	0	0	0	0	0	0.0	6	1 364
Worblaufen, Alte Tiefenaustrasse 6	0	0	0	0	0	0	0	0.0	7	18 165
Zofingen, Pfistergasse 2, 12, 14, 16, 20, sold										
Zollikon, Bergstrasse 17, 19	0	0	0	0	0	0	0	0.0	17	2 126
Zollikon, Forchstrasse 452–456	0	0	0	0	0	0	0	0.0	11	2 251
Zuchwil, Dorfackerstrasse 45/ Birchi-Centre	0	0	0	0	2	2	312	2.4	41	13 089
Zug, Zählerweg 4, 6/Dammstrasse 19/ Landis+Gyr-Strasse 3/Opus 1	0	0	0	0	0	0	0	0.0	44	15 831
Zug, Zählerweg 8, 10/ Dammstrasse 21, 23/Opus 2	0	0	0	0	0	0	0	0.0	25	19 951
Zurich, Affolternstrasse 54, 56/ Cityport	0	0	0	0	0	0	0	0.0	18	23 420
Zurich, Bahnhofstrasse 42	0	0	0	0	0	0	0	0.0	13	2 003
Zurich, Bahnhofstrasse 69	0	0	0	0	0	0	0	0.0	26	1 105
Zurich, Bahnhofstrasse 106	0	0	0	0	0	0	0	0.0	17	1 196
Zurich, Brandschenkestrasse 25	0	0	0	0	0	0	0	0.0	57	13 246
Zurich, Flurstrasse 55	0	0	0	0	0	0	0	0.0	18	32 116
Zurich, Flurstrasse 89	0	0	0	0	0	0	0	0.0	8	3 300
Zurich, Fraumünsterstrasse 16	0	0	0	0	0	0	0	0.0	33	8 587
Zurich, Hardstrasse 201/Prime Tower	0	0	0	0	0	0	0	0.0	79	47 807
Zurich, Hardstrasse 219/ Eventblock Maag	0	0	0	0	0	0	0	0.0	81	19 639
Zurich, Josefstrasse 53, 59	0	0	0	0	0	0	0	0.0	49	12 140
Zurich, Kreuzstrasse 54, sold										
Zurich, Limmattalstrasse 180	0	0	0	0	0	0	0	0.0	7	899
Zurich, Maagplatz 1/Platform	0	0	0	0	0	0	0	0.0	17	20 478
Zurich, Manessestrasse 85	0	0	0	0	0	0	0	0.0	10	9 869
Zurich, Ohmstrasse 11	0	0	0	0	0	0	0	0.0	55	6 164
Zurich, Schaffhauserstrasse 339	0	0	0	0	0	0	0	0.0	9	1 726
Zurich, Seidengasse 1/ Jelmoli – The House of Brands	0	0	0	0	0	0	0	0.0	129	32 494
Zurich, Siewerdtstrasse 8	0	0	0	0	0	0	0	0.0	22	3 684
Zurich, Sihlcity	16	0	0	0	0	16	420	1.8	283	23 634
Zurich, Sihlstrasse 24/ St. Annagasse 16	0	0	0	0	0	0	0	0.0	60	3 014
Zurich, Stadelhoferstrasse 18	0	0	0	0	0	0	0	0.0	19	1 913

PROPERTY STRUCTURE PART 2, RESIDENTIAL PROPERTIES

								Summary	
City, address	1–1½ rooms	2–2½ rooms	3–3½ rooms	4–4½ rooms	5 or more rooms	Total apartments			Total rented properties, commercial and residential, excl. parking
	no.	no.	no.	no.	no.	no.	m²	%	no. m²

Commercial properties without significant residential space

Zürich, Stadelhoferstrasse 22	0	0	0	0	0	0	0	0.0	22	3 067
Zürich, Steinmühleplatz/ Jelmoli parking	0	0	0	0	0	0	0	0.0	49	83
Zürich, Steinmühleplatz 1/ St. Annagasse 18/Sihlstrasse 20	0	0	0	0	0	0	0	0.0	66	6 370
Zürich, Talacker 21, 23	0	0	0	0	0	0	0	0.0	36	4 901
Total I	19	5	15	12	4	55	4 140	0.3	5 152	1 370 297

Mixed properties

Geneva , Quai du Seujet 30	0	0	0	0	11	11	1 342	48.8	18	2 748
Geneva , Route de Malagnou 6/ Rue Michel-Chauvet 7	0	0	0	0	3	3	597	36.7	9	1 628
Geneva , Rue de la Croix-d'Or 7/ Rue Neuve-du-Molard 4–6	21	4	5	2	0	32	1 171	33.7	46	3 472
Lausanne , Rue de la Mercerie 14	0	6	0	0	1	7	482	82.3	10	586
Lausanne , Rue de la Mercerie 16–20	15	4	10	0	0	29	1 157	83.1	36	1 393
Moosseedorf , Moosstrasse 21	0	0	0	6	1	7	626	93.7	14	668
Oberbüren , Buchental 5	0	0	2	0	0	2	241	14.7	14	1 642
St. Gallen , Bohl 1/Goliathgasse 6	3	1	1	2	0	7	525	12.8	14	4 111
St. Gallen , Spisergasse 12	0	0	0	0	1	1	185	17.3	6	1 070
Thônex , Rue de Genève 104–108	8	8	16	8	0	40	2 676	23.0	131	11 614
Visp , Kantonsstrasse 8	0	3	0	6	0	9	726	32.5	26	2 237
Zofingen , Pfistergasse 22, sold										
Zurich , Hänggerstrasse 40/ Röschibachstrasse 22	0	20	10	1	0	31	2 280	34.2	65	6 670
Zurich , Nansenstrasse 5/7	0	5	2	9	1	17	1 587	27.1	70	5 857
Zurich , Querstrasse 6	3	3	0	1	0	7	446	80.1	18	557
Zurich , Schulstrasse 34, 36	0	1	3	9	0	13	964	56.0	16	1 721
Zurich , Stauffacherstrasse 94, 96/ Molkenstrasse 15, 17	0	0	2	6	3	11	1 286	26.8	31	4 793
Total II	50	55	51	50	21	227	16 291	32.1	524	50 767

Building land

[illegible]

PROPERTY STRUCTURE PART 1, COMMERCIAL PROPERTIES

City, address	Retail			Offices, medical practice premises, etc.			Cinemas and restaurants			Storage facilities			Other commercial units			Total commercial properties, excl. parking		
	no.	m²	%	no.	m²	%	no.	m²	%	no.	m²	%	no.	m²	%	no.	m²	%
Building land																		
Mägenwil , Birrfeldstrasse/ allotment north, sold																		
Niederwangen b. Bern , Riedmoosstrasse 10	0	0	0.0	0	0	0.0	0	0	0.0	0	0	0.0	0	0	0.0	0	0	0.0
Oberbüren , Buchental/car park	0	0	0.0	0	0	0.0	0	0	0.0	0	0	0.0	0	0	0.0	0	0	0.0
Plan-les-Ouates , Chemin des Aulx	0	0	0.0	0	0	0.0	0	0	0.0	0	0	0.0	0	0	0.0	0	0	0.0
Spreitenbach , Joosacker 7	0	0	0.0	0	0	0.0	0	0	0.0	0	0	0.0	0	0	0.0	0	0	0.0
Wangen b. Olten , Rickenbacherfeld	0	0	0.0	0	0	0.0	0	0	0.0	0	0	0.0	0	0	0.0	0	0	0.0
Total III	0	0	0.0	0	0	0.0	0	0	0.0	1	408	100.0	0	0	0.0	1	408	100.0
Properties under construction and development sites																		
Zurich , Affolternstrasse 52/ MFO building	0	0	0.0	0	0	0.0	0	0	0.0	0	0	0.0	0	0	0.0	0	0	0.0
Zurich , Hagenholzstrasse 60/SkyKey	0	0	0.0	0	0	0.0	0	0	0.0	0	0	0.0	0	0	0.0	0	0	0.0
Zurich , Hardstrasse/ Maaghof North and East	0	0	0.0	0	0	0.0	0	0	0.0	0	0	0.0	0	0	0.0	0	0	0.0
Total IV	0	0	0.0	0	0	0.0	0	0	0.0	0	0	0.0	0	0	0.0	0	0	0.0
Overall total	910	340 505	23.9	1 662	592 651	41.7	176	93 293	6.6	1 553	292 280	20.6	1 094	82 311	5.8	5 395	1 401 041	98.6

PROPERTY STRUCTURE PART 2, RESIDENTIAL PROPERTIES

									Summary	
City, address	1–1½ rooms no.	2–2½ rooms no.	3–3½ rooms no.	4–4½ rooms no.	5 or more rooms no.	Total apartments no. m² %			Total rented properties, commercial and residential, excl. parking no. m²	
Building land										
Mägenwil, Birrfeldstrasse/ allotment north, sold										
Niederwangen b. Bern, Riedmoosstrasse 10	0	0	0	0	0	0	0	0.0	0	0.0
Oberbüren, Buchental/car park	0	0	0	0	0	0	0	0.0	0	0.0
Plan-les-Ouates, Chemin des Aulx	0	0	0	0	0	0	0	0.0	0	0.0
Spreitenbach, Joosacker 7	0	0	0	0	0	0	0	0.0	0	0.0
Wangen b. Olten, Rickenbacherfeld	0	0	0	0	0	0	0	0.0	0	0.0
Total III	0	0	0	0	0	0	0	0.0	1	408
Properties under construction and development sites										
Zurich, Affolternstrasse 52/ MFO building	0	0	0	0	0	0	0	0.0	0	0.0
Zurich, Hagenholzstrasse 60/SkyKey	0	0	0	0	0	0	0	0.0	0	0.0
Zurich, Hardstrasse/ Maaghof North and East	0	0	0	0	0	0	0	0.0	0	0.0
Total IV	0	0	0	0	0	0	0	0.0	0	0.0
Overall total										
	69	60	66	62	25	282	20 431	1.4	5 677	1 421 472



Swiss Prime Site AG | Frobürgstrasse 1 | CH-4601 Olten | Telephone +41 (0)62 213 06 06
Fax +41 (0)62 213 06 09 | info@swiss-prime-site.ch | www.swiss-prime-site.ch
Securities no. 803 838 | ISIN no. CH 000 803 838 9 | SIX-symbol SPSN

