

30 June 2016

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# SEMI-ANNUAL REPORT

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SWISS PRIME SITE



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# CONTENTS

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## 3 SUMMARY OF KEY FIGURES

---

## 5 REAL ESTATE PORTFOLIO – OVERVIEW

---

## 9 SHARE INFORMATION

---

## 11 SEMI-ANNUAL REPORT AS AT 30 JUNE 2016

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## 17 CONSOLIDATED FINANCIAL STATEMENTS

- 18 Consolidated income statement
  - 19 Consolidated statement of comprehensive income
  - 20 Consolidated balance sheet
  - 21 Consolidated cash flow statement
  - 22 Consolidated statement of changes in shareholders' equity
  - 23 Notes to the consolidated financial statements
- 

## 47 EPRA KEY FIGURES

---

## 51 FIVE-YEAR SUMMARY OF KEY FIGURES

---

## 55 PROPERTY DETAILS

---

## 65 ADDENDUM

- 66 Imprint
- 66 Disclaimer

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### SEMI-ANNUAL REPORT ONLINE

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Swiss Prime Site Semi-Annual Report  
is available for download as PDF  
via the website [www.swiss-prime-site.ch](http://www.swiss-prime-site.ch).

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### NOTES TO READERS

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[ ] Previous year's figures are enclosed in brackets.

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



..... **SUMMARY OF KEY FIGURES** .....

**SUMMARY  
OF KEY  
FIGURES**

# SUMMARY OF KEY FIGURES

| Key financial figures   | in    | 30.06.2014 | 30.06.2015 | 31.12.2015 | 30.06.2016 |
|---|-------|------------|------------|------------|------------|
| Rental income from properties   | CHF m | 217.3      | 225.2      | 445.9      | 225.5      |
| Income from sale of trading properties  | CHF m | –          | 74.4       | 105.1      | –          |
| Income from real estate services  | CHF m | 48.4       | 52.5       | 109.0      | 54.8       |
| Income from retail <sup>1</sup>   | CHF m | 71.0       | 65.7       | 136.8      | 60.2       |
| Income from assisted living <sup>2</sup>  | CHF m | 77.3       | 77.4       | 184.2      | 151.9      |
| Operating income  | CHF m | 415.9      | 497.9      | 995.2      | 497.4      |
| Revaluation of investment properties, properties under construction and development sites | CHF m | 53.6       | 99.7       | 124.6      | 32.8       |
| EBITDA  | CHF m | 236.0      | 315.9      | 582.6      | 226.3      |
| Operating profit (EBIT)   | CHF m | 221.1      | 300.2      | 553.4      | 207.0      |
| Group profit  | CHF m | 137.2      | 191.0      | 355.1      | 132.0      |
| Cash flow from operating activities   | CHF m | 497.8      | 154.8      | 388.4      | 85.3       |
| Shareholders' equity  | CHF m | 4 026.0    | 4 776.8    | 4 956.0    | 4 948.6    |
| Equity ratio  | %     | 39.2       | 44.4       | 46.4       | 45.3       |
| Borrowed capital  | CHF m | 6 237.0    | 5 975.9    | 5 734.6    | 5 974.0    |
| Return on equity (ROE)  | %     | 6.8        | 8.9        | 7.6        | 5.4        |
| Return on invested capital (ROIC)   | %     | 3.6        | 4.5        | 4.3        | 3.3        |

## Financial figures excluding revaluation effects<sup>3</sup>

|                                   |       |       |       |       |       |
|-----------------------------------|-------|-------|-------|-------|-------|
| EBITDA                            | CHF m | 182.5 | 216.1 | 458.0 | 193.5 |
| Operating profit (EBIT)           | CHF m | 167.5 | 200.5 | 428.9 | 174.2 |
| Group profit                      | CHF m | 107.0 | 133.4 | 280.8 | 120.3 |
| Return on equity (ROE)            | %     | 5.4   | 6.3   | 6.1   | 4.9   |
| Return on invested capital (ROIC) | %     | 3.0   | 3.4   | 3.6   | 3.1   |

## Real estate portfolio

|  |                |           |           |           |           |
|--|----------------|-----------|-----------|-----------|-----------|
| Fair value of real estate portfolio      | CHF m          | 9 558.0   | 9 904.9   | 9 686.6   | 9 886.4   |
| of which projects/development properties | CHF m          | 602.6     | 193.0     | 346.7     | 264.3     |
| Number of properties                     | Number         | 194       | 188       | 182       | 184       |
| Rental floor space                       | m <sup>2</sup> | 1 531 876 | 1 633 323 | 1 455 126 | 1 498 123 |
| Vacancy rate                             | %              | 6.8       | 7.4       | 6.7       | 6.4       |
| Average discount rate                    | %              | 3.98      | 3.75      | 3.66      | 3.60      |

## Employees

|  |         |       |       |       |       |
|--|---------|-------|-------|-------|-------|
| Number of employees as at balance sheet date   | Persons | 3 034 | 3 183 | 4 446 | 5 346 |
| Full-time equivalents as at balance sheet date | FTE     | 2 334 | 2 444 | 3 311 | 3 976 |

<sup>1</sup> transfer of the restaurant operating business of Clouds Gastro AG to Candrian Catering AG as at 01.07.2015

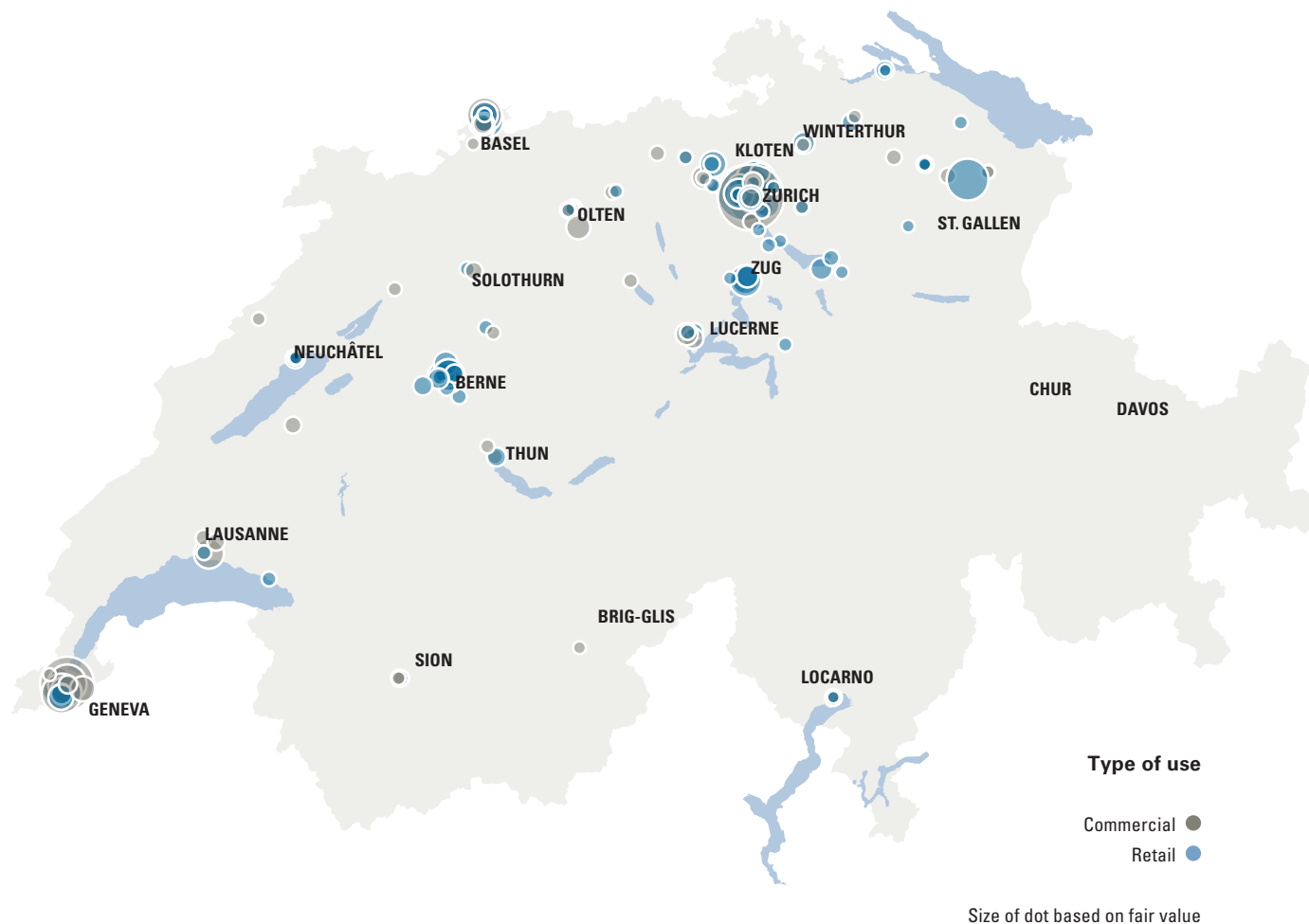
<sup>2</sup> acquisition of Boas Senior Care as at 29.02.2016 and SENIOcare Group as at 01.10.2015

<sup>3</sup> revaluations and deferred taxes

..... **REAL ESTATE PORTFOLIO – OVERVIEW** .....

# REAL ESTATE PORT FOLIO

# OVERVIEW AND KEY FIGURES



## ZURICH REGION

|                      |                        |
|----------------------|------------------------|
| <b>Fair value</b>    | CHF 3 963 m            |
| <b>Rental income</b> | CHF 75 m               |
| <b>Yield</b>         | 3.5%                   |
| <b>Floor space</b>   | 497 445 m <sup>2</sup> |
| <b>Vacancy rate</b>  | 6.3%                   |

## BERNE REGION

|                      |                        |
|----------------------|------------------------|
| <b>Fair value</b>    | CHF 837 m              |
| <b>Rental income</b> | CHF 22 m               |
| <b>Yield</b>         | 4.4%                   |
| <b>Floor space</b>   | 224 800 m <sup>2</sup> |
| <b>Vacancy rate</b>  | 4.0%                   |

## GENEVA REGION

|                      |                        |
|----------------------|------------------------|
| <b>Fair value</b>    | CHF 2 126 m            |
| <b>Rental income</b> | CHF 46 m               |
| <b>Yield</b>         | 3.6%                   |
| <b>Floor space</b>   | 247 048 m <sup>2</sup> |
| <b>Vacancy rate</b>  | 5.4%                   |

## NORTHWESTERN SWITZERLAND

|                      |                        |
|----------------------|------------------------|
| <b>Fair value</b>    | CHF 1 371 m            |
| <b>Rental income</b> | CHF 33 m               |
| <b>Yield</b>         | 4.0%                   |
| <b>Floor space</b>   | 283 980 m <sup>2</sup> |
| <b>Vacancy rate</b>  | 12.2%                  |

from Real Estate business field perspective, excluding third-party rents from own and additionally leased owner-occupied properties as at 30.06.2016



## KEY DATA

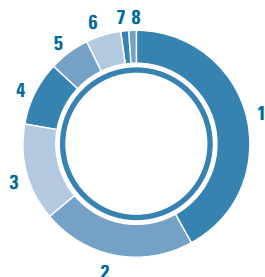
|  | in             | 30.06.2015 | 30.06.2016 | Change<br>in % |
|--|----------------|------------|------------|----------------|
| Fair value of real estate portfolio      | CHF m          | 9 904.9    | 9 886.4    | -0.2           |
| of which projects/development properties | CHF m          | 193.0      | 264.3      | 37.0           |
| Number of properties                     | Number         | 188        | 184        | -2.1           |
| of which new building projects           | Number         | 5          | 6          | 20.0           |
| Rental floor space <sup>1</sup>          | m <sup>2</sup> | 1 633 323  | 1 498 123  | -8.3           |
| Rental income (Group)                    | CHF m          | 225.2      | 225.5      | 0.1            |
| Vacancy rate                             | %              | 7.4        | 6.4        | -13.5          |
| Net property yield                       | %              | 4.0        | 3.9        | -2.5           |

<sup>1</sup> excluding parking places/car parks

## PORTFOLIO SPLIT BY REGION

Basis: Fair value as at 30.06.2016 [30.06.2015]

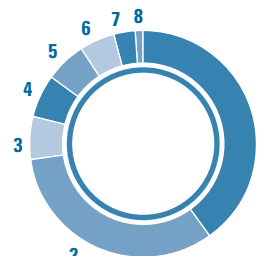
|                            |     |       |
|----------------------------|-----|-------|
| 1 Zurich                   | 42% | [41%] |
| 2 Geneva                   | 22% | [22%] |
| 3 Northwestern Switzerland | 14% | [15%] |
| 4 Berne                    | 9%  | [9%]  |
| 5 Central Switzerland      | 6%  | [6%]  |
| 6 Eastern Switzerland      | 5%  | [5%]  |
| 7 Southern Switzerland     | 1%  | [1%]  |
| 8 Western Switzerland      | 1%  | [1%]  |



## PORTFOLIO SPLIT BY TYPE OF USE<sup>1</sup>

Basis: Net rental income as at 30.06.2016 [30.06.2015]

|                     |     |       |
|---------------------|-----|-------|
| 1 Office            | 40% | [39%] |
| 2 Retail            | 33% | [33%] |
| 3 Assisted Living   | 6%  | [5%]  |
| 4 Cinema/restaurant | 6%  | [6%]  |
| 5 Parking           | 6%  | [5%]  |
| 6 Storage           | 5%  | [6%]  |
| 7 Other             | 3%  | [4%]  |
| 8 Residential       | 1%  | [2%]  |

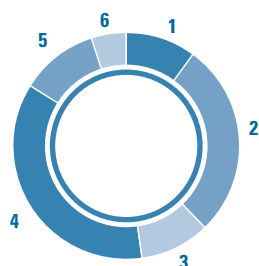


<sup>1</sup> Real Estate business field

## RENTAL FLOOR SPACE BY AGE CATEGORY<sup>1</sup>

(construction/renovation date)

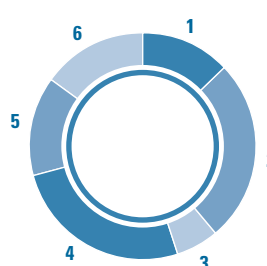
|                   |     |
|-------------------|-----|
| 1 2011–2016       | 10% |
| 2 2001–2010       | 28% |
| 3 1991–2000       | 10% |
| 4 1951–1990       | 36% |
| 5 1901–1950       | 11% |
| 6 Older than 1900 | 5%  |



## FAIR VALUE BY AGE CATEGORY<sup>1</sup>

(construction/renovation date)

|                   |     |
|-------------------|-----|
| 1 2011–2016       | 13% |
| 2 2001–2010       | 26% |
| 3 1991–2000       | 6%  |
| 4 1951–1990       | 26% |
| 5 1901–1950       | 14% |
| 6 Older than 1900 | 15% |



<sup>1</sup> excluding development properties, properties under construction and building land



..... **SHARE INFORMATION** .....

# SHARE INFORMA TION

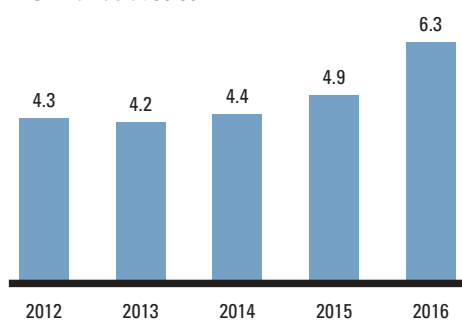
# SHARE INFORMATION

| Data per share               | in     | 30.06.2015 | 30.06.2016 | Change<br>in % |
|------------------------------|--------|------------|------------|----------------|
| Share capital                | CHF m  | 1 065.7    | 1 093.6    | 2.6            |
| Nominal value per share      | CHF    | 15.30      | 15.30      | –              |
| Shares issued                | Number | 69 651 534 | 71 478 917 | 2.6            |
| Treasury shares              | Number | –2 721     | –1 744     | –35.9          |
| Average treasury shares held | Number | –10 274    | –2 488     | –75.8          |
| Average outstanding shares   | Number | 64 606 788 | 70 085 251 | 8.5            |
| Outstanding shares           | Number | 69 648 813 | 71 477 173 | 2.6            |

| Key figures per share                            | in    | 30.06.2015 | 30.06.2016 | Change<br>in % |
|--|-------|------------|------------|----------------|
| Earnings per share (EPS)                         | CHF   | 2.96       | 1.89       | –36.1          |
| Earnings per share excluding revaluation effects | CHF   | 2.06       | 1.72       | –16.5          |
| NAV per share after deferred taxes               | CHF   | 68.56      | 69.24      | 1.0            |
| NAV per share before deferred taxes              | CHF   | 82.92      | 83.66      | 0.9            |
| Distribution per share                           | CHF   | 3.70       | 3.70       | –              |
| Cash yield                                       | %     | 5.1        | 4.7        | –7.8           |
| Share price as at balance sheet date             | CHF   | 70.95      | 88.20      | 24.3           |
| Share price, highest                             | CHF   | 87.80      | 88.20      | 0.5            |
| Share price, lowest                              | CHF   | 70.95      | 74.95      | 5.6            |
| Premium  | %     | 3.5        | 27.4       | 682.9          |
| Average trading volume per day                   | CHF m | 17.7       | 15.4       | –13.0          |
| Market capitalisation                            | CHF m | 4 941.8    | 6 304.4    | 27.6           |

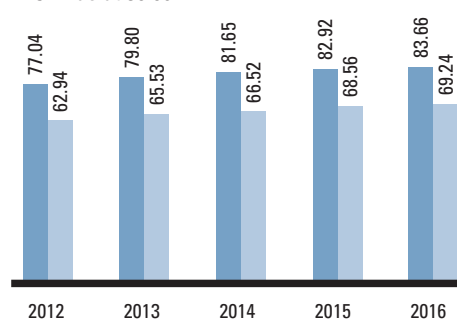
## MARKET CAPITALISATION

in CHF bn as at 30.06.



## NAV PER SHARE

in CHF as at 30.06.



- NAV before deferred taxes
- NAV after deferred taxes

..... SEMI-ANNUAL REPORT AS AT 30 JUNE 2016 .....

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# SEMI-ANNUAL REPORT AS AT 30 JUNE 2016

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## SIGNIFICANT EVENTS AND DEVELOPMENTS

### Economic outlook

The Swiss economy has continued to follow a slightly positive trend in momentum, probably exhibiting a growth rate of roughly 1% year-on-year in the first half of 2016. Despite the negative pattern in retail sales, private consumption still remained the supporting pillar of economic growth. The labour market remained stable, although the trend is hardly robust. Investments in plant and equipment as well as government expenditures provided a positive contribution to growth, while construction investments continued to decline. On the other hand, the inflation rate continued to remain negative, and the negative interest rate environment accentuated further.

In light of the close economic interrelationship and intensive trading activities with the EU, the European economy had an impact on the Swiss real estate market too – albeit just indirectly and with a lagging effect. The economic recovery was somewhat stronger in the EU than in Switzerland in the first half-year, driven by positive momentum in Spain, the UK and Germany, providing an underpinning effect on the Swiss economy as well.

### Milestones in the first half-year 2016

- > Acquisitions of Partners Group headquarters in Baar as well as the Schönbühl shopping centre with development potential in Lucerne
- > Acquisition of Boas Senior Care, the leading provider in the assisted living sector in Western Switzerland
- > Acquisition of immoveris ag and immoveris properties ag, thereby strengthening Wincasa's market position
- > CHF 190.35 million convertible bond converted at a rate of roughly 80%; shareholders' equity base strengthened
- > Successful placement of convertible bond amounting to CHF 250 million, with a 0.25% coupon and maturity date of 2023

### Robust operating income

The performance turned in by Swiss Prime Site is manifested in the robust operating income of CHF 497.4 million, in the wake of the record year of 2015 [CHF 497.9 million]. The core Real Estate business realised rental income of CHF 225.5 million [CHF 225.2 million] as well as a renewed revaluation gain of CHF 32.8 million [CHF 99.7 million]. Assisted Living doubled its income to CHF 151.9 million in the reporting period [CHF 77.4 million].

Due to higher revaluation gains in the previous half-year 2015 as well as the gains recorded in the prior year from property sales (primarily realised gain of CHF 29.5 million from the sale of condominiums at the Maag Site), group profit for the first half-year was comparatively lower at CHF 132.0 million [CHF 191.0 million]. After adjusting for revaluation effects (i.e. revaluations and deferred taxes), profit amounted to CHF 120.3 million [CHF 133.4 million].

The shareholders' equity base was further strengthened year-on-year: The equity ratio amounted to 45.3% as at 30 June 2016 [44.4%], the return on equity (ROE) was 5.4% [8.9%] and the total return on invested capital (ROIC) stood at 3.3% [4.5%].

### Changes in the scope of consolidation

Swiss Prime Site continued strengthening the real-estate-related business fields and thus broadening the basis for future growth.

Boas Senior Care, which was acquired as at 29 February 2016 (assisted living), comprises 16 companies that are now included in the scope of consolidation. In addition, Tertianum Management AG was founded and WGD M Papillon AG (acquired in the previous year) was merged with Perlavita AG in the reporting period.

Furthermore, immoveris ag and immoveris properties ag (real estate services) were acquired as at 27 May 2016, and Ensemble artisanal et commercial de Riantbosson S.A. was merged with SPS Immobilien AG with retroactive effect as at 1 January 2016.

#### **Real Estate business field**

Income from rental properties decreased to CHF 207.7 million [CHF 220.0 million], as had been anticipated. The decline by 5.6% resulted from the elimination of rental income from divestments in the previous year (CHF –7.6 million), modifications and total renovations (CHF –3.2 million), acquisitions in the reporting period (CHF +0.7 million), completions of projects (CHF +0.3 million) and changes in existing properties (CHF –2.5 million).

The vacancy rate in the Real estate business field edged down by 1.0 percentage points to 6.2% [7.2%]. The net return on the real estate portfolio amounted to 3.9% [4.0%].

The quality of earnings was underscored by the good credit ratings of the tenants. The five largest external tenants are renowned corporations, contributing 20.3% [22.2%] to total rental income. Around 61% [57%] of all rental agreements have a residual term of four or more years.

Revaluations affecting net income amounting to CHF 36.9 million [CHF 121.2 million] reflect the attractiveness of prime properties amid a more challenging market environment.

In addition to income from the core business – leasing, developing, buying and selling real estate – the Real Estate business field also included earnings from the Wincasa AG real estate services business, which boosted its income to CHF 54.9 million [CHF 52.7 million] through the acquisition of key new contracts.

EBIT in this business field declined from CHF 331.3 million to CHF 222.9 million (–32.7%), primarily due to lower revaluation gains versus the previous year and realised gains from the one-time sale of condominiums at the Maag Site in Zurich in the prior year.

#### **Changes in the real estate portfolio**

No investment properties were divested in the reporting period [three in the first half-year 2015]. The profit of sale of CHF 10.1 million [CHF 0.0 million] includes subsequent purchase price payments tied to certain conditions from transactions executed in the previous year.

Two properties were acquired that ideally complement the real estate portfolio, replacing the properties divested in the previous year and their rental income. For example, the Swiss headquarters of Partners Group in Baar was acquired, a fully leased property that was constructed in 2009/2010, with modernly designed office floor space spanning four storeys. In addition, the Schönbühl shopping centre in Lucerne was acquired. This acquisition paves the way for Swiss Prime Site to secure an interesting development site situated in an attractive location in Lucerne.

Swiss Prime Site reviewed various other acquisition opportunities, but did not pursue these any further due to the high purchase prices or lack of compatibility with its investment strategy. The portfolio comprises 184 properties [182 as at 31 December 2015]. No acquisitions were executed in the comparable previous year's period.

#### **Revaluation of the real estate portfolio**

As at 30 June 2016, Wüest & Partner AG valued the real estate portfolio at CHF 9886.4 million [CHF 9686.6 million as at 31 December 2015]. This revaluation led to a net valuation gain affecting net income of CHF 32.8 million at the Group level [CHF 99.7 million] (excluding revaluation of owner-occupied properties), or 0.3% of the portfolio's value as at 31 December 2015. The increase in fair value by CHF 199.8 million or 2.1% comprised value changes (including renovations and investments) to existing properties (CHF +58.6 million), value changes to parcels of building land (CHF +1.3 million),

the two acquisitions (CHF + 114.6 million) as well as value changes to and investments in projects (CHF + 25.3 million). These were divided as follows: Viktoriastrasse 21 in Berne CHF + 1.3 million, Route de Pré-Bois 10 in Geneva CHF + 0.3 million, Chemin des Aulx in Plan-les-Ouates CHF + 1.6 million, Brandschenkestrasse 25 in Zurich CHF + 16.5 million and Etzelstrasse 14 in Zurich CHF + 5.6 million.

Of the total 165 existing properties (excluding acquisitions (2), plots of building land (11) and properties under construction (6)) 102 were valued higher, 3 were valued the same and 60 were valued lower than as at 31 December 2015. The weighted average real discount rate of 3.60% decreased by 0.06 percentage points versus 31 December 2015 [3.66%]. Assuming an inflation rate of 1.0% [1.0%], this percentage corresponds to a nominal discount rate of 4.64% [4.69% as at 31 December 2015].

#### **New construction and building projects proceeding according to plan**

The former Swiss Post headquarters located at Viktoriastrasse in Berne (Schönburg) is being modified into an upscale residential building with a hotel wing situated on the north side. The preliminary project for the residential building and hotel is concluded; the building application should have been submitted in the third quarter. The construction start date is anticipated at the outset of 2017; completion is planned for autumn 2019.

For the property located at Route de Pré-Bois in immediate proximity to Geneva-Cointrin Airport, a project is envisaged for a seven-storey office building comprising rentable floor space of 2 600 m<sup>2</sup> in Minergie standard. The building permit and modification application are legally valid, and the total contractor submission has taken place. Completion is planned for the end of 2017.

A development project is envisaged in Plan-les-Ouates (Espace Tourbillon) comprising five modular and flexible commercial buildings with a subterranean logistics infrastructure for trucks. Total rentable floor space for both construction phases amounts to more than 100 000 m<sup>2</sup>. The construction start date is scheduled for the beginning of 2017, and completion is planned for 2019 (phase 1) and 2021 (phase 2).

The former NZZ printing facility in Schlieren should be converted into an innovative centre for scientific and information transfer. The project is currently in the development phase; the construction start date is envisaged for 2018.

The office property located at Brandschenkestrasse 25 in Zurich is being modified into a hotel with roughly 400 rooms. The excellent urban location near the Bahnhofstrasse and the property's available floor space are ideally suitable for a hotel according to Motel One Group's operating and design concept. The modification activities are proceeding according to deadline; the hotel plans to open its doors in the summer of 2017.

A new replacement building for a geriatric care centre is being constructed for Tertianum AG at Etzelstrasse 14 in Zurich, comprising a total of 47 geriatric care rooms. Demolition of the existing structure is concluded, and the excavation activities have commenced. Completion is planned for October 2017.

Weltpostpark is being constructed at Weltpoststrasse 1–3 in Berne, a building complex consisting of roughly 170 broadly diversified apartments as well as smaller commercial floor space. The building application will be submitted in the near future. The building permit is expected to be issued at the beginning of next year. Completion is planned for the spring of 2019.

#### **Retail business field**

Swiss Prime Site has underpinned the Retail business field for a promising future through investments and executed significant growth initiatives. Jelmoli – The House of Brands has launched a state-of-the-art online shop, opened the largest footwear department in Switzerland and provided attractive retail space for the renowned watch specialist Bucherer. In contrast to overall decline in customer frequency levels in Zurich's city centre, Jelmoli – The House of Brands recorded an increase in the number of visitors, thereby confirming its adopted strategy. Revenues from Jelmoli – The House of Brands on the Bahnhofstrasse in Zurich held steady at the previous year's level, despite the very challenging retail trade environment and lack of revenues from floor space that was temporarily unavailable for operations due to investments in shop construction.



Income from the Retail business field amounted to CHF 60.2 million [CHF 65.9 million]. This figure included net retail turnover from Jelmoli – The House of Brands of CHF 60.2 million [CHF 60.9 million] as well as turnover from Clouds Restaurant in the comparable reporting period, which was transferred to Candrian Catering AG as at 1 July 2015. Jelmoli – The House of Brands also realised net revenues from third-party leasing of CHF 7.6 million [CHF 8.5 million]. Operating income declined from CHF 75.2 million to CHF 69.0 million. Accordingly, operating expenses decreased from CHF 82.1 million to CHF 77.3 million, resulting in operating profit of CHF –8.3 million [CHF –6.9 million].

#### **Assisted Living business field**

Swiss Prime Site tapped significant growth potential through the acquisitions of SENIOcare as at 1 October 2015 and Boas Senior Care as at 29 February 2016. These acquisitions paved the way for the Assisted Living business field to achieve total geographic coverage of Switzerland, as well as further expand its leading market position in the assisted living sector.

Tertianum Group doubled income from assisted living to CHF 152.0 million [CHF 77.9 million] thanks to acquisition- and project-related effects. In addition, the Assisted Living business field generated rental income from leasing group owner-occupied properties to third parties of CHF 12.1 million [CHF 12.0 million] as well as from additionally rented properties of CHF 25.0 million [CHF 11.9 million]. Operating expenses increased from CHF 99.3 million to CHF 186.3 million. Operating profit (EBIT) amounted to CHF 3.5 million [CHF 3.3 million]. Due to the integration of SENIOcare and Boas Senior Care as well as resulting incurred integration costs, any comparison with the previous year is only of limited relevance.

#### **Consolidated operating profit and net profit**

Profit amounted to CHF 132.0 million [CHF 191.0 million]. The decrease by CHF 59.0 million was attributable primarily to sales of condominiums in Maaghof North and East carried out in the previous year, as well as to CHF 67.0 million lower revaluation gains and CHF 5.7 million reduced interest expense. Profit excluding revaluation effects<sup>1</sup> declined by 9.8% to CHF 120.3 million [CHF 133.4 million]. Earnings before interest and taxes (EBIT) dropped by 31.1% from CHF 300.2 million to CHF 207.0 million. EBIT excluding revaluations decreased by 13.1% from CHF 200.5 million to CHF 174.2 million.

Operating expenses climbed by 12.9% from CHF 302.9 million to CHF 341.9 million, of which real estate costs accounted for CHF 62.2 million [CHF 47.5 million], and cost of goods sold made up CHF 45.6 million [CHF 40.4 million]. Real estate costs changed particularly due to the additionally leased owner-occupied properties in the Assisted Living business field. Operating expenses in the previous year included non-recurring costs of CHF 44.8 million relating to the sale of condominiums. Personnel costs amounted to CHF 184.7 million [CHF 127.1 million], other operating expenses totalled CHF 30.1 million [CHF 27.4 million] and depreciation, amortisation and impairments added up to CHF 19.4 million [CHF 15.7 million]. The decrease in the tax rate was attributable primarily to the tax effect resulting from realised gains on sales of condominium units in the prior year.

Noteworthy in the comparison of results with the relevant previous year's period is that SENIOcare, Boas Senior Care as well as immoveris ag and immoveris properties ag were integrated into Swiss Prime Sites financial statements as at 1 October 2015, 29 February 2016 and 27 May 2016, respectively. IAS 19 revised «Employee Benefits» resulted in booking volatility in personnel costs as well as the remeasurement of net defined benefit obligations in other comprehensive income.

<sup>1</sup> revaluations and deferred taxes

#### **Financial situation**

The balance sheet ratios changed only slightly versus those at the end of 2015. Shareholders' equity shrank by CHF 7.4 million to CHF 4 948.6 million [CHF 4 956.0 million]. The decrease essentially comprises profit (CHF + 132.0 million), other comprehensive income (CHF – 31.8 million) and the distribution from capital contribution reserves of 19 April 2016 (CHF – 259.6 million), as well as conversions of the CHF 190.350 million convertible bond (CHF + 147.7 million), in addition to share-based compensation (CHF + 2.2 million) and the acquisition of treasury shares (CHF – 2.1 million). Treasury share holdings amounted to 1 744 on 30 June 2016 [2 780 at year end].

The amount of borrowed capital increased by CHF 239.4 million from CHF 5 734.6 million to CHF 5 974.0 million (+ 4.2%), resulting in a solid equity ratio of 45.3% [46.4%]. In the reporting period, Swiss Prime

Site issued a convertible bond on 16 June 2016 amounting to CHF 250.0 million with interest rate of 0.25% and term to maturity of seven years (until 16 June 2023). The CHF 190.350 million convertible bond was converted at a rate of nearly 80% as at maturity date of 21 June 2016, resulting in the aforementioned increase in shareholders' equity and redemption of the remaining amount of CHF 40.7 million in the reporting period.

The weighted average interest rate of all interest-bearing financial liabilities declined to 1.9% [2.1% on 31 December 2015], and the weighted average residual term to maturity amounted to 4.2 years [4.4 years as at 31 December 2015]. The real estate portfolio's loan-to-value (LTV) ratio edged up slightly to 45.2% [44.0% as at 31 December 2015]. Financial expenses decreased from CHF 50.1 million to CHF 44.1 million. Financial income amounted to CHF 1.5 million [CHF 1.0 million].

#### **Information relating to the share/distribution**

The closing price of the Swiss Prime Site AG share on 30 June 2016 was CHF 88.20 [CHF 78.50 on 31 December 2015], resulting in a total return (i.e. share price performance and distribution = total return (TR)) of +29.8%. This share price performance noticeably surpassed the benchmark indices SXI Real Estate Shares (+22.1%) and Swiss Performance Index (SPI) (-2.9%). The average daily trading volume amounted to CHF 15.4 million in the reporting period [CHF 17.7 million].

Earnings per share dropped by 36.1% from CHF 2.96 to CHF 1.89, and before revaluation effects by 16.5% from CHF 2.06 to CHF 1.72. Net asset value (NAV) after deferred taxes amounted to CHF 69.24 thus falling 2.7% short of the figure of CHF 71.15 on 31 December 2015. Net asset value (NAV) per share before deferred taxes edged down by 2.5% from CHF 85.83 to CHF 83.66 as at 31 December 2015. The premium – i.e. difference between the share price of CHF 88.20 [CHF 78.50 as at 31 December 2015] and NAV after deferred taxes of CHF 69.24 [CHF 71.15 as at 31 December 2015] – amounted to 27.4% [10.3%].

Share capital increased as a result of conversions (+1 827 383 shares) to CHF 1 093.6 million or 71 478 917 shares [CHF 1 065.7 million, 69 651 534 shares as at 31 December 2015].

The withholding tax-exempt distribution from capital contribution reserves of CHF 3.70 per share [CHF 3.70] approved by the Annual General Meeting on 12 April 2016 was carried out on 19 April 2016. The distribution corresponded to a cash yield of 4.7% (based on the closing share price at year end).

#### **Outlook**

In the current attractive sales market, Swiss Prime Site will continue to carry out further divestments of investment properties in the second half-year 2016, within the scope of ordinary portfolio management. At the same time, the Company is exploiting the opportunities offered in the realm of development projects, conversions and modernisations.

Following conclusion of the ongoing integration phase in the Assisted Living business field, Swiss Prime Site will have laid the cornerstone for achieving further profitable growth, in the real estate portfolio as well as in the operating business.

With further growth of the Swiss Prime Investment Foundation, earnings from Real Estate Investment Management should trend on a positive path.

Swiss Prime Site's forecast for 2016 continues to call for rising rental income and total operating income that surpasses the previous year's level. The Company also expects a renewed reduction in the vacancy rate. Swiss Prime Site continues to remain well positioned for securing sustainable returns with its high-quality portfolio and real estate-related business fields.

..... **CONSOLIDATED FINANCIAL STATEMENTS** .....

CONSOLI  
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## CONSOLIDATED INCOME STATEMENT

| in CHF 1 000  | Notes     | 01.01.–<br>30.06.2015 | 01.01.–<br>30.06.2016 |
|---|-----------|-----------------------|-----------------------|
| Rental income from properties   | 5         | 225 241               | 225 523               |
| Income from sale of trading properties  | 5         | 74 366                | –                     |
| Income from real estate services  | 5         | 52 508                | 54 848                |
| Income from retail  | 5         | 65 721                | 60 208                |
| Income from assisted living   | 5         | 77 350                | 151 914               |
| Other operating income  | 5         | 2 719                 | 4 881                 |
| <b>Operating income</b>   |           | <b>497 905</b>        | <b>497 374</b>        |
| <b>Revaluation of investment properties, properties under construction and development sites, net</b> | <b>11</b> | <b>99 735</b>         | <b>32 777</b>         |
| <b>Result from investments in associates</b>  |           | <b>5 503</b>          | <b>8 631</b>          |
| <b>Result from investment property sales, net</b>   | <b>6</b>  | <b>11</b>             | <b>10 114</b>         |
| Real estate costs   |           | –47 541               | –62 156               |
| Cost of trading properties sold   |           | –44 820               | –                     |
| Cost of goods sold  |           | –40 411               | –45 644               |
| Personnel costs   | 7         | –127 124              | –184 676              |
| Other operating expenses  |           | –27 399               | –30 103               |
| Depreciation, amortisation and impairment   |           | –15 666               | –19 359               |
| <b>Operating expenses</b>   |           | <b>–302 961</b>       | <b>–341 938</b>       |
| <b>Operating profit (EBIT)</b>  |           | <b>300 193</b>        | <b>206 958</b>        |
| Financial expenses  | 8         | –50 051               | –44 056               |
| Financial income  | 8         | 976                   | 1 522                 |
| <b>Profit before income taxes</b>   |           | <b>251 118</b>        | <b>164 424</b>        |
| Income tax expenses   | 9         | –60 076               | –32 404               |
| <b>Profit</b>   |           | <b>191 042</b>        | <b>132 020</b>        |
| Profit attributable to shareholders of Swiss Prime Site AG  |           | 191 292               | 132 714               |
| Loss attributable to non-controlling interests  |           | –250                  | –694                  |
| <b>Earnings per share (EPS), in CHF</b>   | <b>15</b> | <b>2.96</b>           | <b>1.89</b>           |
| <b>Diluted earnings per share, in CHF</b>   | <b>15</b> | <b>2.89</b>           | <b>1.79</b>           |

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

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

| in CHF 1 000   | Notes | 01.01.–<br>30.06.2015 | 01.01.–<br>30.06.2016 |
|--|-------|-----------------------|-----------------------|
| <b>Profit</b>  |       | <b>191 042</b>        | <b>132 020</b>        |
| Revaluation of owner-occupied properties   | 12    | 27 467                | 11 165                |
| Deferred taxes on revaluation of owner-occupied properties                           |       | – 6 317               | – 2 568               |
| Remeasurement of net defined benefit obligations (mainly reduction of discount rate) |       | – 19 184              | – 52 462              |
| Deferred taxes on remeasurement of net defined benefit obligations                   |       | 4 386                 | 12 066                |
| <b>Items that will not be reclassified subsequently to profit or loss</b>            |       | <b>6 352</b>          | <b>– 31 799</b>       |
| <b>Items that will be reclassified subsequently to profit or loss</b>                |       | <b>–</b>              | <b>–</b>              |
| <b>Other comprehensive income after income taxes</b>                                 |       | <b>6 352</b>          | <b>– 31 799</b>       |
| <b>Comprehensive income</b>  |       | <b>197 394</b>        | <b>100 221</b>        |
| Comprehensive income attributable to shareholders of Swiss Prime Site AG             |       | 197 644               | 100 915               |
| Comprehensive income attributable to non-controlling interests                       |       | – 250                 | – 694                 |

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

## CONSOLIDATED BALANCE SHEET

| in CHF 1 000  | Notes | 31.12.2015        | 30.06.2016        |
|---|-------|-------------------|-------------------|
| <b>Assets</b>   |       |                   |                   |
| Cash  |       | 234 929           | 160 777           |
| Securities  |       | 482               | 496               |
| Accounts receivable   |       | 80 432            | 88 370            |
| Other current receivables   |       | 27 138            | 24 284            |
| Current income tax assets   |       | 4 634             | 6 980             |
| Inventories   |       | 25 549            | 26 448            |
| Accrued income and prepaid expenses   |       | 33 482            | 28 891            |
| Assets held for sale  | 10/11 | –                 | 122 525           |
| <b>Total current assets</b>   |       | <b>406 646</b>    | <b>458 771</b>    |
| Pension plan assets   |       | 8 963             | 12 385            |
| Non-current financial investments   |       | 1 261             | 1 263             |
| Investments in associates   |       | 47 494            | 53 976            |
| Investment properties and building land   | 11    | 8 445 335         | 8 568 236         |
| Properties under construction and development sites                             | 11    | 346 690           | 251 325           |
| Owner-occupied properties   | 12    | 894 582           | 931 330           |
| Owner-occupied properties under construction                                    | 12    | –                 | 13 020            |
| Tangible assets   |       | 64 590            | 68 115            |
| Goodwill  | 13    | 369 520           | 443 363           |
| Intangible assets   |       | 80 524            | 81 474            |
| Deferred tax assets   |       | 24 960            | 39 387            |
| <b>Total non-current assets</b>   |       | <b>10 283 919</b> | <b>10 463 874</b> |
| <b>Total assets</b>   |       | <b>10 690 565</b> | <b>10 922 645</b> |
| <b>Liabilities and shareholders' equity</b>                                     |       |                   |                   |
| Accounts payable  |       | 13 307            | 15 704            |
| Current financial liabilities   | 14    | 572 105           | 700 097           |
| Other current liabilities   |       | 127 171           | 104 560           |
| Advance payments  |       | 33 046            | 28 756            |
| Current income tax liabilities  |       | 44 412            | 8 744             |
| Accrued expenses and deferred income  |       | 96 708            | 87 814            |
| <b>Total current liabilities</b>  |       | <b>886 749</b>    | <b>945 675</b>    |
| Non-current financial liabilities   | 14    | 3 689 488         | 3 769 222         |
| Other non-current financial liabilities   | 14    | 6 871             | 6 289             |
| Deferred tax liabilities  |       | 1 035 945         | 1 058 769         |
| Pension provision obligations   |       | 115 546           | 194 088           |
| <b>Total non-current liabilities</b>  |       | <b>4 847 850</b>  | <b>5 028 368</b>  |
| <b>Total liabilities</b>  |       | <b>5 734 599</b>  | <b>5 974 043</b>  |
| Share capital   |       | 1 065 668         | 1 093 627         |
| Capital reserves  |       | 1 023 578         | 888 034           |
| Revaluation reserves  |       | 102 027           | 110 624           |
| Retained earnings   |       | 2 764 450         | 2 856 768         |
| <b>Shareholders' equity attributable to shareholders of Swiss Prime Site AG</b> |       | <b>4 955 723</b>  | <b>4 949 053</b>  |
| <b>Non-controlling interests</b>  |       | <b>243</b>        | <b>– 451</b>      |
| <b>Total shareholders' equity</b>   |       | <b>4 955 966</b>  | <b>4 948 602</b>  |
| <b>Total liabilities and shareholders' equity</b>                               |       | <b>10 690 565</b> | <b>10 922 645</b> |

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

**CONSOLIDATED CASH FLOW STATEMENT**

| in CHF 1 000   | Notes | 01.01.–<br>30.06.2015 | 01.01.–<br>30.06.2016 |
|--|-------|-----------------------|-----------------------|
| <b>Profit</b>  |       | <b>191 042</b>        | <b>132 020</b>        |
| Depreciation, amortisation and impairment  |       | 15 666                | 19 359                |
| Result from investment property sales, net   | 6     | – 11                  | – 10 114              |
| Result from investments in associates  |       | – 5 503               | – 8 631               |
| Revaluation of investment properties, properties under construction and development sites, net | 11    | – 99 735              | – 32 777              |
| Other non-cash items affecting net income  |       | 2 138                 | 2 209                 |
| Financial expenses   | 8     | 50 051                | 44 056                |
| Financial income   | 8     | – 976                 | – 1 522               |
| Income tax expenses  | 9     | 60 076                | 32 404                |
| Change in inventories  |       | 3 252                 | – 565                 |
| Change in trading properties   |       | 27 380                | –                     |
| Net change in other current assets   |       | – 44 530              | 3 657                 |
| Net change in recognised pension plan assets/liabilities                                       |       | 4 103                 | 4 899                 |
| Net change in other non-current receivables  |       | 425                   | –                     |
| Change in operating current liabilities  |       | – 27 181              | – 49 000              |
| Income tax payments  |       | – 21 447              | – 50 696              |
| <b>Cash flow from operating activities</b>   |       | <b>154 750</b>        | <b>85 299</b>         |
| Investments in investment properties and building land   | 11    | – 35 585              | – 146 579             |
| Investments in properties under construction and development sites                             | 11    | – 21 259              | – 16 434              |
| Investments in owner-occupied properties   | 12    | – 529                 | 307                   |
| Investments in owner-occupied properties under construction                                    | 12    | – 8 470               | –                     |
| Divestments of investment properties and building land   | 11    | 43 847                | –                     |
| Acquisition of participations and operating businesses, less acquired cash                     |       | – 5 100               | – 49 480              |
| Investments in intangible assets   |       | – 2 813               | – 2 612               |
| Investments in tangible assets   |       | – 5 812               | – 8 320               |
| Interest payments received   |       | 191                   | 305                   |
| Investments in current financial investments   |       | –                     | – 110 000             |
| Redemptions of current financial investments   |       | –                     | 120 492               |
| Dividends received   |       | 2 487                 | 2 277                 |
| <b>Cash flow from investing activities</b>   |       | <b>– 33 043</b>       | <b>– 210 044</b>      |
| Increase in financial liabilities  |       | 1 487 000             | 2 231 000             |
| Redemption of financial liabilities  |       | – 1 737 500           | – 2 081 208           |
| Redemption of convertible bond   | 14    | – 26 085              | – 40 700              |
| Issue of convertible bond  | 14    | –                     | 246 968               |
| Interest payments made   |       | – 53 783              | – 43 738              |
| Distribution from capital contribution reserves  |       | – 235 611             | – 259 608             |
| Share capital increase   |       | 91 343                | –                     |
| Premium from capital increase  |       | 332 732               | –                     |
| Cost of capital increase   |       | – 6 248               | –                     |
| Purchase of treasury shares  |       | – 1 710               | – 2 121               |
| <b>Cash flow from financing activities</b>   |       | <b>– 149 862</b>      | <b>50 593</b>         |
| <b>Change in cash</b>  |       | <b>– 28 155</b>       | <b>– 74 152</b>       |
| Cash at beginning of period  |       | 257 196               | 234 929               |
| <b>Cash at end of period</b>   |       | <b>229 041</b>        | <b>160 777</b>        |

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 | Revaluation reserves | Retained earnings | Shareholders' equity attributable to shareholders of Swiss Prime Site AG | Non-controlling interests | Total shareholders' equity |
|--|-------|------------------|------------------|----------------------|-------------------|--|---------------------------|----------------------------|
| <b>Total as at 01.01.2015</b>  |       | <b>930 555</b>   | <b>781 123</b>   | <b>72 792</b>        | <b>2 415 735</b>  | <b>4 200 205</b>   | <b>1 596</b>              | <b>4 201 801</b>           |
| Profit   |       | –                | –                | –                    | 191 292           | 191 292  | –250                      | 191 042                    |
| Revaluation of owner-occupied properties   | 12    | –                | –                | 27 467               | –                 | 27 467   | –                         | 27 467                     |
| Deferred taxes on revaluation of owner-occupied properties   |       | –                | –                | –6 317               | –                 | –6 317   | –                         | –6 317                     |
| Remeasurement of net defined benefit obligations   |       | –                | –                | –                    | –19 184           | –19 184  | –                         | –19 184                    |
| Deferred taxes on remeasurement of net defined benefit obligations                                     |       | –                | –                | –                    | 4 386             | 4 386  | –                         | 4 386                      |
| Other comprehensive income after income taxes  |       | –                | –                | 21 150               | –14 798           | 6 352  | –                         | 6 352                      |
| <b>Comprehensive income</b>  |       | <b>–</b>         | <b>–</b>         | <b>21 150</b>        | <b>176 494</b>    | <b>197 644</b>   | <b>–250</b>               | <b>197 394</b>             |
| Distribution from capital contribution reserves on 21.04.2015  |       | –                | –235 611         | –                    | –                 | –235 611   | –                         | –235 611                   |
| Conversion of 40 607 units of the CHF 300 million convertible bond into 2 860 803 registered shares    | 14    | 43 770           | 155 976          | –                    | –                 | 199 746  | –                         | 199 746                    |
| Capital increase on 29.05.2015   |       | 91 343           | 321 991          | –                    | –                 | 413 334  | –                         | 413 334                    |
| Share-based compensation   |       | –                | 1 813            | –                    | –                 | 1 813  | –                         | 1 813                      |
| Purchase of treasury shares  |       | –                | –1 710           | –                    | –                 | –1 710   | –                         | –1 710                     |
| <b>Total as at 30.06.2015</b>  |       | <b>1 065 668</b> | <b>1 023 582</b> | <b>93 942</b>        | <b>2 592 229</b>  | <b>4 775 421</b>   | <b>1 346</b>              | <b>4 776 767</b>           |
| <b>Total as at 01.01.2016</b>  |       | <b>1 065 668</b> | <b>1 023 578</b> | <b>102 027</b>       | <b>2 764 450</b>  | <b>4 955 723</b>   | <b>243</b>                | <b>4 955 966</b>           |
| Profit   |       | –                | –                | –                    | 132 714           | 132 714  | –694                      | 132 020                    |
| Revaluation of owner-occupied properties   | 12    | –                | –                | 11 165               | –                 | 11 165   | –                         | 11 165                     |
| Deferred taxes on revaluation of owner-occupied properties   |       | –                | –                | –2 568               | –                 | –2 568   | –                         | –2 568                     |
| Remeasurement of net defined benefit obligations   |       | –                | –                | –                    | –52 462           | –52 462  | –                         | –52 462                    |
| Deferred taxes on remeasurement of net defined benefit obligations                                     |       | –                | –                | –                    | 12 066            | 12 066   | –                         | 12 066                     |
| Other comprehensive income after income taxes  |       | –                | –                | 8 597                | –40 396           | –31 799  | –                         | –31 799                    |
| <b>Comprehensive income</b>  |       | <b>–</b>         | <b>–</b>         | <b>8 597</b>         | <b>92 318</b>     | <b>100 915</b>   | <b>–694</b>               | <b>100 221</b>             |
| Distribution from capital contribution reserves on 19.04.2016  |       | –                | –259 608         | –                    | –                 | –259 608   | –                         | –259 608                   |
| Conversion of 29 930 units of the CHF 190.35 million convertible bond into 1 827 383 registered shares | 14    | 27 959           | 119 740          | –                    | –                 | 147 699  | –                         | 147 699                    |
| Issue of 0.25% convertible bond, equity component  |       | –                | 4 236            | –                    | –                 | 4 236  | –                         | 4 236                      |
| Share-based compensation   |       | –                | 2 209            | –                    | –                 | 2 209  | –                         | 2 209                      |
| Purchase of treasury shares  |       | –                | –2 121           | –                    | –                 | –2 121   | –                         | –2 121                     |
| <b>Total as at 30.06.2016</b>  |       | <b>1 093 627</b> | <b>888 034</b>   | <b>110 624</b>       | <b>2 856 768</b>  | <b>4 949 053</b>   | <b>–451</b>               | <b>4 948 602</b>           |

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**1 BUSINESS ACTIVITIES**

Swiss Prime Site's strategy is based on investments in high-quality properties situated in prime locations, primarily with commercially utilised floor space as well as project developments. The investment focal point is aimed at properties and projects with sustainable, attractive returns and long-term value-boosting potential. The real estate portfolio is actively managed. Swiss Prime Site also operates in real-estate-related business fields aimed at strengthening and broadening the earnings base, in addition to diversifying risks.

Further information regarding the individual business fields can be found in Note 4 «Segment reporting».

**2 SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES**

**2.1 Principles of consolidated reporting**

The Company's consolidated financial statements were produced in accordance with IAS 34 «Interim Financial Reporting» and correspond to article 17 of the Directive on Financial Reporting of the Swiss stock exchange (SIX Swiss Exchange). The consolidated financial statements comprise the holding company as well as its group companies (hereinafter jointly referred to as «group companies»).

The consolidated financial statements are essentially based on the historical cost principle. Deviations from this principle apply to investment properties, properties and owner-occupied properties under construction, development sites (except those designated for divestment) 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.

These consolidated financial statements were prepared in Swiss francs (CHF). All amounts, except for the figures per share, are rounded to CHF 1000. All group companies maintain their accounts in Swiss francs as well. Transactions denominated in foreign currencies are immaterial.

**2.2 Amendments relative to IFRS accounting principles**

Apart from the changes described below, the applicable accounting principles remain the same as in the previous year. As at 1 January 2016, Swiss Prime Site introduced the following new or revised standards and interpretations:

| Standard/<br>interpretation | Title  |
|-----------------------------|--|
| IAS 1 rev.                  | Disclosure initiative  |
| IAS 16 rev. and IAS 38 rev. | Clarification of acceptable methods of depreciation and amortisation |
| IFRS 11 rev.                | Accounting for acquisitions of interests in joint operations         |
| Various                     | Annual improvements to IFRSs 2012–2014 cycle                         |

The amendments had no significant impact on these consolidated financial statements.

### 3 ACQUISITIONS

#### 3.1 Boas Senior Care

As at 29 February 2016, 100% of the shares in Boas Senior Care were acquired for CHF 70.807 million in cash. Boas Senior Care is the leading group for senior housing and geriatric care centres in French-speaking Switzerland, with 15 operating facilities (632 geriatric care beds and 176 apartments). The acquisition paves the way for Tertianum Group to achieve comprehensive geographic coverage of Switzerland in the assisted living sector and further extend its market leadership.

The fair values of the identifiable assets and liabilities of Boas Senior Care as at the acquisition date of 29 February 2016 were as follows:

| in CHF 1000  | 29.02.2016    |
|--|---------------|
| <b>Assets</b>                                      |               |
| Cash   | 3 737         |
| Accounts receivable                                | 7 227         |
| Other current receivables                          | 1 618         |
| Inventories  | 334           |
| Accrued income and prepaid expenses                | 4 199         |
| Current financial investments                      | 10 494        |
| <b>Total current assets</b>                        | <b>27 609</b> |
| Tangible assets                                    | 3 998         |
| Intangible assets                                  | 1 423         |
| Deferred tax assets                                | 2 936         |
| <b>Total non-current assets</b>                    | <b>8 357</b>  |
| <b>Total assets</b>                                | <b>35 966</b> |
| <b>Liabilities</b>                                 |               |
| Accounts payable                                   | 6 525         |
| Current financial liabilities                      | 3 247         |
| Other current liabilities                          | 3 622         |
| Accrued expenses and deferred income               | 3 642         |
| <b>Total current liabilities</b>                   | <b>17 036</b> |
| Non-current financial liabilities                  | 1 357         |
| Other non-current financial liabilities            | 396           |
| Pension provision obligations                      | 16 108        |
| Long-term provisions                               | 299           |
| <b>Total non-current liabilities</b>               | <b>18 160</b> |
| <b>Total liabilities</b>                           | <b>35 196</b> |
| <b>Total identifiable net assets at fair value</b> | <b>770</b>    |
| Offset with loan                                   | 20 000        |
| Cash settlement (purchase price)                   | 50 807        |
| <b>Goodwill</b>                                    | <b>70 037</b> |

#### Acquired receivables

| in CHF 1000               | Contractual<br>receivables,<br>gross | Non-<br>collectable<br>receivables | Fair value   |
|---------------------------|--------------------------------------|------------------------------------|--------------|
| Accounts receivable       | 8 651                                | – 1 424                            | 7 227        |
| Other current receivables | 1 618                                | –                                  | 1 618        |
| <b>Total receivables</b>  | <b>10 269</b>                        | <b>– 1 424</b>                     | <b>8 845</b> |

Goodwill comprises assets that cannot be separately identifiable or reliably determined, stemming primarily from future estimated earnings. With the acquisition of Boas Senior Care, Swiss Prime Site has tapped significant growth potential in French-speaking Switzerland and further underpinned its strategic market position in the assisted living sector. Goodwill is not deductible for tax purposes.

From the date of acquisition until 30 June 2016, Boas Senior Care generated a contribution to consolidated operating income of CHF 23.376 million and to profit of CHF 0.621 million. For the first half-year 2016 reporting period, operating income amounted to CHF 34.149 million and profit totalled CHF 0.643 million. If the acquisition had taken place as at 1 January 2016, consolidated operating income and consolidated profit would have amounted to CHF 508.147 million and CHF 132.042 million, respectively, in the first half-year 2016.

The transaction costs amounted to CHF 2.003 million and were recognised in the consolidated income statement in consultancy costs under other operating expenses (reported in cash flow from operating activities). Net money outflow in the reporting period amounted to CHF 47.070 million (reported in cash flow from investing activities).

### **3.2 immoveris, Berne**

At the end of May, 100% of two companies – immoveris ag and immoveris properties ag – were acquired. The acquisitions underpin Wincasa AG's market position as the leading integrated real estate services provider in Switzerland. The balance sheet totals of the two companies amounted to CHF 2.499 million at the date of acquisition.

## 4 SEGMENT REPORTING

Swiss Prime Site is a group that primarily operates in the real estate business comprising buying and selling, managing and developing investment properties, in addition to operating the Real Estate Investment Management business for the Swiss Prime Investment Foundation, as well as providing real estate services through Wincasa. Swiss Prime Site also operates in real estate-related business fields.

The consolidated financial data are subdivided into the segments subject to mandatory reporting as follows:

- > Real Estate, which also includes Wincasa and Real Estate Investment Management for the Swiss Prime Investment Foundation
- > Retail (Jelmoli), an integral part of Swiss Prime Site's expertise in the retail trade sector
- > Assisted Living (Tertianum), the growth driver for the segment's own portfolio as well as that of the Swiss Prime Investment Foundation

### SEGMENT INCOME STATEMENT 01.01. – 30.06.2016

| in CHF 1000   | Real Estate<br>segment <sup>1</sup> | Retail<br>segment <sup>2</sup> | Assisted<br>Living<br>segment <sup>3</sup> | Total<br>segments | Eliminations   | 01.01.–<br>30.06.2016<br>Total group |
|---|-------------------------------------|--------------------------------|--|-------------------|----------------|--------------------------------------|
| Rental income from properties   | 207 652                             | 7 586                          | 37 092                                     | 252 330           | -26 807        | 225 523                              |
| thereof from third parties  | 180 845                             | 7 586                          | 37 092                                     | 225 523           | -              | 225 523                              |
| thereof from other segments   | 26 807                              | -                              | -  | 26 807            | -26 807        | -                                    |
| Income from real estate services <sup>1</sup>   | 54 896                              | -                              | -  | 54 896            | -48            | 54 848                               |
| Income from retail <sup>2</sup>   | -                                   | 60 213                         | -  | 60 213            | -5             | 60 208                               |
| Income from assisted living <sup>3</sup>  | -                                   | -                              | 151 954                                    | 151 954           | -40            | 151 914                              |
| Other operating income  | 3 220                               | 1 229                          | 743  | 5 192             | -311           | 4 881                                |
| <b>Operating income</b>   | <b>265 768</b>                      | <b>69 028</b>                  | <b>189 789</b>                             | <b>524 585</b>    | <b>-27 211</b> | <b>497 374</b>                       |
| <b>Revaluation of investment properties, properties under construction and development sites, net</b> | <b>36 942</b>                       | <b>-</b>                       | <b>-</b>                                   | <b>36 942</b>     | <b>-4 165</b>  | <b>32 777</b>                        |
| <b>Result from investments in associates</b>  | <b>8 631</b>                        | <b>-</b>                       | <b>-</b>                                   | <b>8 631</b>      | <b>-</b>       | <b>8 631</b>                         |
| <b>Result from investment property sales, net</b>   | <b>10 114</b>                       | <b>-</b>                       | <b>-</b>                                   | <b>10 114</b>     | <b>-</b>       | <b>10 114</b>                        |
| Real estate costs   | -26 278                             | -16 938                        | -45 951                                    | -89 167           | 27 011         | -62 156                              |
| Cost of goods sold  | -                                   | -30 415                        | -15 229                                    | -45 644           | -              | -45 644                              |
| Personnel costs   | -56 591                             | -20 140                        | -107 947                                   | -184 678          | 2              | -184 676                             |
| Other operating expenses  | -13 020                             | -4 851                         | -12 430                                    | -30 301           | 198            | -30 103                              |
| Depreciation, amortisation and impairment   | -2 642                              | -4 948                         | -4 779                                     | -12 369           | -6 990         | -19 359                              |
| <b>Operating expenses</b>   | <b>-98 531</b>                      | <b>-77 292</b>                 | <b>-186 336</b>                            | <b>-362 159</b>   | <b>20 221</b>  | <b>-341 938</b>                      |
| <b>Operating profit (EBIT)</b>  | <b>222 924</b>                      | <b>-8 264</b>                  | <b>3 453</b>                               | <b>218 113</b>    | <b>-11 155</b> | <b>206 958</b>                       |
| Financial expenses  |                                     |                                |  |                   |                | -44 056                              |
| Financial income  |                                     |                                |  |                   |                | 1 522                                |
| <b>Profit before income taxes</b>   |                                     |                                |  |                   |                | <b>164 424</b>                       |

<sup>1</sup> acquisition of immoveris ag and immoveris properties ag as at 27.05.2016

<sup>2</sup> transfer of the restaurant operating business of Clouds Gastro AG to Candrian Catering AG as at 01.07.2015

<sup>3</sup> acquisition of Boas Senior Care as at 29.02.2016, SENIOcare Group as at 01.10.2015 and WGDGM Papillon AG as at 01.07.2015

SEGMENT INCOME STATEMENT 01.01. – 30.06.2015

| in CHF 1000   | Real Estate<br>segment | Retail<br>segment | Assisted<br>Living<br>segment <sup>1</sup> | Total<br>segments | Eliminations   | 01.01.–<br>30.06.2015<br>Total group |
|---|------------------------|-------------------|--|-------------------|----------------|--------------------------------------|
| Rental income from properties   | 219 977                | 8 526             | 23 957                                     | 252 460           | -27 219        | 225 241                              |
| thereof from third parties  | 192 758                | 8 526             | 23 957                                     | 225 241           | -              | 225 241                              |
| thereof from other segments   | 27 219                 | -                 | -  | 27 219            | -27 219        | -                                    |
| Income from sale of trading properties  | 74 366                 | -                 | -  | 74 366            | -              | 74 366                               |
| Income from real estate services  | 52 743                 | -                 | -  | 52 743            | -235           | 52 508                               |
| Income from retail  | -                      | 65 874            | -  | 65 874            | -153           | 65 721                               |
| Income from assisted living <sup>1</sup>  | -                      | -                 | 77 853                                     | 77 853            | -503           | 77 350                               |
| Other operating income  | 1 391                  | 751               | 716  | 2 858             | -139           | 2 719                                |
| <b>Operating income</b>   | <b>348 477</b>         | <b>75 151</b>     | <b>102 526</b>                             | <b>526 154</b>    | <b>-28 249</b> | <b>497 905</b>                       |
| <b>Revaluation of investment properties, properties under construction and development sites, net</b> | <b>121 192</b>         | <b>-</b>          | <b>-</b>                                   | <b>121 192</b>    | <b>-21 457</b> | <b>99 735</b>                        |
| <b>Result from investments in associates</b>  | <b>5 503</b>           | <b>-</b>          | <b>-</b>                                   | <b>5 503</b>      | <b>-</b>       | <b>5 503</b>                         |
| <b>Result from investment property sales, net</b>   | <b>11</b>              | <b>-</b>          | <b>-</b>                                   | <b>11</b>         | <b>-</b>       | <b>11</b>                            |
| Real estate costs   | -26 796                | -17 599           | -31 037                                    | -75 432           | 27 891         | -47 541                              |
| Cost of trading properties sold   | -44 820                | -                 | -  | -44 820           | -              | -44 820                              |
| Cost of goods sold  | -                      | -32 437           | -7 974                                     | -40 411           | -              | -40 411                              |
| Personnel costs   | -52 919                | -22 198           | -52 069                                    | -127 186          | 62             | -127 124                             |
| Other operating expenses  | -16 171                | -5 040            | -6 483                                     | -27 694           | 295            | -27 399                              |
| Depreciation, amortisation and impairment   | -3 143                 | -4 815            | -1 699                                     | -9 657            | -6 009         | -15 666                              |
| <b>Operating expenses</b>   | <b>-143 849</b>        | <b>-82 089</b>    | <b>-99 262</b>                             | <b>-325 200</b>   | <b>22 239</b>  | <b>-302 961</b>                      |
| <b>Operating profit (EBIT)</b>  | <b>331 334</b>         | <b>-6 938</b>     | <b>3 264</b>                               | <b>327 660</b>    | <b>-27 467</b> | <b>300 193</b>                       |
| Financial expenses  |                        |                   |  |                   |                | -50 051                              |
| Financial income  |                        |                   |  |                   |                | 976                                  |
| <b>Profit before income taxes</b>   |                        |                   |  |                   |                | <b>251 118</b>                       |

<sup>1</sup> acquisition of Sternmatt Pflegewohngruppen as at 05.01.2015

In the Eliminations column, the revenues realised between the segments are eliminated. In addition, these eliminations contain ordinary depreciation and impairment on owner-occupied properties as well as the revaluations recorded that affect net income in the Real Estate segment on investment properties used within the group, which are recognised in the consolidated financial statements as owner-occupied properties.

**Composition of operating income by products and services**

Operating income comprised CHF 57.317 million [CHF 131.867 million] from the sale of goods and CHF 440.057 million [CHF 366.038 million] from the provision of services.

Income from Real Estate Investment Management is included in other operating income.

## SEGMENT BALANCE SHEET AS AT 30.06.2016

| in CHF 1000                              | Real Estate<br>segment | Retail<br>segment | Assisted<br>Living<br>segment | Total<br>segments | Eliminations | 30.06.2016<br>Total group |
|--|------------------------|-------------------|-------------------------------|-------------------|--------------|---------------------------|
| <b>Total assets</b>                      | 10 331 258             | 147 710           | 495 931                       | 10 974 899        | -52 254      | 10 922 645                |
| <b>Total liabilities</b>                 | 5 768 235              | 61 760            | 196 302                       | 6 026 297         | -52 254      | 5 974 043                 |
| <b>Investments in non-current assets</b> | 168 305                | 6 114             | 79 145                        | 253 564           | -            | 253 564                   |

## SEGMENT BALANCE SHEET AS AT 31.12.2015

| in CHF 1000              | Real Estate<br>segment | Retail<br>segment | Assisted<br>Living<br>segment | Total<br>segments | Eliminations | 31.12.2015<br>Total group |
|--------------------------|------------------------|-------------------|-------------------------------|-------------------|--------------|---------------------------|
| <b>Total assets</b>      | 10 194 315             | 144 861           | 394 553                       | 10 733 729        | -43 164      | 10 690 565                |
| <b>Total liabilities</b> | 5 593 110              | 48 231            | 136 422                       | 5 777 763         | -43 164      | 5 734 599                 |

Investments in associates of CHF 53.976 million [CHF 47.494 million] are included in the total assets of the Real Estate segment.

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

## 5 OPERATING INCOME

| in CHF 1000   | 01.01.–<br>30.06.2015 | 01.01.–<br>30.06.2016 |
|---|-----------------------|-----------------------|
| Target rental income from investment properties     | 230 294               | 214 265               |
| Rental income from additionally leased properties   | 11 927                | 24 975                |
| Rent loss from vacancies                            | -16 980               | -13 717               |
| <b>Rental income from properties</b>                | <b>225 241</b>        | <b>225 523</b>        |
| <b>Income from sale of trading properties</b>       | <b>74 366</b>         | <b>-</b>              |
| <b>Income from real estate services<sup>1</sup></b> | <b>52 508</b>         | <b>54 848</b>         |
| Income from retail, gross                           | 75 033                | 68 692                |
| Rebates   | -9 312                | -8 484                |
| <b>Income from retail<sup>2</sup></b>               | <b>65 721</b>         | <b>60 208</b>         |
| <b>Income from assisted living<sup>3</sup></b>      | <b>77 350</b>         | <b>151 914</b>        |
| <b>Other operating income</b>                       | <b>2 719</b>          | <b>4 881</b>          |
| <b>Total operating income</b>                       | <b>497 905</b>        | <b>497 374</b>        |

<sup>1</sup> acquisition of immoveris ag and immoveris properties ag as at 27.05.2016

<sup>2</sup> transfer of the restaurant operating business of Clouds Gastro AG to Candrian Catering AG as at 01.07.2015

<sup>3</sup> 2016: acquisition of Boas Senior Care as at 29.02.2016

2015: acquisition of SENIOcare Group as at 01.10.2015, WGDM Papillon as at 01.07.2015 and Sternmatt Pflegewohngruppen as at 05.01.2015

### Details on rental income

The following table depicts the breakdown of the contractual end of the term of individual rental agreements based on future net annual rental income and land lease income from investment properties (excluding properties under construction and development sites, and excluding additionally leased properties) as at 30 June 2016:

| End of contract           | 30.06.2015<br>Future rental<br>income<br>in CHF 1 000 | 30.06.2015<br>Share<br>in % | 30.06.2016<br>Future rental<br>income<br>in CHF 1 000 | 30.06.2016<br>Share<br>in % |
|---------------------------|---|-----------------------------|---|-----------------------------|
| Under 1 year <sup>1</sup> | 59 358  | 13.4                        | 43 855  | 10.3                        |
| Over 1 year               | 46 049  | 10.4                        | 46 097  | 10.8                        |
| Over 2 years              | 45 422  | 10.2                        | 40 351  | 9.5                         |
| Over 3 years              | 39 855  | 9.0                         | 36 573  | 8.6                         |
| Over 4 years              | 34 944  | 7.9                         | 63 880  | 15.0                        |
| Over 5 years              | 51 587  | 11.6                        | 36 964  | 8.7                         |
| Over 6 years              | 23 018  | 5.2                         | 11 785  | 2.8                         |
| Over 7 years              | 6 351   | 1.4                         | 16 508  | 3.9                         |
| Over 8 years              | 13 289  | 3.0                         | 17 795  | 4.2                         |
| Over 9 years              | 18 103  | 4.1                         | 10 764  | 2.5                         |
| Over 10 years             | 105 562   | 23.8                        | 100 580   | 23.7                        |
| <b>Total</b>              | <b>443 538</b>  | <b>100.0</b>                | <b>425 152</b>  | <b>100.0</b>                |

<sup>1</sup> includes all indefinite rental agreements (residential, parking facilities, commercial properties etc.)

Future rental income has been presented from the Real Estate segment perspective and based on the rental agreements of the Group's properties as at 30 June 2016 [30 June 2015].

### Largest external tenants

As at the balance sheet date, the five largest external tenants accounted for 20.3% [22.2%] of future annual rental income and land lease income (Real Estate segment perspective). These individual tenants have good credit ratings and consist of the following corporations, in particular:

| in %                          | 30.06.2015 | 30.06.2016 |
|-------------------------------|------------|------------|
| Coop                          | 6.6        | 6.4        |
| Migros                        | 5.0        | 4.9        |
| Swisscom                      | 3.7        | 3.4        |
| Swiss Post                    | 4.1        | 2.9        |
| Zurich Insurance Company Ltd. | n/a        | 2.7        |
| Inditex S.A.                  | 2.8        | n/a        |

According to IAS 17 «Leases», 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 concluded for a term of five to ten years, often with a five-year extension option.

## 6 RESULT FROM INVESTMENT PROPERTY SALES

| in CHF 1 000   | 01.01.–<br>30.06.2015 | 01.01.–<br>30.06.2016 |
|--|-----------------------|-----------------------|
| Gains from sales of commercial properties without significant residential space  | –                     | 3 220                 |
| Losses from sales of commercial properties without significant residential space | –                     | –6                    |
| Gains from mixed properties  | –                     | 6 900                 |
| Gains from sales of properties held for sale                                     | 11                    | –                     |
| <b>Total result from investment property sales, net</b>                          | <b>11</b>             | <b>10 114</b>         |

No investment properties were divested in the reporting period [three in the first half-year 2015]. The profit of sale includes subsequent purchase price payments tied to certain conditions from transactions executed in the previous year.

## 7 PERSONNEL COSTS

| in CHF 1 000  | 01.01.–<br>30.06.2015 | 01.01.–<br>30.06.2016 |
|---|-----------------------|-----------------------|
| Wages and salaries                                  | –102 123              | –151 471              |
| Social security expenses                            | –8 503                | –12 093               |
| Pension plan expenses                               | –12 123               | –15 737               |
| Other personnel expenses                            | –4 375                | –5 375                |
| <b>Total personnel costs</b>                        | <b>–127 124</b>       | <b>–184 676</b>       |
| <b>Number of employees as at 30.06.</b>             | <b>3 183</b>          | <b>5 346</b>          |
| <b>Number of full-time equivalents as at 30.06.</b> | <b>2 444</b>          | <b>3 976</b>          |

As at 30 June 2016, Swiss Prime Site employed a workforce of 5346 [3183 as at 30 June 2015] persons. The increase is attributable particularly to the acquisitions in the Assisted Living segment.

Personnel costs reflect salaries from all segments, in addition to compensation to the members of the Board of Directors, including the relevant social security contributions incurred, as well as expenses for leasing of personnel.

## 8 FINANCIAL RESULT

### FINANCIAL EXPENSES

| in CHF 1 000                                | 01.01.–<br>30.06.2015 | 01.01.–<br>30.06.2016 |
|---|-----------------------|-----------------------|
| Interest expenses                           | –50 042               | –44 321               |
| Fair value changes of financial instruments | –                     | 271                   |
| Other financial expenses                    | –9                    | –6                    |
| <b>Total financial expenses</b>             | <b>–50 051</b>        | <b>–44 056</b>        |



## FINANCIAL INCOME

| in CHF 1 000  | 01.01.–<br>30.06.2015 | 01.01.–<br>30.06.2016 |
|---|-----------------------|-----------------------|
| Interest income   | 221                   | 309                   |
| Dividend income on securities and financial investments | 268                   | 128                   |
| Fair value changes of financial instruments             | 412                   | 572                   |
| Other financial income                                  | 75                    | 513                   |
| <b>Total financial income</b>                           | <b>976</b>            | <b>1 522</b>          |

## 9 INCOME TAXES

| in CHF 1 000  | 01.01.–<br>30.06.2015 | 01.01.–<br>30.06.2016 |
|---|-----------------------|-----------------------|
| Current income taxes for the reporting period   | – 18 822              | – 11 321              |
| Adjustments for current income taxes for other accounting periods                         | 553                   | – 10                  |
| <b>Total current income taxes</b>   | <b>– 18 269</b>       | <b>– 11 331</b>       |
| Deferred taxes resulting from revaluation and depreciation                                | – 44 878              | – 22 753              |
| Deferred taxes resulting from the sale of investment properties                           | 3 156                 | –                     |
| Deferred taxes from tax rate changes and reductions from duration of ownership deductions | – 2 206               | 1 878                 |
| Deferred taxes resulting from losses carried forward                                      | 632                   | – 217                 |
| Other deferred taxes  | 1 489                 | 19                    |
| <b>Total deferred taxes</b>   | <b>– 41 807</b>       | <b>– 21 073</b>       |
| <b>Total income taxes</b>   | <b>– 60 076</b>       | <b>– 32 404</b>       |

Current income taxes were calculated at the effective maximum tax rates. At the same time, agreements with the relevant tax authorities were considered as well.

Deferred taxes are subject to the risk of tax rate changes as well as changes in the cantonal tax regulations.

## 10 ASSETS HELD FOR SALE

| in CHF 1 000   | 31.12.2015 | 30.06.2016     |
|--|------------|----------------|
| Geneva, Rue de Rive 3                                    | –          | 33 010         |
| Locarno, Largo Zorzi 4/Piazza Grande                     | –          | 25 990         |
| Locarno, Parking Centro                                  | –          | 14 010         |
| Locarno, Via delle Monache 8                             | –          | 842            |
| Niederwangen b. Bern, Riedmoosstrasse 10                 | –          | 40 380         |
| Niederwangen b. Bern, Riedmoosstrasse 10 (building land) | –          | 3 608          |
| Wangen b. Olten, Rickenbacherfeld                        | –          | 4 685          |
| <b>Total assets held for sale</b>                        | <b>–</b>   | <b>122 525</b> |

In line with active portfolio management, various properties were held as intended for sale.

Properties with fair value of CHF 122.525 million as at 30 June 2016 were reclassified from the investment properties and building land to assets held for sale.

As at 31 December 2015, no properties were reported as assets held for sale due to unfulfilled criteria.

## 11 INVESTMENT PROPERTIES

### CHANGE IN INVESTMENT PROPERTIES

| in CHF 1000  | Building<br>land | Commercial<br>properties<br>without<br>significant<br>residential<br>space | Mixed<br>properties | Total<br>investment<br>properties | Properties<br>held<br>for sale | Properties<br>under con-<br>struction/<br>develop-<br>ment sites | Total            |
|--|------------------|--|---------------------|-----------------------------------|--------------------------------|--|------------------|
| <b>Total as at 01.01.2015</b>  | <b>53 132</b>    | <b>8 118 596</b>   | <b>253 139</b>      | <b>8 424 867</b>                  | <b>254 418</b>                 | <b>228 470</b>   | <b>8 907 755</b> |
| Follow-up investments  | 2 220            | 33 151   | 5                   | 35 376                            | 209                            | 21 259   | 56 844           |
| Capitalised borrowing costs  | –                | –  | –                   | –                                 | –                              | 3 061  | 3 061            |
| Reclassifications  | –                | 7 428  | –15 120             | –7 692                            | 140 942                        | –133 250   | –                |
| Net transfer of investment<br>properties to owner-occupied<br>properties | –                | –36 836  | –                   | –36 836                           | 27 480                         | –  | –9 356           |
| Disposal by sale   | –                | –  | –                   | –                                 | –43 836                        | –  | –43 836          |
| Positive fair value adjustment   | 2 257            | 138 866  | 4 662               | 145 785                           | 101                            | 27 625   | 173 511          |
| Negative fair value adjustment   | –803             | –67 918  | –470                | –69 191                           | –4 104                         | –481   | –73 776          |
| <b>Fair value adjustment<br/>first half-year 2015</b>                    | <b>1 454</b>     | <b>70 948</b>  | <b>4 192</b>        | <b>76 594</b>                     | <b>–4 003</b>                  | <b>27 144</b>  | <b>99 735</b>    |
| <b>Total as at 30.06.2015</b>  | <b>56 806</b>    | <b>8 193 287</b>   | <b>242 216</b>      | <b>8 492 309</b>                  | <b>375 210</b>                 | <b>146 684</b>   | <b>9 014 203</b> |
| Purchases  | 3 481            | –  | –                   | 3 481                             | –                              | 32 563   | 36 044           |
| Follow-up investments  | 3 793            | 69 234   | 439                 | 73 466                            | 472                            | 11 033   | 84 971           |
| Capitalised borrowing costs  | –                | 1 940  | –                   | 1 940                             | –                              | –1 179   | 761              |
| Reclassifications  | 3 201            | 16 852   | 15 120              | 35 173                            | –339 433                       | 304 260  | –                |
| Net transfer of investment<br>properties to owner-occupied<br>properties | –                | 6 961  | –                   | 6 961                             | –27 480                        | –  | –20 519          |
| Disposal by sale   | –                | –221 836   | –15 120             | –236 956                          | –                              | –111 315   | –348 271         |
| Positive fair value adjustment   | –143             | 110 677  | –645                | 109 889                           | 681                            | –25 298  | 85 272           |
| Negative fair value adjustment   | –848             | –37 717  | –2 363              | –40 928                           | –9 450                         | –10 058  | –60 436          |
| <b>Fair value adjustment<br/>second half-year 2015</b>                   | <b>–991</b>      | <b>72 960</b>  | <b>–3 008</b>       | <b>68 961</b>                     | <b>–8 769</b>                  | <b>–35 356</b>   | <b>24 836</b>    |
| <b>Total as at 31.12.2015</b>  | <b>66 290</b>    | <b>8 139 398</b>   | <b>239 647</b>      | <b>8 445 335</b>                  | <b>–</b>                       | <b>346 690</b>   | <b>8 792 025</b> |
| Purchases  | –                | 115 981  | –                   | 115 981                           | –                              | –  | 115 981          |
| Follow-up investments  | 4 334            | 26 092   | 172                 | 30 598                            | –                              | 16 434   | 47 032           |
| Capitalised borrowing costs  | –                | 111  | –                   | 111                               | –                              | 299  | 410              |
| Reclassifications  | –35 848          | 26 578   | –                   | –9 270                            | 122 525                        | –113 255   | –                |
| Net transfer of investment<br>properties to owner-occupied<br>properties | –                | –46 139  | –                   | –46 139                           | –                              | –  | –46 139          |
| Positive fair value adjustment   | 241              | 77 010   | 1 618               | 78 869                            | –                              | 2 517  | 81 386           |
| Negative fair value adjustment   | –1 411           | –45 698  | –140                | –47 249                           | –                              | –1 360   | –48 609          |
| <b>Fair value adjustment<br/>first half-year 2016</b>                    | <b>–1 170</b>    | <b>31 312</b>  | <b>1 478</b>        | <b>31 620</b>                     | <b>–</b>                       | <b>1 157</b>   | <b>32 777</b>    |
| <b>Total as at 30.06.2016</b>  | <b>33 606</b>    | <b>8 293 333</b>   | <b>241 297</b>      | <b>8 568 236</b>                  | <b>122 525</b>                 | <b>251 325</b>   | <b>8 942 086</b> |

## FURTHER DETAILS ON INVESTMENT PROPERTIES

| in CHF 1 000                             | Building land | Commercial properties without significant residential space | Mixed properties | Total investment properties | Properties held for sale | Properties under construction/development sites | Total            |
|--|---------------|---|------------------|-----------------------------|--------------------------|---|------------------|
| <b>Fire insurance values<sup>1</sup></b> |               |   |                  |                             |                          |   |                  |
| On 01.01.2015                            | 3 547         | 5 876 118   | 149 722          | 6 029 387                   | 233 070                  | 318 033   | 6 580 490        |
| On 01.01.2016                            | 7 547         | 5 607 122   | 131 653          | 5 746 322                   | –                        | 555 112   | 6 301 434        |
| <b>On 30.06.2016</b>                     | <b>1 975</b>  | <b>5 834 729</b>  | <b>132 018</b>   | <b>5 968 722</b>            | <b>91 257</b>            | <b>303 500</b>                                  | <b>6 363 479</b> |
| <b>Net rental income<sup>2</sup></b>     |               |   |                  |                             |                          |   |                  |
| 01.01.– 30.06.2015                       | 248           | 187 773   | 5 683            | 193 704                     | 7 508                    | 71  | 201 283          |
| <b>01.01.– 30.06.2016</b>                | <b>174</b>    | <b>191 617</b>  | <b>5 435</b>     | <b>197 226</b>              | <b>3 030</b>             | <b>292</b>                                      | <b>200 548</b>   |
| <b>Vacancy rate (in %)</b>               |               |   |                  |                             |                          |   |                  |
| 01.01.– 30.06.2015                       | 1.7           | 7.8   | 0.8              | 7.6                         | 13.3                     | –   | 7.8              |
| <b>01.01.– 30.06.2016</b>                | <b>2.4</b>    | <b>6.5</b>  | <b>4.0</b>       | <b>6.4</b>                  | <b>2.4</b>               | <b>15.3</b>                                     | <b>6.4</b>       |

<sup>1</sup> There were no building insurance values for properties under construction. For building projects, respective builders' liability insurance policies were concluded.

<sup>2</sup> generated with own investment properties and owner-occupied properties

The valuations of properties are determined at least on a semi-annual basis by an external, independent and qualified valuation expert: Wüest & Partner AG, Zurich. The Executive Board, in consultation with the Board of Directors, is responsible for selecting the valuation experts and assigning the mandate for the valuation on an annual basis. The results of the valuations and individual valuation assumptions are verified by the Executive Board and discussed in detail with the respective valuation experts.

The discount rates utilised for the valuation of investment properties, building land, investment properties held for sale and properties under construction as well as development sites hovered within a range from 2.5% to 5.3% on the balance sheet date [from 2.7% to 5.3% as at 31 December 2015]. The weighted average real discount rate amounted to 3.60% [3.66% as at 31 December 2015].

## CURRENT DEVELOPMENT AND NEW BUILDING PROJECTS

### Berne, Viktoriastrasse 21 (Schönburg)

|                             |  |
|-----------------------------|--|
| Project description         | The office property comprising total utilised floor space of more than 30 000 square metres was constructed as the Swiss Post headquarters in 1970 by Theo Hotz following a project contest. The effective layout plan is oriented toward the current condition and enables numerous uses, particularly residential. Swiss Prime Site was able to acquire the Schönburg property in 2014 and (following Swiss Post's departure) decided to preserve the structure and create a high-quality residential and hotel complex based on extensive variant studies. The property should house a three-star business hotel at the north wing, in addition to around 150 high-quality apartments spread across the eight upper floors. Attractive townhouses as well as a supermarket and large fitness studio will be constructed in the low-level annex building on the east side. The building structure will be preserved, including the enormous subterranean level, while four additional emergency staircases will be installed across all floors. Façades, the entire building technology and total interior will be replaced. Clean-up of hazardous materials from the façade demolition work can extend the construction period by several months. Construction costs (excluding hotel interior) are estimated at CHF 130 million. |
| Project status              | By means of feasibility studies for various options, the preliminary project for the residential and hotel modification process was completed as at end 2015. The search for a hotel operator has been underway since January 2016. The total contractor optimisation programme with Losinger Marazzi AG and Implenia AG kicked off at the beginning of May. The building application should be submitted in August 2016. The objective is to select a total contractor based on the optimisation phase, so that an actual total contractor submission can be waived. Preparations for implementing construction and remediation operations can be started directly with the selected total contractor. The construction start-up date is planned for the beginning of 2017.   |
| Occupancy rate <sup>1</sup> | No definitive rental agreements are yet available. Of the applications submitted for hotel operator, three business concepts have made it to the short list. Negotiations for the 1 000-square-metre supermarket and 1 200-square-metre fitness studio are proceeding favourably.  |
| Completion                  | Ready for occupancy in summer to autumn 2019   |

**Geneva-Cointrin, Route de Pré-Bois 16**

|                             |  |
|-----------------------------|--|
| Project description         | The property is located in the community of Meyrin in the immediate vicinity of the Geneva-Cointrin Airport. A hotel was constructed on the neighbouring plot of land in 2003, and at the same time a subterranean level with underground garage and storage rooms was erected on the plot as preparatory construction for a future building extension. The hotel operator exercised its purchase option in 2005, and the transaction was concluded in 2010. Swiss Prime Site was able to acquire the property within the scope of the Jelmoli acquisition in 2009. The development project began in 2014 with the objective of offering the market flexible and turnkey floor space for small- and medium-sized enterprises (SMEs). The concept envisages a seven-storey office building with rentable space of roughly 2 600 square metres according to the Minergie standard. The rentable floor space per floor of nearly 400 square metres can be ideally allocated to one, two or three tenants and is optimally suited for this target group. The investment volume (excluding land) amounts to roughly CHF 14 million. |
| Project status              | The building permit and application for modification are legally validated. The total contractor submission has been carried out, and the final price adjustments are in process. Regulating the requisite easements with the neighbours is proceeding in full swing.  |
| Occupancy rate <sup>1</sup> | No advance leasing; the decision-making process with SMEs is rather brief. Marketing activities will commence following the summer holidays in 2016.   |
| Completion                  | End 2017   |

**Plan-les-Ouates, Chemin des Aulx**

|                             |   |
|-----------------------------|---|
| Project description         | Swiss Prime Site is sole owner of the last major plots of building land in the Zone Industrielle Plan-les-Ouates (ZIPLD), comprising land area of roughly 28 400 square metres. The permissible utilisation was clarified by means of a preliminary enquiry, which may amount to around 250%. Services and retail utilisation are permitted on a subordinate basis; tenants must be approved by the Industrial Land Foundation of Geneva (FTI). The development project envisages five modular and flexible commercial buildings with a subterranean optimal logistics infrastructure for trucks. The ground floor is oriented toward the needs of major industrial as well as retail tenants, while the upper floors are ideally suitable for high-tech, biotech, clean-tech and R&D, in addition to commercial, trade or office utilisation. Total rentable floor space for both phases amounts to more than 100 000 square metres. The investment volume (excluding land) amounts to roughly CHF 390 million. The first phase will consist of the construction of three modules (A, B, C) as well as subterranean logistics together with parking. |
| Project status              | The building permit is legally validated. The total contractor submission for the first phase and basic configuration has been carried out. An intensive project optimisation (all buildings with seven instead of six upper floors, a reduction of the subterranean floors) will take place in parallel to the review of tender offers. The application for modification will be submitted and total contractor service contract signed in late autumn 2016. The construction start date is scheduled for the beginning of 2017.   |
| Occupancy rate <sup>1</sup> | Specific negotiations for roughly 40% of the first phase are currently underway in full swing with the objective of signing rental agreements in autumn 2016.   |
| Completion                  | Ready for occupancy: phase one 2019/ phase two probably from 2021   |

**Schlieren, Zürcherstrasse 39 (NZZ printing facility)**

|                             |  |
|-----------------------------|--|
| Project description         | The former NZZ printing facility was acquired in December 2015, and the property is to be converted into an innovative centre for science and information transfer. Infrastructure for services companies, training and further education as well as research and development, in addition to co-working spaces and facilities for community activities and culture are all envisaged for the centre. At the same time, the building structure should be largely preserved, providing future users with a fascinating spatial experience with its rooms featuring up to 18-metre-high ceilings. The focus of the development project is aimed at creating an ecosystem, within which new ideas should emerge and innovations can be achieved. The development of an innovative platform for education, science and information transfer will address the growing necessity for realms of social interaction and changing forms of collaboration. The property's location as well as position and structure are ideally suitable for such purposes. |
| Project status              | Building on the underlying utilisation concept of the acquisition, feasibility regarding the building structure and market conditions will be fine-tuned and the supply of floor space specified in an iterative process in 2016. Furthermore, the potential of the overall site for adding additional floors and expanding the property, including the relevant planning, will be the subject of review. The construction start date is planned for 2018. Potential interim utilisation concepts (2016/2017) as well as ideas for step-by-step preparations and leasing of partial floor space are continuously flowing into the development process.   |
| Occupancy rate <sup>1</sup> | The floor space in the hall area utilised by NZZ will be relinquished by autumn 2016. Disassembly of the printing machine is proceeding favourably. Existing tenants at the site include NZZ Call Center, Verity Studios, Presto Presse-Vertriebs AG. Contact has been established with various potential tenants for the restructuring.   |
| Completion                  | 2018   |

| <b>Zurich, Brandschenkestrasse 25 (Motel One)</b> |  |
|---|--|
| Project description                               | The office property located at Brandschenkestrasse 25 is being modified as a roughly 400-room hotel. The investment volume amounts to around CHF 65 million to convert the courtyard-rimmed complex into a hotel. Modification of the four buildings situated on a total area of 3 900 square metres will be carried out under strict compliance with their diverse and, to some extent, landmark-protected architecture. The excellent urban location near the Bahnhofstrasse as well as the property's floor space offering are superbly appropriate for a hotel according to the operating and design concept of Motel One Group. |
| Project status                                    | The execution order was issued to the total contractor at the beginning of 2015. The green light for construction was issued in September 2015. The modification activities are proceeding according to plan. The hotel plans to open its doors in the summer of 2017.   |
| Occupancy rate <sup>1</sup>                       | The entire building is leased to Motel One Group as at summer 2017.  |
| Completion  | Summer 2017  |

| <b>Zurich, Etzelstrasse 14 (Etzelgut)</b> |   |
|---|---|
| Project description                       | Swiss Prime Site is constructing a new replacement building for Tertianum AG situated in a prime location in Zurich's urban district for a geriatric care facility, with a total of 47 geriatric care rooms and integrated dementia department with six rooms, providing space for ten dementia patients. The basic configuration includes modern-equipped kitchens, a patient-care bath and contemporary therapy rooms, in addition to various service rooms. Thanks to proximity to the Morgental tram and bus station, the geriatric care facility benefits from the neighbouring local infrastructure with Migros, Swiss Post and additional services and is therefore ideally integrated into the community. Easy accessibility to public transportation offers the advantage that the geriatric care facility is well connected to Zurich's city centre, making it simple for family members to visit patients. |
| Project status                            | Demolition of the building is concluded. Excavation activities have commenced.  |
| Occupancy rate <sup>1</sup>               | The building will be 100% utilised directly by the Tertianum Group.   |
| Completion                                | 1 October 2017  |

<sup>1</sup> occupancy rate and sales status as at 30.06.2016

## 12 OWNER-OCCUPIED PROPERTIES AND OWNER-OCCUPIED PROPERTIES UNDER CONSTRUCTION

### CHANGE IN OWNER-OCCUPIED PROPERTIES

| in CHF 1 000  | 31.12.2015     | 30.06.2016     |
|---|----------------|----------------|
| <b>Owner-occupied properties as at 01.01.</b>   | <b>778 656</b> | <b>894 582</b> |
| Follow-up investments   | 2 560          | -307           |
| Additions from acquisitions   | 20 181         | -              |
| Disposals   | -2 800         | -              |
| Transferred depreciation  | -12 127        | -7 037         |
| Positive fair value adjustment  | 35 370         | 12 257         |
| Negative fair value adjustment  | -263           | -1 284         |
| Reclassifications into/from investment properties and owner-occupied properties under construction, net | 73 005         | 33 119         |
| <b>Owner-occupied properties as at reporting date</b>   | <b>894 582</b> | <b>931 330</b> |

### SUMMARY OF TRANSFERRED DEPRECIATION AND IMPAIRMENT

| in CHF 1 000   | 31.12.2015 | 30.06.2016 |
|--|------------|------------|
| <b>Cumulative depreciation and impairment as at 01.01.</b>         | <b>-</b>   | <b>-</b>   |
| Depreciation   | 12 127     | 7 037      |
| Impairment   | 189        | 192        |
| Transferred depreciation and impairment                            | -12 316    | -7 229     |
| <b>Cumulative depreciation and impairment as at reporting date</b> | <b>-</b>   | <b>-</b>   |

## UTILISATION OF OWNER-OCCUPIED PROPERTIES

|   | 31.12.2015 | 30.06.2016 |
|---|------------|------------|
| Berlingen, Seestrasse 110   | completely | completely |
| Berlingen, Seestrasse 83, 88, 101, 154                                | completely | completely |
| Frauenfeld, St. Gallerstrasse 30–30c                                  | completely | completely |
| Lucerne, Kreuzbuchstrasse 33/35                                       | completely | completely |
| Meilen, Seestrasse 545  | completely | completely |
| Olten, Frohburgstrasse 1  | partly     | partly     |
| Opfikon, Müllackerstrasse 2, 4/Bubenholz                              | completely | completely |
| Ostermundigen, Mitteldorfstrasse 16                                   | completely | completely |
| Pfäffikon/SZ, Huobstrasse 5   | completely | completely |
| Stadel b. Niederglatt, Buechenstrasse 80                              | completely | completely |
| Thun, Göttibachweg 2–2e, 4, 6, 8                                      | completely | completely |
| Wabern, Nesslerenweg 30   | completely | completely |
| Wattwil, Ebnaterstrasse 45  | completely | completely |
| Zurich, Carl Spitteler-Strasse 68/70                                  | completely | completely |
| Zurich, Jupiterstrasse 15/Böcklinstrasse 19                           | completely | completely |
| Zurich, Kappenhühlweg 9, 11/Holbrigstrasse 10/Regensdorferstrasse 18a | completely | completely |
| Zurich, Restelbergstrasse 108   | completely | completely |
| Zurich, Seidengasse 1/Jelmoli – The House of Brands                   | partly     | partly     |

Reclassification of investment properties into owner-occupied properties and vice-versa is implemented on a semi-annual basis by means of using the current rent tables. If the owner-occupied properties had been valued according to the historical cost model, the book value would have been CHF 808.525 million as at the balance sheet date [CHF 790.135 million as at 31 December 2015]. Transferred 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.

Owner-occupied properties were valued according to the discounted cash flow method (DCF) by the independent valuation expert Wüest & Partner AG, Zurich, based on regular (semi-annual) fair value appraisals. The applied real discount rate hovered in range between 3.05% to 5.0% [3.1% to 5.0% as at 31 December 2015]. These valuations were based on market prices of recently executed transactions.

Fire insurance values of owner-occupied properties amounted to CHF 593.280 million [CHF 580.735 million as at 31 December 2015]. Rental income from owner-occupied properties totalled CHF 12.117 million [CHF 12.030 million as at 30 June 2015].

## OWNER-OCCUPIED PROPERTIES UNDER CONSTRUCTION

| in CHF 1000  | 31.12.2015    | 30.06.2016    |
|--|---------------|---------------|
| <b>Owner-occupied properties under construction as at 01.01.</b>                     | <b>52 890</b> | <b>–</b>      |
| Additions  | 12 690        | –             |
| Capitalised borrowing costs  | 693           | –             |
| Disposals  | –29 178       | –             |
| Positive fair value adjustment   | 6 035         | –             |
| Reclassifications into/from investment properties and owner-occupied properties, net | –43 130       | 13 020        |
| <b>Owner-occupied properties under construction as at reporting date</b>             | <b>–</b>      | <b>13 020</b> |

## SUMMARY OF TRANSFERRED DEPRECIATION AND IMPAIRMENT

| in CHF 1 000   | 31.12.2015 | 30.06.2016 |
|--|------------|------------|
| <b>Cumulative depreciation and impairment as at 01.01.</b>         | –          | –          |
| Reversal of impairment   | – 3 300    | –          |
| Transferred depreciation and impairment                            | 3 300      | –          |
| <b>Cumulative depreciation and impairment as at reporting date</b> | –          | –          |

If these particular owner-occupied properties under construction were valued according to the historical cost model, the book value would have been CHF 13.020 million as at the balance sheet date.

The fire insurance value of these properties amounted to CHF 7.568 million as at the balance sheet date.

## 13 GOODWILL AND BRANDS

Goodwill and brand names are attributed to the cash-generating units of Swiss Prime Site that correspond to the operating segments.

### GOODWILL

| in CHF 1 000            | 31.12.2015     | 30.06.2016     |
|-------------------------|----------------|----------------|
| Real Estate segment     | 87 368         | 91 174         |
| Retail segment          | 35 930         | 35 930         |
| Assisted Living segment | 246 222        | 316 259        |
| <b>Total goodwill</b>   | <b>369 520</b> | <b>443 363</b> |

The Real Estate, Retail and Assisted Living segments each constitute an operating segment. The amount to be realised by the cash-generating units was based on value in use.

The increase in goodwill is attributable to the acquisitions of Boas Senior Care and immoveris.

### BRAND NAMES

| in CHF 1 000             | 31.12.2015    | 30.06.2016    |
|--------------------------|---------------|---------------|
| Real Estate segment      | 4 395         | 4 395         |
| Retail segment           | 22 797        | 22 797        |
| Assisted Living segment  | 25 949        | 25 886        |
| <b>Total brand names</b> | <b>53 141</b> | <b>53 078</b> |

## 14 FINANCIAL LIABILITIES

| in CHF 1 000                                   | 31.12.2015       | 30.06.2016       |
|--|------------------|------------------|
| Mortgage-backed loans                          | 382 000          | 699 200          |
| Convertible bonds                              | 189 589          | –                |
| Other loans                                    | 516              | 897              |
| <b>Total current financial liabilities</b>     | <b>572 105</b>   | <b>700 097</b>   |
| Mortgage-backed loans                          | 2 737 525        | 2 573 753        |
| Convertible bonds                              | –                | 242 748          |
| Bonds  | 940 672          | 941 114          |
| Non-current loans                              | 11 291           | 11 607           |
| <b>Total non-current financial liabilities</b> | <b>3 689 488</b> | <b>3 769 222</b> |
| Other non-current financial liabilities        | 6 871            | 6 289            |
| <b>Total financial liabilities</b>             | <b>4 268 464</b> | <b>4 475 608</b> |

The convertible bond of CHF 189.589 million reported in current financial liabilities as at 31 December 2015 matured on 21 June 2016; the unconverted amount of the bond of CHF 40.700 million was redeemed.

Non-current financial liabilities of CHF 3 769.222 million [CHF 3 689.488 million] were recognised in the balance sheet 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. The contractual limits are continually monitored and were complied with by the Company.

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, redemption of existing loans and refinancing are carried out continuously on the basis of the liquidity plan.

As at the balance sheet date, the loan-to-value ratio of the real estate portfolio amounted to 45.2% [44.0% as at 31 December 2015].

### BONDS

|  | in           | CHF 115 m<br>2018     | CHF 200 m<br>2019      | CHF 230 m<br>2020      | CHF 300 m<br>2021     | CHF 100 m<br>2024      |
|--|--------------|-----------------------|------------------------|------------------------|-----------------------|------------------------|
| Issuing volume, nominal                      | CHF m        | 115.000               | 200.000                | 230.000                | 300.000               | 100.000                |
| <b>Book value as at 30.06.2016</b>           | <b>CHF m</b> | <b>114.796</b>        | <b>199.155</b>         | <b>229.425</b>         | <b>298.441</b>        | <b>99.297</b>          |
| Book value as at 31.12.2015                  | CHF m        | 114.746               | 199.032                | 229.359                | 298.280               | 99.255                 |
| Interest rate                                | %            | 1.125                 | 1.0                    | 2.0                    | 1.75                  | 2.0                    |
| Term to maturity                             | years        | 5                     | 5                      | 7                      | 7                     | 10                     |
| Maturity                                     | date         | 11.07.2018            | 10.12.2019             | 21.10.2020             | 16.04.2021            | 10.12.2024             |
| Securities number                            |              | 21 564 566<br>(SPS13) | 25 704 216<br>(SPS141) | 21 565 073<br>(SPS131) | 23 427 449<br>(SPS14) | 25 704 217<br>(SPS142) |
| <b>Fair value as at 30.06.2016 (level 1)</b> | <b>CHF m</b> | <b>118.335</b>        | <b>205.800</b>         | <b>247.250</b>         | <b>318.600</b>        | <b>110.750</b>         |
| Fair value as at 31.12.2015 (level 1)        | CHF m        | 118.450               | 204.900                | 243.455                | 315.000               | 106.050                |

Bonds are redeemed at their nominal value.



## CONVERTIBLE BONDS

|  | in           | CHF 190.35 m<br>2016  | CHF 250 m<br>2023     |
|--|--------------|-----------------------|-----------------------|
| Issuing volume, nominal                      | CHF m        | 190.350               | 250.000               |
| Nominal value as at 30.06.2016               | CHF m        | –                     | 250.000               |
| <b>Book value as at 30.06.2016</b>           | <b>CHF m</b> | <b>–</b>              | <b>242.748</b>        |
| Book value as at 31.12.2015                  | CHF m        | 189.589               | –                     |
| Conversion price                             | CHF          | 81.89                 | 105.38                |
| Interest rate                                | %            | 1.875                 | 0.250                 |
| Term to maturity                             | years        | 5                     | 7                     |
| Maturity                                     | date         | 21.06.2016            | 16.06.2023            |
| Securities number                            |              | 13 119 623<br>(SPS11) | 32 811 156<br>(SPS16) |
| <b>Fair value as at 30.06.2016 (level 1)</b> | <b>CHF m</b> | <b>–</b>              | <b>251.000</b>        |
| Fair value as at 31.12.2015 (level 1)        | CHF m        | 192.806               | –                     |

In the first half of 2016, conversions took place with a volume amounting to nominal CHF 149.650 million [CHF 203.035 million]. The conversions resulted in an increase in share capital of CHF 27.959 million [CHF 43.770 million] or 1 827 383 [2 860 803] registered shares, and addition to capital reserves of CHF 119.740 million [CHF 155.976 million]. The remaining amount of the CHF 190.35 million convertible bond of CHF 40.700 million was redeemed on 21 June 2016. In the previous year, the residual amount of the CHF 300 million convertible bond of CHF 26.085 million was redeemed on 20 January 2015.

Swiss Prime Site AG issued a convertible bond as at 16 June 2016, amounting to CHF 250.000 million with a term to maturity of seven years and interest rate of 0.25%. Each individual bond with a nominal value of CHF 0.005 million can be converted into registered shares of the Company at any time between 27 July 2016 and 7 June 2023. The newly issued shares are secured by conditional capital.

The equity component resulting from the convertible option was recognised directly in shareholders' equity. The other embedded options of the convertible bond – i.e. premature redemption option 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 are not recognised separately.

## CONVERSION PRICE AND NUMBER OF POSSIBLE SHARES GIVEN 100% CONVERSION

| Convertible bonds  | 31.12.2015<br>Conversion<br>price<br>in CHF | 31.12.2015<br>Number<br>of possible<br>shares | 30.06.2016<br>Conversion<br>price<br>in CHF | 30.06.2016<br>Number<br>of possible<br>shares |
|--|---|---|---|---|
| 1.875%-convertible bond 21.06.2011–21.06.2016, CHF 190.350 million | 81.89                                       | 2 324 460                                     | n/a   | n/a   |
| 0.25%-convertible bond 16.06.2016–16.06.2023, CHF 250.000 million  | n/a   | n/a   | 105.38                                      | 2 372 367                                     |
| <b>Total number of possible shares</b>                             |   | <b>2 324 460</b>                              |   | <b>2 372 367</b>                              |

OVERVIEW OF FUTURE CONTRACTUAL CASH OUTFLOWS (INCLUDING INTEREST) FROM ALL FINANCIAL LIABILITIES

| in CHF 1000                                       | 30.06.2016<br>Book value | Contractual<br>cash flows | <6 months         |                | 6 to<br>12 months |                | 1 to<br>2 years   |                | 2 to<br>5 years   |                  | > 5 years         |                  |
|---|--------------------------|---------------------------|-------------------|----------------|-------------------|----------------|-------------------|----------------|-------------------|------------------|-------------------|------------------|
|   |                          |                           | Amorti-<br>sation |                | Amorti-<br>sation |                | Amorti-<br>sation |                | Amorti-<br>sation |                  | Amorti-<br>sation |                  |
|   |                          |                           | Interest          |                | Interest          |                | Interest          |                | Interest          |                  | Interest          |                  |
| Accounts payable                                  | 15 704                   | 15 704                    | –                 | 15 704         | –                 | –              | –                 | –              | –                 | –                | –                 | –                |
| Current financial liabilities                     | 700 097                  | 704 855                   | 4 159             | 516 463        | 599               | 183 634        | –                 | –              | –                 | –                | –                 | –                |
| Other current liabilities                         | 104 560                  | 104 561                   | 1                 | 104 560        | –                 | –              | –                 | –              | –                 | –                | –                 | –                |
| Non-current financial liabilities                 | 3 769 222                | 4 103 942                 | 35 826            | –              | 35 826            | –              | 64 366            | 416 834        | 138 599           | 1 970 191        | 49 368            | 1 392 932        |
| <b>Total non-derivative financial liabilities</b> | <b>4 589 583</b>         | <b>4 929 062</b>          | <b>39 986</b>     | <b>636 727</b> | <b>36 425</b>     | <b>183 634</b> | <b>64 366</b>     | <b>416 834</b> | <b>138 599</b>    | <b>1 970 191</b> | <b>49 368</b>     | <b>1 392 932</b> |
| Derivatives with negative fair values             | 6 289                    | 5 582                     | –                 | 1 832          | –                 | 563            | –                 | 924            | –                 | 2 210            | –                 | 53               |
| <b>Total derivative financial liabilities</b>     | <b>6 289</b>             | <b>5 582</b>              | <b>–</b>          | <b>1 832</b>   | <b>–</b>          | <b>563</b>     | <b>–</b>          | <b>924</b>     | <b>–</b>          | <b>2 210</b>     | <b>–</b>          | <b>53</b>        |
| <b>Total financial liabilities</b>                | <b>4 595 872</b>         | <b>4 934 644</b>          | <b>39 986</b>     | <b>638 559</b> | <b>36 425</b>     | <b>184 197</b> | <b>64 366</b>     | <b>417 758</b> | <b>138 599</b>    | <b>1 972 401</b> | <b>49 368</b>     | <b>1 392 985</b> |

| in CHF 1000                                       | 31.12.2015<br>Book value | Contractual<br>cash flows | <6 months         |                | 6 to<br>12 months |                | 1 to<br>2 years   |                | 2 to<br>5 years   |                  | > 5 years         |                  |
|---|--------------------------|---------------------------|-------------------|----------------|-------------------|----------------|-------------------|----------------|-------------------|------------------|-------------------|------------------|
|   |                          |                           | Amorti-<br>sation |                | Amorti-<br>sation |                | Amorti-<br>sation |                | Amorti-<br>sation |                  | Amorti-<br>sation |                  |
|   |                          |                           | Interest          |                | Interest          |                | Interest          |                | Interest          |                  | Interest          |                  |
| Accounts payable                                  | 13 307                   | 13 307                    | –                 | 13 307         | –                 | –              | –                 | –              | –                 | –                | –                 | –                |
| Current financial liabilities                     | 572 105                  | 580 654                   | 6 038             | 339 608        | 1 750             | 233 258        | –                 | –              | –                 | –                | –                 | –                |
| Other current liabilities                         | 127 171                  | 127 176                   | 3                 | 127 092        | 2                 | 79             | –                 | –              | –                 | –                | –                 | –                |
| Non-current financial liabilities                 | 3 689 488                | 4 051 951                 | 37 812            | –              | 37 811            | –              | 69 035            | 513 777        | 153 495           | 1 504 433        | 60 656            | 1 674 932        |
| <b>Total non-derivative financial liabilities</b> | <b>4 402 071</b>         | <b>4 773 088</b>          | <b>43 853</b>     | <b>480 007</b> | <b>39 563</b>     | <b>233 337</b> | <b>69 035</b>     | <b>513 777</b> | <b>153 495</b>    | <b>1 504 433</b> | <b>60 656</b>     | <b>1 674 932</b> |
| Derivatives with negative fair values             | 6 871                    | 6 871                     | –                 | 1 812          | –                 | 1 832          | –                 | 934            | –                 | 2 071            | –                 | 222              |
| <b>Total derivative financial liabilities</b>     | <b>6 871</b>             | <b>6 871</b>              | <b>–</b>          | <b>1 812</b>   | <b>–</b>          | <b>1 832</b>   | <b>–</b>          | <b>934</b>     | <b>–</b>          | <b>2 071</b>     | <b>–</b>          | <b>222</b>       |
| <b>Total financial liabilities</b>                | <b>4 408 942</b>         | <b>4 779 959</b>          | <b>43 853</b>     | <b>481 819</b> | <b>39 563</b>     | <b>235 169</b> | <b>69 035</b>     | <b>514 711</b> | <b>153 495</b>    | <b>1 506 504</b> | <b>60 656</b>     | <b>1 675 154</b> |

The weighted average residual term to maturity of all interest-bearing financial liabilities was 4.2 [4.4] years due to the contractual maturities.

.....  
**CURRENT AND NON-CURRENT FINANCIAL LIABILITIES CATEGORISED BY INTEREST RATE**

| in CHF 1 000                       | 31.12.2015<br>Total<br>nominal<br>value | 30.06.2016<br>Total<br>nominal<br>value |
|------------------------------------|---|---|
| Financial liabilities up to 1.00%  | 91 800                                  | 634 800                                 |
| Financial liabilities up to 1.50%  | 695 850                                 | 695 550                                 |
| Financial liabilities up to 2.00%  | 1 106 950                               | 876 600                                 |
| Financial liabilities up to 2.50%  | 1 249 400                               | 1 249 400                               |
| Financial liabilities up to 3.00%  | 729 630                                 | 711 057                                 |
| Financial liabilities up to 3.50%  | 100 000                                 | 70 000                                  |
| Financial liabilities up to 4.00%  | 257 200                                 | 230 496                                 |
| Financial liabilities up to 4.50%  | 34 000                                  | 10 717                                  |
| Financial liabilities up to 5.00%  | 1 334                                   | 1 434                                   |
| <b>Total financial liabilities</b> | <b>4 266 164</b>                        | <b>4 480 054</b>                        |

The weighted average interest rate for all interest-bearing financial liabilities amounted to 1.9% [2.1%].  
The loans were mainly obtained at fixed interest rates.

**15 KEY FIGURES PER SHARE**

The profit used to calculate earnings per share or diluted earnings per share was the reported profit attributable to shareholders of Swiss Prime Site AG.

.....  
**WEIGHTED AVERAGE NUMBER OF SHARES**

|   | 01.01.–<br>30.06.2015 | 01.01.–<br>30.06.2016 |
|---|-----------------------|-----------------------|
| Shares issued as at 01.01.  | 60 820 602            | 69 651 534            |
| Weighted number of shares issued on conversions                         | 2 768 271             | 436 205               |
| Weighted number of shares on capital increase as at 29.05.2015          | 1 028 189             | –                     |
| Average number of treasury shares (180 days)                            | – 10 274              | – 2 488               |
| <b>Total weighted average number of shares 01.01.–30.06. (180 days)</b> | <b>64 606 788</b>     | <b>70 085 251</b>     |
| Weighted number of shares issued on conversions                         | – 2 768 271           | – 436 205             |
| Effective number of converted shares                                    | 2 860 803             | 1 827 383             |
| Highest possible number of shares that can be issued on conversions     | 2 324 460             | 2 372 367             |
| <b>Basis for calculation of diluted earnings per share</b>              | <b>67 023 780</b>     | <b>73 848 796</b>     |

.....  
**BASIS FOR CALCULATION OF DILUTED EARNINGS PER SHARE**

| in CHF 1 000   | 01.01.–<br>30.06.2015 | 01.01.–<br>30.06.2016 |
|--|-----------------------|-----------------------|
| Profit attributable to shareholders of Swiss Prime Site AG                         | 191 292               | 132 714               |
| Interests on convertible bonds, amortisation of proportional costs and tax effects | 2 188                 | – 779                 |
| <b>Relevant profit for calculation of diluted earnings per share</b>               | <b>193 480</b>        | <b>131 935</b>        |

## EARNINGS AND NET ASSET VALUE (NAV) PER SHARE

| in CHF  | 01.01.–<br>30.06.2015 | 01.01.–<br>30.06.2016 |
|---|-----------------------|-----------------------|
| Earnings per share (EPS)  | 2.96                  | 1.89                  |
| Diluted earnings per share  | 2.89                  | 1.79                  |
| Shareholders' equity per share (NAV) before deferred taxes <sup>1</sup> | 82.92                 | 83.66                 |
| Shareholders' equity per share (NAV) after deferred taxes <sup>1</sup>  | 68.56                 | 69.24                 |

<sup>1</sup> Non-controlling interests recognised in shareholders' equity were not included in the calculation of the NAV.

## 16 FUTURE OBLIGATIONS AND CONTINGENT LIABILITIES

| in CHF 1 000   | 31.12.2015    | 30.06.2016    |
|--|---------------|---------------|
| 2016   | 41 570        | 36 101        |
| 2017   | 16 592        | 33 504        |
| 2018   | –             | 2 916         |
| <b>Total future obligations based on total contractor agreements</b> | <b>58 162</b> | <b>72 521</b> |

Swiss Prime Site concluded agreements with various total contractors for the construction of new and modified buildings within the scope of new construction activities as well as restructuring and renovation of existing properties. The due dates for the respective residual payments for these total contractor agreements are shown in the table above. The relevant properties were as follows:

| Properties   | Planned<br>completion | 31.12.2015<br>Outstanding<br>payments<br>in CHF 1 000 | 30.06.2016<br>Outstanding<br>payments<br>in CHF 1 000 |
|--|-----------------------|---|---|
| Basel, Freie Strasse 68/Motel One                    | 2016                  | 3 835   | 850   |
| Zurich, Brandschenkestrasse 25/Motel One             | 2017                  | 43 517  | 33 352  |
| Zurich, Etzelstrasse 14                              | 2017                  | 10 810  | 9 700   |
| Meyrin, Route de Meyrin 210/Riantbosson              | 2018                  | –   | 28 619  |
| <b>Total outstanding payments/future obligations</b> |                       | <b>58 162</b>   | <b>72 521</b>   |

### Contingent liabilities

Since end 2013, there was a contingent liability related to an unresolved difference of opinion with the Swiss Federal Tax Administration (FTA). This dispute is related to interest on arrears with regard to the reporting procedure surrounding withholding tax on dividend distributions within the group. Notwithstanding what we view as proper and timely reporting of the distributions in 2012, four subsidiaries received requests for effective payment of the withholding tax and interest on arrears toward the end of 2013 and beginning of 2014. Due to the risk of substantial interest on arrears, Swiss Prime Site paid the withholding tax on 24 December 2013 as a precautionary measure, which was subsequently reimbursed by the FTA on 10 January 2014.

Swiss Prime Site filed an objection to the decision that was issued by the FTA. Based on a legal opinion, the Company believes that there are no legitimate or legal grounds for either the subsequent imposition of withholding taxes or the obligation to effect payment of interest on arrears. Although Swiss Prime Site is convinced that its actions are appropriate and is attempting to legally assert its point of view, a litigation risk exists. According to internal calculations, the interest on arrears would amount to maximum CHF 25.0 million in the case that a final decision in favour of the FTA is taken. Since the outcome of the dispute is still uncertain and the extent of the amounts to be ultimately paid in case of

a negative outcome cannot be reliably determined at present due to the various possible outcome scenarios, the Company has waived setting up a provision, in accordance with IAS 37.

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

## 17 PLEDGED ASSETS

| in CHF 1 000                                     | 31.12.2015 | 30.06.2016 |
|--|------------|------------|
| Fair value of affected investment properties     | 7 907 295  | 7 771 347  |
| Fair value of affected owner-occupied properties | 702 728    | 759 358    |
| Nominal value of pledged mortgage notes          | 4 718 030  | 4 590 186  |
| Current claim (nominal)                          | 3 118 850  | 3 272 550  |

## 18 GROUP COMPANIES AND ASSOCIATES

Swiss Prime Site AG holds the following investments in group companies

### FULLY CONSOLIDATED INVESTMENTS IN GROUP COMPANIES (DIRECT OR INDIRECT)

| Field of activity  | 31.12.2015              |                      | 30.06.2016              |                      |       |
|--|-------------------------|----------------------|-------------------------|----------------------|-------|
|  | Capital<br>in CHF 1 000 | Shareholding<br>in % | Capital<br>in CHF 1 000 | Shareholding<br>in % |       |
| Clos Bercher SA, Bercher <sup>5</sup>                                    | Assisted living         | –                    | –                       | 100                  | 100.0 |
| Ensemble artisanal et commercial de Riantbosson S.A., Olten <sup>1</sup> | Real estate             | 1 000                | 100.0                   | n/a.                 | n/a   |
| Home Médicalisé Vert-Bois SA, Val-de-Ruz <sup>5</sup>                    | Assisted living         | –                    | –                       | 100                  | 100.0 |
| Hôtel Résidence Bristol SA, Montreux <sup>5</sup>                        | Assisted living         | –                    | –                       | 100                  | 100.0 |
| immoveris ag, Berne <sup>2</sup>   | Real estate services    | –                    | –                       | 200                  | 100.0 |
| immoveris properties ag, Berne <sup>2</sup>                              | Real estate services    | –                    | –                       | 100                  | 100.0 |
| Jelmoli AG, Zurich   | Retail                  | 6 600                | 100.0                   | 6 600                | 100.0 |
| La Fontaine SA, Court <sup>5</sup>                                       | Assisted living         | –                    | –                       | 100                  | 100.0 |
| La Résidence des Marronniers SA, Martigny <sup>5</sup>                   | Assisted living         | –                    | –                       | 100                  | 100.0 |
| Le Manoir AG, Gampelen <sup>5</sup>                                      | Assisted living         | –                    | –                       | 100                  | 100.0 |
| Leora S.à.r.l., Villeneuve <sup>5</sup>                                  | Assisted living         | –                    | –                       | 140                  | 100.0 |
| Les Tourelles S.à.r.l., Martigny <sup>5</sup>                            | Assisted living         | –                    | –                       | 20                   | 100.0 |
| Perlavita AG, Zurich   | Assisted living         | 100                  | 100.0                   | 100                  | 100.0 |
| Perlavita Rosenau AG, Kirchberg  | Assisted living         | 300                  | 100.0                   | 300                  | 100.0 |
| Quality Inside SA, Crissier <sup>5</sup>                                 | Assisted living         | –                    | –                       | 150                  | 100.0 |
| Résidence Bel-Horizon Sàrl, Ecublens <sup>5</sup>                        | Assisted living         | –                    | –                       | 20                   | 100.0 |
| Résidence de la Jardinerie SA, Delémont <sup>5</sup>                     | Assisted living         | –                    | –                       | 100                  | 100.0 |
| Résidence du Bourg SA, Aigle <sup>5</sup>                                | Assisted living         | –                    | –                       | 50                   | 100.0 |
| Résidence Joli Automne SA, Ecublens <sup>5</sup>                         | Assisted living         | –                    | –                       | 100                  | 100.0 |
| Résidence le Pacific SA, Etoy <sup>5</sup>                               | Assisted living         | –                    | –                       | 150                  | 100.0 |
| Résidence l'Eaudine SA, Montreux <sup>5</sup>                            | Assisted living         | –                    | –                       | 100                  | 100.0 |
| SENIOcare AG, Wattwil <sup>3</sup>                                       | Assisted living         | 2 400                | 100.0                   | 2 400                | 100.0 |
| SPS Beteiligungen Alpha AG, Olten  | Investments             | 650 000              | 100.0                   | 650 000              | 100.0 |
| SPS Beteiligungen Beta AG, Olten   | Investments             | 450 000              | 100.0                   | 450 000              | 100.0 |
| SPS Beteiligungen Gamma AG, Olten  | Investments             | 300 000              | 100.0                   | 300 000              | 100.0 |
| SPS Immobilien AG, Olten   | Real estate             | 50 000               | 100.0                   | 50 000               | 100.0 |
| Swiss Prime Site Fund Advisory AG II, Olten                              | Collective investments  | 100                  | 100.0                   | 100                  | 100.0 |
| Swiss Prime Site Group AG, Olten   | Services                | 100                  | 100.0                   | 100                  | 100.0 |
| Tertianum AG, Zurich   | Assisted living         | 9 562                | 100.0                   | 9 562                | 100.0 |
| Tertianum Management AG, Zurich <sup>4</sup>                             | Services                | –                    | –                       | 500                  | 100.0 |
| Tertianum Romandie Management SA, Crissier <sup>5</sup>                  | Assisted living         | –                    | –                       | 100                  | 100.0 |
| Vitadomo AG, Zurich  | Assisted living         | 100                  | 100.0                   | 100                  | 100.0 |
| WGDM Papillon AG, Winterthur <sup>6</sup>                                | Assisted living         | 100                  | 100.0                   | n/a                  | n/a   |
| Wincasa AG, Winterthur   | Real estate services    | 1 500                | 100.0                   | 1 500                | 100.0 |
| Wohn- und Pflegezentrum Salmenpark AG, Rheinfelden <sup>3</sup>          | Assisted living         | 1 000                | 51.0                    | 1 000                | 51.0  |

<sup>1</sup> increase in shareholding interest to 100% as at 17.12.2015; merged with SPS Immobilien AG as at 20.05.2016

<sup>2</sup> acquisition as at 27.05.2016

<sup>3</sup> acquisition as at 01.10.2015

<sup>4</sup> founded as at 18.03.2016

<sup>5</sup> acquisition as at 29.02.2016

<sup>6</sup> acquisition as at 01.07.2015, merged with Perlavita AG as at 26.04.2016

.....  
**INVESTMENTS IN ASSOCIATES VALUED ACCORDING TO THE EQUITY METHOD**

|                                |                   | 31.12.2015              |                      | 30.06.2016              |                      |
|--------------------------------|-------------------|-------------------------|----------------------|-------------------------|----------------------|
|                                | Field of activity | Capital<br>in CHF 1 000 | Shareholding<br>in % | Capital<br>in CHF 1 000 | Shareholding<br>in % |
| Parkgest Holding S.A., Geneva  | Parking           | 4 750                   | 38.8                 | 4 750                   | 38.8                 |
| Parking Riponne S.A., Lausanne | Parking           | 5 160                   | 27.1                 | 5 160                   | 27.1                 |

**19 MAJOR SHAREHOLDERS**

|   | 31.12.2015                       | 30.06.2016                       |
|---|----------------------------------|----------------------------------|
| Major shareholders (shareholding interest > 3%)   | Shareholding<br>interest<br>in % | Shareholding<br>interest<br>in % |
| BlackRock Investment Management (UK) Ltd., London | 4.4                              | 4.4                              |
| State Street Corporation, Boston                  | 4.0                              | 4.0                              |
| Credit Suisse Funds AG, Zurich                    | 3.5                              | 3.3                              |

**20 EVENTS AFTER THE BALANCE SHEET DATE**

The consolidated financial statements were approved for publication by the Board of Directors on 18 August 2016.

As at 1 July 2016, 100% of the shares of Résidence Les Sources BOAS SA were acquired at a provisionally determined purchase price of CHF 9 million. This acquisition concludes the integration of Boas Senior Care into the Assisted Living segment.

There were no other events occurring between 30 June 2016 and the date of publication of these consolidated financial statements that would result in adjustment of the carrying amounts of the group's assets and liabilities as at 30 June 2016, or which would need to be disclosed at this point.





..... EPRA KEY FIGURES .....

# EPRA KEY FIGURES

**EPRA KEY FIGURES**  
(EUROPEAN PUBLIC REAL ESTATE ASSOCIATION)

**EPRA EARNINGS AND EPRA EARNINGS PER SHARE**

| in CHF 1 000  | 01.01.–<br>30.06.2015 | 01.01.–<br>30.06.2016 |
|---|-----------------------|-----------------------|
| <b>Earnings per consolidated income statement</b>                             | <b>191 042</b>        | <b>132 020</b>        |
| Excluding:  |                       |                       |
| Revaluations of investment properties   | – 99 735              | – 32 777              |
| Result from investment property sales   | – 11                  | – 10 114              |
| Result on sales of trading properties, gross                                  | – 29 546              | –                     |
| Tax on profits on disposals, gross  | 7 768                 | 2 194                 |
| Negative goodwill/goodwill impairment   | n/a                   | n/a                   |
| Changes in fair value of financial instruments                                | – 412                 | – 843                 |
| Transaction costs on acquisitions of group companies and associated companies | n/a                   | 2 324                 |
| Deferred taxes in respect of EPRA adjustments                                 | 21 759                | 7 771                 |
| Adjustments in respect of associated companies                                | n/a                   | n/a                   |
| Adjustments in respect of non-controlling interests                           | n/a                   | n/a                   |
| <b>EPRA earnings</b>  | <b>90 865</b>         | <b>100 575</b>        |
| Average number of outstanding shares  | 64 606 788            | 70 085 251            |
| <b>EPRA earnings per share in CHF</b>   | <b>1.41</b>           | <b>1.44</b>           |

**EPRA NET ASSET VALUE (NAV)**

| in CHF 1 000  | 31.12.2015       | 30.06.2016       |
|---|------------------|------------------|
| <b>NAV as per consolidated balance sheet</b>  | <b>4 955 723</b> | <b>4 949 053</b> |
| Dilution effects from exercise of options, convertibles and other equity interests  | 189 589          | 242 748          |
| Diluted NAV, after the exercise of options, convertibles and other equity interests | 5 145 312        | 5 191 801        |
| Including:  |                  |                  |
| Revaluation of investment properties <sup>1</sup>                                   | n/a              | n/a              |
| Revaluation of properties under construction <sup>1</sup>                           | n/a              | n/a              |
| Revaluation of other non-current investments  | n/a              | n/a              |
| Revaluation of tenant leases held as finance leases                                 | n/a              | n/a              |
| Revaluation of trading properties   | –                | –                |
| Excluding:  |                  |                  |
| Fair value of derivative financial instruments                                      | 6 871            | 6 289            |
| Deferred taxes  | 1 010 985        | 1 019 382        |
| Goodwill as a result of deferred taxes  | n/a              | n/a              |
| Adjustments in respect of associated companies                                      | n/a              | n/a              |
| <b>EPRA NAV</b>   | <b>6 163 168</b> | <b>6 217 472</b> |
| Number of outstanding shares (diluted)  | 71 973 214       | 73 849 540       |
| <b>EPRA NAV per share in CHF</b>  | <b>85.63</b>     | <b>84.19</b>     |

<sup>1</sup> if IAS 40 cost option is used

### EPRA TRIPLE NET ASSET VALUE (NNAV)

| in CHF 1 000                                   | 31.12.2015       | 30.06.2016       |
|--|------------------|------------------|
| EPRA NAV                                       | 6 163 168        | 6 217 472        |
| Excluding:                                     |                  |                  |
| Fair value of derivative financial instruments | - 6 871          | - 6 289          |
| Revaluation of financial debts                 | - 226 966        | - 219 531        |
| Deferred taxes                                 | - 995 097        | - 1 004 015      |
| <b>EPRA NNAV</b>                               | <b>4 934 234</b> | <b>4 987 637</b> |
| Number of outstanding shares (diluted)         | 71 973 214       | 73 849 540       |
| <b>EPRA NNAV per share in CHF</b>              | <b>68.56</b>     | <b>67.54</b>     |

### EPRA NET YIELD ON RENTAL INCOME (NIY)

| in CHF 1 000   | 31.12.2015         | 30.06.2016       |
|--|--------------------|------------------|
| Investment properties – wholly owned   | 9 686 607          | 9 886 436        |
| Investment properties – share of joint ventures/funds  | n/a                | n/a              |
| Trading properties   | –                  | –                |
| Less properties under construction and development sites, building land and trading properties | - 412 980          | - 297 951        |
| <b>Value of completed property portfolio</b>   | <b>9 273 627</b>   | <b>9 588 485</b> |
| Allowance for estimated purchasers' costs  | n/a                | n/a              |
| <b>Gross up value of completed property portfolio</b>  | <b>A 9 273 627</b> | <b>9 588 485</b> |
| Annualised rental income   | 417 129            | 424 736          |
| Property outgoings   | - 58 265           | - 56 735         |
| <b>Annualised net rental income</b>  | <b>B 358 864</b>   | <b>368 001</b>   |
| Add: notional rent expiration of rent-free periods or other lease incentives                   | 3 733              | 6 006            |
| <b>Topped-up net annualised rental income</b>  | <b>C 362 597</b>   | <b>374 007</b>   |
| <b>EPRA NIY</b>  | <b>B/A 3.9%</b>    | <b>3.8%</b>      |
| <b>EPRA topped-up NIY</b>  | <b>C/A 3.9%</b>    | <b>3.9%</b>      |

### EPRA VACANCY RATE

| in CHF 1 000                                  | 31.12.2015  | 30.06.2016  |
|---|-------------|-------------|
| Estimated rental value of vacant space        | 26 644      | 24 279      |
| Estimated rental value of the whole portfolio | 444 218     | 453 590     |
| <b>EPRA vacancy rate</b>                      | <b>6.0%</b> | <b>5.4%</b> |



..... FIVE-YEAR SUMMARY OF KEY FIGURES .....

# FIVE-YEAR SUMMARY OF KEY FIGURES

## FIVE-YEAR SUMMARY OF KEY FIGURES

|  | in    | 30.06.2012 | 30.06.2013 | 30.06.2014 | 30.06.2015 | 30.06.2016 |
|--|-------|------------|------------|------------|------------|------------|
| <b>Group key figures</b>                               |       |            |            |            |            |            |
| Investment properties at fair value <sup>1</sup>       | CHF m | 8 350.0    | 8 876.4    | 9 558.0    | 9 904.9    | 9 886.4    |
| Rental income from properties                          | CHF m | 204.2      | 199.5      | 217.3      | 225.2      | 225.5      |
| Vacancy rate   | %     | 5.4        | 6.1        | 6.8        | 7.4        | 6.4        |
| Income from sale of trading properties                 | CHF m | –          | –          | –          | 74.4       | –          |
| Income from real estate services <sup>2</sup>          | CHF m | –          | 45.6       | 48.4       | 52.5       | 54.8       |
| Income from retail <sup>3</sup>                        | CHF m | 76.2       | 74.2       | 71.0       | 65.7       | 60.2       |
| Income from assisted living <sup>4</sup>               | CHF m | –          | –          | 77.3       | 77.4       | 151.9      |
| Operating profit (EBIT)                                | CHF m | 289.4      | 339.4      | 221.1      | 300.2      | 207.0      |
| <b>Key figures Real Estate segment<sup>2</sup></b>     |       |            |            |            |            |            |
| Rental income from third parties                       | CHF m | 195.2      | 190.6      | 182.7      | 192.8      | 180.9      |
| Rental income from group companies                     | CHF m | 18.8       | 18.4       | 28.5       | 27.2       | 26.8       |
| Net yield on properties                                | %     | 4.6        | 4.3        | 4.1        | 4.0        | 3.9        |
| Vacancy rate   | %     | 5.1        | 5.8        | 6.5        | 7.2        | 6.2        |
| Income from sale of trading properties                 | CHF m | –          | –          | –          | 74.4       | –          |
| Income from real estate services                       | CHF m | –          | 45.6       | 48.7       | 52.7       | 54.9       |
| Operating profit (EBIT)                                | CHF m | 297.6      | 351.4      | 227.5      | 331.3      | 222.9      |
| <b>Key figures Retail segment<sup>3</sup></b>          |       |            |            |            |            |            |
| Income from retail                                     | CHF m | 76.4       | 74.4       | 71.1       | 65.9       | 60.2       |
| Rental income  | CHF m | 9.0        | 8.9        | 9.0        | 8.5        | 7.6        |
| Operating profit (EBIT)                                | CHF m | –5.6       | –4.4       | –4.8       | –6.9       | –8.3       |
| <b>Key figures Assisted Living segment<sup>4</sup></b> |       |            |            |            |            |            |
| Income from assisted living services                   | CHF m | –          | –          | 77.3       | 77.9       | 152.0      |
| Rental income from owner-occupied properties           | CHF m | –          | –          | 11.5       | 12.0       | 12.1       |
| Rental income from leased properties                   | CHF m | –          | –          | 14.0       | 11.9       | 25.0       |
| Operating profit (EBIT)                                | CHF m | –          | –          | 4.7        | 3.3        | 3.5        |
| <b>Group key financial figures</b>                     |       |            |            |            |            |            |
| EBITDA   | CHF m | 297.5      | 349.7      | 236.0      | 315.9      | 226.3      |
| Operating profit (EBIT)                                | CHF m | 289.4      | 339.4      | 221.1      | 300.2      | 207.0      |
| Profit   | CHF m | 177.8      | 222.3      | 137.2      | 191.0      | 132.0      |
| of which attributable to non-controlling interests     | CHF m | –          | –          | 0.9        | –0.3       | –0.7       |
| Shareholders' equity                                   | CHF m | 3 433.7    | 3 964.7    | 4 026.0    | 4 776.8    | 4 948.6    |
| of which non-controlling interests                     | CHF m | –          | –          | 1.6        | 1.3        | –0.5       |
| Equity ratio   | %     | 39.5       | 42.0       | 39.2       | 44.4       | 45.3       |
| Borrowed capital                                       | CHF m | 5 254.9    | 5 475.0    | 6 237.0    | 5 975.9    | 5 974.0    |
| Borrowed capital ratio                                 | %     | 60.5       | 58.0       | 60.8       | 55.6       | 54.7       |
| Total shareholders' equity and borrowed capital        | CHF m | 8 688.6    | 9 439.7    | 10 263.0   | 10 752.7   | 10 922.6   |

<sup>1</sup> includes all properties, irrespective of their recognition in the balance sheet

<sup>2</sup> acquisition of immoveris ag and immoveris properties ag as at 27.05.2016

<sup>3</sup> transfer of the restaurant operating business of Clouds Gastro AG to Candrian Catering AG as at 01.07.2015

<sup>4</sup> acquisition of Boas Senior Care as at 29.02.2016, SENIOcare Group as at 01.10.2015 and WGDM Papillon AG as at 01.07.2015

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**FIVE-YEAR SUMMARY OF KEY FIGURES**

|   | in    | 30.06.2012 | 30.06.2013 | 30.06.2014 | 30.06.2015 | 30.06.2016 |
|---|-------|------------|------------|------------|------------|------------|
| Interest-bearing financial liabilities  | CHF m | 4 281.1    | 4 277.3    | 4 937.4    | 4 487.8    | 4 469.3    |
| Interest-bearing financial liabilities<br>(in % of balance sheet total)                 | %     | 49.3       | 45.3       | 48.1       | 41.7       | 40.9       |
| Loan-to-value ratio of property portfolio (LTV)   | %     | 51.0       | 48.0       | 51.6       | 45.3       | 45.2       |
| Weighted average interest rate on financial liabilities                                 | %     | 2.6        | 2.4        | 2.2        | 2.2        | 1.9        |
| Weighted average residual term to maturity<br>of interest-bearing financial liabilities | years | 4.1        | 4.2        | 4.6        | 4.7        | 4.2        |
| Return on equity (ROE)  | %     | 10.4       | 11.9       | 6.8        | 8.9        | 5.4        |
| Return on invested capital (ROIC)   | %     | 5.5        | 5.9        | 3.6        | 4.5        | 3.3        |
| Cash flow from operating activities   | CHF m | 86.4       | 109.5      | 497.8      | 154.8      | 85.3       |
| Cash flow from investing activities   | CHF m | -54.0      | -96.6      | -141.8     | -33.0      | -210.0     |
| Cash flow from financing activities   | CHF m | -147.4     | -98.7      | -404.9     | -149.9     | 50.6       |
| <b>Key financial figures excluding revaluation effects<sup>1</sup></b>                  |       |            |            |            |            |            |
| Operating profit (EBIT)   | CHF m | 159.1      | 169.7      | 167.5      | 200.5      | 174.2      |
| Profit  | CHF m | 91.1       | 110.4      | 107.0      | 133.4      | 120.3      |
| of which attributable to non-controlling interests                                      | CHF m | -          | -          | -          | -          | -0.7       |
| Return on equity (ROE)  | %     | 5.4        | 6.1        | 5.4        | 6.3        | 4.9        |
| Return on invested capital (ROIC)   | %     | 3.5        | 3.5        | 3.0        | 3.4        | 3.1        |
| <b>Key figures per share</b>  |       |            |            |            |            |            |
| Share price at end of period  | CHF   | 79.15      | 69.45      | 73.50      | 70.95      | 88.20      |
| Share price, highest  | CHF   | 79.40      | 78.45      | 76.00      | 87.80      | 88.20      |
| Share price, lowest   | CHF   | 69.30      | 68.35      | 68.95      | 70.95      | 74.95      |
| Earnings per share (EPS)  | CHF   | 3.27       | 3.69       | 2.25       | 2.96       | 1.89       |
| Earnings per share (EPS) excluding revaluation effects <sup>1</sup>                     | CHF   | 1.67       | 1.83       | 1.77       | 2.06       | 1.72       |
| NAV before deferred taxes <sup>2</sup>  | CHF   | 77.04      | 79.80      | 81.65      | 82.92      | 83.66      |
| NAV after deferred taxes <sup>2</sup>   | CHF   | 62.94      | 65.53      | 66.52      | 68.56      | 69.24      |
| Distribution from capital contribution reserves   | CHF   | 3.60       | 3.60       | 3.60       | 3.70       | 3.70       |
| Cash yield on closing price of the previous year  | %     | 5.1        | 4.7        | 5.2        | 5.1        | 4.7        |

<sup>1</sup> revaluations and deferred taxes<sup>2</sup> non-controlling interests recognised in shareholders' equity were not included in the calculation of the NAV.

## FIVE-YEAR SUMMARY OF KEY FIGURES

|   | in     | 30.06.2012 | 30.06.2013 | 30.06.2014 | 30.06.2015 | 30.06.2016 |
|---|--------|------------|------------|------------|------------|------------|
| <b>Key figures per share</b>                      |        |            |            |            |            |            |
| Share performance (TR) p.a. in the last 12 months | %      | 15.0       | -6.8       | 11.0       | 2.1        | 29.8       |
| Share performance (TR) p.a. in the last 3 years   | %      | 22.7       | 9.5        | 6.0        | 1.9        | 13.7       |
| Share performance (TR) p.a. in the last 5 years   | %      | 8.7        | 9.0        | 13.6       | 8.2        | 9.5        |
| Premium   | %      | 25.8       | 6.0        | 10.5       | 3.5        | 27.4       |
| <b>Market capitalisation</b>                      |        |            |            |            |            |            |
|   | CHF m  | 4 318.1    | 4 201.9    | 4 447.0    | 4 941.8    | 6 304.4    |
| <b>Employees</b>                                  |        |            |            |            |            |            |
| Number of employees                               | People | 734        | 1 451      | 3 034      | 3 183      | 5 346      |
| Full-time equivalents                             | FTE    | 534        | 1 181      | 2 334      | 2 444      | 3 976      |
| <b>Share statistics</b>                           |        |            |            |            |            |            |
| Shares issued                                     | Number | 54 555 802 | 60 503 081 | 60 503 081 | 69 651 534 | 71 478 917 |
| Average treasury shares held                      | Number | -4 244     | -4 828     | -9 765     | -10 274    | -2 488     |
| Average outstanding shares                        | Number | 54 437 993 | 60 241 807 | 60 493 316 | 64 606 788 | 70 085 251 |
| Treasury shares held                              | Number | -4 244     | -4 828     | -2 767     | -2 721     | -1 744     |
| Outstanding shares                                | Number | 54 551 558 | 60 498 253 | 60 500 314 | 69 648 813 | 71 477 173 |



..... PROPERTY DETAILS .....

# PROPERTY DETAILS

**PROPERTY DETAILS AS AT 30.06.2016**
**OVERVIEW OF TYPE OF USE**

| City, address  | Fair value (CHF 1000) | Target rental and land lease income (CHF 1000) | Vacancy rate (%) | Ownership status                  | Built     | Year of renovation | Site area (m <sup>2</sup> ) | Total m <sup>2</sup> commercial units, excluding parking | Retail (%) | Offices, medical practice premises, etc. (%) | Cinemas and restaurants (%) | Assisted Living (%) | Storage facilities (%) | Other (%) |  |
|--|-----------------------|--|------------------|-----------------------------------|-----------|--------------------|-----------------------------|--|------------|--|-----------------------------|---------------------|------------------------|-----------|--|
| <b>COMMERCIAL PROPERTIES WITHOUT SIGNIFICANT RESIDENTIAL SPACE</b> |                       |  |                  |                                   |           |                    |                             |  |            |  |                             |                     |                        |           |  |
| Aarau, Bahnhofstrasse 23   | 15570                 | 348  | –                | sole ownership                    | 1946      | 1986               | 685                         | 2069   | 60.8       | 12.3   | –                           | –                   | 26.9                   | –         |  |
| Amriswil, Weinfelderstrasse 74                                     | 7334                  | 238  | –                | sole ownership                    | 2004      |                    | 3672                        | 3083   | 41.7       | 0.7  | 41.6                        | –                   | 5.2                    | 10.8      |  |
| Baar, Zugerstrasse 57, 63  | 62000                 | 301  | –                | sole ownership bought 15.05.2016  | 2009      |                    | 6029                        | 8995   | –          | 91.4   | 3.5                         | –                   | 2.4                    | 2.7       |  |
| Baden, Bahnhofstrasse 2  | 9858                  | 202  | –                | sole ownership                    | 1927      | 1975               | 212                         | 979  | 93.4       | –  | –                           | –                   | 6.6                    | –         |  |
| Baden, Weite Gasse 34, 36  | 9231                  | 220  | –                | sole ownership                    | 1953      | 1975               | 366                         | 1565   | 37.7       | 40.4   | –                           | –                   | 10.8                   | 11.1      |  |
| Basel, Aeschenvorstadt 2–4   | 47070                 | 1032   | 0.6              | sole ownership                    | 1960      | 2005               | 1362                        | 6296   | 17.1       | 63.5   | –                           | –                   | 18.9                   | 0.5       |  |
| Basel, Barfüsserplatz 3  | 39480                 | 856  | –                | sole ownership                    | 1874      | 1993               | 751                         | 3864   | 46.8       | 33.2   | –                           | –                   | 19.9                   | 0.1       |  |
| Basel, Centralbahnplatz 9/10                                       | 21360                 | 421  | –                | sole ownership                    | 1870/2005 | 2005               | 403                         | 1442   | 8.5        | 38.1   | 20.9                        | –                   | 11.7                   | 20.8      |  |
| Basel, Elisabethenstrasse 15                                       | 28680                 | 677  | 1.6              | sole ownership                    | 1933      | 1993               | 953                         | 4265   | 20.8       | 72.5   | –                           | –                   | 6.7                    | –         |  |
| Basel, Freie Strasse 26/ Falknerstrasse 3                          | 39450                 | 726  | 7.8              | sole ownership                    | 1854      | 1980               | 471                         | 2870   | 43.6       | 50.3   | –                           | –                   | 6.1                    | –         |  |
| Basel, Freie Strasse 36  | 43700                 | 845  | –                | sole ownership                    | 1894      | 2003               | 517                         | 2429   | 59.3       | 13.6   | –                           | –                   | 11.5                   | 15.6      |  |
| Basel, Freie Strasse 68  | 64320                 | 1273   | 52.1             | sole ownership                    | 1930      | 2015/2016          | 1461                        | 6159   | 14.4       | 74.6   | –                           | –                   | 10.3                   | 0.7       |  |
| Basel, Henric Petri-Strasse 9/ Elisabethenstrasse 19               | 32940                 | 747  | 0.6              | sole ownership                    | 1949      | 1985               | 2387                        | 6696   | 4.3        | 72.6   | –                           | –                   | 21.1                   | 2.0       |  |
| Basel, Hochbergerstrasse 40/ parking                               | 5187                  | 296  | 47.8             | sole ownership land lease         | 1976      |                    | 4209                        | –  | –          | –  | –                           | –                   | –                      | –         |  |
| Basel, Hochbergerstrasse 60/ building 805                          | 4063                  | 151  | –                | sole ownership                    | 1958      | 2006               | 5420                        | 4782   | –          | 23.4   | –                           | –                   | 10.5                   | 66.1      |  |
| Basel, Hochbergerstrasse 60/ building 860                          | 2367                  | 74   | 48.6             | sole ownership                    | 1990      |                    | 980                         | 897  | –          | 82.2   | –                           | –                   | 14.0                   | 3.8       |  |
| Basel, Hochbergerstrasse 60/ Stückli Business Park 60A–E           | 102670                | 3144   | 36.1             | sole ownership                    | 2008      |                    | 8343                        | 37441  | –          | 86.3   | –                           | –                   | 5.0                    | 8.7       |  |
| Basel, Hochbergerstrasse 62  | 9563                  | 212  | –                | sole ownership                    | 2005      |                    | 2680                        | –  | –          | –  | –                           | –                   | –                      | –         |  |
| Basel, Hochbergerstrasse 70/ Stückli shopping centre               | 204790                | 6543   | 15.8             | sole ownership                    | 2009      |                    | 46416                       | 54365  | 59.8       | 8.0  | 18.0                        | –                   | 12.1                   | 2.1       |  |
| Basel, Messeplatz 12/Messeturm                                     | 207980                | 4669   | –                | sole ownership partial land lease | 2003      |                    | 2137                        | 24093  | 0.7        | 54.2   | 41.7                        | –                   | 3.2                    | 0.2       |  |
| Basel, Peter Merian-Strasse 80                                     | 54200                 | 1330   | 1.5              | freehold property                 | 1999      |                    | 19214                       | 9110   | –          | 85.3   | –                           | –                   | 14.7                   | –         |  |
| Basel, Rebgasse 20   | 40980                 | 1340   | 2.3              | sole ownership                    | 1973      | 1998               | 3713                        | 9231   | 47.2       | 11.1   | 13.7                        | –                   | 26.2                   | 1.8       |  |
| Belp, Aemmenmattstrasse 43   | 15370                 | 800  | 48.0             | sole ownership                    | 1991      |                    | 5863                        | 9364   | –          | 75.1   | 5.3                         | –                   | 17.5                   | 2.1       |  |
| Berlingen, Seestrasse 110  | 1446                  | 77   | 31.7             | sole ownership                    | 1992      |                    | 1293                        | 1882   | –          | 100.0  | –                           | –                   | –                      | –         |  |
| Berlingen, Seestrasse 83, 88, 101, 154                             | 36730                 | 985  | –                | sole ownership                    | 1948–1998 |                    | 10321                       | 8650   | –          | –  | –                           | 100.0               | –                      | –         |  |
| Berne, Bahnhofplatz 9  | 14420                 | 285  | –                | sole ownership                    | 1930      | 1985               | 275                         | 1616   | 67.5       | –  | –                           | –                   | 32.5                   | –         |  |
| Berne, Genfergasse 14  | 110320                | 2139   | –                | sole ownership                    | 1905      | 1998               | 4602                        | 15801  | 4.1        | 85.0   | –                           | –                   | 0.7                    | 10.2      |  |
| Berne, Laupenstrasse 6   | 12050                 | 293  | –                | sole ownership                    | 1911      | 1998               | 503                         | 2067   | 41.4       | 49.9   | –                           | –                   | 0.3                    | 8.4       |  |
| Berne, Mingerstrasse 12–18/ PostFinance Arena                      | 114690                | 3282   | –                | sole ownership land lease         | 1969/2009 | 2009               | 29098                       | 46348  | 0.2        | 17.8   | –                           | –                   | 0.1                    | 81.9      |  |

PROPERTY DETAILS AS AT 30.06.2016

OVERVIEW OF TYPE OF USE

| City, address  | Fair value (CHF 1000) | Target rental and land lease income (CHF 1000) | Vacancy rate (%) | Ownership status                  | Built     | Year of renovation | Site area (m <sup>2</sup> ) | Total m <sup>2</sup> commercial units, excluding parking | Retail (%) | Offices, medical practice premises, etc. (%) | Cinemas and restaurants (%) | Assisted Living (%) | Storage facilities (%) | Other (%) |
|--|-----------------------|--|------------------|-----------------------------------|-----------|--------------------|-----------------------------|--|------------|--|-----------------------------|---------------------|------------------------|-----------|
| <b>COMMERCIAL PROPERTIES WITHOUT SIGNIFICANT RESIDENTIAL SPACE</b> |                       |  |                  |                                   |           |                    |                             |  |            |  |                             |                     |                        |           |
| Berne, Schwarztorstrasse 48  | 51 410                | 1 398  | –                | sole ownership                    | 1981      | 2011               | 1 959                       | 8 148  | –          | 75.7   | –                           | –                   | 23.0                   | 1.3       |
| Berne, Wankdorfallee 4/ EspacePost                                 | 167 000               | 4 075  | –                | sole ownership land lease         | 2014      |                    | 5 244                       | 33 650   | –          | 94.2   | –                           | –                   | 4.9                    | 0.9       |
| Berne, Weltpoststrasse 5   | 73 000                | 2 795  | 14.5             | sole ownership land lease         | 1975/1985 | 2013               | 19 374                      | 25 836   | –          | 67.2   | 4.5                         | –                   | 20.9                   | 7.4       |
| Biel, Solothurnstrasse 122   | 8 311                 | 254  | 0.2              | sole ownership land lease         | 1961      | 1993               | 3 885                       | 3 320  | 74.9       | 2.7  | –                           | –                   | 15.3                   | 7.1       |
| Brugg, Hauptstrasse 2  | 15 660                | 542  | 8.0              | sole ownership                    | 1958      | 2000               | 3 364                       | 4 211  | 60.5       | 4.1  | 3.5                         | –                   | 30.4                   | 1.5       |
| Buchs, St. Gallerstrasse 5   | 6 728                 | 212  | 0.5              | sole ownership                    | 1995      |                    | 2 192                       | 1 784  | 13.2       | 60.1   | –                           | –                   | 18.3                   | 8.4       |
| Burgdorf, Emmentalstrasse 14                                       | 8 089                 | 276  | 37.5             | sole ownership                    | 1972      | 1998               | 1 845                       | 2 061  | 46.2       | 43.5   | –                           | –                   | 8.6                    | 1.7       |
| Burgdorf, Industrie Buchmatt                                       | 13 960                | 389  | –                | sole ownership partial land lease | 1973      |                    | 15 141                      | 11 966   | 2.9        | 5.4  | –                           | –                   | 89.4                   | 2.3       |
| Carouge, Avenue Cardinal-Merillod 36–44                            | 154 120               | 4 476  | 1.7              | sole ownership                    | 1956      | 2002               | 14 372                      | 35 084   | 23.7       | 59.2   | 0.8                         | –                   | 14.8                   | 1.5       |
| Cham, Dorfplatz 2  | 5 070                 | 127  | 1.3              | sole ownership                    | 1992      |                    | 523                         | 1 067  | 11.4       | 61.5   | –                           | –                   | 27.1                   | –         |
| Conthey, Route Cantonale 2   | 6 309                 | 188  | –                | sole ownership                    | 1989      |                    | 3 057                       | 2 480  | 71.6       | 4.6  | –                           | –                   | 19.8                   | 4.0       |
| Conthey, Route Cantonale 4   | 18 510                | 624  | 10.1             | sole ownership land lease         | 2009      |                    | 7 444                       | 5 038  | 86.3       | –  | 3.0                         | –                   | 6.0                    | 4.7       |
| Conthey, Route Cantonale 11  | 27 490                | 848  | 2.3              | sole ownership land lease         | 2002      |                    | 10 537                      | 7 326  | 73.6       | 7.6  | 0.7                         | –                   | 14.3                   | 3.8       |
| Dietikon, Bahnhofplatz 11/ Neumattstrasse 24                       | 10 210                | 253  | 1.9              | sole ownership                    | 1989      |                    | 1 004                       | 1 783  | 19.5       | 56.1   | –                           | –                   | 24.4                   | –         |
| Dietikon, Kirchstrasse 20  | 12 400                | 299  | –                | sole ownership                    | 1988      |                    | 1 087                       | 1 894  | 23.5       | 65.0   | –                           | –                   | 11.5                   | –         |
| Dietikon, Zentralstrasse 12  | 7 264                 | 244  | –                | sole ownership                    | 1965      |                    | 1 215                       | 3 266  | 40.9       | 6.2  | –                           | –                   | 46.4                   | 6.5       |
| Dübendorf, Bahnhofstrasse 1  | 6 373                 | 220  | –                | sole ownership land lease         | 1988      |                    | 1 308                       | 1 671  | 17.7       | 59.3   | –                           | –                   | 23.0                   | –         |
| Eyholz, Kantonsstrasse 79  | 2 954                 | 142  | –                | sole ownership land lease         | 1991      |                    | 2 719                       | 1 321  | 92.2       | 5.7  | –                           | –                   | –                      | 2.1       |
| Frauenfeld, St. Gallerstrasse 30–30c                               | 35 360                | 855  | –                | sole ownership                    | 1991      |                    | 8 842                       | 9 528  | –          | –  | –                           | 100.0               | –                      | –         |
| Frauenfeld, Zürcherstrasse 305                                     | 7 577                 | 299  | 26.4             | sole ownership                    | 1982      | 2006               | 3 866                       | 4 289  | 51.0       | 20.9   | –                           | –                   | 21.2                   | 6.9       |
| Frick, Hauptstrasse 132/ Fricktal Centre A3                        | 22 210                | 573  | –                | sole ownership                    | 2007      |                    | 13 365                      | 4 984  | 64.6       | –  | 3.2                         | –                   | 15.6                   | 16.6      |
| Geneva, Centre Rhône-Fusterie                                      | 108 600               | 1 535  | –                | freehold property                 | 1990      |                    | 2 530                       | 11 186   | 76.2       | 0.3  | –                           | –                   | 23.5                   | –         |
| Geneva, Place du Molard 2–4  | 255 690               | 4 250  | 1.4              | sole ownership                    | 1690      | 2002               | 1 718                       | 7 178  | 35.4       | 56.3   | 2.2                         | –                   | 3.7                    | 2.4       |
| Geneva, Route de Meyrin 49   | 65 760                | 1 859  | 7.5              | sole ownership                    | 1987      |                    | 9 890                       | 10 119   | –          | 85.7   | –                           | –                   | 13.1                   | 1.2       |
| Geneva, Rue Céard 14/ Croix-d'Or 11                                | 28 990                | 630  | –                | sole ownership                    | 1974/1985 | 1981               | 285                         | 1 677  | 66.0       | –  | –                           | –                   | 34.0                   | –         |
| Geneva, Rue de Rive 3  | 33 010                | 610  | 12.0             | sole ownership                    | 1900      | 2002               | 377                         | 1 860  | 50.0       | 29.9   | 9.6                         | –                   | 8.2                    | 2.3       |
| Geneva, Rue du Rhône 48–50   | 522 240               | 9 181  | 2.7              | sole ownership                    | 1921      | 2002               | 5 166                       | 33 420   | 44.3       | 33.3   | 7.2                         | –                   | 9.1                    | 6.1       |
| Gossau, Wilerstrasse 82  | 20 540                | 557  | 0.1              | sole ownership                    | 2007      |                    | 13 064                      | 4 689  | 78.1       | 2.1  | –                           | –                   | 10.7                   | 9.1       |

**PROPERTY DETAILS AS AT 30.06.2016**
**OVERVIEW OF TYPE OF USE**

| City, address  | Fair value (CHF 1000) | Target rental and land lease income (CHF 1000) | Vacancy rate (%) | Ownership status                  | Built     | Year of renovation | Site area (m <sup>2</sup> ) | Total m <sup>2</sup> commercial units, excluding parking | Retail (%) | Offices, medical practice premises, etc. (%) | Cinemas and restaurants (%) | Assisted Living (%) | Storage facilities (%) | Other (%) |
|--|-----------------------|--|------------------|-----------------------------------|-----------|--------------------|-----------------------------|--|------------|--|-----------------------------|---------------------|------------------------|-----------|
| <b>COMMERCIAL PROPERTIES WITHOUT SIGNIFICANT RESIDENTIAL SPACE</b> |                       |  |                  |                                   |           |                    |                             |  |            |  |                             |                     |                        |           |
| <b>Grand-Lancy</b> , Route des Jeunes 10/CCL La Praille            | 273 330               | 8 097  | 0.4              | sole ownership land lease         | 2002      |                    | 20 597                      | 36 093   | 52.0       | 0.9  | 28.5                        | –                   | 16.5                   | 2.1       |
| <b>Grand-Lancy</b> , Route des Jeunes 12                           | 52 460                | 1 578  | 0.5              | sole ownership land lease         | 2003      |                    | 5 344                       | 12 765   | 3.3        | 38.0   | 42.9                        | –                   | 13.7                   | 2.1       |
| <b>Heimberg</b> , Gurnigelstrasse 38                               | 8 848                 | 301  | –                | sole ownership land lease         | 2000      |                    | 7 484                       | 1 543  | 83.6       | 2.8  | –                           | –                   | 7.0                    | 6.6       |
| <b>Horgen</b> , Zugerstrasse 22, 24                                | 11 560                | 314  | –                | sole ownership                    | 1990      |                    | 868                         | 2 408  | 11.0       | 75.5   | –                           | –                   | 13.5                   | –         |
| <b>La Chaux-de-Fonds</b> , Boulevard des Eplatures 44              | 6 864                 | 216  | –                | sole ownership                    | 1972      |                    | 3 021                       | 2 506  | 94.7       | 1.7  | –                           | –                   | 3.0                    | 0.6       |
| <b>Lachen</b> , Seidenstrasse 2                                    | 6 453                 | 174  | –                | sole ownership                    | 1993      |                    | 708                         | 1 532  | 13.9       | 67.6   | –                           | –                   | 18.5                   | –         |
| <b>Lausanne</b> , Rue de Sébeillon 9/ Sébeillon Centre             | 12 810                | 468  | –                | sole ownership                    | 1930      | 2001               | 2 923                       | 10 123   | 8.4        | 56.4   | –                           | –                   | 24.7                   | 10.5      |
| <b>Lausanne</b> , Rue du Pont 5                                    | 145 540               | 3 323  | 0.3              | sole ownership                    | 1910      | 2004               | 3 884                       | 20 802   | 50.5       | 23.3   | 9.2                         | –                   | 10.1                   | 6.9       |
| <b>Locarno</b> , Largo Zorzi 4/ Piazza Grande                      | 25 990                | 698  | –                | sole ownership                    | 1956      | 2001               | 2 365                       | 6 690  | 61.4       | 14.0   | 1.7                         | –                   | 10.2                   | 12.7      |
| <b>Locarno</b> , Parking Centro                                    | 14 010                | 595  | –                | sole ownership land lease         | 1990      | 2001               | 4 013                       | 50   | –          | –  | –                           | –                   | 100.0                  | –         |
| <b>Locarno</b> , Via delle Monache 8                               | 842                   | 34   | 1.1              | freehold property                 | 1989      |                    | 2 409                       | 256  | –          | –  | –                           | –                   | 93.4                   | 6.6       |
| <b>Lutry</b> , Route de l'Ancienne Ciblerie 2                      | 28 960                | 858  | 2.5              | freehold property                 | 2006      |                    | 13 150                      | 3 232  | 72.4       | 2.8  | 4.6                         | –                   | 14.8                   | 5.4       |
| <b>Lucerne</b> , Langensandstrasse 23/ Schönbühl                   | 52 590                | 225  | 1.2              | sole ownership bought 25.05.2016  | 1969      | 2007               | 20 150                      | 10 456   | 62.6       | 8.4  | –                           | –                   | 17.9                   | 11.1      |
| <b>Lucerne</b> , Kreuzbuchstrasse 33/35                            | 20 910                | 941  | –                | sole ownership land lease         | 2010      |                    | 14 402                      | 10 533   | –          | –  | –                           | 100.0               | –                      | –         |
| <b>Lucerne</b> , Pilatusstrasse 4/Flora                            | 64 940                | 1 207  | –                | freehold property                 | 1979      | 2008               | 4 376                       | 9 892  | 69.4       | 12.2   | –                           | –                   | 9.6                    | 8.8       |
| <b>Lucerne</b> , Schwanenplatz 3                                   | 15 980                | 306  | –                | sole ownership                    | 1958      | 2004               | 250                         | 1 512  | 10.8       | 62.6   | –                           | –                   | 18.7                   | 7.9       |
| <b>Lucerne</b> , Weggigasse 20, 22                                 | 17 590                | 332  | –                | sole ownership                    | 1982      |                    | 228                         | 1 285  | 76.8       | –  | –                           | –                   | 23.2                   | –         |
| <b>Meilen</b> , Seestrasse 545                                     | 6 860                 | 255  | –                | sole ownership land lease         | 2008      |                    | 1 645                       | 2 458  | –          | –  | –                           | 100.0               | –                      | –         |
| <b>Meyrin</b> , Route de Meyrin 210                                | 2 439                 | 123  | –                | sole ownership partial land lease | 1979      | 1999               | 3 860                       | 1 117  | 65.6       | 4.4  | –                           | –                   | 15.7                   | 14.3      |
| <b>Neuchâtel</b> , Avenue J.-J. Rousseau 7                         | 7 005                 | 257  | 12.6             | sole ownership                    | 1991      | 1992               | 1 020                       | 3 127  | –          | 70.0   | –                           | –                   | 22.5                   | 7.5       |
| <b>Neuchâtel</b> , Rue de l'Ecluse 19/Parking                      | 633                   | 4  | –                | sole ownership                    | 1960      | 1997               | 715                         | –  | –          | –  | –                           | –                   | –                      | –         |
| <b>Neuchâtel</b> , Rue du Temple-Neuf 11                           | 5 081                 | 133  | 10.3             | sole ownership                    | 1953      | 1993               | 262                         | 1 153  | 18.4       | 56.5   | –                           | –                   | 13.9                   | 11.2      |
| <b>Neuchâtel</b> , Rue du Temple-Neuf 14                           | 40 330                | 1 053  | 9.7              | sole ownership                    | 1902/2014 |                    | 1 928                       | 6 896  | 45.4       | 24.6   | –                           | –                   | 11.0                   | 19.0      |
| <b>Niederwangen b. Bern</b> , Riedmoosstrasse 10                   | 40 380                | 1 165  | –                | sole ownership                    | 1985      | 2006               | 12 709                      | 12 925   | 33.2       | 13.1   | –                           | –                   | 45.7                   | 8.0       |
| <b>Oberbüren</b> , Buchental 2                                     | 13 060                | 380  | –                | sole ownership                    | 1980      | 2007               | 6 401                       | 6 486  | 34.3       | 1.8  | –                           | –                   | 62.4                   | 1.5       |
| <b>Oberbüren</b> , Buchental 3                                     | 3 337                 | 168  | 12.6             | sole ownership                    | 1964      |                    | 4 651                       | 2 342  | 20.7       | 32.5   | –                           | –                   | 31.6                   | 15.2      |

PROPERTY DETAILS AS AT 30.06.2016

OVERVIEW OF TYPE OF USE

| City, address  | Fair value (CHF 1000) | Target rental and land lease income (CHF 1000) | Vacancy rate (%) | Ownership status                           | Built | Year of renovation | Site area (m <sup>2</sup> ) | Total m <sup>2</sup> commercial units, excluding parking | Retail (%) | Offices, medical practice premises, etc. (%) | Cinemas and restaurants (%) | Assisted Living (%) | Storage facilities (%) | Other (%) |
|--|-----------------------|--|------------------|--|-------|--------------------|-----------------------------|--|------------|--|-----------------------------|---------------------|------------------------|-----------|
| <b>COMMERCIAL PROPERTIES WITHOUT SIGNIFICANT RESIDENTIAL SPACE</b> |                       |  |                  |  |       |                    |                             |  |            |  |                             |                     |                        |           |
| Oberbüren, Buchental 3a  | 3212                  | 118  | –                | sole ownership                             | 1964  |                    | 3 613                       | 2 464  | –          | –  | –                           | 100.0               | –                      | –         |
| Oberbüren, Buchental 4   | 26 480                | 738  | –                | sole ownership                             | 1990  |                    | 4 963                       | 9 547  | 38.5       | 20.3   | –                           | –                   | 41.2                   | –         |
| Oberbüren, Buchental 5   | 936                   | 32   | –                | sole ownership                             | 1920  |                    | 3 456                       | 1 648  | –          | 12.1   | –                           | –                   | –                      | 87.9      |
| Oberwil, Mühlemattstrasse 23                                       | 2 930                 | 150  | –                | freehold property land lease               | 1986  |                    | 6 200                       | 1 651  | 75.9       | 4.2  | –                           | –                   | 16.3                   | 3.6       |
| Oftringen, Spitalweidstrasse 1/ shopping centre a1                 | 88 570                | 2 818  | 5.7              | sole ownership                             | 2006  |                    | 42 031                      | 19 968   | 78.9       | 3.2  | 1.4                         | –                   | 13.8                   | 2.7       |
| Olten, Bahnhofquai 18  | 28 090                | 797  | 0.7              | sole ownership                             | 1996  |                    | 2 553                       | 5 134  | –          | 93.6   | –                           | –                   | 6.4                    | –         |
| Olten, Bahnhofquai 20  | 39 920                | 1 022  | 0.1              | sole ownership                             | 1999  |                    | 1 916                       | 7 366  | –          | 85.4   | –                           | –                   | 14.6                   | –         |
| Olten, Frohburgstrasse 1   | 6 667                 | 55   | 9.8              | sole ownership                             | 1899  | 2009               | 379                         | 1 196  | –          | 78.3   | –                           | –                   | 21.7                   | –         |
| Olten, Frohburgstrasse 15  | 12 140                | 301  | 0.8              | sole ownership                             | 1961  | 1998               | 596                         | 1 882  | –          | 88.0   | –                           | –                   | 12.0                   | –         |
| Olten, Solothurnerstrasse 201                                      | 6 753                 | 166  | –                | sole ownership                             | 2006  |                    | 5 156                       | 1 592  | 62.3       | –  | –                           | –                   | 31.5                   | 6.2       |
| Olten, Solothurnerstrasse 231–235/Usego                            | 23 360                | 962  | 41.9             | sole ownership                             | 1907  | 2011               | 12 922                      | 11 949   | 23.2       | 64.1   | –                           | –                   | 9.9                    | 2.8       |
| Opfikon, Müllackerstrasse 2, 4/ Bubenholz                          | 44 560                | 500  | –                | sole ownership                             | 2015  |                    | 6 169                       | 10 802   | –          | –  | –                           | 100.0               | –                      | –         |
| Ostermundigen, Mitteldorfstrasse 16                                | 33 780                | 799  | –                | sole ownership                             | 2009  |                    | 7 503                       | 10 925   | –          | –  | –                           | 100.0               | –                      | –         |
| Otelfingen, Industriestrasse 19/21                                 | 102 600               | 3 699  | 17.1             | sole ownership                             | 1965  | 2000               | 101 933                     | 80 366   | –          | 16.6   | –                           | –                   | 78.1                   | 5.3       |
| Otelfingen, Industriestrasse 31                                    | 22 720                | 730  | 13.2             | sole ownership                             | 1986  | 1993               | 12 135                      | 11 560   | –          | 34.6   | 0.4                         | –                   | 57.3                   | 7.7       |
| Payerne, Route de Bussy 2  | 24 300                | 605  | –                | sole ownership                             | 2006  |                    | 12 400                      | 6 018  | 84.0       | 4.4  | –                           | –                   | 7.1                    | 4.5       |
| Petit-Lancy, Route de Chancy 59                                    | 124 240               | 3 672  | 29.0             | sole ownership                             | 1990  |                    | 13 052                      | 22 084   | 2.3        | 66.2   | 6.5                         | –                   | 21.7                   | 3.3       |
| Pfäffikon SZ, Huobstrasse 5  | 61 200                | 1 400  | –                | sole ownership                             | 2004  |                    | 7 005                       | 11 660   | –          | –  | –                           | 100.0               | –                      | –         |
| Rapperswil-Jona, Rathausstrasse 8                                  | 19 100                | 463  | 0.4              | sole ownership                             | 1992  | 2008               | 1 648                       | 3 143  | 23.6       | 50.7   | –                           | –                   | 25.7                   | –         |
| Romanel, Chemin du Marais 8  | 19 320                | 605  | –                | sole ownership                             | 1973  | 1995               | 7 264                       | 6 791  | 88.3       | 0.2  | –                           | –                   | 10.4                   | 1.1       |
| Schwyz, Oberer Steisteg 18, 20                                     | 8 718                 | 264  | 0.8              | sole ownership                             | 1988  | 2004               | 1 039                       | 2 672  | 8.6        | 58.4   | –                           | –                   | 33.0                   | –         |
| Solothurn, Amthausplatz 1  | 13 010                | 431  | 0.7              | sole ownership                             | 1955  | 1988               | 1 614                       | 3 352  | 17.8       | 57.9   | –                           | –                   | 24.3                   | –         |
| Spreitenbach, Industriestrasse/ Tivoli                             | 10 780                | 272  | –                | freehold property                          | 1974  | 2010               | 25 780                      | 980  | 87.2       | –  | –                           | –                   | 12.8                   | –         |
| Spreitenbach, Müslistrasse 44                                      | 4 340                 | 111  | –                | sole ownership                             | 2002  |                    | 2 856                       | 517  | –          | 7.0  | 30.2                        | –                   | 4.1                    | 58.7      |
| Spreitenbach, Pfadackerstrasse 6/Limmatpark                        | 75 820                | 3 278  | 14.3             | sole ownership                             | 1972  | 2003               | 10 318                      | 27 371   | 56.7       | 28.1   | –                           | –                   | 14.5                   | 0.7       |
| St. Gallen, Spisergasse 12   | 11 450                | 245  | –                | sole ownership                             | 1900  | 1998               | 208                         | 1 070  | 82.7       | –  | –                           | –                   | –                      | 17.3      |
| St. Gallen, Zürcherstrasse 462–464/Shopping Arena                  | 307 040               | 8 297  | 1.1              | sole ownership parking 73/100 co-ownership | 2008  |                    | 33 106                      | 39 835   | 57.8       | 9.6  | 9.5                         | –                   | 19.7                   | 3.4       |
| Stadel b. Niederglatt, Buechenstrasse 80 <sup>1</sup>              | 16 000                | –  | –                | financial lease                            | 2008  |                    | 3 947                       | 2 674  | –          | –  | –                           | 100.0               | –                      | –         |
| Sursee, Moosgasse 20   | 11 720                | 326  | –                | sole ownership                             | 1998  |                    | 4 171                       | 2 410  | 77.2       | –  | 6.8                         | –                   | 16.0                   | –         |
| Thalwil, Gotthardstrasse 40  | 5 892                 | 140  | –                | sole ownership                             | 1958  | 2004               | 541                         | 986  | 9.1        | 57.8   | 13.2                        | –                   | 19.9                   | –         |
| Thun, Bälliz 67  | 17 390                | 415  | –                | sole ownership                             | 1953  | 2001               | 875                         | 3 173  | 32.4       | 51.2   | 2.0                         | –                   | 10.7                   | 3.7       |

<sup>1</sup> property included in Assisted Living segment

<sup>2</sup> reclassified from properties under construction to investment properties after total refurbishment

<sup>3</sup> reclassified from building land to properties under construction due to new construction

<sup>4</sup> reclassified from investment properties to properties under construction due to total refurbishment

**PROPERTY DETAILS AS AT 30.06.2016**
**OVERVIEW OF TYPE OF USE**

| City, address  | Fair value (CHF 1000) | Target rental and land lease income (CHF 1000) | Vacancy rate (%) | Ownership status          | Built         | Year of renovation | Site area (m <sup>2</sup> ) | Total m <sup>2</sup> commercial units, excluding parking | Retail (%) | Offices, medical practice premises, etc. (%) | Cinemas and restaurants (%) | Assisted Living (%) | Storage facilities (%) | Other (%) |
|--|-----------------------|--|------------------|---------------------------|---------------|--------------------|-----------------------------|--|------------|--|-----------------------------|---------------------|------------------------|-----------|
| <b>COMMERCIAL PROPERTIES WITHOUT SIGNIFICANT RESIDENTIAL SPACE</b>     |                       |  |                  |                           |               |                    |                             |  |            |  |                             |                     |                        |           |
| Thun, Göttibachweg 2–2e, 4, 6, 8                                       | 39 750                | 1 111  | –                | sole ownership land lease | 2003          |                    | 14 520                      | 11 556   | –          | –  | –                           | 100.0               | –                      | –         |
| Uster, Poststrasse 10  | 8 148                 | 186  | –                | sole ownership            | 1972          | 2012               | 701                         | 1 431  | 17.1       | 61.3   | –                           | –                   | 21.6                   | –         |
| Uster, Poststrasse 14/20   | 12 270                | 366  | 0.9              | sole ownership            | 1854          | 2000               | 2 449                       | 3 195  | 63.3       | 11.7   | 3.8                         | –                   | 19.5                   | 1.7       |
| Vernier, Chemin de l'Etang 72/<br>Patio Plaza                          | 94 650                | 2 529  | 25.2             | sole ownership            | 2007          |                    | 10 170                      | 13 682   | –          | 82.2   | –                           | –                   | 17.1                   | 0.7       |
| Vevey, Rue de la Clergère 1  | 12 200                | 356  | 3.8              | sole ownership            | 1927          | 1994               | 717                         | 3 085  | 15.5       | 72.5   | –                           | –                   | 12.0                   | –         |
| Wabern, Nesslerenweg 30  | 18 550                | 504  | –                | sole ownership            | 1990          |                    | 4 397                       | 6 288  | –          | –  | –                           | 100.0               | –                      | –         |
| Wattwil, Ebnetenstrasse 45 <sup>1</sup>                                | 1 152                 | –  | –                | freehold property         | 1986          |                    | 539                         | 335  | –          | 100.0  | –                           | –                   | –                      | –         |
| Wil, Obere Bahnhofstrasse 40   | 18 290                | 433  | –                | sole ownership            | 1958          | 2008               | 1 105                       | 2 878  | 80.4       | 8.6  | –                           | –                   | 7.2                    | 3.8       |
| Winterthur, Theaterstrasse 17  | 61 220                | 1 663  | 73.9             | sole ownership            | 1999          |                    | 7 535                       | 14 270   | –          | 73.1   | 1.4                         | –                   | 6.1                    | 19.4      |
| Winterthur, Untertor 24  | 9 957                 | 156  | –                | sole ownership            | 1960          | 2006               | 290                         | 1 364  | 69.9       | –  | –                           | –                   | 30.1                   | –         |
| Worblaufen,<br>Alte Tiefenaustrasse 6                                  | 81 690                | 2 363  | –                | 49/100<br>co-ownership    | 1999          |                    | 21 596                      | 18 213   | –          | 87.4   | –                           | –                   | 12.0                   | 0.6       |
| Zollikon, Bergstrasse 17, 19   | 11 770                | 323  | 15.7             | sole ownership            | 1989          | 2004               | 1 768                       | 2 126  | 26.1       | 44.1   | –                           | –                   | 29.8                   | –         |
| Zollikon, Forchstrasse 452–456   | 17 020                | 367  | –                | sole ownership            | 1984/<br>1998 |                    | 2 626                       | 2 251  | –          | 68.4   | –                           | –                   | 31.6                   | –         |
| Zuchwil, Dorfackerstrasse 45/<br>Birchi Centre                         | 29 170                | 1 226  | 31.9             | sole ownership land lease | 1997          |                    | 9 563                       | 13 274   | 76.0       | 1.6  | –                           | –                   | 13.3                   | 9.1       |
| Zug, Zählerweg 4, 6/<br>Dammstrasse 19/<br>Landis+Gyr-Strasse 3/Opus 1 | 128 500               | 2 927  | 0.1              | sole ownership            | 2002          |                    | 7 400                       | 15 802   | –          | 90.3   | –                           | –                   | 9.7                    | –         |
| Zug, Zählerweg 8, 10/<br>Dammstrasse 21, 23/Opus 2                     | 163 440               | 3 680  | –                | sole ownership            | 2003          |                    | 8 981                       | 19 903   | –          | 91.1   | –                           | –                   | 8.9                    | –         |
| Zurich, Affolternstrasse 52/<br>MFO building                           | 13 260                | 288  | –                | sole ownership            | 1889          | 2012               | 1 367                       | 2 776  | –          | 53.1   | 25.8                        | –                   | 21.1                   | –         |
| Zurich, Affolternstrasse 54, 56/<br>Cityport                           | 177 200               | 4 592  | 7.6              | sole ownership            | 2001          |                    | 9 830                       | 23 486   | –          | 91.9   | –                           | –                   | 7.8                    | 0.3       |
| Zurich, Albisriederstrasse 203   | 64 090                | 1 227  | 19.7             | sole ownership            | 1942–<br>2003 |                    | 22 745                      | 12 724   | –          | 64.3   | 20.7                        | –                   | 10.9                   | 4.1       |
| Zurich, Bahnhofstrasse 42  | 116 240               | 945  | 0.3              | sole ownership            | 1968          | 1990               | 482                         | 2 003  | 42.7       | 44.6   | –                           | –                   | 12.7                   | –         |
| Zurich, Bahnhofstrasse 69  | 54 730                | 789  | 10.9             | sole ownership            | 1898          | 2007               | 230                         | 1 114  | 10.9       | 77.6   | –                           | –                   | 11.1                   | 0.4       |
| Zurich, Bahnhofstrasse 106   | 50 180                | 601  | –                | sole ownership            | 1958          |                    | 200                         | 1 196  | 11.8       | 53.1   | –                           | –                   | 32.1                   | 3.0       |
| Zurich,<br>Carl-Spitteler-Strasse 68/70                                | 96 240                | 2 025  | –                | sole ownership            | 1993          |                    | 11 732                      | 19 343   | –          | –  | –                           | 100.0               | –                      | –         |
| Zurich, Flurstrasse 55/<br>Medienpark <sup>2</sup>                     | 140 810               | 1 352  | 92.0             | sole ownership            | 1979          | 2013–<br>2015      | 8 270                       | 25 528   | 1.6        | 70.3   | 1.5                         | –                   | 25.8                   | 0.8       |
| Zurich, Flurstrasse 89   | 7 692                 | 235  | –0.3             | sole ownership            | 1949          | 2003               | 2 330                       | 3 331  | –          | 12.0   | –                           | –                   | 11.3                   | 76.7      |
| Zurich, Fraumünsterstrasse 16  | 140 950               | 2 508  | 13.4             | sole ownership            | 1901          | 1990               | 2 475                       | 7 927  | 16.6       | 73.0   | –                           | –                   | 10.4                   | –         |
| Zurich, Hagenholzstrasse 60/<br>SkyKey                                 | 286 770               | 5 575  | –                | sole ownership            | 2014          |                    | 9 573                       | 41 253   | 0.3        | 85.7   | 9.8                         | –                   | 4.2                    | –         |
| Zurich, Hardstrasse 201/<br>Prime Tower                                | 566 360               | 10 279   | –                | sole ownership            | 2011          |                    | 10 416                      | 48 142   | 0.7        | 87.3   | 5.5                         | –                   | 6.4                    | 0.1       |

<sup>1</sup> property included in Assisted Living segment

<sup>2</sup> reclassified from properties under construction to investment properties after total refurbishment

<sup>3</sup> reclassified from building land to properties under construction due to new construction

<sup>4</sup> reclassified from investment properties to properties under construction due to total refurbishment

PROPERTY DETAILS AS AT 30.06.2016

OVERVIEW OF TYPE OF USE

| City, address   | Fair value (CHF 1000) | Target rental and land lease income (CHF 1000) | Vacancy rate (%) | Ownership status                  | Built     | Year of renovation | Site area (m <sup>2</sup> ) | Total m <sup>2</sup> commercial units, excluding parking | Retail (%)  | Offices, medical practice premises, etc. (%) | Cinemas and restaurants (%) | Assisted Living (%) | Storage facilities (%) | Other (%)  |
|---|-----------------------|--|------------------|-----------------------------------|-----------|--------------------|-----------------------------|--|-------------|--|-----------------------------|---------------------|------------------------|------------|
| <b>COMMERCIAL PROPERTIES WITHOUT SIGNIFICANT RESIDENTIAL SPACE</b>      |                       |  |                  |                                   |           |                    |                             |  |             |  |                             |                     |                        |            |
| Zurich, Hardstrasse 219/ Eventblock Maag                                | 15 880                | 517  | 1.8              | sole ownership                    | 1929–1978 |                    | 8 002                       | 6 871  | –           | 19.9   | –                           | –                   | 19.5                   | 60.6       |
| Zurich, Josefstrasse 53, 59   | 83 250                | 1 983  | 5.0              | sole ownership                    | 1962/1972 | 2001               | 2 931                       | 12 114   | 7.0         | 75.0   | 1.4                         | –                   | 16.6                   | –          |
| Zurich, Jupiterstrasse 15/ Böcklinstrasse 19                            | 23 200                | 466  | –                | sole ownership                    | 1900/1995 | 1996               | 1 630                       | 1 829  | –           | –  | –                           | 100.0               | –                      | –          |
| Zurich, Kappenbühlweg 9, 11/ Holbrigstrasse 10/ Regensdorferstrasse 18a | 67 720                | 1 495  | –                | sole ownership                    | 1991      |                    | 9 557                       | 14 790   | –           | –  | –                           | 100.0               | –                      | –          |
| Zurich, Maagplatz 1/Platform  | 174 460               | 3 481  | –                | sole ownership                    | 2011      |                    | 5 942                       | 20 319   | –           | 91.1   | –                           | –                   | 4.8                    | 4.1        |
| Zurich, Manessestrasse 85   | 51 600                | 1 334  | 46.1             | sole ownership                    | 1985      | 2012               | 3 284                       | 8 367  | 4.5         | 66.3   | –                           | –                   | 26.3                   | 2.9        |
| Zurich, Ohmstrasse 11, 11a  | 35 490                | 1 110  | –                | sole ownership                    | 1927      | 2007               | 1 970                       | 6 138  | 53.7        | 23.0   | 2.2                         | –                   | 16.2                   | 4.9        |
| Zurich, Restelbergstrasse 108   | 9 955                 | 176  | –                | sole ownership                    | 1936      | 1997               | 1 469                       | 672  | –           | –  | –                           | 100.0               | –                      | –          |
| Zurich, Schaffhauserstrasse 339   | 8 843                 | 231  | –                | sole ownership                    | 1957      | 1997               | 307                         | 1 726  | 12.7        | 69.3   | –                           | –                   | 18.0                   | –          |
| Zurich, Seidengasse 1/ Jelmoli – The House of Brands                    | 807 780               | 14 492   | –                | sole ownership                    | 1898      | 2010               | 6 514                       | 36 771   | 64.6        | 3.7  | 13.3                        | –                   | 12.8                   | 5.6        |
| Zurich, Siewerdstrasse 8  | 19 830                | 617  | –                | sole ownership                    | 1981      |                    | 1 114                       | 3 688  | –           | 91.1   | –                           | –                   | 8.9                    | –          |
| Zurich, Sihlcity  | 194 384               | 5 445  | 1.2              | 242/1000 co-ownership             | 2007      |                    | 10 162                      | 23 634   | 42.3        | 24.7   | 18.9                        | –                   | 7.7                    | 6.4        |
| Zurich, Sihlstrasse 24/ St. Annagasse 16                                | 39 320                | 955  | –                | sole ownership                    | 1885      | 2007               | 1 155                       | 2 855  | 3.9         | 68.8   | 13.7                        | –                   | 6.5                    | 7.1        |
| Zurich, Stadelhoferstrasse 18   | 27 950                | 547  | –                | sole ownership                    | 1983      | 2004               | 1 046                       | 1 914  | 19.5        | 49.0   | 11.9                        | –                   | 19.0                   | 0.6        |
| Zurich, Stadelhoferstrasse 22   | 35 870                | 799  | –                | sole ownership partial land lease | 1983      | 2004               | 1 024                       | 3 067  | 11.6        | 50.9   | 4.6                         | –                   | 30.7                   | 2.2        |
| Zurich, Steinmühleplatz 1/ St. Annagasse 18/Sihlstrasse 20              | 99 230                | 1 960  | 0.2              | sole ownership                    | 1957      | 1999               | 1 534                       | 6 205  | 10.9        | 64.9   | 2.1                         | –                   | 19.1                   | 3.0        |
| Zurich, Steinmühleplatz/ Jelmoli parking                                | 40 990                | 1 649  | 0.5              | sole ownership with concession    | 1972      | 2009               | 1 970                       | 84   | 86.9        | 13.1   | –                           | –                   | –                      | –          |
| Zurich, Talacker 21, 23   | 76 350                | 1 490  | –                | sole ownership                    | 1965      | 2008               | 1 720                       | 4 904  | 9.6         | 64.2   | –                           | –                   | 26.2                   | –          |
| <b>Total I</b>  | <b>9 338 895</b>      | <b>215 186</b>                                 | <b>6.2</b>       |                                   |           |                    | <b>1 031 759</b>            | <b>1 472 587</b>   | <b>22.2</b> | <b>41.1</b>                                  | <b>5.0</b>                  | <b>8.3</b>          | <b>16.8</b>            | <b>6.6</b> |
| Geneva, Route de Malagnou 6/ Rue Michel-Chauvet 7                       | 15 630                | 395  | 16.7             | sole ownership                    | 1960/1969 | 1989               | 1 321                       | 1 616  | –           | 47.7   | 11.6                        | –                   | 3.8                    | 36.9       |
| Geneva, Rue de la Croix-d'Or 7/ Rue Neuve-du-Molard 4–6                 | 60 700                | 1 163  | 13.5             | sole ownership                    | 1974/1985 | 1994               | 591                         | 3 472  | 38.4        | 24.3   | –                           | –                   | 3.6                    | 33.7       |





## PROPERTY DETAILS AS AT 30.06.2016

## OVERVIEW OF TYPE OF USE

| City, address   | Fair value (CHF 1 000) | Target rental and land lease income (CHF 1 000) | Vacancy rate (%) | Ownership status | Built     | Year of renovation | Site area (m <sup>2</sup> ) | Total m <sup>2</sup> commercial units, excluding parking | Retail (%)  | Offices, medical practice premises, etc. (%) | Cinemas and restaurants (%) | Assisted Living (%) | Storage facilities (%) | Other (%)  |
|---|------------------------|---|------------------|------------------|-----------|--------------------|-----------------------------|--|-------------|--|-----------------------------|---------------------|------------------------|------------|
| <b>PROPERTIES UNDER CONSTRUCTION AND DEVELOPMENT SITES</b>                    |                        |   |                  |                  |           |                    |                             |  |             |  |                             |                     |                        |            |
| Plan-les-Ouates, Chemin des Aulx <sup>3</sup>                                 | 20 100                 | 39  | –                | sole ownership   |           |                    | 28 429                      | –  | –           | –  | –                           | –                   | –                      | –          |
| Schlieren, Zürcherstrasse 39  | 34 920                 | 204   | –                | sole ownership   | 1992/2003 |                    | 26 684                      | –  | –           | –  | –                           | –                   | –                      | –          |
| Zurich, Brandschenkestrasse 25  | 130 930                | 47  | –                | sole ownership   | 1910      | 2015–2017          | 3 902                       | –  | –           | –  | –                           | –                   | –                      | –          |
| Zurich, Etzelstrasse 14 <sup>4</sup>  | 13 020                 | –   | –                | sole ownership   | 1967      |                    | 1 809                       | –  | –           | –  | –                           | –                   | –                      | –          |
| <b>Total IV</b>   | <b>264 345</b>         | <b>345</b>                                      | <b>15.3</b>      |                  |           |                    | <b>77 016</b>               | <b>–</b>   | <b>–</b>    | <b>–</b>                                     | <b>–</b>                    | <b>–</b>            | <b>–</b>               | <b>–</b>   |
| <b>Overall total</b>  | <b>9 886 436</b>       | <b>221 369</b>                                  |                  |                  |           |                    | <b>1 210 476</b>            | <b>1 498 123</b>   | <b>22.5</b> | <b>40.8</b>                                  | <b>4.9</b>                  | <b>8.1</b>          | <b>16.7</b>            | <b>7.0</b> |
| Rent losses from vacancies  |                        | – 13 717  |                  |                  |           |                    |                             |  |             |  |                             |                     |                        |            |
| <b>Consolidated subtotal segment, excluding leased properties</b>             |                        | <b>207 652</b>                                  | <b>6.2</b>       |                  |           |                    |                             |  |             |  |                             |                     |                        |            |
| Intercompany eliminations   |                        | – 26 807  |                  |                  |           |                    |                             |  |             |  |                             |                     |                        |            |
| Rental income from third parties, Retail segment                              |                        | 7 586   |                  |                  |           |                    |                             |  |             |  |                             |                     |                        |            |
| Rental income from third parties from own properties, Assisted Living segment |                        | 12 117  |                  |                  |           |                    |                             |  |             |  |                             |                     |                        |            |
| <b>Consolidated subtotal, excluding leased properties</b>                     |                        | <b>200 548</b>                                  | <b>6.4</b>       |                  |           |                    |                             |  |             |  |                             |                     |                        |            |
| Rental income from leased properties, Assisted Living segment                 |                        | 24 975  |                  |                  |           |                    |                             |  |             |  |                             |                     |                        |            |
| <b>Consolidated overall total, including leased properties</b>                |                        | <b>225 523</b>                                  |                  |                  |           |                    |                             |  |             |  |                             |                     |                        |            |

<sup>1</sup> property included in Assisted Living segment

<sup>2</sup> reclassified from properties under construction to investment properties after total refurbishment

<sup>3</sup> reclassified from building land to properties under construction due to new construction

<sup>4</sup> reclassified from investment properties to properties under construction due to total refurbishment



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# ADDENDUM

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## IMPRINT

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