

STRATEGY AND MANAGEMENT REPORT



PEOPLE AND PROPERTIES



SWISS PRIME SITE

GROUP KEY FIGURES

Key financial figures	in	2011 ¹	2012 ¹	2013	2014	2015	Change to prior year in %
Rental income from properties	CHF m	410.8	408.8	420.1	443.1	445.9	0.6
Income from sale of trading properties	CHF m	–	–	–	–	105.1	n.a.
Income from real estate services ²	CHF m	–	14.1	98.6	100.1	109.0	8.9
Income from retail ³	CHF m	155.1	159.0	156.2	151.9	136.8	–9.9
Income from assisted living ⁴	CHF m	–	–	85.7	153.3	184.2	20.2
Operating income	CHF m	569.3	584.6	764.7	852.7	995.2	16.7
Revaluation of investment properties, properties under construction and development sites	CHF m	178.1	187.3	186.7	113.2	124.6	10.1
EBITDA	CHF m	618.2	531.5	565.9	497.9	582.6	17.0
Operating profit (EBIT)	CHF m	604.1	514.4	539.2	462.8	553.4	19.6
Profit ⁵	CHF m	355.1	311.3	343.9	286.7	355.1	23.9
Comprehensive income ⁵	CHF m	365.1	323.5	378.2	288.2	377.1	30.8
Cash flow from operating activities	CHF m	327.2	213.9	–74.0	729.7	388.4	–46.8
Shareholders' equity	CHF m	3 434.9	3 913.9	4 107.3	4 201.8	4 956.0	17.9
Equity ratio	%	39.9	42.4	39.1	39.6	46.4	17.1
Borrowed capital	CHF m	5 174.3	5 323.1	6 404.8	6 400.3	5 734.6	–10.4
Return on equity (ROE)	%	10.6	8.9	9.1	7.0	7.6	8.6
Return on invested capital (ROIC)	%	5.8	4.8	4.6	3.7	4.3	16.2

Financial figures excluding revaluation effects⁶

EBITDA	CHF m	440.1	344.3	379.2	384.7	458.0	19.1
Operating profit (EBIT)	CHF m	426.0	327.1	352.5	349.6	428.9	22.7
Profit ⁵	CHF m	250.8	198.2	222.8	236.0	280.8	19.0
Comprehensive income ⁵	CHF m	250.8	202.4	241.3	207.6	273.6	31.8
Return on equity (ROE)	%	7.7	5.9	6.1	5.9	6.1	3.4
Return on invested capital (ROIC)	%	4.5	3.5	3.4	3.2	3.6	12.5

Real estate portfolio⁷

Fair value of real estate portfolio	CHF m	8 165.1	8 600.3	9 339.5	9 785.0	9 686.6	–1.0
of which projects/development properties	CHF m	96.9	210.5	518.4	327.1	346.7	6.0
Number of properties	Number	186	188	193	190	182	–4.2
Rental floor space ⁸	m ²	1 421 472	1 492 442	1 525 493	1 620 131	1 455 126	–10.2
Vacancy rate	%	4.6	5.0	6.4	6.6	6.7	1.5
Average discount rate	%	4.38	4.16	4.01	3.88	3.66	–5.7

Key figures per share

Share price as at balance sheet date	CHF	70.55	76.35	69.05	73.00	78.50	7.5
Shares issued	Number	54 368 714	60 011 611	60 503 081	60 820 602	69 651 534	14.5
Earnings per share (EPS)	CHF	6.53	5.67	5.70	4.72	5.30	12.3
Market capitalisation	CHF m	3 835.7	4 581.9	4 177.7	4 439.9	5 467.6	23.1
Distribution per share	CHF	3.60	3.60	3.60	3.70	3.70 ¹⁰	–
Cash yield ⁹	%	5.1	4.7	5.2	5.1	4.7 ¹⁰	–7.8
Performance (total return) p.a.	%	6.1	14.9	–5.1	10.9	13.7	25.7

Employees

Number of employees as at balance sheet date	Persons	771	1 462	3 105 ¹¹	3 097	4 446	43.6
Full-time equivalents as at balance sheet date	FTE	547	1 239	2 321 ¹¹	2 370	3 311	39.7

¹ adjusted due to IAS 19 rev., 2011 shareholders' equity only; ² acquisition of Wincasa AG as at 25.10.2012; ³ sale of operating business of hotel Ramada Encore, Geneva, as at end-2013. Transfer of the restaurant operating business of Clouds Gastro AG to Candrian Catering AG as at 01.07.2015; ⁴ acquisition of Tertianum AG as at 12.07.2013, sale of Permed AG as at 17.03.2014, acquisition of SENIOcare Group as at 01.10.2015, WGDM Papillon AG as at 01.07.2015 and Sternmatt Pflegewohngruppen as at 05.01.2015; ⁵ including non-controlling interests; ⁶ revaluations and deferred taxes; ⁷ including owner-occupied properties and condominium units designated for sale; ⁸ excluding parking places/car parks; ⁹ based on year-end closing price; ¹⁰ according to proposal to the Annual General Meeting of 12.04.2016; ¹¹ adjusted according to new, standardised employee reporting

SWISS PRIME SITE AT A GLANCE

THE GROUP

PROFILE

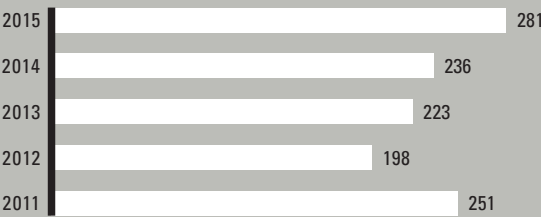
Swiss Prime Site AG is Switzerland’s leading real estate investment company and has been listed on the SIX Swiss Exchange since April 2000. The Group’s high-quality real estate portfolio is valued at roughly CHF 10.0 billion and is distinguished by the first-class prestige of its locations and properties, comprising primarily commercial properties situated in prime economic locations in Switzerland. Real estate-related business fields round out the business model.

FOCUS

Swiss Prime Site’s strategic focus is directed at investments in high-quality Swiss properties harbouring a high return potential as well as long-term opportunities for achieving growth and boosting value. The risk-optimised investment strategy is based on strict and proven investment criteria. The focal point is on sustainable value creation: performance for shareholders as well as advantages for tenants, their employees and customers. With active management of the real estate and business field portfolios, Swiss Prime Site is focused on ensuring and further expanding its competitive capabilities in the respective business fields.

PROFIT BEFORE REVALUATION EFFECTS in CHF m

280.8



OPERATING PROFIT (EBIT) BEFORE REVALUATIONS in CHF m

428.9



FAIR VALUE OF THE REAL ESTATE PORTFOLIO in CHF bn



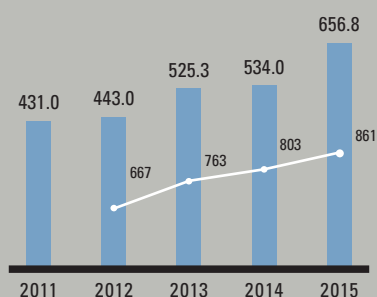
THE BUSINESS FIELDS

REAL ESTATE

The Real Estate business field comprises the core business of real estate investments as well as Wincasa AG, Switzerland's leading provider of real estate services. Swiss Prime Site's investment focus is directed at high-quality properties situated in prime locations, primarily with commercially utilised floor space as well as development projects.

OPERATING INCOME¹

in CHF m | Number of employees



¹ acquisition of Wincasa AG as at 25.10.2012

KEY FIGURES

in CHF m

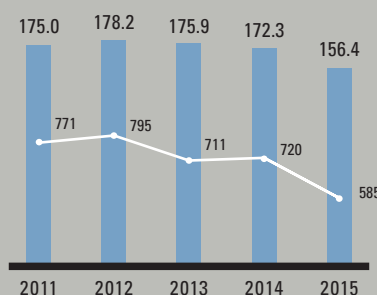
	2014	2015
Operating income	534.0	656.8
Investments	357.0	201.5
Operating profit (EBIT)	491.9	586.2
Number of employees	803	861

RETAIL

The Retail business field consists of Jelmoli – The House of Brands in Zurich, the leading premium department store in Switzerland. Roughly half of the total retail floor space of 23800 square metres generates sales from third parties according to the shop-in-shop model. The rest of the floor space is self-managed by Jelmoli.

OPERATING INCOME

in CHF m | Number of employees



KEY FIGURES

in CHF m

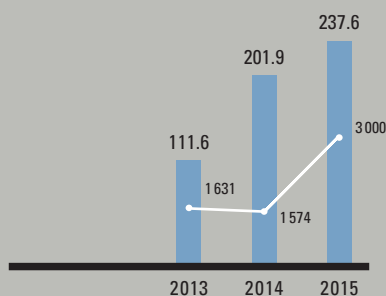
	2014	2015
Operating income	172.3	156.4
Investments	7.2	7.6
Operating profit (EBIT)	0.9	-2.9
Number of employees	720	585

ASSISTED LIVING

The business field comprises Tertianum Group with the brands «Tertianum residences», «Perlavita geriatric care facilities», «Vitadomo senior centres», «SENIOcare residences and geriatric care facilities» as well as «BOAS Senior Care», Tertianum Group is the leading private provider in the assisted living sector in Switzerland.

OPERATING INCOME¹

in CHF m | Number of employees



¹ acquisition of Tertianum AG as at 12.07.2013

KEY FIGURES

in CHF m

	2014	2015
Operating income	201.9	237.6
Investments	4.4	247.6
Operating profit (EBIT)	9.0	8.2
Number of employees	1574	3000

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PEOPLE AND PROPERTIES

Swiss Prime Site presents in this year's Strategy and Management Report – featuring fascinating topics with the motto «people and properties» – four people and their diverse interaction with some of the Company's properties.

STRUCTURE OF THE ANNUAL REPORT

Swiss Prime Site's Annual Report is divided into three parts, all of which are available for download as PDF files via the website www.swiss-prime-site.ch.

Part
01

**STRATEGY AND
MANAGEMENT REPORT**

Part
02

**CORPORATE GOVERNANCE
AND COMPENSATION REPORT**

Part
03

FINANCIAL REPORT

NOTES FOR READERS

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

MILESTONES 2015

Swiss Prime Site looks back on a successful and eventful year. Fascinating projects as well as profitable acquisitions were just a few of the milestones in 2015.

QUARTER

01

Strengthening the shareholders' equity base: Swiss Prime Site's convertible bond converted at a rate of more than 90%



Restructuring of Retail business field announcement
Candrian Catering AG acquires restaurant operating business Clouds in Prime Tower on 1 July 2015

Swiss Prime Site presents robust 2014 annual results and a new concept for the Annual Report as well as the relaunch of its website

Swiss Prime Investment Foundation obtains authorisation from the Swiss Supervisory Commission for Occupational Pensions

QUARTER

02

René Zahnd becomes designated CEO of Swiss Prime Site AG

Vitadomo senior centre Bubenholz opens its doors



Maaghof project completed

Capital increase of CHF 413.3 million executed

Markus Meier becomes new CFO of Swiss Prime Site AG

QUARTER

03

Acquisition of SENIOcare, Switzerland's leading provider in the geriatric care sector



Launch of investment group «SPIF Real Estate Switzerland» of Swiss Prime Investment Foundation with CHF 550 million

Swiss Prime Site executes sale of CHF 411.5 million real estate package to Swiss Prime Investment Foundation

Sale of all 83 condominiums at the Maaghof, achieving a total gross profit of CHF 42 million

QUARTER

04

Riverside Zuchwil: start-up operations of most powerful photovoltaics facility in Switzerland

Acquisition of BOAS Senior Care, the leading provider in the assisted living sector in Western Switzerland



Acquisition of NZZ printing facility in Schlieren for conversion into an innovative educational centre

Successful leasing of Flurpark/Media Park property in Zurich-Altstetten to Ringier Axel Springer Switzerland AG

FOREWORD

Swiss Prime Site succeeded in boosting its operating profit (EBIT) by 19.6% to CHF 553.4 million and increasing its profit by 23.9% to CHF 355.1 million in the financial year 2015. This earnings strength reveals that Swiss Prime Site's strategy and business model proved successful even amid a more volatile environment. The real estate-related business fields were gradually expanded, paving the way for a broadening of the earnings base and contributing 42.2% to the Group's operating income in the reporting year.

Dear Shareholders,
Dear Ladies and Gentlemen,

The Swiss real estate market was affected by a series of positive factors in 2015, including low interest rates, a persistently strong trend in immigration and robust economic momentum. Dampening effects emerged particularly from the adverse impact on domestic industry and the Swiss retail trade sector caused by the strong Swiss franc, resulting from the abolition of the minimum CHF/EUR exchange rate in January 2015.

In the commercial sector of the real estate market, demand for high-quality properties situated in first-class locations remained stable. Tenants and potential tenants are applying increasingly stringent decision-making criteria and focusing on an adequate cost-benefit ratio. Swiss Prime Site was able to reap rewards from this trend in the reporting year.

ROBUST EARNINGS GROWTH

Operating profit (EBIT) climbed by 19.6% versus 2014, from CHF 462.8 million to CHF 553.4 million. Profit jumped by 23.9% from CHF 286.7 million to CHF 355.1 million, which is attributable to the successful sales of condominiums at the Maaghof residential building complex and property sales in the reporting year. Revaluations amounted to CHF 124.6 million [CHF 113.2 million]. The equity ratio improved from 39.6% to 46.4%, which was attributable to conversions of the CHF 300 million convertible bond with maturity date of 20 January 2015, as well as to the capital increase by CHF 413.3 million on 29 May 2015 (98.8% of the subscription rights were exercised).

SUCCESSFUL PERFORMANCE BY BUSINESS FIELDS

All three business fields turned in a very positive performance overall, albeit with varying momentum. The Real Estate business field, with the core real estate investment business, posted a 0.2% increase in rental income from properties to CHF 432.0 million [CHF 431.3 million]. Projects such as SkyKey in Zurich and EspacePost in Berne (both completed in 2014) provided a significant contribution to the stable trend in earnings. The Wincasa real estate services sub-business field succeeded in acquiring new clients for its integrated real estate services, expanding its presence throughout Switzerland and boosting income by 9.0% to CHF 109.5 million. The Tertianum Group, which constitutes the Assisted Living business field, increased its income by 20.4% to CHF 185.0 million. In October 2015, the Assisted Living business field was expanded with the acquisition of SENIOcare, the market leader in the geriatric care sector in Switzerland. In addition, Tertianum Group completed its geographic coverage in Switzerland in 2015 with the announced acquisition of BOAS Senior Care. In the Retail business field,



01 RENÉ ZAHND
Chief Executive Officer
from 01.01.2016

02 HANS PETER WEHRLI
Chairman of the Board
of Directors

03 MARKUS GRAF
Chief Executive Officer
until 31.12.2015

Jelmoli – The House of Brands on Bahnhofstrasse in Zurich underpinned its position as Switzerland's leading premium department store.

EXCELLENT REAL ESTATE PORTFOLIO

Swiss Prime Site's real estate portfolio proved to be robust and profitable even under the challenging market conditions of the reporting year. As at 31 December 2015, the portfolio comprised 182 properties valued at CHF 9.7 billion. Noteworthy in this context is that a real estate package consisting of eight properties valued at roughly CHF 411.5 million was sold to the «SPIF Real Estate Switzerland» investment group of the Swiss Prime Investment Foundation in the fourth quarter of 2015, in addition to the divestment of various strategically non-conforming properties. Swiss Prime Site realised pre-tax profits of CHF 24.9 million from this one-off transaction. The Group also realised a gross profit of CHF 42.2 million from sales of condominiums at the Maaghof real estate complex in Zurich-West. With the lease of 10 000 square metres of floor space at Flurpark/Media Park to Ringier Axel Springer Switzerland AG, Swiss Prime Site successfully concluded an extensive modification and modernisation project, placing it on the market in December 2015.

ATTRACTIVE SHARE PERFORMANCE AND CASH YIELD

The Swiss Prime Site share once again lived up to its reputation as a star performer amid the low, and even negative, interest rate environment of 2015. With a performance (total return) of +13.7% in the reporting year, the stock has gained in value by 45.9% in the past five years. In view of the solid business performance and positive prospects for 2016, the Board of Directors is proposing to the Annual General Meeting of 12 April 2016 an unchanged distribution of CHF 3.70 per share. This distribution corresponds to an attractive cash yield of 4.7%, based on the closing share price of CHF 78.50 at year-end.

CORPORATE STRATEGY PROVES SUCCESSFUL

Swiss Prime Site's strategy, with an investment focus aimed at high-quality properties situated in prime locations as well as active portfolio management, successfully proved in the reporting year. The investments carried out in recent years in the real estate-related Assisted and Living Retail business fields, as well as the real estate services sub-business field, have more broadly underpinned the earnings base and reduced dependency on revenues from leasing commercial properties. Swiss Prime Site is developing another attractive source of revenue with corporate management and asset management, commissioned by the Swiss Prime Investment Foundation.

SUSTAINABILITY-ORIENTED MANAGEMENT

Sustainability as a business principle has formed an integral part of Swiss Prime Site's corporate management for years and was strategically further developed at the end of 2015. At the same time, six core themes have been identified that play a significant role for the Group, covering all the key aspects of sustainability for Swiss Prime Site's business model. Targets, measures and quantitative figures have been developed for each of the six core themes. Based on these factors, transparent reporting will be provided for all business fields in the future through the execution of sustainability-oriented corporate management, thereby further developing the respective businesses.

OUTLOOK

While migration is continuing to hover at a high level and the economy is still growing moderately, the Swiss franc strength and implementation of the so-called «Against Mass Immigration» initiative could have a dampening effect on the demand for rental properties. Consequently, this is leading to heightened risks of weaker employment levels in the office sector as well as regional oversupply of office properties. Demand for retail properties should also diminish under the impact of mounting shopping volumes in neighbouring foreign countries and online trade.

Swiss Prime Site anticipates that the Group will only be moderately affected by these trends thanks to its focus on high-quality properties situated in first-class, ideally developed urban locations. Swiss Prime Site believes it is also very well positioned in the real estate-related business fields to forge ahead on the path toward robust earnings-based growth.

On the basis of the course of business to date, Swiss Prime Site's forecast for 2016 calls for rental income and total operating income that surpass the previous year's levels, respectively. The vacancy rate should hover between 6% and 7%. Based on the expected operating result for 2016, a constant high dividend to shareholders is ensured.

PERSONNEL CHANGES AND THANKS

In April 2015, the Board of Directors appointed René Zahnd (1966) as successor to Markus Graf as Chief Executive Officer (CEO). With an educational background in the field of law, qualification as an attorney-at-law and a proven track record as a real estate expert with years of extensive experience in the sector, René Zahnd is excellently qualified for the position. Previously, he had been a member of the group management at Implenia since 2010 and head of its Modernisation & Development business unit since 2014. René Zahnd assumed his new position as CEO of Swiss Prime Site on 1 January 2016.

In June 2015, the Board of Directors appointed Markus Meier (1964) as new Chief Financial Officer (CFO). He has worked at Swiss Prime Site since 2009 and was previously responsible for the areas of Finance, Accounting and Investor Relations.

We would like to thank the entire Board of Directors, the Executive Board and all the employees for their constructive collaboration and considerable commitment, as well as the shareholders for the trust they have placed in our Company and the tenants for their valued partnership.



HANS PETER WEHRLI
Chairman of the Board of Directors



RENÉ ZAHND
Chief Executive Officer





BOARD OF DIRECTORS

01 MARIO F. SERIS

lic. phil. I

Member since 27.04.2005

Member of the Investment Committee

Member of the Compensation Committee

05 CHRISTOPHER M. CHAMBERS

Member since 22.10.2009

Member of the Audit Committee

Member of the Compensation Committee

02 BERNHARD HAMMER

Dr. iur., Attorney at Law and Notary

Member since 29.04.2002

Chairman of the Investment Committee

Member of the Audit Committee

06 HANS PETER WEHRLI

Prof. Dr. oec. publ.

Member since 29.04.2002

Chairman

03 THOMAS WETZEL

Dr. iur., Attorney at Law

Member since 11.05.1999

Vice-Chairman

Chairman of the Compensation Committee

Member of the Investment Committee

07 KLAUS R. WECKEN

Member since 22.10.2009

Member of the Investment Committee

04 RUDOLF HUBER

Dr. oec. publ.

Member since 29.04.2002

Chairman of the Audit Committee

All members of the Board of Directors are elected to a one-year term of office until the Annual General Meeting 2016.





EXECUTIVE BOARD

01 LUCA STÄGER

Dr. oec.

Member since 01.01.2014
**Chief Executive Officer
of Tertium AG**

05 MARKUS MEIER

Member since 01.06.2015
**Chief Financial Officer
of Swiss Prime Site AG**

02 FRANCO SAVASTANO

Member since 01.01.2012
**Chief Executive Officer
of Jelmoli AG**

06 PETER LEHMANN

Member since 01.03.2002
**Chief Investment Officer
of Swiss Prime Site AG**

03 MARKUS GRAF

Member from 01.12.2000
until 31.12.2015
**Chief Executive Officer
of Swiss Prime Site AG**

07 OLIVER HOFMANN

Member since 01.06.2013
**Chief Executive Officer
of Wincasa AG**

04 RENÉ ZAHND¹

Member since 01.11.2015
**Designated Chief Executive
Officer of Swiss Prime Site AG**

¹ CEO of Swiss Prime Site AG from 01.01.2016

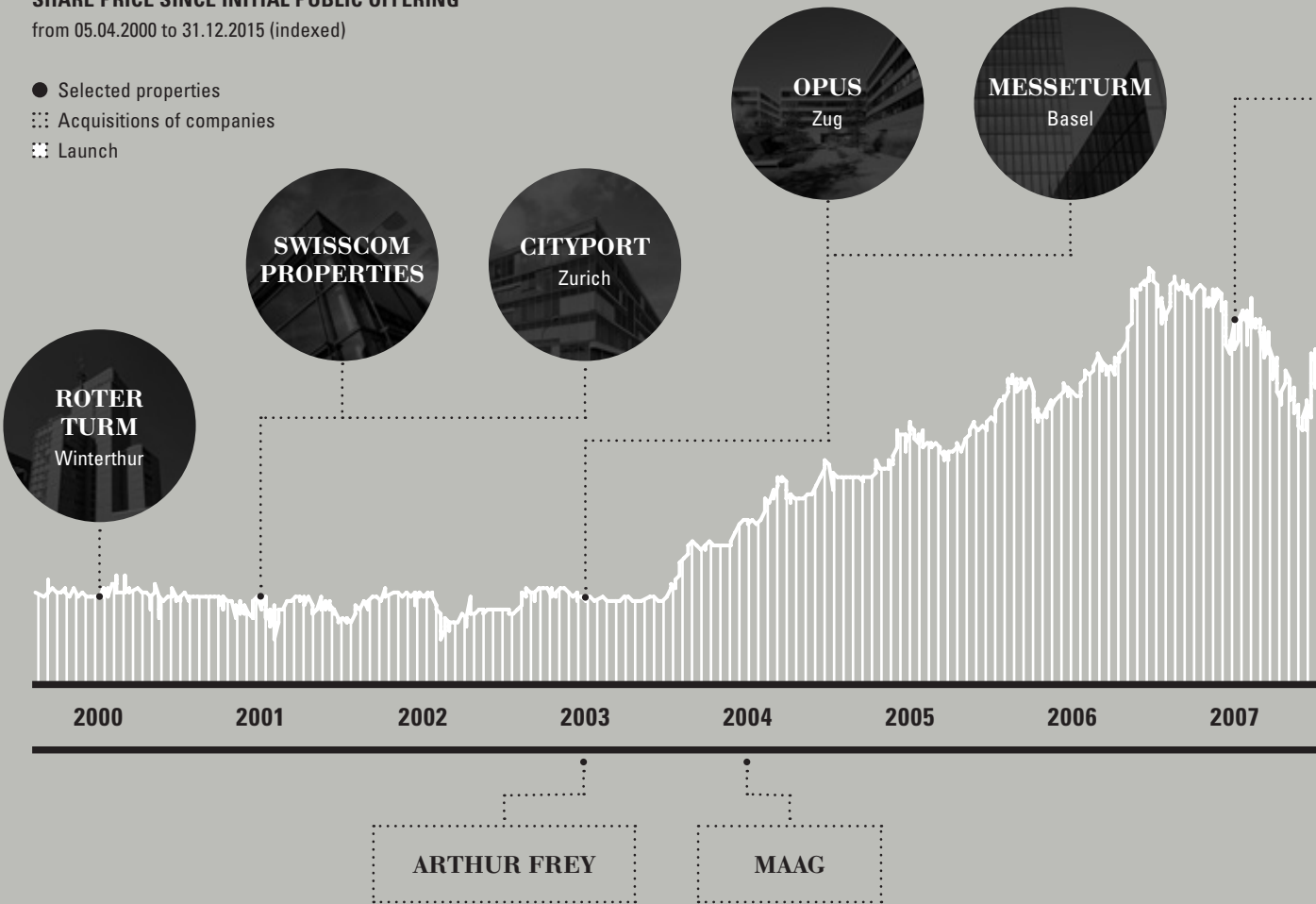


SUCCESS STORY

Since its listing on the Swiss stock exchange in 2000, Swiss Prime Site AG's share price provides the best evidence for the Company's day-to-day endeavours aimed at realising an attractive performance for the shareholders based on sustainable value creation. The share price performance is closely correlated to the achievement of significant milestones, stringently executed inorganic growth opportunities and gradual build-up of a first-class real estate portfolio marked by a strong earnings base. Complementing the business model with real estate-related business fields has contributed to diversifying the earnings base and risks, thereby sustainably underpinning the Company's success story.

SHARE PRICE SINCE INITIAL PUBLIC OFFERING
from 05.04.2000 to 31.12.2015 (indexed)

- Selected properties
- ⋮ Acquisitions of companies
- ✱ Launch



¹ Swiss Prime Site share 24.2%



“ Success is never absolutely guaranteed. A company should know the relevant facts and draw the right conclusions therefrom. ”

MARKUS GRAF

Chief Executive Officer of
Swiss Prime Site AG until 31.12.2015

When and how was the cornerstone of Swiss Prime Site AG laid?

The foundation of Switzerland's first specialised real estate investment company in 1999 was the starting point. Our approach was based on cherry picking real estate. At that time, we almost exclusively acquired individual properties or real estate projects. The selection was vast, the prices moderate.

Did you imagine at the time that such a success story would emerge?

I always believed in the real estate asset class as well as Swiss Prime Site's business model. However, the point when success would ultimately come was not so clearly foreseeable. Real estate investments are obviously a long-term business. But success materialised quickly.

What is the greatest achievement in the history of Swiss Prime Site AG, in your view?

There was not merely one achievement. Rather the sum of the achievements paved the way for Swiss Prime Site AG's development into a sustainable success story. The acquisition of the Swisscom real estate portfolio as well as the acquisitions of Maag, Jelmoli, Wincasa and Tertianum were certainly very important chapters in this success story. Among the individual properties, I would especially like to highlight Sihlcity, Prime Tower, Messeturm and EspacePost as successful projects.

In your opinion, what is the key to success?

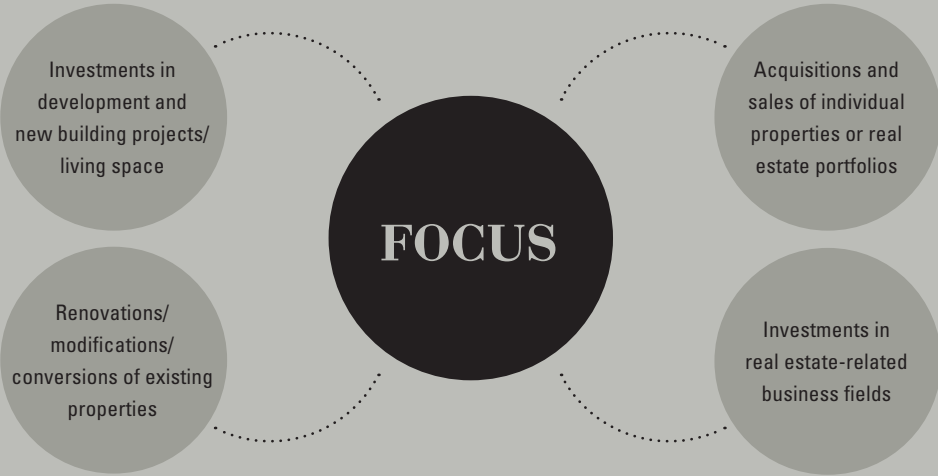
Success is never absolutely guaranteed. A company should know the relevant facts and draw the right conclusions therefrom. This requires profound experience and foresight, as well as innovative ideas and the will to set trends, stay ahead of competitors and stand up for projects.





STRATEGY

Swiss Prime Site’s strategic focus is on investments in high-quality Swiss properties harbouring a high return potential, as well as on long-term opportunities for achieving growth and boosting value. The acquisitions follow strict investment criteria. Investments in real estate-related business fields complement the strategic focus.



FOCUSING ON REAL ESTATE COMPETENCIES

- > Portfolio management
- > Asset management
- > Real estate acquisitions and sales
- > Real estate development/development of living space
- > Construction (management)
- > Finance and controlling
- > Business field management
- > Transaction management
- > Real estate research

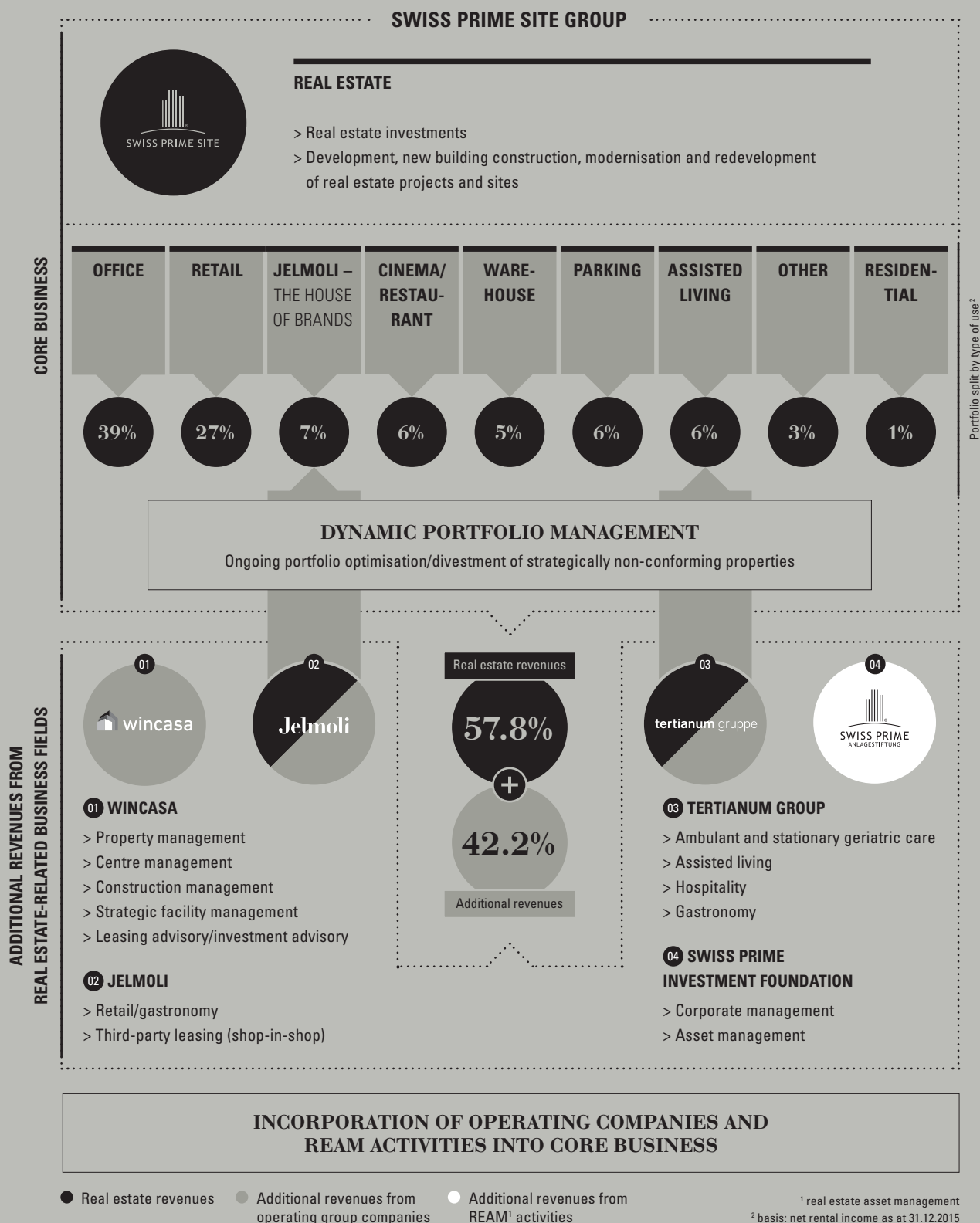
OUTSOURCING OF SUPPORTING REAL ESTATE ACTIVITIES

- > Construction
- > Asset/facility management
- > Property asset management
- > Construction services
- > Property valuations
- > Macroeconomic analyses

Swiss Prime Site’s strategy is based on investments in high-quality properties situated in prime locations, primarily with commercially floor space, as well as on project developments. The investment focus is on 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 complementary real estate-related business fields aimed at strengthening and broadening the earnings base, in addition to diversifying risks.

BUSINESS MODEL

Swiss Prime Site's innovative business model is focused on sustainable value creation. The strong earnings continuity is based on revenue generating properties from the core real estate business, additional revenues from the operating group companies and REAM¹ activities.





..... REAL ESTATE PORTFOLIO

REAL ESTATE PORT FOLIO

OVERVIEW AND KEY FIGURES



ZÜRICH REGION

Fair value	CHF 3788 million
Rental income	CHF 154 million
Yield	3.7%
Floor space	473 549 m ²
Vacancy rate	5.8%

BERNE REGION

Fair value	CHF 834 million
Rental income	CHF 44 million
Yield	4.5%
Floor space	224 693 m ²
Vacancy rate	3.4%

GENÈVE REGION

Fair value	CHF 2 139 million
Rental income	CHF 91 million
Yield	3.5%
Floor space	247 447 m ²
Vacancy rate	6.0%

NORTHWESTERN SWITZERLAND

Fair value	CHF 1 371 million
Rental income	CHF 74 million
Yield	4.0%
Floor space	283 998 m ²
Vacancy rate	12.4%

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

KEY DATA

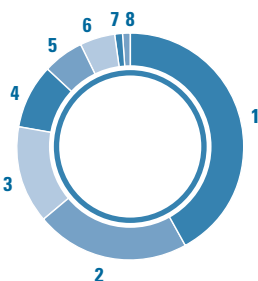
	in	2011	2012	2013	2014	2015	Change to prior year in %
Fair value of real estate portfolio	CHF m	8 165.1	8 600.3	9 339.5	9 785.0	9 686.6	– 1.0
of which under construction	CHF m	96.9	210.5	518.4	327.1	346.7	6.0
Number of properties	Number	186	188	193	190	182	– 4.2
of which new building projects	Number	3	5	7	6	4	– 33.3
Rental floor space ¹	m ²	1 421 472	1 492 442	1 525 493	1 620 131	1 455 126	– 10.2
Rental income (Group)	CHF m	410.8	408.8	420.1	443.1	445.9	0.6
Vacancy rate	%	4.6	5.0	6.4	6.6	6.7	1.5
Net property yield	%	4.8	4.5	4.2	4.1	3.9	– 4.9

¹ excluding parking places/car parks

PORTFOLIO SPLIT BY REGION

Basis: Fair value as at 31.12.2015

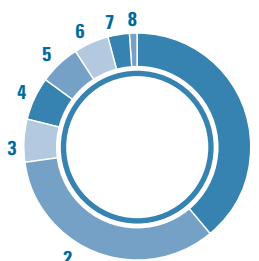
1 Zurich	42%	[42%]
2 Geneva	22%	[21%]
3 Northwestern Switzerland	14%	[15%]
4 Berne	9%	[9%]
5 Eastern Switzerland	6%	[6%]
6 Central Switzerland	5%	[5%]
7 Southern Switzerland	1%	[1%]
8 Western Switzerland	1%	[1%]



PORTFOLIO SPLIT BY TYPE OF USE¹

Basis: Net rental income as at 31.12.2015

1 Office	39%	[40%]
2 Retail	34%	[32%]
3 Assisted living	6%	[5%]
4 Cinema/restaurant	6%	[6%]
5 Parking	6%	[6%]
6 Storage	5%	[6%]
7 Other	3%	[4%]
8 Residential	1%	[1%]

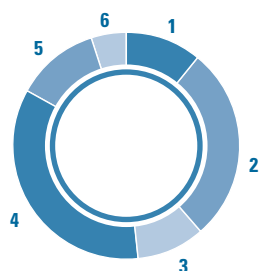


¹ Real Estate business field

RENTAL FLOOR SPACE BY AGE CATEGORY¹

(year of construction/renovation)

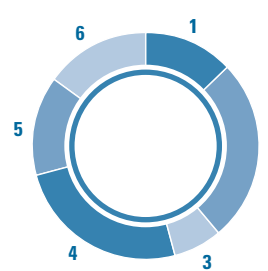
1 2011–2015	11%
2 2001–2010	28%
3 1991–2000	10%
4 1951–1990	34%
5 1901–1950	12%
6 Older than 1900	5%



FAIR VALUE BY AGE CATEGORY¹

(year of construction/renovation)

1 2011–2015	13%
2 2001–2010	26%
3 1991–2000	7%
4 1951–1990	25%
5 1901–1950	14%
6 Older than 1900	15%



¹ excluding development properties, properties under construction and building land





BRIEF DESCRIPTION

Jelvoli – The House of Brands premium department store has belonged to Swiss Prime Site's real estate portfolio since the acquisition of Jelvoli AG in 2009. The property is located in Zurich's district 1, just a few minutes away from Paradeplatz and the main railway station. Jelvoli – The House of Brands is one of the top properties in the real estate portfolio and is renowned far beyond Switzerland's borders. The premium department store boasts a fascinating assortment of roughly two million articles from the most popular brands worldwide, spanning eight floors. Comprehensive services round out the exceptional spectrum of offerings.

The prestigious building, dating back to the year 1898, has undergone multiple partial renovations and modernisation. The new Food Market opened its doors at the end of 2014 as Zurich's exclusive address for the finest culinary delights. The cheese humidor constitutes one of the most unique highlights anywhere in Switzerland. In 2015, Jelvoli Living was expanded, additionally creating a high-value, premium range of products revolving around household interior accessories and first-class lifestyle products.

01 Jelvoli – The House of Brands seen from Zurich's Bahnhofstrasse

03 Jelvoli – eight floors featuring more than two million articles from the most popular brands worldwide

02 Morten Jensen hard at work in the retail space

04 The Food Market opened its doors in 2014 and features delicacies from all around the world – for directly savouring or for shopping

FACTS AND FIGURES

FAIR VALUE
in CHF m

807

FLOOR SPACE
in m²

36 771

Address	Jelvoli – The House of Brands, Seidengasse 1, Zurich
Fair value	CHF 807 million
Construction date	1898/2010 partial renovation
Floor space	36 771 m ²
Number of employees	585
Use	Premium department store

SUSTAINABILITY

The tradition-rich building is continuously upgraded to meet state-of-the-art energy standards. In 2016, all the light bulbs were substituted with LED lighting. In addition, an extensive renovation of the façade was carried out with additional insulation measures. This renovation will sustainably reduce the building's overall energy consumption.

JELMOLI – THE HOUSE OF BRANDS, ZURICH

“Jelmoli is like a family to me.”

MORTEN JENSEN

Head of Facility Management
and Shopfitting, Jelmoli AG





BRIEF DESCRIPTION

The building is ideally well-connected to the transportation network, located directly near the railway platforms at the gateway to Berne. Lavishly dimensioned atriums connected to the inviting reception hall lend the building an open and spacious flair.

Swiss Post employees took up residence in their new headquarters building in Berne Wankdorf in 2015. The EspacePost services building really stands out with its very efficient floor space. With roughly 34 000 m² of floor space spanning eight upper floors and two subterranean levels, the building provides space for a total of around 2 000 workstations. In addition to a prestigious conference centre on the first floor, Espace-Post also houses a staff restaurant on the ground floor with seating for 450 persons.

01 View of the spacious reception hall with two atriums

03 Brief meeting in «Aquarium» – a conference room designed according to the New Work approach

02 The building, located in the Berne-Wankdorf district, represents one of the latest building blocks in Swiss Prime Site's portfolio

04 The New Work approach offers various spatial modules and work opportunities

FACTS AND FIGURES

FAIR VALUE
in CHF m

165

FLOOR SPACE
in m²

33 650

Address	Wankdorfallee 4, Berne
Fair value	CHF 165 million
Construction date	2014
Floor space	33 650 m ²
Number of employees	approx. 2 000
Use	Commercial building

SUSTAINABILITY

EspacePost was the first office property in Switzerland to obtain the international certificate in the gold category from the German Sustainable Building Council (DGNB) as well as the quality seal of approval from the Swiss Sustainable Building Council (SGNI). EspacePost therefore fulfils the highest and most comprehensive sustainability standards.

ESPACEPOST, BERNE

“I enjoy working in this modern building and appreciate the short distances for interaction with other departments.”

NICOLE SCHMID

Property Manager
Swiss Post AG





..... **BRIEF DESCRIPTION**

The shopping and recreational centre La Praille Centre commercial & de loisirs (CCL) in Grand-Lancy near Geneva offers a vast array of facilities spanning 36 000 m²: 65 shops, a multiplex cinema, a bowling centre with 26 lanes, «Orchestra Land» day-care centre, a fitness and wellness club, 960 indoor parking places, more than ten restaurants and self-service counters, as well as numerous services, in addition to a hotel and sports stadium in direct proximity.

01 The inviting main entrance to La Praille shopping and recreational centre

02 Yvan Meier enjoying his coffee in one of the centre's ten restaurants

03 The range of facilities comprises shopping, fitness, entertainment and cinema spanning more than 36 000 m² under one roof

04 Yvan Meyer on one of his daily tours

05 The centre is divided into a shopping level and an entertainment level

..... **FACTS AND FIGURES**

FAIR VALUE
in CHF m

273

FLOOR SPACE
in m²

36 095

Address	Route des Jeunes 10/CCL La Praille, Grand-Lancy
Fair value	CHF 273 million
Construction date	2002
Floor space	36 095 m ²
Number of employees	34
Use	Urban entertainment centre

..... **SUSTAINABILITY**

The photovoltaics system on the roof of the centre constitutes the sustainability-relevant highlight, which started up operations at the end of 2012 as part of the future-oriented property strategy. Based on positive experience, the photovoltaics system was expanded in 2015 and also serves as a model for the construction of Switzerland's largest photovoltaics facility in Zuchwil. La Praille is also very well connected to the public transportation network, thereby providing significant relief to road traffic.

LA PRAILLE, GENEVA

“Visiting, appreciating and identifying with the centre are requisite, in order to experience such a place up close and personal.”

YVAN MEYER

Centre Manager of La Praille, Grand-Lancy shopping and recreational centre





BRIEF DESCRIPTION

In the Bubenholz senior centre, the Tertianum Group has constructed the first new building in accordance with the Vitadomo concept. The senior centre comprises 59 bright, unobstructed apartments, a geriatric care facility with 43 beds and publicly accessible bistro/restaurant. The offering is supplemented by a gymnastics room, hair stylist, multi-purpose hall and traditional Chinese medicine (TCM) practice. The attractive park area and central courtyard provide guests and visitors with numerous sunny and shady seating accommodations.

01 The Vitadomo senior centre is located in close proximity to Opfikon/Glattbrugg city centre

04 The residential area (right) consists of 59 unobstructed apartments, and the geriatric care facility (left) comprises 43 beds

02 Rita Regli in the living room of her spacious 1½-room apartment

05 One of Rita Regli’s favourite spaces; the cosy bistro leaves nothing to be desired

03 Vitadomo Bubenholz offers spaciouly designed communal areas

FACTS AND FIGURES

FAIR VALUE
in CHF m

43

FLOOR SPACE
in m²

10 802

Address	Müllackerstrasse 2, 4/Bubenholz, Opfikon
Fair value	CHF 43 million
Construction date	2015
Floor space	10 802 m²
Number of employees	42
Use	Assisted living

SUSTAINABILITY

Vitadomo Bubenholz is conceptualised as an ecologically friendly building with controlled apartment ventilation. Particularly high-quality materials were utilised in the construction process, for example, natural stone flooring on the ground floor and a general abundance of wood elements. The façade elements are completely interchangeable, enabling any damage to be repaired efficiently and cost-effectively.

VITADOMO BUBENHOLZ, OPFIKON

“At Vitadomo Bubenholz, I really feel at home.”

RITA REGLI

Resident at Vitadomo Bubenholz, Opfikon



DEVELOPMENT PROJECTS



ETZELGUT, ZURICH
Etzelstrasse 14

The property is located in Zurich-Wollishofen near the existing Morgental district. The senior centre located there will be demolished and replaced with a new building housing a geriatric care facility. The infrastructure can therefore be constructed according to state-of-the-art specifications, and use of the land will be ideally exploited.

Investment volume	approx. CHF 13 million
Project idea	Reconstruction
Floor space	2 287 m²
Use	Geriatric care facility
Planned construction period	2016–2017

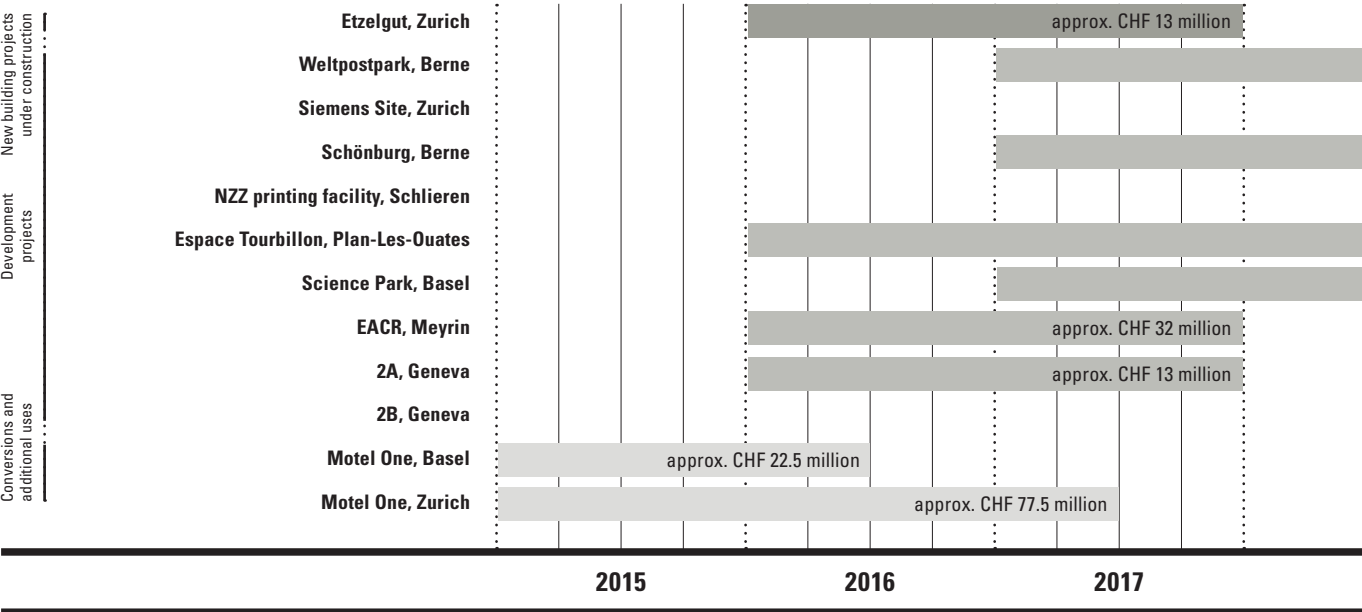


WELTPOSTPARK, BERNE
Weltpoststrasse 1–3, Weltpostpark

An urban, high-quality residential superstructure comprising roughly 170 apartments. The complex will be proportionally divided at one-third each into condominiums, rental apartments and inexpensive residential units. The master plan is in the development process; a referendum follows in 2016.

Investment volume	approx. CHF 74 million
Project idea	Residential complex (land lease plot)
Floor space	14 200 m²
Use	Residential, partial commercial
Planned construction period	2017–2019

PROJECT PIPELINE¹



¹ Swiss Prime Site AG estimates
² only development projects referred to in this report



SIEMENS AREAL, ZURICH

Albisriederstrasse 203

Swiss Prime Site has owned the Siemens Site comprising a total of 22 745 m² since 2014. An innovative services building for service providers, creative companies and firms in the manufacturing sector is being developed in direct proximity to the existing properties.

Investment volume	approx. CHF 90 million
Project idea	New building
Floor space	approx. 20 000 m ²
Use	Flexible (services and commercial)
Planned construction period	2018–2019



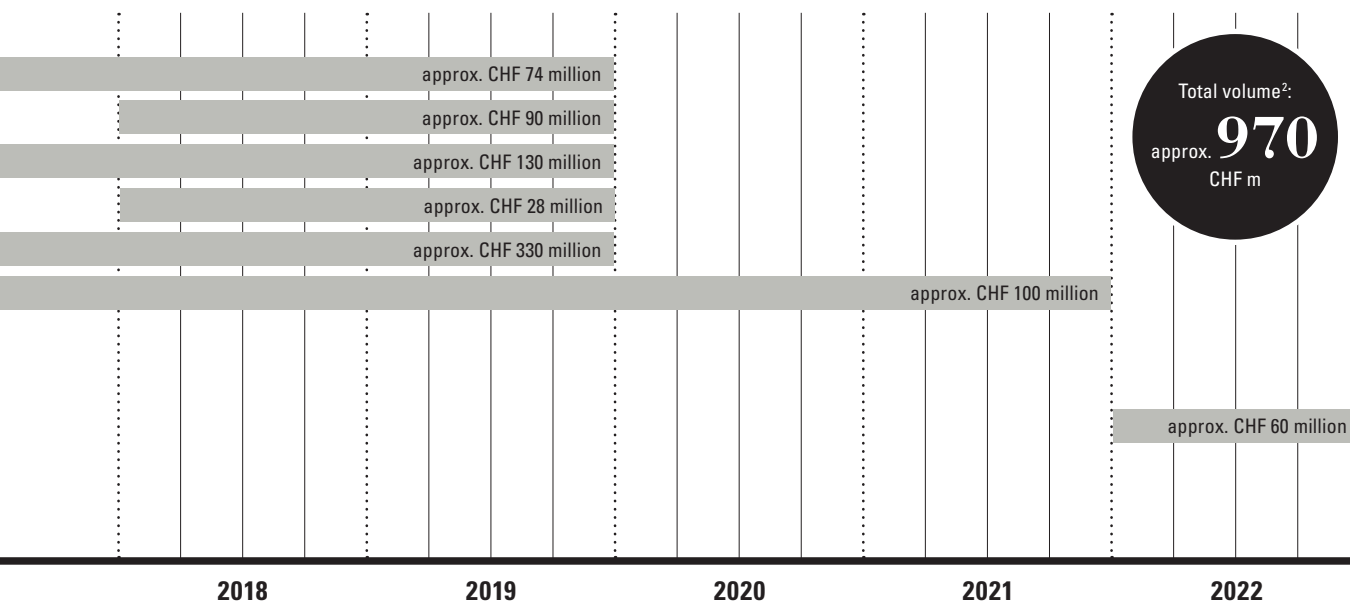
SCHÖNBURG, BERNE

Viktoriastrasse 21

Modification of an ideally located office complex situated in an exceptional panoramic position overlooking Berne into a sophisticated residential building, with a hotel wing on the north side. The building permit is anticipated for the end-2016; re-zoning is not required.

Investment volume	approx. CHF 130 million
Project idea	Major conversion to residential building
Floor space	23 900 m ² above ground
Use	Residential, office or hotel, partial retail
Planned construction period	2017–2019

PROJECT PIPELINE¹





NZZ PRINTING FACILITY, SCHLIEREN

Zürcherstrasse 39

An innovative concept for an urban education centre is being developed for the former NZZ printing facility. The concept comprises infrastructure for training and further education, knowledge transfer, research & development, co-working spaces, communal floor space, sports and culture. At the same time, the building structure should be strictly preserved.

Investment volume	approx. CHF 28 million
Project idea	Conversion, possible annex buildings
Floor space	24 700 m ²
Use	Urban education centre
Planned construction period	2018–2019

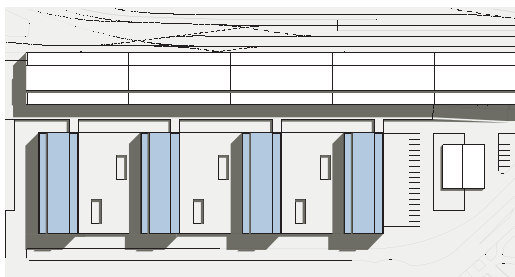


ESPACE TOURBILLON, PLAN-LES-OUATES

Chemin des Aulx

Construction of the multi-functional, modular industrial and commercial park with highly efficient truck logistics will be executed in two major stages. The building permit has been issued, and total contractor submissions are in preparation.

Investment volume	approx. CHF 330 million
Project idea	Commercial project on company building land
Floor space	67 200 m ² above ground
Use	Commercial, industrial, services
Planned construction period	2016–2019



SCIENCE PARK, BASEL

Hochbergerstrasse 60

The total area comprises 22 863 m². The property is part of the «Business Park» site and is situated in «Kleinbasel West» in an ideally infrastructural developed location. An additional 22 000 m² of services floor space can be constructed on the development reserves near the existing Business Park. Construction should be executed in stages over the coming years.

Investment volume	approx. CHF 100 million
Project idea	Expansion of Science Park
Floor space	approx. 22 000 m ²
Use	Laboratory/commercial
Planned construction period	2017–2021



EACR, MEYRIN

Avenue de Mategnin

At end-2015, Swiss Prime Site acquired 100% of the shares in EACR AG. Swiss Prime Site is developing a retail and commercial centre on a centrally located plot of land situated in Meyrin's industrial zone, in direct proximity to Geneva Airport, by end-2017. Rental agreements for all the retail floor space have already been concluded with renowned tenants during the project development phase.

Investment volume	approx. CHF 32 million
Project idea	New building
Floor space	2 287 m ²
Use	Commercial building
Planned construction period	2016–2017



2A, GENEVA

Route de Pré-Bois 16

Swiss Prime Site is developing a modern seven-storey office building in line with the Minergie standard, located at Route de Pré-Bois in direct proximity to Geneva Airport. The bright and flexible floor spaces will be leased on a turnkey basis. The offices are particularly suitable for small- and medium-sized enterprises (SMEs) searching for a prestigious location situated in an attractive and ideally developed area.

Investment volume	approx. CHF 13 million
Project idea	Reconstruction
Floor space	2 630 m ²
Use	Commercial building
Planned construction period	2016–2017



2B, GENEVA

Route de Pré-Bois

Swiss Prime Site owns plots of building land comprising roughly 9 000 m² situated in an ideally infrastructural developed location. The development potential of the land will be realised together with the neighbouring land owners, paving the way for constructing projects for retail and services buildings as well as hotels (residential units excluded) starting from 2020.

Investment volume	approx. CHF 60 million
Project idea	Major commercial building complex
Floor space	40 000–60 000 m ²
Use	Services, retail, hotel, pool
Planned construction period	2022 or later

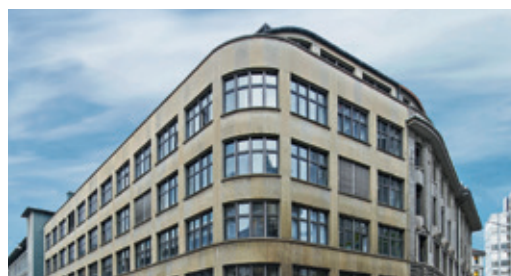


MOTEL ONE, BASEL

Freie Strasse 68

Redevelopment of office property located at Freie Strasse 68 into a hotel. The hotel will comprise 147 rooms featuring first-class design at favourable prices. Motel One, a successful budget design hotel brand, will be the new tenant at the central location situated in the heart of Basel.

Investment volume	approx. CHF 22.5 million
Project idea	Conversion to hotel
Floor space	approx. 4 200 m ²
Use	Hotel
Planned construction period	2015–2016



MOTEL ONE, ZURICH

Brandschenkestrasse 25

Redevelopment of office property located at Brandschenkestrasse 25 into a hotel. The hotel will be situated in a prime location just five minutes away from Bahnhofstrasse and Paradeplatz, comprising roughly 400 rooms featuring first-class design at favourable prices. Motel One, a successful budget design hotel brand, will operate the hotel starting from the summer of 2017.

Investment volume	approx. CHF 77.5 million
Project idea	Conversion to hotel
Floor space	approx. 13 000 m ²
Use	Hotel
Planned construction period	2015–2017



..... MANAGEMENT REPORT

MANAGEMENT REPORT

ENVIRONMENT AND INFLUENCING FACTORS

The Swiss economy painted a picture of a relatively solid state of health in 2015. The real estate market also benefited from the continuation of the «soft landing» that had already emerged in the previous year. Swiss Prime Site was able to evade the effects of negative influencing factors thanks to its focus on high-quality properties and broadened earnings base.

ECONOMIC ENVIRONMENT

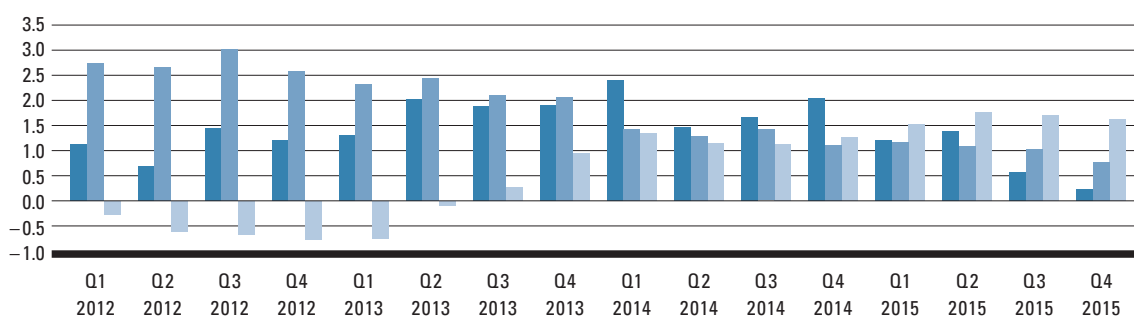
The economic trend in 2015 was marked by the abrupt appreciation of the Swiss franc, triggered by the abolition of the EUR/CHF minimum exchange rate by the Swiss National Bank (SNB). Economic growth cooled down considerably, but still hovered in positive territory in 2015. Private consumption continued to remain a significant pillar of support for economic growth, underpinned by the high level of immigration. Real consumer spending by private households grew by more than 1% year-on-year. On the other hand, real retail sales declined by more than 3%. This trend implied that the already adverse environment for retailers in Switzerland would continue to deteriorate further. By contrast, the labour market remained stable, with the unemployment rate edging up just slightly.

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 in the Eurozone in the course of 2015 prevented Swiss economic growth from falling any further. Former euro-crisis countries such as Spain, Italy, Ireland and Portugal returned to the path of stronger economic growth.

The accentuated negative interest rate environment in Switzerland constituted another significant factor for the trend in real estate stocks. Since more and more bonds exhibited negative interest rates, investors further stepped up their focus on the real estate sector.

YEAR-ON-YEAR GROWTH RATES

in %



■ Swiss gross domestic product (GDP) ■ Private consumption in Switzerland ■ Gross domestic product EU-15 countries

Source: Credit Suisse

INFLUENCING FACTORS AND EFFECTS

REAL ESTATE

REAL ESTATE INVESTMENTS

Office properties

- > Momentum in floor space expansion is diminishing
- > Vacancies are increasing for inefficient office floor space
- > The sluggish economic trend is leading to weaker demand for office properties
- > Rent prices continue to remain under pressure
- > Vacancy management is becoming a key issue
- > The number of redevelopment, modernisation and modification projects is increasing
- > Demand for A locations will continue to persist

Retail Properties

- > The trend toward shopping tourism remains elevated, resulting in persistent pressure on border regions
- > Rent prices are sinking
- > B and C locations are facing an increasingly more difficult situation
- > Demand is robust for floor space in modern shopping centres situated in favourable locations
- > A locations in first-class urban areas remain attractive

REAL ESTATE SERVICES

- > The trend toward outsourcing building management is progressing
- > Demand is growing for property management, facility management and other advisory services from a single source
- > The sector is undergoing stepped-up digitalisation
- > The trend toward consolidation continues to persist: i.e. mergers of smaller firms, penetration by international major providers
- > Big data offer growth opportunities
- > «The battle over talent» continues to intensify

RETAIL

- > Retail sales are stagnating (non-food)
- > Demographic growth and consumer sentiment are diminishing
- > Online trading and shopping tourism in border regions are gaining significance
- > Competitive intensity remains elevated
- > Frequency rates are dropping in cities
- > Strategic growth fields such as e-commerce harbour retail sales potential

ASSISTED LIVING

- > The ageing of society is boosting demand
- > Focus is being directed at centrally situated, well-developed locations
- > Demand for residences with added services at affordable prices is increasing (e.g. Vitadomo, Tertianum Group brand)
- > The trend toward spacious, senior-oriented 2½-room residences for singles and 3½-room residences for couples is picking up
- > Regulatory requirements are increasingly tightening and approval practices are becoming more restrictive
- > The consolidation process is forging ahead
- > Long-term geriatric care financing is undergoing revision
- > Financing problems at the community level create potential for private public partnership (PPP) models

CAPITAL MARKET

Swiss Prime Site has been listed on the SIX Swiss Exchange since April 2000 and reports as at balance sheet date a market capitalisation of roughly CHF 5.5 billion, as well as an average annual share price performance of 7.6% since its initial public offering (IPO).

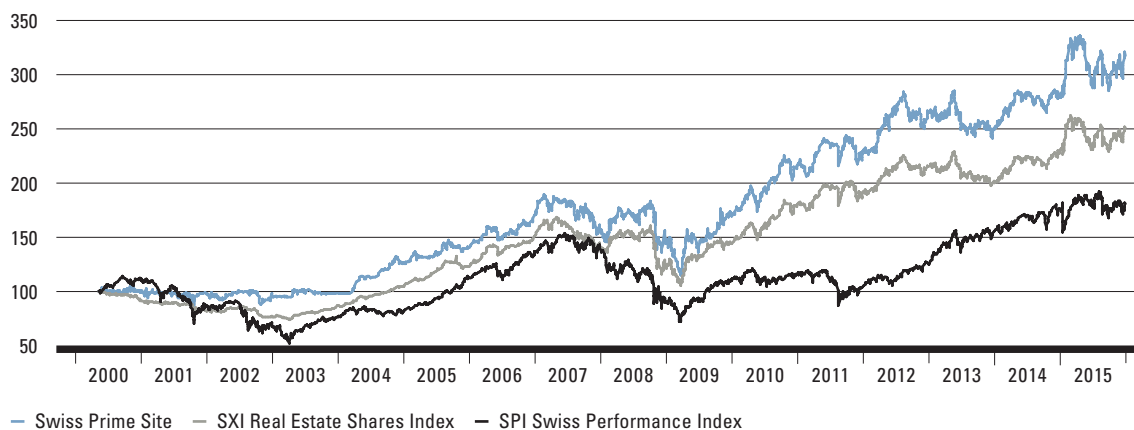
SHARE

The Swiss Prime Site AG share's closing price on 31 December 2015 was CHF 78.50 [the closing share price as at 31 December 2014 was CHF 73.00 and the distribution on 21 April 2015 was CHF 3.70 per share]. The resulting performance (total return) of the share amounted to +13.7% in 2015 [+10.9%]. The stock's relative performance therefore slightly surpassed the benchmark indices SXI Real Estate Shares Index (+9.6%) and SPI Swiss Performance Index (+2.7%).

The share price reached its peak of CHF 87.80 on 15 April 2015 and hit its lowest point of CHF 70.65 on 1 October 2015. The average daily trading volume in 2015 amounted to CHF 14.5 million [CHF 8.6 million].

PERFORMANCE OF SWISS PRIME SITE SHARE SINCE IPO

from 05.04.2000 to 31.12.2015 (indexed)

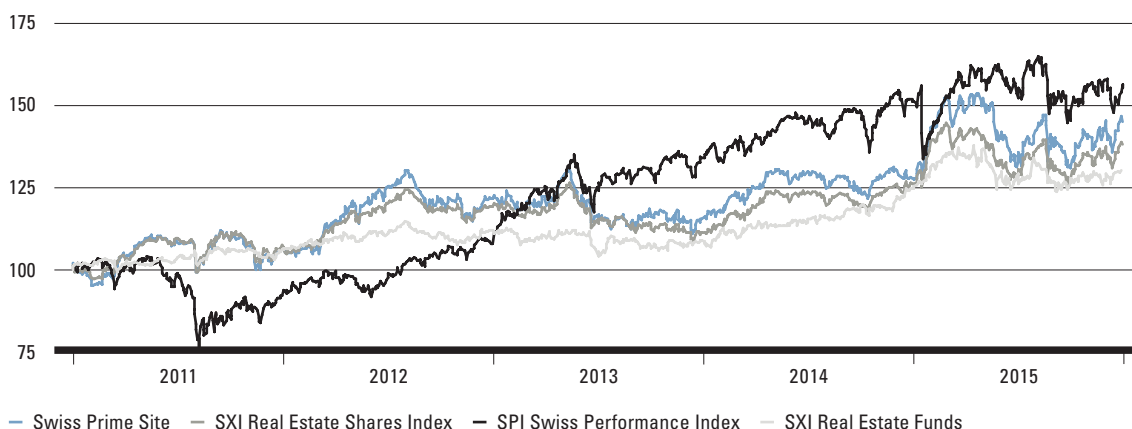


Source: Bloomberg

The average annual performances of the benchmark indices SXI Real Estate Shares Index and SPI Swiss Performance Index since the Swiss Prime Site IPO were +6.0% and +3.8%, respectively. Hence, the performance of the Swiss Prime Site share of +7.6% noticeably beat the two benchmark indices.

PERFORMANCE OF SWISS PRIME SITE SHARE IN THE LAST FIVE YEARS

from 01.01.2011 to 31.12.2015 (indexed)

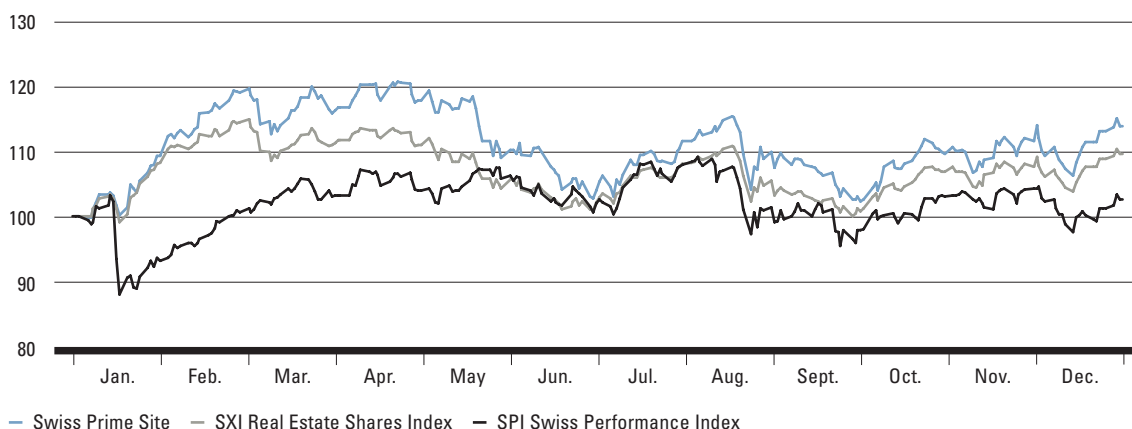


Source: Bloomberg

In a five-year annual comparison, the Swiss Prime Site share turned in a performance of +45.9%, thus outperforming the benchmark indices SXI Real Estate Shares Index +38.3% and SXI Real Estate Funds Index (+32.2%).

PERFORMANCE OF SWISS PRIME SITE SHARE IN 2015¹

from 01.01.2015 to 31.12.2015 (indexed)



Source: Bloomberg

¹ closing price on 31.12.2015: CHF 78.50 / maximum: CHF 87.80 (15.04.2015) / minimum: CHF 70.65 (01.10.2015)

In the course of the ordinary adjustments by the SIX Swiss Exchange, the Swiss Prime Site share was delisted from the Swiss Leader Index (SLI) with effect as at 22 September 2014.

KEY FIGURES PER SHARE

Data per share	in	2011 ¹	2012 ¹	2013	2014	2015	Change to prior year in %
Share capital	CHF m	831.8	918.2	925.7	930.6	1 065.7	14.5
Nominal value per share	CHF	15.30	15.30	15.30	15.30	15.30	–
Issued shares	Number	54 368 714	60 011 611	60 503 081	60 820 602	69 651 534	14.5
Treasury shares	Number	– 4 244	– 4 828	– 18 916	– 2 682	– 2 780	3.7
Average treasury shares held	Number	– 36 117	– 4 369	– 5 847	– 6 458	– 6 506	0.7
Average outstanding shares	Number	54 332 597	54 873 552	60 368 821	60 512 651	67 127 792	10.9
Outstanding shares	Number	54 364 470	60 006 783	60 484 165	60 817 920	69 648 754	14.5

Key figures of the share

Earnings per share (EPS)	CHF	6.53	5.67	5.70	4.72	5.30	12.3
Earnings per share excluding revaluation effects	CHF	4.62	3.61	3.69	3.90	4.20	7.7
NAV per share after deferred taxes	CHF	63.34	65.22	67.91	69.06	71.15	3.0
NAV per share before deferred taxes	CHF	76.72	78.62	82.65	84.77	85.83	1.3
Distribution per share	CHF	3.60	3.60	3.60	3.70	3.70 ²	–
Cash yield ³	%	5.1	4.7	5.2	5.1	4.7 ²	– 7.8
Share price as at balance sheet date	CHF	70.55	76.35	69.05	73.00	78.50	7.5
Share price, highest	CHF	74.60	82.95	78.45	76.00	87.80	15.5
Share price, lowest	CHF	65.85	69.30	66.35	68.95	70.65	2.5
Premium	%	11.4	17.1	1.7	5.7	10.3	80.7
Average trading volume per day	CHF m	9.3	11.5	8.3	8.6	14.5	68.6
Market capitalisation as at balance sheet date	CHF m	3 835.7	4 581.9	4 177.7	4 439.9	5 467.6	23.1

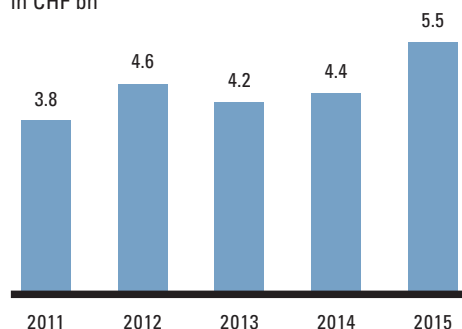
¹ adjusted due to IAS 19 rev., 2011 shareholders' equity only

² according to proposal to Annual General Meeting of 12.04.2016

³ based on year-end closing price

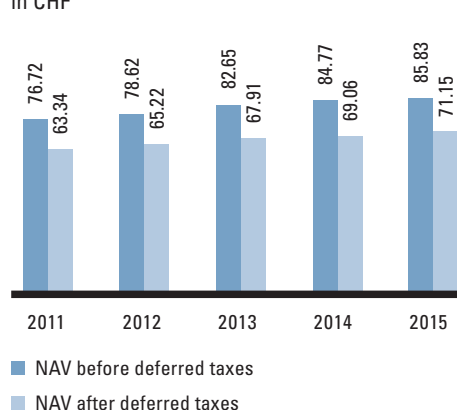
MARKET CAPITALISATION

in CHF bn



NAV PER SHARE

in CHF



Market capitalisation

Market capitalisation amounted to roughly CHF 5.5 billion on 31 December 2015 [CHF 4.4 billion], corresponding to an increase of 23.1%. Market capitalisation is calculated based on the number of shares issued at year-end of 69 651 534 [60 820 602] and the closing share price of CHF 78.50 [CHF 73.00]. The number of shares has increased since 2011 from 54 368 714 to 69 651 534 as at the balance sheet date. In the reporting year, share capital grew by 2 860 803 shares or by CHF 43.8 million through conversions of the CHF 300 million convertible bond, and by 5 970 129 shares or CHF 91.3 million through the capital increase.

NAV per share

Net asset value (NAV) per share before deferred taxes edged up by 1.3% from CHF 84.77 to CHF 85.83. NAV after deferred taxes rose by 3.0% from CHF 69.06 to CHF 71.15. Based on the closing share price, this resulted in a premium of 10.3% [5.7%].

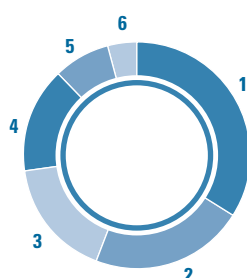
Shareholder structure

As at the balance sheet date, around 66% [68%] of the issued 69 651 534 [60 820 602] shares were registered. Shares pending registration of transfer increased to 34% [32%]. Roughly 94% [94%] of the registered shareholders held less than 5 000 shares, 5% [5%] held between 5 001 and 50 000 shares, and 1% [1%] held a stake of more than 50 001 shares. About 73% [72%] of the registered shares were held in Switzerland. Swiss Prime Site AG acknowledges that there were three [three] shareholders with a stake of more than 3% as at the balance sheet date.

SHAREHOLDER CATEGORIES

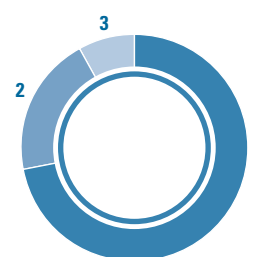
(registered shares)

1 Legal entities	34%	[34%]
2 Pension funds	22%	[22%]
3 Funds	18%	[17%]
4 Natural persons	17%	[15%]
5 Other	5%	[8%]
6 Insurance companies	4%	[4%]

**SHAREHOLDER STRUCTURE BY COUNTRY**

(registered shares)

1 Switzerland	73%	[72%]
2 Europe (excluding Switzerland)	21%	[20%]
3 Other countries	6%	[8%]

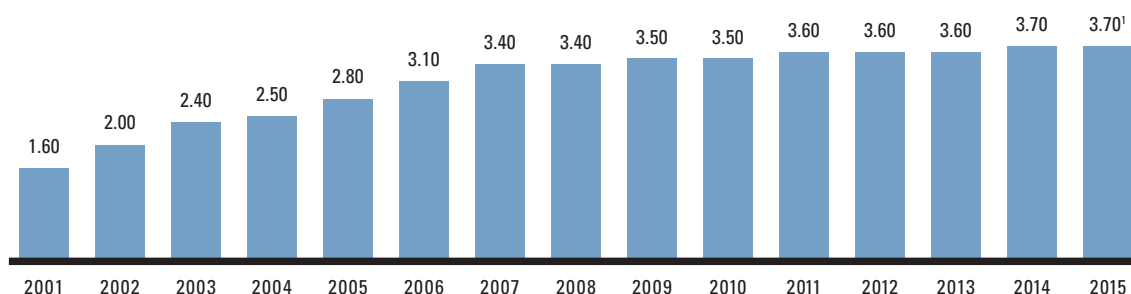
**Dividend policy and distribution**

Swiss Prime Site enables its shareholders to participate in the corporate profits with a shareholder-friendly dividend in the form of a distribution from capital contribution reserves, or nominal value reduction. These distributions are not subject to Swiss withholding tax and are basically exempt from income tax for private individuals with tax domicile in Switzerland. The Company generally intends to pay out 80% of earnings per share before revaluation effects.

The Board of Directors proposes to the Annual General Meeting of 12 April 2016 a dividend of CHF 3.70 per share, in the form of a shareholder-friendly, withholding tax-exempt distribution from capital contribution reserves. The distribution corresponds to an attractive cash yield of 4.7%, based on the closing share price of CHF 78.50 at year-end.

DISTRIBUTION PER SHARE

in CHF

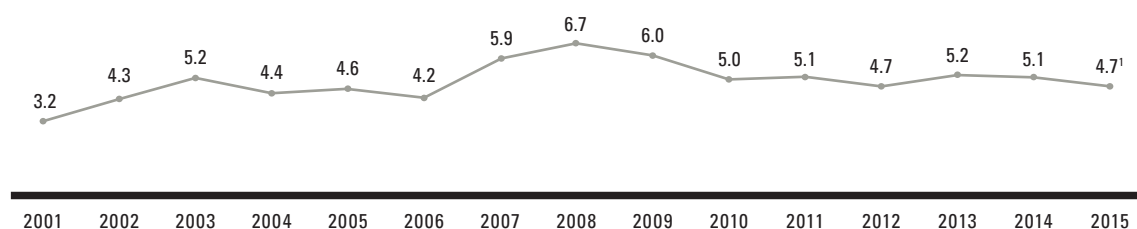


¹ according to proposal to Annual General Meeting of 12.04.2016

Since the Company's IPO in 2000, the distribution per share has increased from CHF 1.60 (paid out in financial year 2001, adjusted for stock split 1:5) to CHF 3.70 for the financial year 2015. The cash yield has hovered between 3.2% and 6.7% in the same period.

CASH YIELD

in %



¹ according to proposal to Annual General Meeting of 12.04.2016

BONDS

As at the balance sheet date, Swiss Prime Site held one outstanding convertible bond with issue volume of CHF 190.35 million. The bond with a nominal value of CHF 0.005 million can be converted into registered shares of the Company at any time. No conversions of this convertible bond took place in the previous years or reporting year.

Furthermore, Swiss Prime Site holds five outstanding bonds with issue volumes of CHF 100.0 million, CHF 115.0 million, CHF 200.0 million, CHF 230.0 million and CHF 300.0 million. Three of these bonds with a total volume of CHF 600.0 million were successfully placed on the capital market in the previous year. The terms to maturity amount to between five and ten years, and the interest rates vary between 1.0% and 2.0%. The current low interest rate environment was successfully exploited for refinancing at attractive medium- to long-term conditions.

KEY DATA

Convertible bonds		in		2016		
Issuing volume	CHF m					190.35
Nominal value as at balance sheet date	CHF m					190.35
Conversion price as at balance sheet date	CHF					81.89
Conversions during reporting period	CHF m					–
Number of converted shares during reporting period	Number					–
Interest rate	%					1.875
Term to maturity	Years					5
Maturity	Date					21.06.2016
Securities number						13119623 (SPS11)
ISIN number						CH0131196237
Stock exchange price as at 31.12.2015	%					101.29

Straight bonds		in		2018	2019	2020	2021	2024
Issuing volume	CHF m			115.0	200.0	230.0	300.0	100.0
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 (SPS13)	25 704 216 (SPS141)	21 565 073 (SPS131)	23 427 449 (SPS14)	25 704 217 (SPS142)
ISIN number				CH0215645661	CH0257042165	CH0215650737	CH0234274493	CH0257042173
Stock exchange price as at 31.12.2015	%			103.00	102.45	105.85	105.00	106.05

GROUP BUSINESS PERFORMANCE

Swiss Prime Site continued to pursue its proven active portfolio management as well as optimisation of the real estate holdings, focusing on prime properties and project developments in the financial year 2015. The Company once again looks back at a successful year of business.

GENERAL GROUP PERFORMANCE

The results for the financial year 2015 were in line with the guidance issued. The successful financial year was attributable to the consistent execution of strategy, on the one hand, as well as to the ongoing optimisation of the business model, on the other. The strategy aimed at generating a positive contribution to the Group's results from supplemental real estate-related business fields proved to be successful and was consistently pursued further. The Group also assimilated the asset management activities for Swiss Prime Investment Foundation in the autumn of 2015, as an additional complementary and scalable source of revenues. In addition to the continuous realisation of Group-wide synergy potential, collaboration among the group companies was intensified as well.

The real estate portfolio was further developed in qualitative as well as quantitative terms, exhibiting an attractive net property yield of 3.9% as at year-end 2015. The development projects SkyKey in Zurich and EspacePost in Berne proved their value in the existing real estate portfolio. Total rental income increased by 0.6% to CHF 445.9 million.

Prudent financing with bonds, convertibles and a capital increase also contributed to the Group's favourable financial position. Conversion of the convertible bond with maturity date of 20 January 2015 resulted in a total inflow of CHF 199.7 million in shareholders' equity for Swiss Prime Site in the reporting year. Shareholders' equity was strengthened by CHF 413.3 million through the capital increase successfully executed at the end of May 2015. The solid state of financing ensures operating flexibility and creates ideal preconditions for future moves toward strategic development.

With its innovative business model, Swiss Prime Site is ideally positioned to develop additional sources of earnings in real estate-related business fields as a supplement to its core business activities. The key advantages emanate from broader diversification of risks and relatively lower susceptibility to economic effects on the core business.

FOCUS IN FINANCIAL YEAR 2015

DYNAMIC PORTFOLIO MANAGEMENT

In 2015, four properties were acquired at a total price tag of CHF 53.2 million. Divestment volume amounted to CHF 452.9 million for a total of ten properties.

ACQUISITION OF PRIME SITES

Swiss Prime Site acquired the NZZ printing facility in Schlieren, which promises to be a successful development site situated in an ideal location.

NEW BUILDING/MODIFICATION DEVELOPMENT PROJECTS

The Maaghof North and East residential building complex was completed in the second quarter of 2015, comprising 137 rental apartments and 83 condominiums (total investment costs: CHF 122.6 million). In addition, the Vitadomo Bubenholz senior centre in Opfikon opened its doors (investment costs: CHF 40.4 million). Under the Vitadomo brand, residential facilities are being constructed that feature an integrated geriatric care station, which are situated in the medium-price segment. The most powerful high-performance photovoltaics facility in Switzerland, located at the Riverside property in Zuchwil, started up operation in the fourth quarter of 2015, which underscores Swiss Prime Site's aspirations regarding sustainability.

CONVERSIONS

A long-term rental agreement was concluded in the reporting year for another property as basis for conversion of the entire building. Consequently, the Flurpark/Media Park property in Zurich-Altstetten, to be converted from an IT centre into an office building, was leased for the most part to Ringier Axel Springer Switzerland AG.

EXPANSION OF THE ASSISTED LIVING BUSINESS FIELD

Underpinned by the future demographic trend and resulting earnings potential, the expansion of the Assisted Living business field was further accelerated in 2015. In addition to supplementing the project pipeline in geographically relevant development regions, the acquisitions of SENIOcare as at 1 October 2015 and BOAS Senior Care in December 2015 paved the way for Tertianum Group to achieve the leading market position as private provider in the assisted living sector in Switzerland.

LAUNCH OF SWISS PRIME INVESTMENT FOUNDATION

Swiss Prime Site founded the Swiss Prime Investment Foundation (SPIF) as well as launched the first investment group «SPA Real Estate Switzerland» in the financial year 2015. A total of CHF 550 million was raised from the first issue and fully invested as at year-end. Issue volume was oversubscribed threefold with CHF 1.5 billion. Swiss Prime Site is responsible for the corporate management as well as asset management of Swiss Prime Investment Foundation.

STRENGTHENING THE SHAREHOLDERS' EQUITY BASE

Thanks to the capital increase carried out in May 2015 with net inflow of funds amounting to CHF 413.3 million as well as the sale of properties to Swiss Prime Investment Foundation in the fourth quarter totalling CHF 411.5 million, mortgage-backed external financing was scaled back to the extent of roughly CHF 486.7 million, thus further strengthening the Group's financial flexibility.

FINANCING

Financing amid the low interest rate environment was fixed at long-term rates where possible, thus reducing future financial expense.

INTENSIFIED DIALOGUE WITH STAKEHOLDERS

Swiss Prime Site further intensified its relations in 2015 with capital market participants and other stakeholders. In this context, presentations and individual meetings with existing and potential investors in Switzerland and abroad played a significant role.

TREND IN EARNINGS

KEY FINANCIAL FIGURES

	in	2011	2012 ¹	2013	2014	2015	Change to prior year in %
Operating income	CHF m	569.3	584.6	764.7	852.7	995.2	16.7
Revaluation of investment properties, net	CHF m	178.1	187.3	186.7	113.2	124.6	10.1
Result from investment property sales, net	CHF m	77.5	8.5	15.3	2.1	30.9	1371.4
Operating expenses	CHF m	-232.9	-267.8	-436.0	-518.9	-609.4	17.4
Operating profit (EBIT)	CHF m	604.1	514.4	539.2	462.8	553.4	19.6
Financial expenses	CHF m	-131.4	-117.0	-109.4	-100.0	-100.8	0.8
Income tax expenses	CHF m	-119.9	-93.6	-96.6	-79.0	-102.2	29.4
Profit ²	CHF m	355.1	311.3	343.9	286.7	355.1	23.9
Comprehensive income ²	CHF m	365.1	323.5	378.2	288.2	377.1	30.8
Earnings per share (EPS)	CHF	6.53	5.67	5.70	4.72	5.30	12.3

¹ adjusted due to IAS 19 rev.

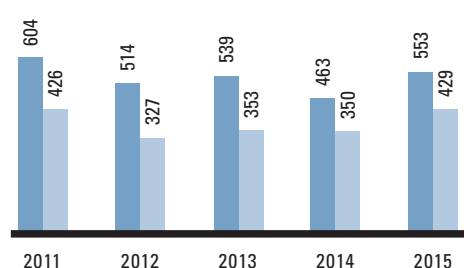
² including non-controlling interests

Noteworthy in the comparison of results with the previous year is that the acquisition of SENIOcare – aimed at supplementing and strengthening the Assisted Living business filed – was consolidated starting from 1 October 2015 and therefore incorporated in Swiss Prime Site Group. The reporting year was unaffected by first-time applicable IFRS standards. IAS 19 revised «Employee Benefits» resulted in booking volatility in personnel costs affecting net income as well as the remeasurement of net defined benefit obligations in other comprehensive income.

Operating profit (EBIT) excluding revaluations leaped by 22.7% from CHF 349.6 million to CHF 428.9 million. EBIT including revaluations jumped by 19.6% from CHF 462.8 million to CHF 553.4 million.

OPERATING PROFIT (EBIT)

in CHF m

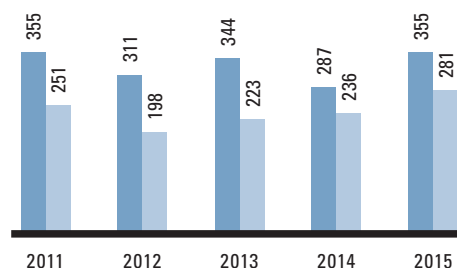


■ EBIT including RVE¹ ■ EBIT excluding RVE¹

¹ revaluation effects: revaluations and deferred taxes

PROFIT

in CHF m

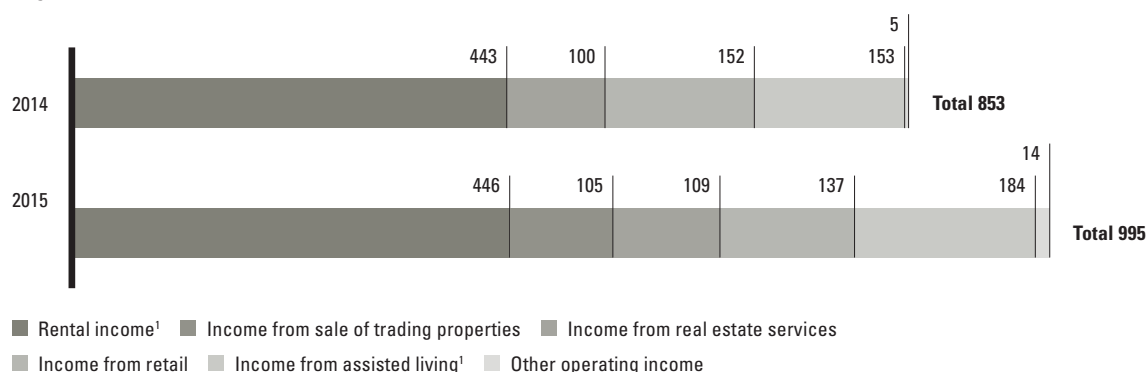


■ Profit including RVE¹ ■ Profit excluding RVE¹

Profit amounted to CHF 355.1 million [CHF 286.7 million] in the reporting year 2015. The increase of CHF 68.4 million was attributable primarily to gains from sales of condominiums at the Maag Site in Zurich as well as to sales of investment properties. Profit excluding revaluation effects climbed by 19.0% to CHF 280.8 million [CHF 236.0 million]. Comprehensive income including revaluation effects of CHF 377.1 million exceeded the relevant previous year's mark by 30.8% [CHF 288.2 million], while comprehensive income excluding revaluation effects of CHF 273.6 million was 31.8% above the comparable previous year's figure [CHF 207.6 million]. CHF -9.4 million [CHF -36.8 million] related to remeasurement of net defined benefit obligations was booked in other comprehensive income in the reporting year.

OPERATING INCOME

in CHF m

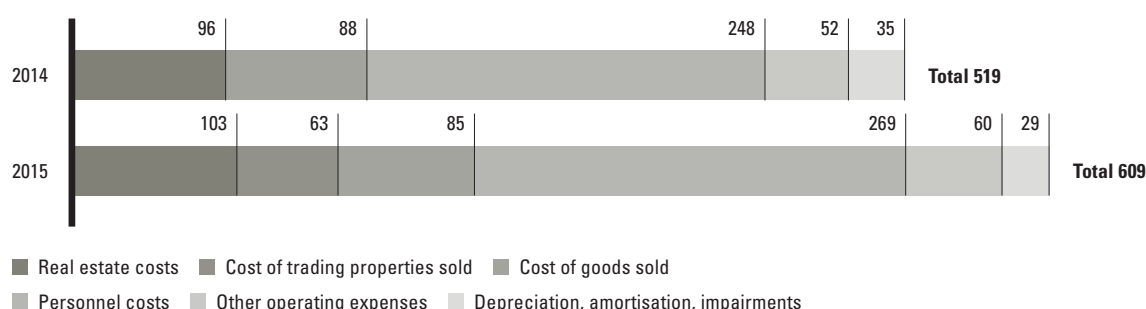


¹ sale of Permed AG as at 17.03.2014; acquisition of SENIOcare as at 01.10.2015, WGDM Papillon AG as at 01.07.2015 and Sternmatt Pflegewohngruppen as at 05.01.2015

Swiss Prime Site continued to unrelentingly exhibit a robust performance in the financial year 2015, realising a 16.7% spurt in operating income from CHF 852.7 million to CHF 995.2 million. Income from rental properties at the Group level climbed by 0.6% to CHF 445.9 million [CHF 443.1 million]. The increase was attributable primarily to the results of the projects completed in the previous and current years as well as to the effects of the acquisition of SENIOcare and property divestments in the prior year. Income from real estate services exhibited a pick-up of 8.9% to CHF 109.0 million [CHF 100.1 million]. The surge in income from assisted living by 20.2% to CHF 184.2 million [CHF 153.3 million] was the result of the integration of SENIOcare starting from the outset of October 2015. The decline in income from retail by 9.9% to CHF 136.8 million [CHF 151.9 million] was attributable to the challenging environment in the retail trade sector, particularly due to the abolition of the CHF/EUR minimum exchange rate by the Swiss National Bank in mid-January. Other operating income of CHF 14.3 million was positively affected by initial revenues from asset management of Swiss Prime Investment Foundation.

OPERATING EXPENSES

in CHF m



Operating expenses climbed by 17.4% from CHF 518.9 million to CHF 609.4 million primarily due to acquisitions, of which real estate costs accounted for CHF 103.3 million [CHF 96.3 million] and cost of goods sold made up CHF 84.7 million [CHF 87.9 million]. The increase in real estate costs was attributable mainly to the CHF 4.9 million rise in third-party rental expenses, particularly for the additionally rented properties in the Assisted Living business field. In addition, higher costs were incurred by the owner (ancillary costs/operating expenses) resulting from growth in the real estate portfolio. The decrease in cost of goods sold resulting from lower retail sales was offset by the increase in cost of goods sold through the integration of SENIOcare.

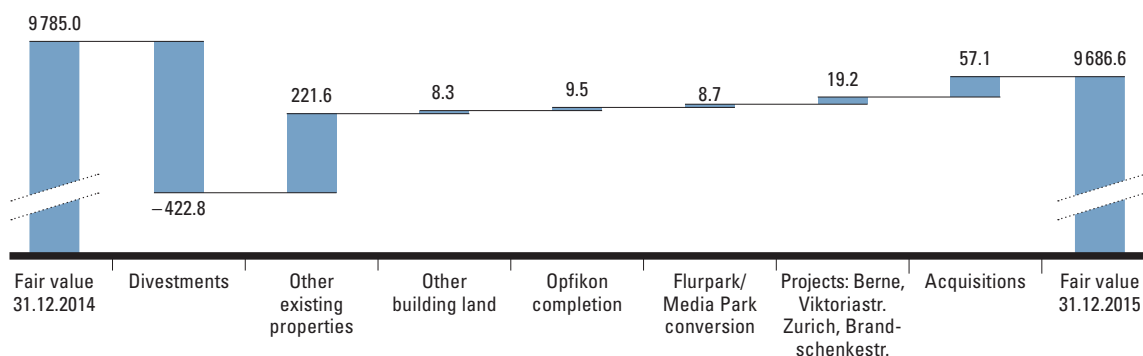
Personnel costs amounted to CHF 269.2 million [CHF 248.0 million], other operating expenses totalled CHF 60.0 million [CHF 51.6 million] and depreciation, amortisation and impairment added up to CHF 29.2 million [CHF 35.1 million]. The pick-up in personnel costs was attributable mainly to staff expenses related to the acquisition of SENIOcare.

TREND IN THE REAL ESTATE PORTFOLIO

Within the scope of portfolio optimisation and through taking advantage of divestment opportunities, twelve properties were divested and four acquired in the reporting period (including two trading properties). The fair value of the divested properties amounted to a total of CHF 377.1 million at end-2014. The net result of sale after transaction costs amounted to CHF 30.9 million [CHF 2.1 million]. The portfolio therefore comprised 182 properties [190].

TREND IN THE REAL ESTATE PORTFOLIO (FAIR VALUE)

in CHF m

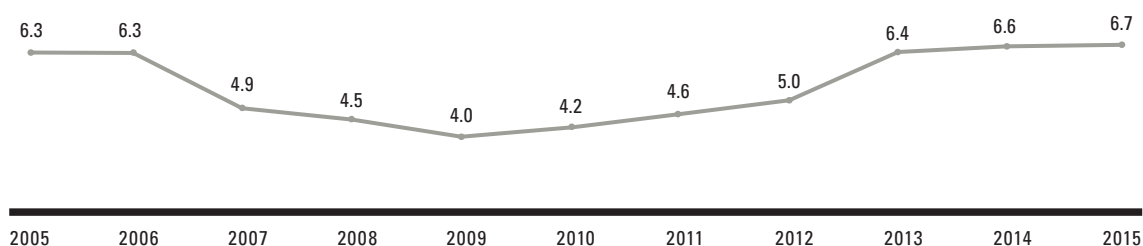


The decrease in portfolio value by CHF 98.4 million or –1.0% consisted primarily of twelve divestments (CHF –422.8 million), value changes (including renovations/investments) related to other existing properties (CHF +221.6 million) and the four acquired existing properties and building land (CHF +65.4 million).

The vacancy rate increased versus the previous year from 6.6% to 6.7%, as expected. The rate was in line with the forecast range of 6.0% to 7.0%.

TREND IN VACANCY RATE

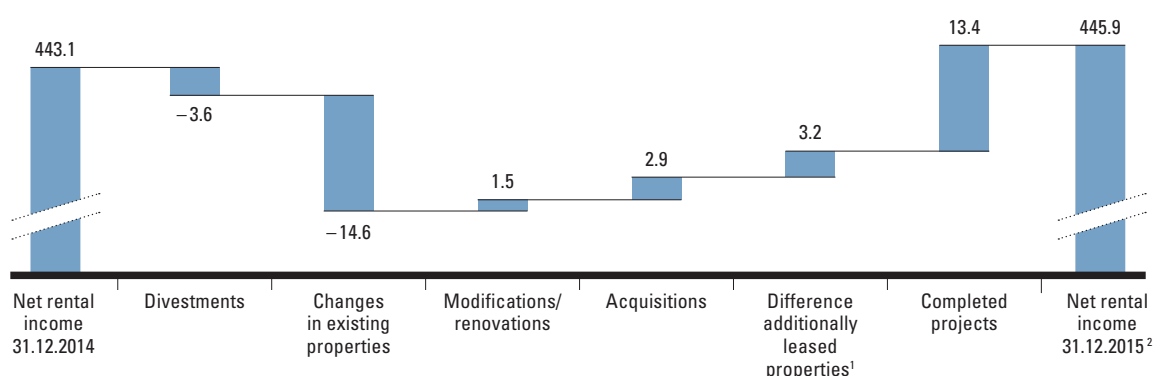
in % (Group)



The quality of earnings was underscored by the good credit ratings of the tenants. The five largest external tenants are renowned corporations, contributing 20.9% [21.9%] to total rental income. Around 61% [58%] of all rental agreements have a residual term of four or more years.

TREND IN NET RENTAL INCOME

in CHF m (Group)



¹ in Assisted Living business field

² including additionally leased properties

Net rental income edged up by 0.6% from CHF 443.1 million to CHF 445.9 million. The increase of CHF 2.8 million resulted from divestments (CHF –3.6 million), changes in existing properties (CHF –14.6 million), vacancies related to building modifications and renovations (CHF +1.5 million), acquisitions (CHF +2.9 million), additionally leased properties in the Assisted Living business field (CHF +3.2 million) as well as from the completions of SkyKey (CHF +5.6 million), EspacePost (CHF +6.8 million) and Vitadomo Bubenholz (CHF +1.0 million).

VALUATION OF THE REAL ESTATE PORTFOLIO

Wüest & Partner AG valued the real estate portfolio at CHF 9 686.6 million [CHF 9 785.0 million] as at 31 December 2015. This revaluation led to a net valuation gain affecting net income of CHF 124.6 million at the Group level [CHF 113.2 million] (excluding revaluation of owner-occupied properties), or 1.3% of the portfolio's value as at 31 December 2014. Of these revaluations, there were no effects in the reporting year [previous year: CHF 7.7 million] attributable to the first-time application of IFRS 13 «Fair Value Measurement» with the highest-and-best-use concept.

Revaluation of owner-occupied properties (primarily properties used in the Assisted Living business field as well as Jelmoli – The House of Brands) resulted in a remeasurement in other comprehensive income of CHF 38.0 million [CHF 39.0 million].

Of the total 163 existing properties (excluding acquisitions (3), plots of building land (13) and properties under construction (3) – total 19 properties), 121 were valued higher and 42 were valued lower than as at 1 January 2015.

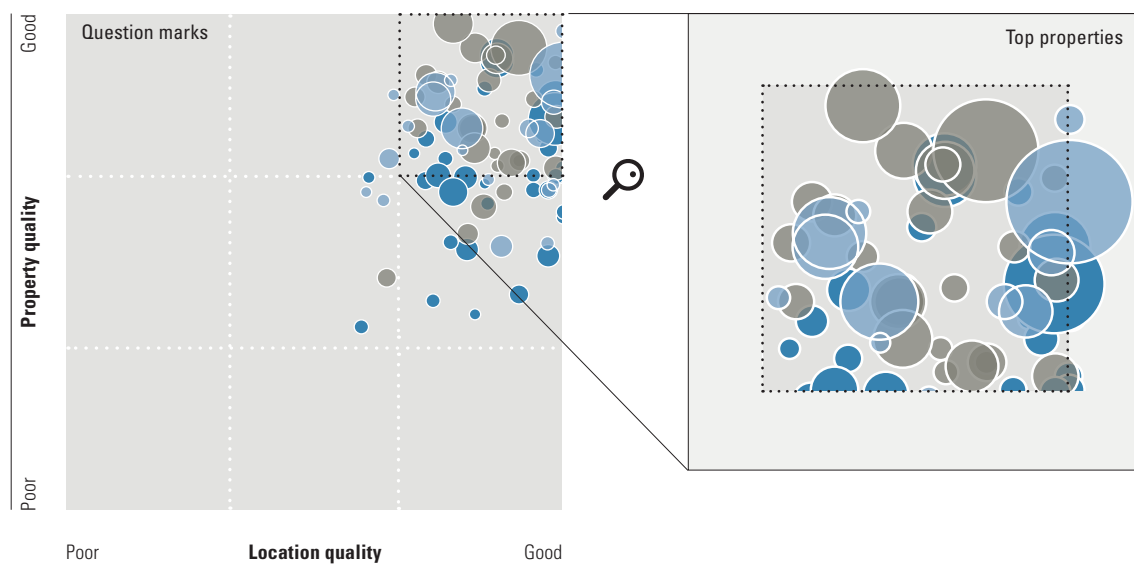
The weighted average real discount rate of 3.66% decreased by 0.22 percentage points versus 31 December 2014 [3.88%]. Assuming an inflation rate of 1.0% [1.0%], this rate corresponds to a nominal discount rate of 4.69% [4.92%].

PORTFOLIO QUALITY

Market matrix

31.12.2015

Enlargement



- Properties with office use > 60%: fair value > CHF 20 million
- Properties with retail use > 60%: fair value > CHF 20 million
- Properties with mixed use: fair value > CHF 20 million

Source: Wüest & Partner AG

The market matrix provides a visualisation of the portfolio's high quality of property and location. Nearly 80% of the properties in the portfolio are in the top segment, which is distinguished by the highest quality of property and location.

PERFORMANCE BY BUSINESS FIELD

The core business comprising real estate investments and real estate services as well as the real estate-related Assisted Living business field all realised growth in the reporting year. The Retail business field turned in a good performance amid a challenging retail trade environment.

REAL ESTATE BUSINESS FIELD

The Real Estate business field once again registered an increase in rental income as well as growth in the pipeline of development projects in the reporting year. The quality of the real estate holdings improved further through innovative and dynamic portfolio management, including through converting and repositioning properties. With the acquisition of the NZZ printing facility in Schlieren and the concept for creating an urban education centre with the property, Swiss Prime Site has opened the door to a new innovative investment field with the education growth market.

KEY FINANCIAL FIGURES

	in	2011	2012 ¹	2013	2014	2015	Change to prior year in %
Operating income	CHF m	431.0	443.0	525.3	534.0	656.8	23.0
Revaluation of investment properties	CHF m	186.7	191.9	198.1	137.1	153.6	12.0
Result from investment property sales, net	CHF m	77.5	8.5	15.3	2.1	30.9	1371.4
Operating expenses	CHF m	-99.5	-119.4	-186.0	-194.2	-267.2	37.6
Operating profit (EBIT)	CHF m	607.8	525.8	561.3	491.9	586.2	19.2

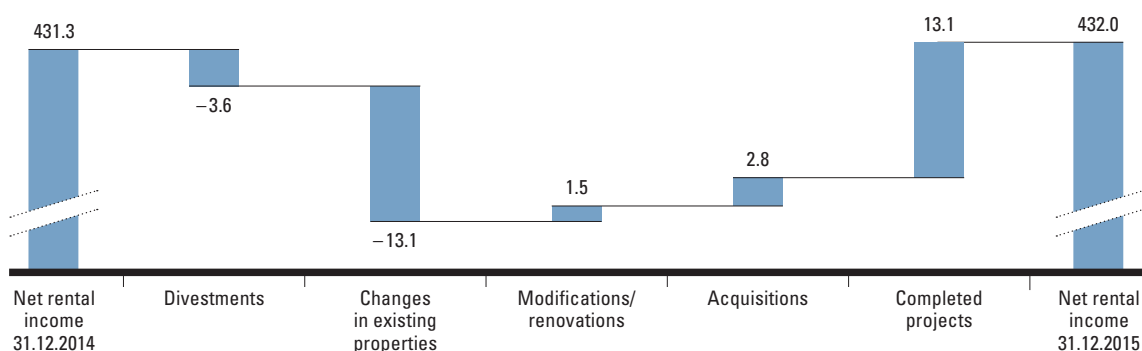
¹ adjusted due to IAS 19 rev.

Rental income from properties increased by CHF 0.7 million to CHF 432.0 million [CHF 431.3 million]. The vacancy rate edged up slightly by 0.1 percentage points to 6.5% [6.4%]. The net return of the real estate portfolio dipped marginally to 3.9% [4.1%]. Operating income climbed from CHF 534.0 million to CHF 656.8 million.

Revaluations affecting net income amounted to CHF 153.6 million [CHF 137.1 million]. In addition to the income from the core business, this business field also included income from the real estate services provided by Wincasa AG. Operating profit (EBIT) increased from CHF 491.9 million to CHF 586.2 million (+19.2%), primarily due to higher revaluation gains versus the previous year and the sale of trading properties.

TREND IN NET RENTAL INCOME

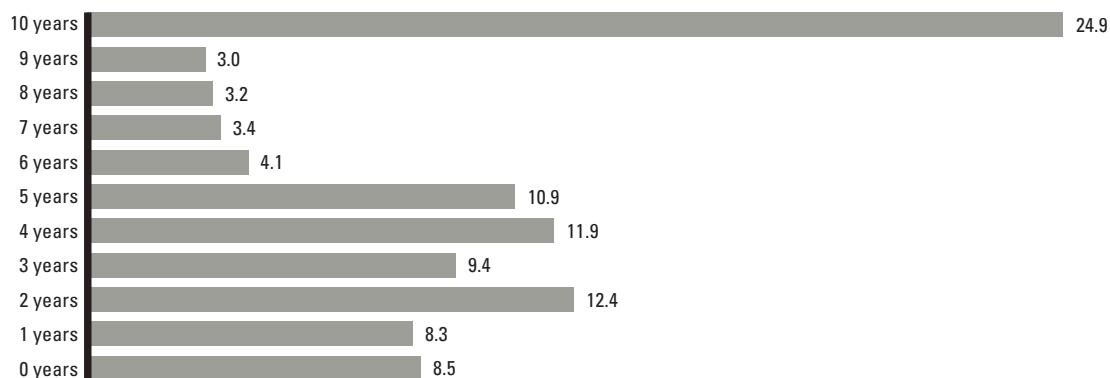
in CHF m (Real Estate business field)



The increase in rental income from properties by CHF +0.7 million or 0.2% was attributable to the elimination of rental income from divestments in the previous year (CHF –2.4 million) and current year (CHF –1.2 million), changes in existing properties (CHF –13.1 million), building modifications/total renovations (CHF +1.5 million), acquisitions in the previous year (CHF +2.8 million) as well as the pro rata effect of completion of the two new building projects SkyKey (CHF +5.6 million), EspacePost (CHF +6.8 million) and the owner-occupied property Vitadomo Bubenholz (CHF +0.7 million).

CONTRACTUAL END OF RENTAL RELATIONSHIP

in % of net rental income as at 31.12.2015 (Real Estate business field)



Wincasa

Income from real estate services generated by Wincasa AG (acquired in 2012) amounted to CHF 109.5 million in the financial year 2015, corresponding to growth of 9.0% versus 2014 [CHF 100.5 million] and a 16.7% share of total operating income in the business field.

Wincasa managed roughly 206 000 rental units as at end-2015, corresponding to a pick-up of 46 000 units over the past five years.

KEY FIGURES FROM REAL ESTATE SERVICES

	in	2011	2012	2013	2014	2015	Change to prior year in %
Annual target rent	CHF bn	2.37	2.57	2.63	2.75	2.96	7.6
Rental properties ¹	Number	160 000	175 000	178 000	183 000	206 000	12.6

¹ rounded to thousands

Wincasa succeeded in expanding and enhancing its branch network in Zug and Fribourg as well as concluding the re-design of the other offices in the reporting year. The company forged ahead with modernisation activities as an integrated real estate services provider. For instance, a large share of the staff was equipped with mobile PCs, electronic apartment transfer protocols were introduced and building-specific IT tools were incorporated into the company-wide management software. Coupled with the launch of a new talent management programme and the diversification of the leadership training sessions, Wincasa consequently underscored its qualitative process leadership.

Wincasa succeeded in further strengthening its leading market position; for example, the company acquired a major contract for commercial building management of an institutional investor. With the implementation in 2016, Wincasa AG will thus be responsible for the management of an additional 200 properties. The company also acquired another contract in Centre Management for a large shopping centre in northwestern Switzerland. Construction & Facility Management provided support services for, among other things, the installation of 18 photovoltaics systems throughout Switzerland for an institutional investor. Letting & Investment Advisory succeeded in expanding the contract pipeline with third-party customers as well as successfully settling one of the largest real estate transactions in Switzerland. This success forms the foundation for sustainable and supplemental revenues.

RETAIL BUSINESS FIELD

The Retail business field comprises Jelmoli – The House of Brands premium department store. Income from retail accounts for the largest position in operating income.

KEY FINANCIAL FIGURES

	in	2011	2012 ¹	2013 ²	2014	2015 ³	Change to prior year in %
Operating income	CHF m	175.0	178.2	175.9	172.3	156.4	–9.2
Operating expenses	CHF m	–165.7	–179.3	–182.4	–171.4	–159.3	–7.1
Operating profit (EBIT)	CHF m	9.3	–1.1	–6.5	0.9	–2.9	–422.2

¹ adjusted due to IAS 19 rev.

² divestment of operating business of Ramada Encore hotel, Geneva, end-November 2013

³ Transfer of the restaurant operating business of Clouds Gastro AG to Candrian Catering AG as at 01.07.2015

Income in the Retail business field consists of retail sales of CHF 137.0 million, rental income from leasing floor space of CHF 16.5 million and other income of CHF 2.9 million. Operating expenses declined by 7.1% from CHF 171.4 million to CHF 159.3 million. Operating profit (EBIT) in 2015 included CHF –2.4 million (including restructuring costs) resulting from the transfer of Clouds Gastro AG to Candrian Catering AG as at mid-year.

Jelmoli

The market environment changed drastically as a result of the abolition of the CHF/EUR minimum exchange rate on 15 January 2015. Price pressure intensified relative to foreign countries as well as online trade and, in turn, in the local markets.

Accordingly, retail sales at Jelmoli – The House of Brands were affected by the adverse market conditions compared with the previous year. However, noticeably positive effects emerged from the measures undertaken in prior years (clearance of old merchandise, streamlining cost structures thanks to boosting process efficiency), as well as market positioning as Switzerland's leading premium department store, in addition to launching new brands and products. Although Jelmoli, as its competitors, was compelled to reduce prices to some extent, the premium department store managed to realise retail sales without giving excessive discounts (discounts were in line with the previous year's level). Overall, Jelmoli – The House of Brands generated CHF 256.6 million [CHF 268.8 million] in 2015, including proprietary and third-party (shop-in-shop) retail sales. Under these circumstances, operating profit (EBIT) is regarded as satisfactory. The performance staged by Jelmoli AG in such a challenging, difficult and extreme intensively competitive market demonstrates that the chosen strategy – aimed at a selective, high-quality portfolio of brands, innovation, quality products, services and advice, and a high level of process efficiency – is the right course to successfully prevail in the market in the future too.

Expectations indicate that the market environment will remain challenging. Nevertheless, the situation on the price front is expected to ease and stabilise. The proposed launches of various initiatives and innovations in the coming financial year should pave the way for Jelmoli to look to the future with optimism.

ASSISTED LIVING BUSINESS FIELD

The Assisted Living operating business field, consisting of Tertianum Group, turned in a very favourable performance. The acquisition of SENIOcare in the autumn of 2015 significantly strengthened the business field, thus propelling Tertianum Group to become the largest provider in the assisted living sector in Switzerland. SENIOcare has already been integrated into Tertianum Group, with the new organisational structure going into effect in mid-November 2015.

KEY FINANCIAL FIGURES

	in	2013 ¹	2014 ²	2015 ³	Change to prior year in %
Operating income	CHF m	111.6	201.9	237.6	17.7
Operating expenses	CHF m	– 106.6	– 193.7	– 229.4	18.4
Operating profit (EBIT)	CHF m	5.0	9.0	8.2	– 8.9
Guests in apartments (average)	Number	1 202	1 199	1 502	25.3
Guests in geriatric care facilities (average)	Number	642	649	780	20.2

¹ acquisition of Tertianum Group as at 12.07.2013

² sale of Permed AG as at 17.03.2014

³ acquisition of SENIOcare Group as at 01.10.2015, WGD M Papillon AG as at 01.07.2015 and Sternmatt Pflegewohngruppen as at 05.01.2015

The Assisted Living operating business field generated operating income of CHF 237.6 million in the financial year 2015. Any year-on-year comparison is only possible to a limited extent due to the integration of SENIOcare AG. Income from assisted living amounted to CHF 185.0 million in the reporting year. In addition, Tertianum Group generated income from its own leased, owner-occupied properties totalling CHF 24.6 million. Leasing additional properties resulted in rental income of CHF 26.7 million. Operating profit (EBIT) amounted to a favourable CHF 8.2 million.

The Assisted Living business field now comprises 16 Tertianum residences in the premium-price market segment, 28 SENIOcare residences and geriatric care facilities, seven Perlavita businesses specialised in geriatric healthcare and one Vitadomo senior centre. The first Vitadomo senior centre opened its doors in Opfikon in April 2015, starting out on a very successful note. Two additional Vitadomo senior centres are already under construction in Bellinzona and Tenero, opening their doors as at April 2016 and June 2017, respectively. SENIOcare has also opened two new facilities: one in Lenzburg as at June 2015 and one in Rheinfelden as at January 2016. Another facility is planned in Letzipark Zurich as at October 2016.

Tertianum Group continues to pursue a distinct growth strategy in the medium-price segment. At the present time, 13 verified new building projects are in the pipeline and acquisitions of exiting operations are under review on an ongoing basis.

FINANCIAL AND ASSET SITUATION

Swiss Prime Site further optimised its financial and asset situation through various measures in the reporting year, thereby strengthening the Group's financial flexibility.

KEY FIGURES RELATING TO THE FINANCIAL AND ASSET SITUATION

	in	2011 ¹	2012 ¹	2013	2014	2015	Change to prior year in %
Shareholders' equity	CHF m	3 434.9	3 913.9	4 107.3	4 201.8	4 956.0	17.9
Equity ratio	%	39.9	42.4	39.1	39.6	46.4	17.1
Borrowed capital	CHF m	5 174.3	5 323.1	6 404.8	6 400.3	5 734.6	-10.4
Loan-to-value (LTV) ratio of real estate portfolio	%	51.0	48.0	54.1	50.7	44.0	-13.2
Cash flow from operating activities	CHF m	327.2	213.9	-74.0	729.7	388.4	-46.8
Cash flow from investing activities	CHF m	114.6	-137.8	-349.7	-280.4	100.4	-135.8
Cash flow from financing activities	CHF m	-325.0	-0.9	425.6	-395.8	-511.1	29.1
Financial expenses	CHF m	-131.4	-117.0	-109.4	-100.0	-100.8	0.8
Financial income	CHF m	2.3	7.6	10.6	2.8	4.6	64.3
Return on equity (ROE)	%	10.6	8.9	9.1	7.0	7.6	8.6
Return on equity (ROE), excluding revaluation effects ²	%	7.7	5.9	6.1	5.9	6.1	3.4
Return on invested capital (ROIC)	%	5.8	4.8	4.6	3.7	4.3	16.2
Return on invested capital (ROIC), excluding revaluation effects ²	%	4.5	3.5	3.4	3.2	3.6	12.5

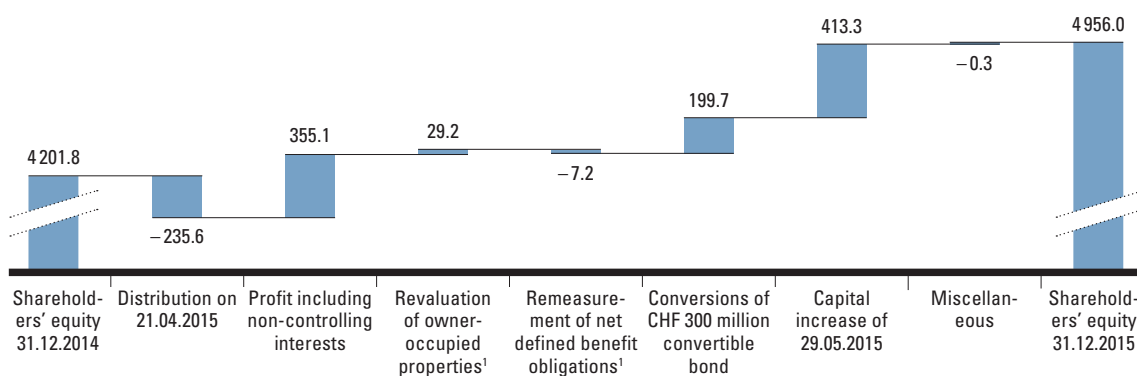
¹ adjusted due to IAS 19 rev.; 2011 shareholders' equity only

² revaluations and deferred taxes

The increase in shareholders' equity by 17.9% from CHF 4 201.8 million to CHF 4 956.0 million was attributable primarily to the following factors: profit including revaluation effects of CHF 355.1 million, revaluations after deferred taxes of owner-occupied properties of CHF +29.2 million, conversion of the CHF 300 million convertible bond of CHF +199.7 million, capital increase of CHF +413.3 million and share-based compensation of CHF +2.5 million. These factors were able to more than offset the counter-effects from the distribution of 21 April 2015 of CHF -235.6 million, remeasurement of net defined benefit obligations of CHF -7.2 million and acquisition of treasury shares of CHF -2.4 million.

TREND IN SHAREHOLDERS' EQUITY

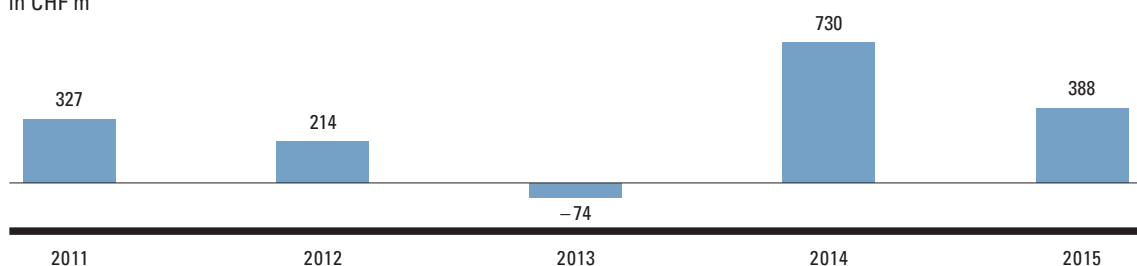
in CHF m



¹after deferred taxes

CASH FLOW FROM OPERATING ACTIVITIES

in CHF m



Thanks to its long-term financing strategy, Swiss Prime Site maintained the maturity matching between investments and financing thereof. The financing is based on mortgage-backed financing activities of real estate portfolios or individual properties. Focus is directed at moderate loan-to-value (LTV) ratios as well as sufficient diversification of mortgage creditors, in order to avoid cluster risks. Additionally, financing requirements are covered by means of placing bonds or convertible bonds on the capital market, for example. Utilising derivative financial instruments for interest rate hedging is avoided for the most part.

STRUCTURE OF ASSETS

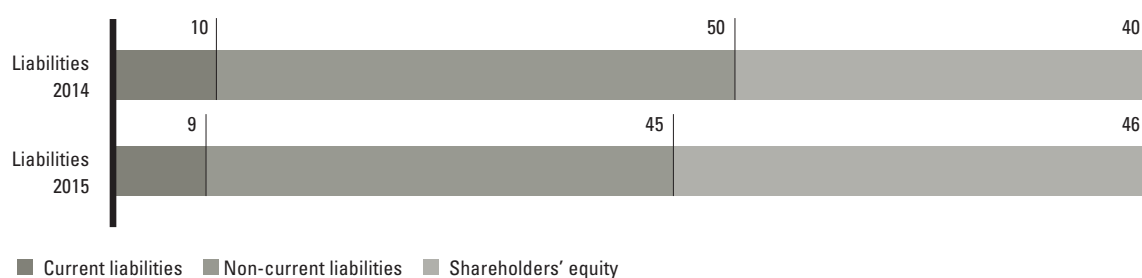
in %



■ Current assets ■ Non-current assets

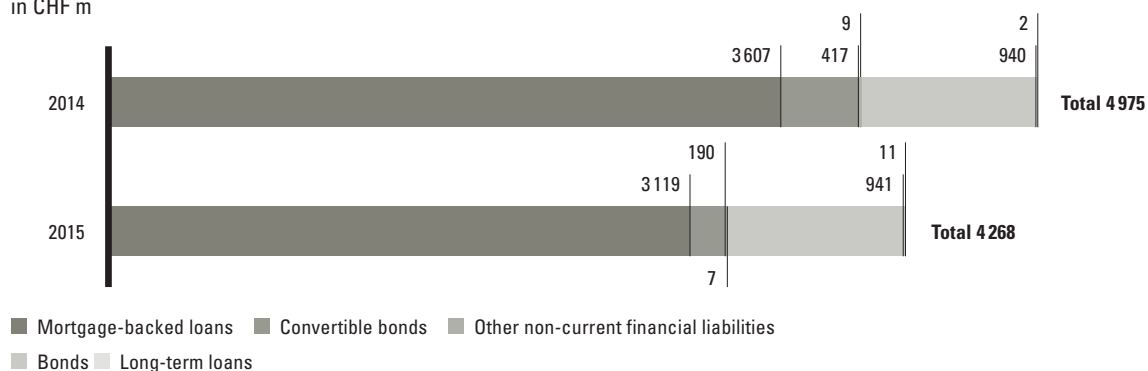
STRUCTURE OF LIABILITIES

in %



FINANCING STRUCTURE

in CHF m

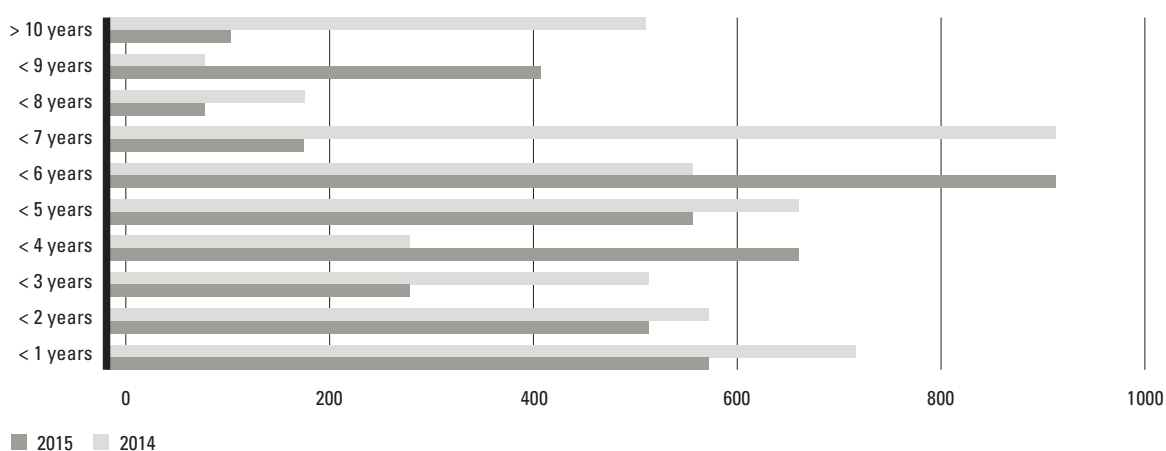


Current financial liabilities decreased from CHF 714.3 million to CHF 572.1 million. In the previous year, two bonds were issued, each with a volume of CHF 300.0 million, one of which with a double tranche of CHF 200.0 million and CHF 100.0 million.

The CHF 300.0 million convertible bond was redeemable on 20 January 2015. More than 90% of the bond was converted up until the maturity date.

MATURITY OF FINANCIAL LIABILITIES

in CHF m



Financial liabilities comprised mainly CHF 3 119.5 million [CHF 3 607.3 million] in mortgage-backed loans, CHF 189.6 million [CHF 416.6 million] in convertible bonds and CHF 940.7 million [CHF 939.8 million] in bonds. The weighted average interest rate of all interest-bearing financial liabilities amounted to 2.1% [2.2%], and the weighted average residual term to maturity edged down slightly from 4.7 years to 4.4 years. The loan-to-value (LTV) ratio of 44.0% was considerably below the previous year's figure [50.7%].

KEY FINANCIAL LIABILITIES FIGURES

	in	2011	2012	2013	2014	2015	Change to prior year in %
Weighted average interest rate	%	2.8	2.6	2.2	2.2	2.1	– 4.5
Weighted average residual term to maturity	years	4.5	4.5	4.0	4.7	4.4	– 6.4
Current financial liabilities ¹	CHF m	537.4	615.0	1 089.6	714.3	572.1	– 19.9
Non-current financial liabilities ¹	CHF m	3 625.3	3 510.1	3 965.9	4 251.5	3 689.5	– 13.2
Total financial liabilities¹	CHF m	4 162.7	4 125.1	5 055.5	4 965.8	4 261.6	– 14.2

¹ excluding derivatives

CORPORATE RESPONSIBILITY

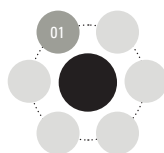
For Swiss Prime Site, sustainability constitutes an integral part of its business activities and forms the basis for achieving profitable growth as well as establishing long-term values. This aspiration was permanently incorporated into Swiss Prime Site's DNA at the end of 2015, with the Group-wide establishment of a so-called sustainability compass.

Indeed, sustainability was directly embedded in the Company's DNA at the end of last year, with a sustainability compass aligned with six core themes. Road maps have been developed with targets, measures and quantitative figures for each of the core themes, which are determined and assessed on an ongoing basis. Hence, sustainability reporting will be gradually expanded, in order to provide a more transparent view of the step-by-step execution of the sustainability-relevant business approach in all areas of the Company.

REPORTING PRINCIPLES

The sustainability report is oriented toward the guidelines of the Global Reporting Initiative (GRI). The report provides an abundance of information relating to the environment, workforce and compliance in accordance with GRI indicators. The quantitative data in this report already currently provide transparent information regarding the Company's sustainability-relevant performance in selected areas.

In 2015, Swiss Prime Site participated in the international reporting initiative – Global Real Estate Sustainability Benchmark (GRESB) – already for the second time. GRESB annually compiles a global ranking of real estate funds and real estate companies in terms of their environmental and sustainability-relevant performance. An overview of the GRESB rankings and results can be found at www.gresb.com and www.swiss-prime-site.ch.



..... SUSTAINABILITY FOR OUR STAKEHOLDERS

The economy and society sometimes undergo changes at a precipitous pace. To remain successful in the long term and realise attractive returns, Swiss Prime Site endeavours to promptly recognise and purposefully exhaust potential. This can only be accomplished in continuous dialogue with various stakeholders. In this context, the relevant environment in the Real Estate, Retail and Assisted Living business fields are taken into account.

SEEKING OUT AND FOSTERING DIALOGUE

Stakeholders include, in particular, investors and analysts, shareholders, employees and tenants, but also users, suppliers and other service partners as well as government authorities and the population at large. Each group company also has other specific stakeholders. Whereas at Jelmolli, these stakeholders

SUSTAINABILITY

01 BUSINESS FOCUS DIRECTED AT STAKEHOLDERS

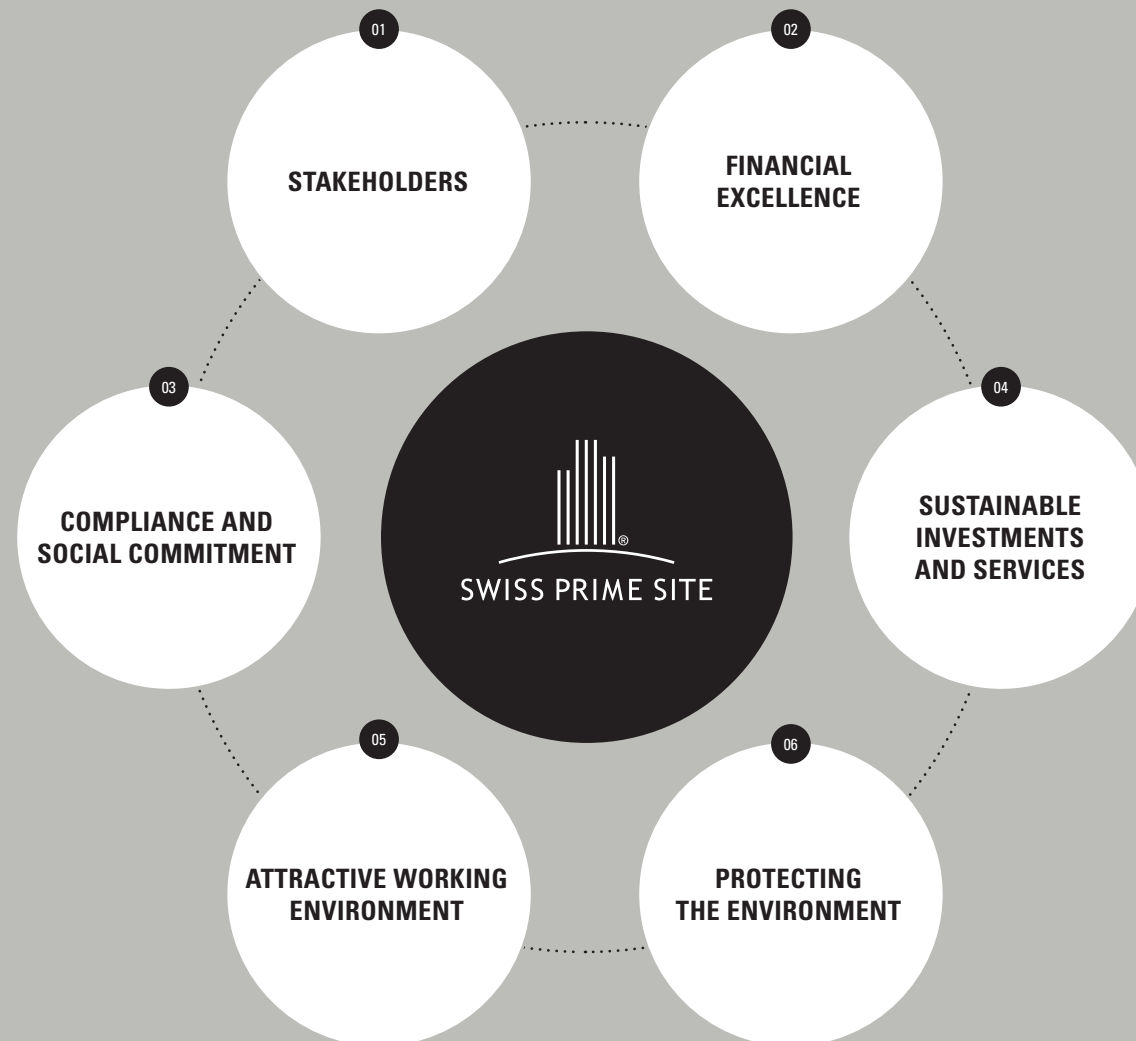
Credibility and the trust of stakeholders are essential prerequisites for the Company's success. Hence, business activities are consistently focused on customers and stakeholders. Swiss Prime Site therefore engages in active exchange with its stakeholder groups on a regular basis.

03 ACTING WITH INTEGRITY AND COMMITMENT FOR SOCIETY

In 2015, the Code of Conduct formed the foundation for establishing the common corporate values of the overall Group. A well-functioning compliance system ensures conduct that is based on integrity, responsibility and transparency relative to all stakeholders at all times. Social commitment is increasingly focusing on the formative role in the area of development of property sites and habitats.

05 ATTRACTIVE WORKING ENVIRONMENT FOR EMPLOYEES

The challenges of the future can only be surmounted with competent and dedicated employees. At the same time, target-oriented development in preparation for future responsibilities as well as promotion of junior staff play a key role. Significant emphasis is placed on the health and safety of the workforce, in addition to an attractive incentive system and broad-based empowerment.



02 TARGET ACHIEVEMENT THROUGH FINANCIAL EXCELLENCE

Financial excellence forms the foundation for a stable and future-oriented company. Values-oriented corporate management leads to «additional value creation» and ultimately benefits the investors and shareholders. Of course, financial excellence also means keeping costs under control and identifying potential savings. Since sustainability-related risks can also increasingly affect financial performance, these risks are systematically taken into account in the risk management process.

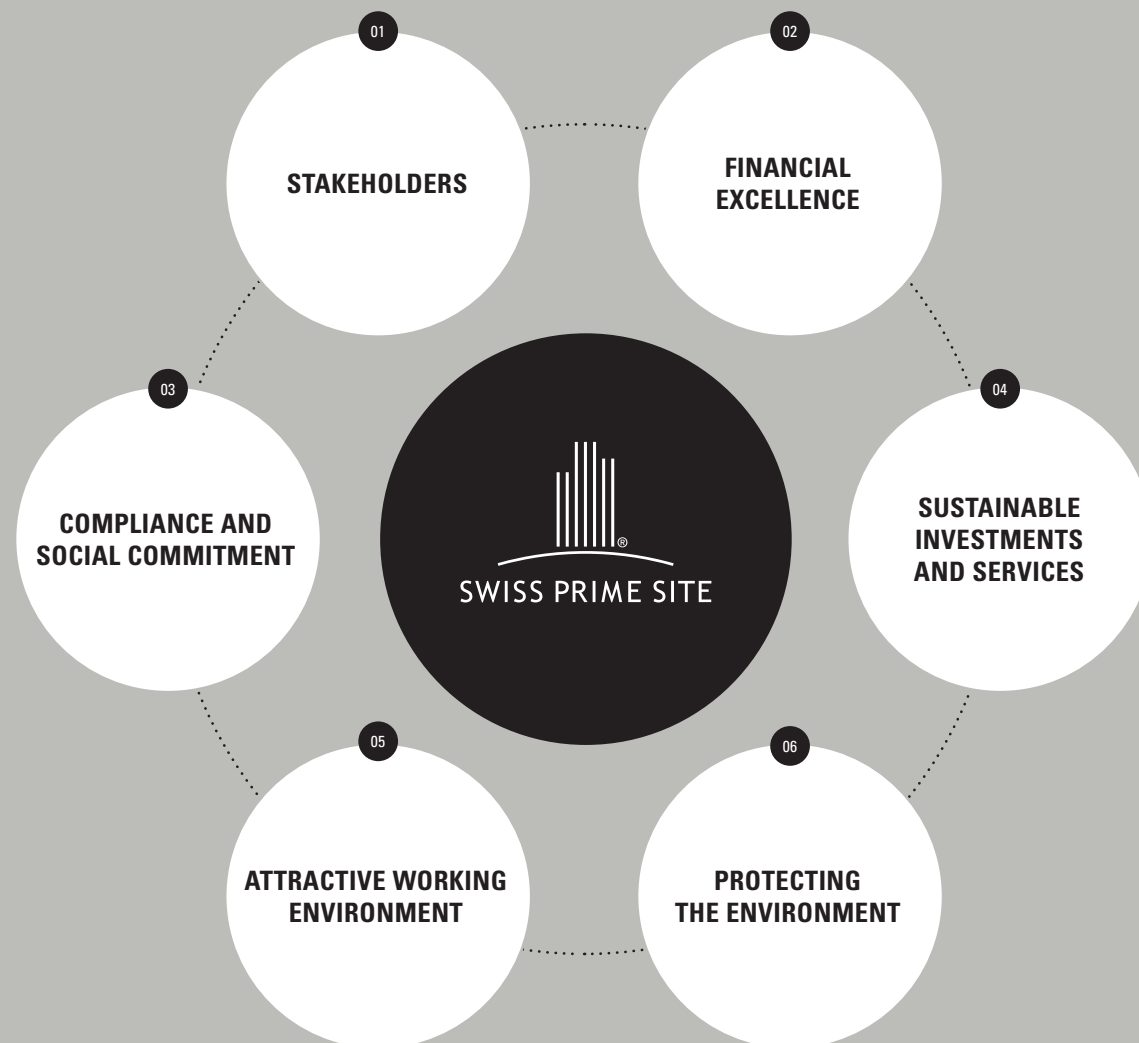
04 SUSTAINABILITY-RELEVANT APPROACH TOWARD INVESTMENTS AND SERVICES

Flagship projects – such as the Maag site in Zurich – exemplify how Swiss Prime Site creates economic added value while also taking into account the needs of society and environmental objectives. Furthermore, establishing sustainability in all areas of business and integrating it all along the value-added chain play a central role. Sustainability also involves suppliers and other key partners.

06 PROTECTING THE ENVIRONMENT

Enhancing energy efficiency, reducing emissions and intelligently handling land resources are not just environmentally friendly but environmentally sensible factors as well. Bringing a core business into alignment with sustainability means integrating the theme into inherent operations. Significant leverage remains key: The sustainability-relevant performance of Swiss Prime Site's real estate portfolio

SUSTAINABILITY



are customers, the stakeholders in Tertianum Group include people in need of care as well as seniors and their relatives. At Wincasa, the stakeholders are primarily the numerous tenants.

Investors and analysts: It is important to Swiss Prime Site to continually provide investors and analysts with transparent information. Investors and analysts are thoroughly and courteously informed within the scope of disclosure requirements and through ad hoc publicity.

Shareholders: In addition to sustainable and profitable growth, shareholders also attach importance to a transparent information policy. Hence, media releases and information on the company are regularly published on its website. In addition, «Prime Times» magazine – which reports on current issues and developments revolving around Swiss Prime Site as well as summarises the semi-annual results – is published once a year.

Employees: The entire Group places a great deal of emphasis on motivated and qualified employees. Consequently, an open communication culture is fostered and promoted. The corporate values of integrity, respect, responsibility, ambition and innovation form the basis for interaction with employees. These corporate values are essential for navigating day-to-day workflows throughout the entire organisation.

Tenants: Tenants range from individual persons to international corporations. In general, Swiss Prime Site seeks to engage in close dialogue with all tenants. In the commercial property segment, in particular, mutual benefits are sought during interior design improvements.

CUSTOMER SATISFACTION AND SERVICE

Despite the variety of stakeholders, customers always play a central role. Their satisfaction ensures success and their constructive feedback drives the company forward. At the same time, each market gives rise to different requirements.

Wincasa

Following the introduction of its integrated business model in 2014, Wincasa has been able to consistently focus on customer needs across the real estate life cycle. In order to gauge the needs and satisfaction of customers, Wincasa conducts an annual customer survey among major clients. The results are analysed each time and systematically processed to enhance business processes. An additional customer service offering, the «Retail Snapshot», is published on a quarterly basis. The segment report highlights the latest trends in retail and centre management.

Jelmoli

To continuously improve the shopping experience, Jelmoli frequently organises «mystery shopping» in cooperation with external service partners. In «mystery shopping», trained test buyers act as normal customers and rate the service experience based on a defined set of criteria. Concrete measures and training content are then derived from the results. In order to promote its international character and foster dialogue with the world's leading department stores on trends and best practices, Jelmoli is a member of the IGDS – Intercontinental Group of Department Stores association. Jelmoli has also been the exclusive partner of Global Blue in Zurich since December 2015. This means that foreign customers can reclaim value-added tax from Jelmoli's after-sales service. In 2015, Jelmoli organised two customer events under the annual motto «Moving forward – together». The customer events were conceived as discovery events, where the main focuses were on «Running» and «Skiing».

Tertianum Group

To boost satisfaction, the group conducted a survey among residents and their relatives in 2014. The conclusions derived from the survey were implemented in 2015. For example, reception desk cover and availability was extended to include weekends and day care requirements in the apartments aligned. To further improve the focus on services, the company conducted an online survey on the admission process among referring doctors and hospitals, as well as municipal old age consulting centres and cantonal organisations associated with the «Pro Senectute» foundation.

REPUTATION AND IMAGE

A sustainable corporate philosophy means surviving in the long term and being a reliable and attractive partner. In addition to the provision of high-quality and accessible information, brand management supplements the high service and quality standards. Preserving Tertianum Group's good reputation is therefore an integral component of its risk policy.

Swiss Prime Site

Targeted relationship management with investors and analysts is a key element in enhancing corporate image. Hence, analysts' meetings are held on a regular basis. Furthermore, experts from Swiss Prime Site deliver lectures at industry meetings and panel discussions. Occasionally, the company organises tailored visits to properties and arranges discussions with construction project managers and tenants.

Wincasa

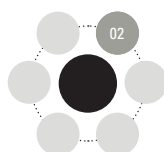
In order to introduce Wincasa's new integrated business model to the market and position the company as an innovative and modern market leader, various brand development measures have been put in place since 2014. In addition to redesigning the logo, the company website as well as the branches and centre locations, Wincasa is increasingly reliant on media and public relations too. Moreover, Wincasa publishes specialist articles and analyses on regional and national real estate trends in Switzerland. The success of these measures was already clearly reflected in the increased number of press clippings and media enquiries in 2015.

Jelmoli

Thanks to high-quality services, the like of which have never been seen in department stores, Jelmoli managed to establish itself as the leading premium department store in Switzerland and stands out from the competition. For example, in 2015 Jelmoli began to collaborate with Zurich Tourism with a view toward training its own employees in all matters relating to places of interest and tourist activities offered in Zurich. To benefit from the growing number of tourists coming from Asia, special emphasis is placed on this unique service in intensified business dealings with Asian tour guides and tour operators. Jelmoli is increasingly positioning itself in the B2B market as an event location. The use of attractive spaces provided by Jelmoli can therefore be further optimised. About 20 events, from product launches to company Christmas parties, were held in 2015.

Tertianum Group

In order to publicise the various locations of and services offered by Tertianum Group, the company's website was remodelled and better linked in 2015. Generally, the information was edited in order to be more sales-oriented. For example, the «Residence Finder», a function which enables the nearest Tertianum Group location to be identified by entering the postal code, was allocated a prominent position on the website. In order to provide news about Tertianum Group's locations, up-to-date newsletters and, increasingly, media releases revolving around the «assisted living» topic are forwarded on a regular basis.



FINANCIAL EXCELLENCE

A stable and sustainable company is based on financially sustainable corporate governance. Hence, financial excellence is a central tenet of Swiss Prime Site. Thanks to value-oriented management, solid risk management, efficient processes and far-sighted vacancy management, the Company is able to achieve the targets it has set for itself.

VALUE-ORIENTED MANAGEMENT

Value-oriented management refers to a holistic approach to corporate governance. The objectives of value-oriented management are to increase the Company's value in the long term while improving

earnings power and profitability. To accomplish these objectives, the Group relies on a comprehensive control system based on strategic, operating and financial figures. These key figures are systematically linked to a corresponding incentive model for management as well as employees.

RISK MANAGEMENT

In order to remain successful, economic and social trends as well as risks and opportunities associated therewith must be promptly identified. Besides the political and regulatory environment, developments in financial markets also pose risks to the Company. As a real estate company, Swiss Prime Site also keeps a close eye on the scarcity of habitats, acquisition opportunities, development projects and developments in real estate markets. In addition, the loss of key personnel in all business fields poses a risk to corporate success. In particular, the rapid transformation of the market and a latent decline in earnings is a key concern in the retail sector.

Moreover, opportunities offered by the market need to be exploited. For example, demographic change is regarded as an opportunity. In Tertium Group, Swiss Prime Site has a sustainable service portfolio in a growing market at its disposal. The future development of the education sector as a growth market in the real estate business provides an opportunity for Swiss Prime Site. At the end of 2015, Swiss Prime Site announced that it had acquired the former NZZ printing facility, which would be transformed into a supra-regional educational centre over the coming years.

As a result of the further development of the sustainability strategy, sustainability issues will be integrated into risk management in the future. Consequently, it will be easier to identify the effects of sustainability risks and leverage the resulting opportunities.

PROCESSES

Swiss Prime Site not only attaches a great deal of importance to reliable and efficient processes in risk management, but each group company follows a structured approach to provide concrete expression to its respective business model through processes that focus on the value-creation chain or life cycle. All group companies are eager to continually optimise their business processes.

Wincasa

Based on its new integrated business model, Wincasa used the process management software «Wincasa Process» to prepare and revise approximately 400 processes in 2015. The management of sustainability was determined in a directive and embedded within the organisation through the assignment of responsibilities. Measurement criteria and targets, which are subject to regular reviews, were also defined. In order to make the management process more efficient and simple, managers and front-line employees were given mobile tablets and corresponding mobile applications.

Jelmoli

In 2015, Jelmoli began to restructure its business-critical IT processes.

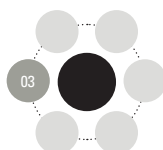
Tertium Group

In addition to establishing a central procurement centre, Tertium Group also recertified businesses that were certified between 2010 and 2013 according to ISO standard 9001. To improve the efficiency of nursing services documentation, electronic and, in some cases, mobile nursing documentation was also introduced in the reporting year.

VACANCY MANAGEMENT

Far-sighted vacancy management is vital for ensuring earnings flow. Hence, Swiss Prime Site relies on active key account management with tenants. Existing contracts are discussed at an early stage and, if possible, also immediately extended. Apart from personal contact with our contracting parties, an automatic reporting system ensures that all contracts expiring in the next two years are reported. To prevent vacancies, investments are made on an ongoing basis and buildings are renovated in accordance

with contract periods. Last but not least, attractive and innovative marketing of properties is part of successful vacancy management.



COMPLIANCE AND SOCIAL COMMITMENT

The entire Group places a great deal of importance on operating responsibly and with integrity. In addition to compliance with legal requirements and regulatory standards, this implies compliance with ethical principles and internal directives issued by the Group. Furthermore, Swiss Prime Site is highly committed to social issues and supports various social, sports and cultural projects and organisations.

COMPLIANCE

The rapid growth of the Group in recent years has also led to increased compliance requirements. Swiss Prime Site aims to do more than simply satisfy the legal minimum requirements. This claim has been explicitly enshrined in the Group-wide Code of Conduct since 2015. The Code of Conduct is publicly available on the Group's website (www.swiss-prime-site.ch/en/group/code-of-conduct).

Compliance with the Code of Conduct is mandatory for all group companies and all employees. Each group company has issued specific directives by way of supplement to these principles. The Code of Conduct acts as a guide for employees on how to behave toward business partners, customers, guests, government authorities and other stakeholders in a proper and cooperative manner. In addition, business partners and suppliers are also required to comply with this code. In order to integrate the Code of Conduct into corporate culture, targeted awareness-raising events were organised at the end of 2015.

In addition to the open and transparent communication of corporate values, specific internal processes and control functions are also required to ensure compliance. The compliance function will be further expanded in the coming years. No incidents involving non-compliance with legal requirements were identified in 2015.

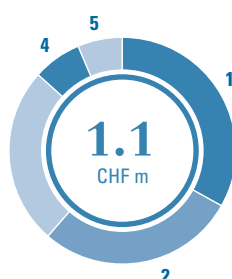
SPONSORING

As part of its social responsibility, Swiss Prime Site also provided financial support to various sports and cultural organisations, social projects and causes in 2015. The Company set aside a total of CHF 1.1 million for this purpose.

SPONSORING BY CATEGORY

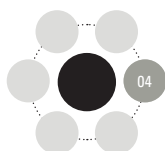
in CHF

1 social events	371 500
2 network/business	316 000
3 sports	279 300
4 charities	79 500
5 culture	68 700



By sponsoring Avenir Suisse and Greater Zurich Area, Swiss Prime Site provided support to two organisations supporting the recognition of Switzerland as an economic centre. Examples of commitment more specific to certain business fields include the partnership with the Viventis Foundation – which advocates an improvement in the living and housing conditions of seniors in Switzerland – as well as sponsorship of NZZ Real Estate Days. By sponsoring Olten's municipal theatre, Swiss Prime Site has also highlighted the fact that it is well-established in the region where its headquarters are based.

The Group is currently revising its sponsorship strategy in order to further optimise the impact of its social commitment in the years to come. Due to its strong position in urban development, Swiss Prime Site seeks to increase its visibility in this field in the future.



..... SUSTAINABLE INVESTMENTS AND SERVICES

In addition to the high level of energy consumption and enormous importance of CO₂-emissions, real estate also has an enduring influence on the overall appearance of the townscape, shaping urban areas and entire regions. Consequently, Swiss Prime Site adopts a sustainability-relevant approach to investment in real estate, to its management and to the services provided by Jelmoli and Tertianum Group.

Swiss Prime Site aims to create synergies between real estate and its use by people. Hence, the Company is able to implement the concept of sustainability, from making the investment right through to the provision of services. This includes optimisation from an energy and resource conservation viewpoint as well as flexible use of real estate from a social viewpoint. The latter includes, for example, accessibility and access to public transportation or the provision of the latest infrastructure and technological solutions in buildings.

Active real estate portfolio management is decisive for achieving sustainability targets. Hence, in addition to the economic efficiency and capacity utilisation of the properties, Swiss Prime Site's approach also integrates criteria such as spatial development, zone planning, sustainable energy sources, energy controlling and sustainable utilisation opportunities. The new Swiss Post headquarters in Bern-Wankdorf was opened in 2015. The new Swiss Post headquarters – constructed according to the Minergie® standard it was the first office building in Switzerland to obtain the Gold certificate from the German Sustainable Building Council (GSBC), which in Switzerland is granted by the Swiss Sustainable Building Council (SSBC).

Wincasa

Sustainability incorporates all phases of the real estate cycle. Hence, Wincasa offers sustainability-relevant services across the entire real estate services spectrum. For example, the Investment Advisory business carried out an analysis for a major client of roughly 200 locations according to sustainability-specific criteria. Based on the compiled value indicators, a strategy was developed that would enable long-term value retention or added-value-generating divestment of the properties.

Tertianum Group

Tertianum Group addresses the diverse forms of the modern ageing process with a broad range of residences and geriatric care facilities for seniors. At the same time, the group also contributes to enhancing the quality of life for seniors in our society. In the senior housing sector, properties must provide secure comfort in particular. The criteria here include barrier-free access as well as good connections to public transportation, in addition to a favourable and friendly spatial environment.

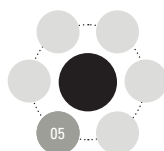
ENERGY CONTROLLING AND OPERATIONAL OPTIMISATION

The energy consumption and carbon dioxide emissions registered in the real estate sector resulting from heating, ventilation, air conditioning and lighting are substantial. Extensive consumption data

are required for identifying optimisation potential, which are usually derived through the ancillary cost accounts. The disadvantage in this regard is the significant time difference between the consumption period and the availability of the data. Consequently, Swiss Prime Site has participated in the Siemens Energy Controlling and Operational Optimisation «EC/OO» project since 2012. «EC/OO» enables the retrieval of data relating to the energy consumption of properties via an online system at all times. Appropriate measures can be more swiftly identified and executed as a result. Around 21 large properties are currently connected to «EC/OO», which together account for roughly one-third of the total floor space of Swiss Prime Site's real estate portfolio. More detailed information and environmental statistics can be found in the section «Protecting the environment», on page 66 in this report.

REQUIREMENTS FOR SUPPLIERS

Preparations of a draft of the General Terms and Conditions (GTC) for Suppliers commenced in 2015. The completion and roll-out are planned for 2016. The GTC stipulates standards for suppliers regarding business conduct and safety. In this context, international standards and guidelines such as ISO 9001, ISO 14001 and OHS 18001 apply. Sustainability criteria will also be more closely subject to review in the collaboration with suppliers and partners in the future and, accordingly, applied as decision-making factors.



ATTRACTIVE WORKING ENVIRONMENT

Swiss Prime Site is committed to providing all its employees with an attractive working environment. Equality, equal opportunities as well as workplace and health safety are integral components of the Company's Code of Conduct and form a key basis for a fair, respectful and productive working environment.

The Group's workforce is made up of numerous and diverse job profiles due to the complexity of the corporate structure. The approaches to personnel development, health and safety aspects as well as motivational factors vary according to the business field. Hence, Swiss Prime Site relies on the autonomy and experience of the group companies. Synergies are exploited and best practices shared within the Group as deemed sensible.

BREAKDOWN OF EMPLOYEES BY BUSINESS FIELD ¹

Number



¹ number of employees at year-end, including temporary and other

EMPLOYEE DEVELOPMENT

In order to surmount the challenges of the future, all group companies are reliant on competent and dedicated employees already today. Hence, target-oriented training and further education as well as the promotion of young staff play a significant role in all group companies.

Swiss Prime Site

Based on the comparatively low number of employees and their high degree of specialisation, the topics of training and further education are addressed within the scope of employee performance reviews and defined according to individual development profiles.

Wincasa

One basic element of employee development at Wincasa is the internal «WinTraining» programme. Training is topic-specific and aimed at building technical skills. In addition, the need for further training is determined in each case in annual employee performance reviews. Besides internal training, specific external training and further education are also financed. The employee's management potential is also analysed during the personnel performance reviews. Within the scope of the existing, long-standing, successful junior staff programme, selected employees are also subjected to intensive training for a period of roughly 18 months. Internal candidates are systematically reviewed in each case given new recruitment for key positions. All team leaders attend a management course aimed at creating a homogeneous understanding of leadership.

Jelmoli

Jelmoli organises a «Welcome Day» for all newly hired employees, where the company's values and work ethic are conveyed. New personnel subsequently undergo basic training. Sales personnel in particular are trained with regard to service and quality orientation. Department heads may offer their employees further specific training as needed. A two-year junior staff training programme is aimed at promoting young talent. At the same time, a mentor provides support to potential management candidates, who receive specific assignments and milestones to be fulfilled. Personnel can also benefit from specific training in the office realm. Relevant training courses are also provided for management-level employees.

Tertianum Group

Tertianum Group offers its employees a broad range of training and further education opportunities. In addition to providing training at the decentral internal operations and group-wide levels, further training programmes are also offered at the external operations and team leader levels with educational partner Careum. In order to ensure the requisite technical, managerial and personal skills of the workforce at all levels and in all positions, the development programmes are closely tied to employees' individual careers. Tertianum Group places significant emphasis on securing junior staff from its own ranks. The group therefore provides roughly 250 trainees with the opportunity to attend further education courses in the fields of healthcare, restaurant and catering, facility management and administration.

EMPLOYEE SATISFACTION AND MOTIVATION

Satisfied and motivated employees are essential for ensuring high-quality services. Hence, the Tertianum Group, Jelmoli and Wincasa group companies conduct employee surveys at regular intervals. Specific measures are derived from the survey results and are implemented in subsequent years. In addition, Jelmoli and Tertianum Group have set up personnel committees that convey concerns on the part of employees to the management.

Wincasa

Information sessions and company events are also key elements in promoting satisfaction and motivation. For example, as a decentrally organised company, Wincasa relies on an annually held event for the entire workforce from throughout Switzerland. This company event is aimed at providing informal interaction as well as underpinning identification with the company.

Tertianum Group

Within the scope of the «Culture Days», Tertianum Group presents the financial statements each year and highlights a special key topic.

Jelmoli

Jelmoli holds events on a regular basis at which the management informs all employees about the current financial results.

MAINTAINING AND PROMOTING HEALTH AND SAFETY

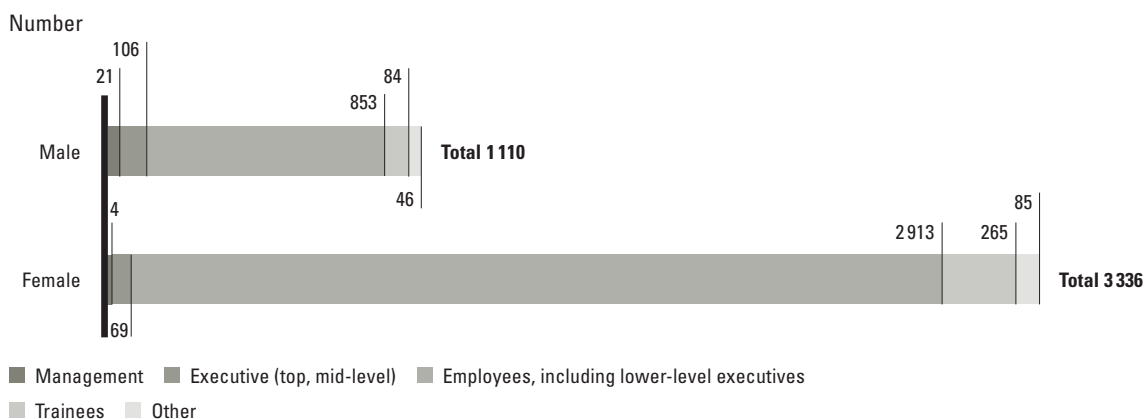
Within the scope of business activities, varying challenges loom in the realm of health and safety depending on the business field. Swiss Prime Site attempts to minimise any risks for employees through preventative measures, guidelines and security plans and training.

When building or renovating properties, the focal point is directed at construction site safety as well as stringent control over service providers in the supply chain. No significant violations of the regulations were recorded in 2015. In the retail sector, Swiss Prime Site assumes responsibility for the safe and secure operations of its shopping centres with great prudence. Specific security plans have been developed for each shopping centre and validated by external specialists. These plans are updated on annual basis.

Tertianum Group

Efficient healthcare management is particularly important for the employees of Tertianum Group due to the relevant field of activities. The physical as well as psychological workplace-related negative effects are generally significant in the healthcare profession. In order to ensure safety in all the business operations, each facility has a responsible person for optimising the respective processes with the personnel.

EMPLOYEES BY FUNCTION AND GENDER 2015¹

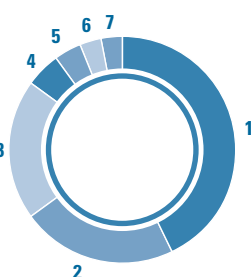


¹ number of employees at year-end, including temporary and other

EMPLOYEES BY REGION 2015

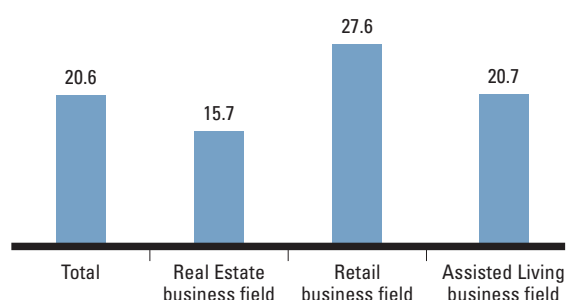
in %

1 Zurich	43
2 Eastern Switzerland	22
3 Midlands	20
4 Central Switzerland	5
5 Northwestern Switzerland	4
6 Ticino	3
7 Lake Geneva	3



FLUCTUATION BY BUSINESS FIELD

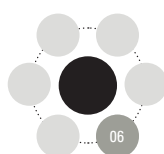
in %



EMPLOYEES KEY FIGURES

	2014	2015
Employees	2 724	3 966
Students		
Trainees	188	287
Apprentices	17	62
Total¹	2 929	4 315
Full time/part time	2014	2015
Full time	1 662	2 054
Part time < 50%	425	694
Part time 50%–79%	358	725
Part time 80%–99%	484	842
Total¹	2 929	4 315
Breakdown by age	2014	2015
Employees < 30 years	723	1 128
Employees 30–40 years	668	919
Employees 41–50 years	615	1 013
Employees > 50 years	923	1 255
Total¹	2 929	4 315
Definite/indefinite	2014	2015
Permanent employees	2 724	3 966
Students	205	349
Temporary	101	69
Custodians (only Wincasa)	67	62
Additional temporary employees	7	28
Total	3 104	4 474

¹ number of employees at year-end, excluding temporary and other



PROTECTING THE ENVIRONMENT

Environmental awareness and resource conservation are part of Swiss Prime Site's operational activities, whether in day-to-day workflows in the office or in real estate portfolio management. This forward-looking strategy ideally prepares the Group for facing new regulatory conditions that might emerge, for instance, from the Swiss federal government's «Energy Strategy 2050».

The real estate portfolio's sustainability performance harbours significant leverage for minimising environmental impact. Hence, focus is directed particularly at boosting the energy efficiency and diminishing the CO₂-emissions of the properties. Property seals of approval such as Minergie, LEED or GSBC reflect a track record of a sustainability-relevant investment policy already today.

Furthermore, Swiss Prime Site's real estate portfolio is distinguished by the fact that nearly 50% of heating requirements are covered by district heating. Since district heating in Switzerland is largely generated by woodchip- and waste-burning facilities, this technology is regarded as noticeably more

environmentally friendly than oil and gas heating. Through the «EC/OO» project (described on page 63 of this report), numerous potential opportunities were identified in 2015 for reducing energy consumption and CO₂-emissions. More than 220 measures aimed at operational optimisation had been executed already by the end of March 2015. For example, building shells were renovated, ventilation systems upgraded and building automation systems optimised. An additional 150 measures aimed at reducing resource consumption are in the implementation phase.

Emphasis is also placed on various operational ecology-relevant measures. In the area of business travel, the ecological footprint is already modest. Most business trips in Switzerland were taken via train and only seldom via automobile. Air travel is undertaken restrictively. Environmental awareness on the part of employees is purposefully fostered. For example, office employees are encouraged to use paper more sparingly. In the Jelvoli building, a total of 8 000 m² of lighting equipment was replaced by LEDs in 2015, resulting in lower energy costs as well as a more pleasant lighting ambience with reduced heat generation.

ENVIRONMENTAL STATISTICS

Swiss Prime Site's real estate portfolio comprised 182 properties at the end of 2015. Deriving the environmental statistics entailed utilising the real-time data from the 21 large properties that are part of the «EC/OO» project, in addition to the adjusted real data from 85 other properties from the year 2013. The values for the remaining properties were estimated, because the consumption is accounted for by third parties, and Swiss Prime Site does not have any insight into the consumption data. Properties that were under construction and undergoing modifications at end-2015 were not taken into account. The key environmental statistics are summarised in the table.

ENVIRONMENTAL STATISTICS

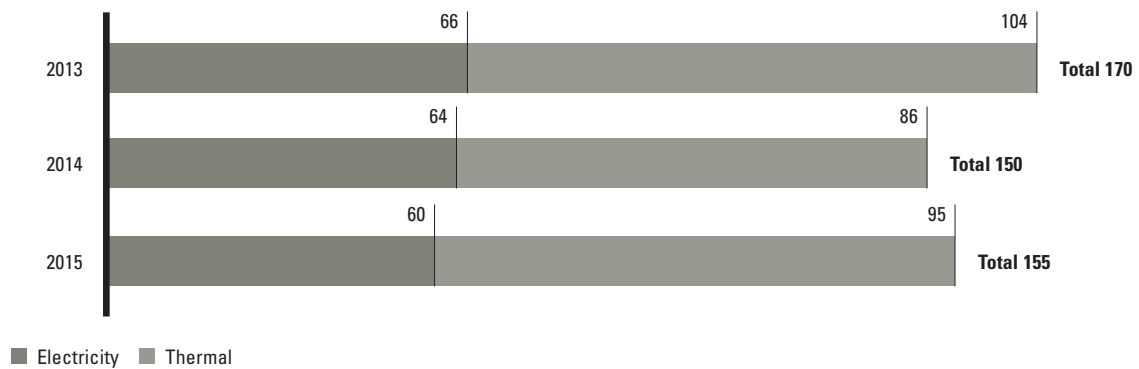
	Data in	2015
Properties	Number	165
Floor space	in m ²	1 475 000
Thermal	MWh	138 000
Electricity	MWh	74 000
CO ₂ -emissions scope 1 ¹	Tonnes	18 000
CO ₂ -emissions scope 2 ¹	Tonnes	20 000
Water consumption	m ³	701 000

¹ Scope 1: Direct greenhouse gas emissions from burning heating oil and natural gas in properties owned/controlled by Swiss Prime Site. Scope 2: Indirect greenhouse gas emissions from (general) electricity and district consumption

The development of energy and CO₂-intensity per square metre of floor space of the 21 large properties between the years 2013 and 2015 was subject to analysis. Energy intensity as well as CO₂-intensity were reduced by 9%, respectively. A proportion of these savings can be attributed to the milder winter weather in the years 2014 and 2015. The reduction in energy intensity amounts to 1% on a heating-degree-day-adjusted basis. Since the correction with heating-degree days constitutes a rough approximation, the effects of measures aimed at heating efficiency cannot be precisely quantified until after a more prolonged period of time. By contrast, the effects of measures aimed at electricity consumption are clear, because these are largely independent of weather conditions. In fact, electricity consumption was reduced by 9% between 2013 and 2015. The reduction corresponds to annual savings of 2.7 million kWh of electricity and roughly 400 tonnes of CO₂-emissions.

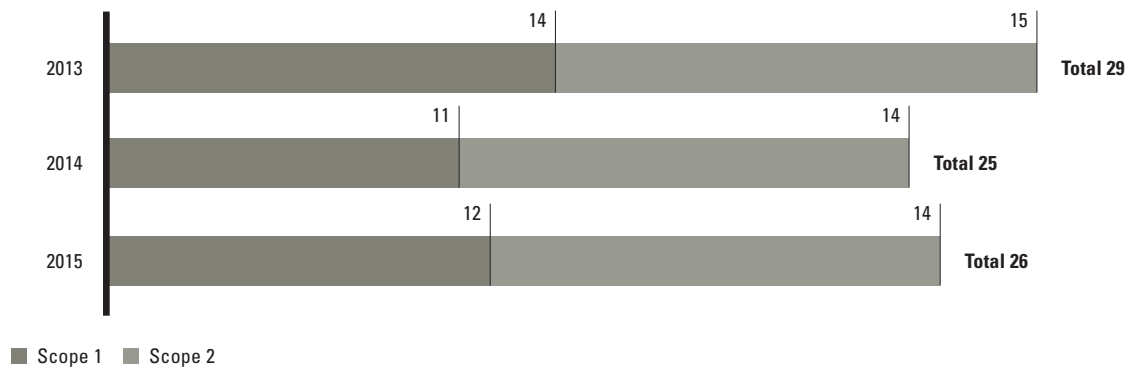
ENERGY INTENSITY

in kWh/m² (end energy)



CO₂-INTENSITY

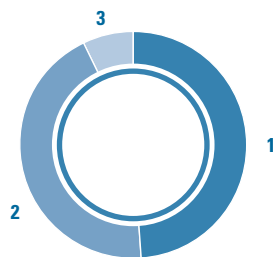
in kgCO₂/m²



BREAKDOWN BY THERMAL ENERGY SOURCES

in %

1 district heating	49
2 gas	44
3 heating oil	7



FLURPARK/MEDIA PARK

The total renovation of the Flurpark/Media Park commercial building in the up-and-coming Zurich-Altstetten district exemplifies Swiss Prime Site's long-term, sustainability-relevant investment strategy.



Extensive modernisation of the commercial building from the 1970s was completed in the financial year 2015. Deconstruction of the building shell and concurrent construction of new façade insets paved the way for the creation of a modern structure. Consequently, attractive exteriors can be constructed with spacious loggias or terraces. The commercial property features high-performance building and spatial technology as well as glass façade with integrated shade. Flurpark/Media Park therefore fulfils the standards of the Swiss Minergie® energy label.

In addition to a high degree of tenant and user friendliness, Flurpark/Media Park also offers a direct connection to public transportation. Tram and bus stops are situated at the building's doorstep, and the Zurich-Altstetten railway station is within walking distance. Central services will be provided for the workforce through a variety of businesses located on the ground floor. Immediate proximity to the workplace saves time and provides quality of life. A kindergarten and restaurant are already planned.

Particularly in view of these factors, Swiss Prime Site was able to attract Ringier Axel Springer Switz-

erland AG as a renowned anchor tenant for the commercial building in 2015. «Flurpark» will therefore provide an attractive working environment for more than 600 employees of the media company. In this context, the building is also being renamed «Media Park».

FACTS AND FIGURES

FLOOR SPACE

in m²

25 645

Address	Flurpark/Media Park, Flurstrasse 55, Zurich
Fair Value	CHF 141 million
Construction date	2015 total renovation
Floor space	25 645 m ²
Use	Commercial building

OPPORTUNITIES AND RISKS

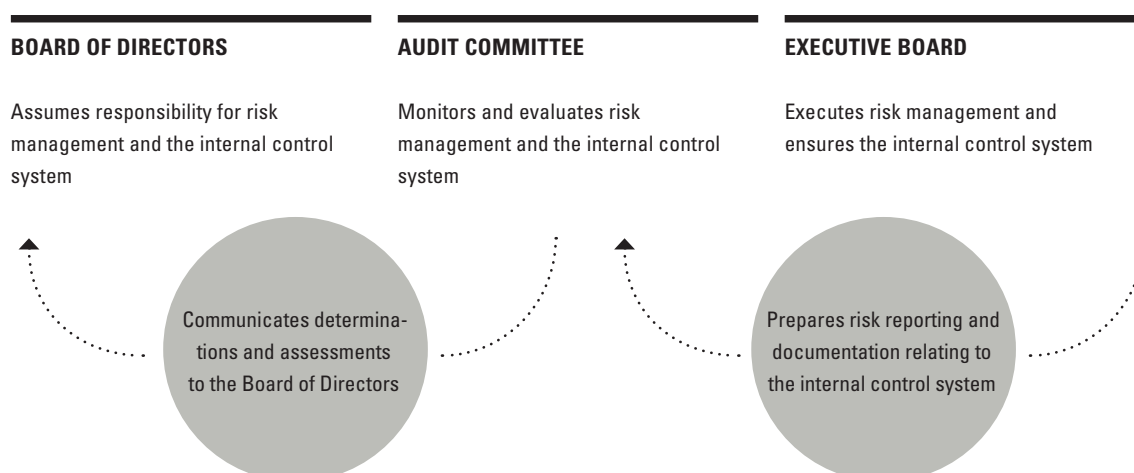
Swiss Prime Site's opportunity and risk profile is marked by the balanced and market development-adapted diversification of real estate investments, in terms of regional allocation as well as type of use and tenant structure. Additional opportunities emanate from real estate-related business fields.

Swiss Prime Site pursues long-term optimisation of its opportunity and risk profile through identification of opportunities and through systematic risk management in the three business fields: Real Estate, Retail and Assisted Living. The real estate portfolio comprises properties primarily located in the most significant Swiss economic centres of Zurich, Geneva and Basel, providing the Company with an ideal market position based on portfolio size as well as regional allocation of the properties throughout Switzerland.

It is the responsibility of the Board of Directors of Swiss Prime Site AG and its group companies to ensure a balance between opportunities and risks. The responsible parties carry out regular risk/opportunity assessments in order to periodically re-evaluate – and, if necessary, adapt to – the changing general conditions and market developments. Furthermore, Swiss Prime Site AG's Board of Directors is committed to upholding the utmost integrity, which includes complying with government regulations and the internal Code of Conduct, among other things. All employees are expected to consistently comply with the Code of Conduct, which is subject to review of its effectiveness on a regular basis.

Opportunity/risk management should ensure that opportunities are recognised and undesirable risks promptly mitigated through comprehensive and systematic identification and assessment. The risk/return ratio should always be adequately balanced, which is also a permanent process.

A transparent and efficient corporate structure ensures that the duties and responsibilities regarding risk management and the internal control system are fulfilled on a Group-wide basis.



OUTLOOK

Swiss Prime Site is optimistically looking forward to the year 2016, based on its first-class real estate portfolio, focused strategy and innovative business model. The successful expansion of the business model through real estate-related business fields has significantly strengthened the Company's momentum and its flexibility to react swiftly and expediently to market opportunities. The well-filled project pipeline lays the foundation for future profitable growth.

ECONOMIC OUTLOOK FOR SWITZERLAND

The abolition of the EUR/CHF minimum exchange rate by the Swiss National Bank (SNB) led to a noticeable cooldown of the Swiss economy in the past financial year 2015. The monetary policy measure taken by the SNB will have after-effects in 2016. Consequently, with a forecast of 1.4% for 2016, growth in gross domestic product (GDP) in Switzerland will likely fall short of its historical potential again. Economic growth continues to be underpinned by the cornerstones of a brisk trend in immigration, robust private and public consumption as well as favourable lending rates, which have a stabilising effect and stave off the probability of recession. Nevertheless, the Swiss economy still remains vulnerable to economic shocks in view of the diminishing growth momentum. Any further appreciation of the Swiss franc exchange rate in particular would be quite difficult to cope with. Accordingly, expectations indicate that the negative interest rates introduced by the SNB at the end of 2014 will hold steady at the current level in 2016. The Swiss labour market registered nominal growth in wages of just 0.5% in 2016. The unemployment rate should edge up slightly as a result of only moderate economic growth in Switzerland. Once a key growth driver of the economy, exports should exhibit modest sales growth in 2016 due to the strong Swiss franc and declining order intake, providing a limited contribution to any change in course as an important pillar of the Swiss economy. Investments in the construction industry in 2016 are positive (+0.4%), but hovering at a comparatively low level.

ECONOMIC FORECASTS FOR SWITZERLAND¹

Real year-on-year change	in	Level ¹	2014	2015E	2016E	2017E
Gross domestic product (GDP)	%	642.3	1.9	1.0	1.4	1.8
Private consumption	%	348.1	1.3	1.2	1.4	1.0
Public consumption	%	70.8	1.3	2.2	1.0	0.7
Investment	%	150.3	2.1	1.0	0.1	1.9
Construction	%	60.3	3.3	-1.1	0.4	0.3
Capital	%	92.0	1.3	2.3	0.1	2.9
Exports ²	%	338.1	4.1	1.1	1.8	3.5
Imports ²	%	271.9	2.8	1.3	1.8	2.6
Annual inflation rate	%		0.0	-1.1	-0.4	0.3
Unemployment rate	%		3.2	3.3	3.5	3.4

¹ 2014 (in CHF bn at current prices)

² excluding valuables and non-monetary gold

E: UBS estimates 05.01.2016

OUTLOOK FOR THE REAL ESTATE MARKET

The Swiss real estate market traversed its peak in 2015 and will shift into a cooling phase in 2016. Key factors underpinning the market in 2016 include the low interest rate level, immigration and newly growing demand-driven markets such as healthcare, geriatric care and education. Themes that are gaining significance include digitalisation, big data and sustainability, in which successful market participants should increasingly invest in the future.

The trend in the office property sector with regard to the shift in locations by services companies – away from centrally situated, inefficient properties toward decentrally located, very well-developed and efficient properties – should continue to prevail. The healthcare and social services sectors in particular are exhibiting demand-driven impetus. Momentum driving expansion of the supply of floor space in major urban areas will slow down in 2016, which should be viewed positively due to the limited absorption potential. However, expectations point to an increase in vacancies, particularly for old, inefficient properties requiring investment. The sluggish economic trend, coupled with the resulting weak growth in employment in the traditional office sector, should lead to diminishing demand here in 2016. The prevailing abundant supply of rental floor space and modest demand will likely lead to declining rent prices in 2016. Leasing vacant properties will pose a significant challenge. Alternatively, vacant floor space in old office properties will increasingly re-enter the market through measures such as redevelopment, modernisation and modification from single- to multi-tenant properties. Properties in «A» locations with prestigious character and a high, modern interior design standard – such as those in Swiss Prime Site's portfolio – will continue to attract demand.

The environment for retail properties remains challenging due to the growing online trade and stagnating sales in the stationary retail trade sector. The trend toward shopping tourism in border regions is hovering at a high level and will remain an additional influencing factor. Advertised rent prices for retail properties are expected to decline in 2016. Accordingly, the stationary retail sector should remain under pressure in light of the weak euro, shopping tourism and online trade. Demand for retail floor space situated in modern, favourably located shopping centres and first-class urban areas should remain robust. «B» and «C» locations will face increasingly adverse conditions. Locations in border regions will also continue to remain under heavy pressure. The significant expansion in the supply of floor space in recent years will not persist in 2016. Measures such as revitalisation of existing properties may lead to reduction in vacancies.

Stepped-up regulatory requirements and vacancy management still pose challenges. At the regulatory level, the so-called «Against Mass Immigration» initiative in particular could have an impact as a potential hindrance to immigration. Furthermore, excessive regulatory requirements, such as the tightening of Lex Koller or revisions of spatial planning and building and zoning ordinances, may lead to disincentives and market distortions. Successful management of vacancy risks will constitute a significant distinguishing attribute for high-achieving market participants. Redevelopment and modernisation of vacant properties will increasingly gain significance, in addition to proactive management of existing tenants ahead of contract renewals and re-leasing agreements.

OUTLOOK FOR SWISS PRIME SITE

Swiss Prime Site's forecast for 2016 calls for rental income and total operating income that surpass the respective previous year's levels. The vacancy rate should hover between 6% and 7%. Based on the expected operating result for 2016, a constant high dividend to shareholders is ensured.

The Wincasa real estate services sub-business field is striving to boost the share of new clients in order to diversify the earnings structure. The company aims to forge ahead with the expansion of services offered with higher value creation in 2016. Additional gains in efficiency should be realised through cost discipline. Existing client relationships will be intensified, thus enhancing customer satisfaction.

The Retail business field, in which the Jelmoli group company operates, succeeded in surmounting the challenges relating to the abolition of the CHF/EUR minimum exchange rate at the outset of 2015. The group company is ideally positioned for the new financial year. Significant growth initiatives will be

executed in 2016 with the launch of an online shop and opening of a footwear department, in addition to continuous improvements in the areas of service, quality and brand portfolio.

The Assisted Living business field aims to forge ahead with the integration and consolidation of the acquired business units SENIOcare and BOAS Senior Care. Expansion of the business field will be further accelerated in 2016, with the set-up of a dedicated planning entity for managing ongoing building projects as well as securing new locations and project developments. Interaction with government officials and communities should be intensified, for example, in the area of private public partnership (PPP) projects.

Swiss Prime Investment Foundation (launched in 2015) will be further expanded, thus ensuring additional earnings potential based on corporate management and asset management mandates with Swiss Prime Site.

Swiss Prime Site is striving to realise fundamental value creation with direct real estate investments and revenue-generating properties in the future as well. In this regard, the Group boasts a well-filled project pipeline. Development sites and building land reserves suitable for new building complexes comprise a total area of more than 100 000 m². The relevant investment volumes amount to more than CHF 2.0 billion in the coming years, according to current estimates. Additional value-boosting potential should emanate from exhausting synergies and recognising growth opportunities that emerge from the expanded business model.

Swiss Prime Site will continue to reap benefits in 2016 from focusing on high-quality properties situated in prime urban and well-developed locations. Swiss Prime Site believes it is also very well positioned to forge ahead on the path toward robust earnings-based growth, with its sustainably established real estate-related business fields. The innovative combination of these business fields and continuation of the proven strategy form the foundation for sustainable success for Swiss Prime Site and its stakeholders in 2016 as well.

ADDENDUM

FINANCIAL CALENDAR

	Date	Location
Annual General Meeting financial year 2015	12 April 2016	Olten
Media releases first-quarter results	May 2016	n.a.
Semi-Annual Report as at 30.06.2016 with financial results press conference	25 August 2016	Zurich
Media releases first- to third-quarter results	November 2016	n.a.
Annual Report as at 31.12.2016 with financial results press conference	16 March 2017	Zurich
Annual General Meeting financial year 2016	11 April 2017	Olten

SHARE FACTS

ISIN	CH 000 803 838 9
Securities number	803 838
Securities symbol	SPSN
Trading currency	CHF
Stock exchange	SIX Swiss Exchange
Listed on the following indexes (selected)	Swiss All Share Index Swiss SMI Mid Swiss SMI Expanded Swiss SPI Swiss SXI Real Estate Bloomberg European 500 Index Bloomberg EMEA – World Index Bloomberg World Financial Index Bloomberg World Real Estate Index FTSE Euro Mid Index UBS 100 Index S&P Global BMI

IMPRINT

The original of this Annual Report is written in German.
The German original is therefore the effective official version.

Overall responsibility | Editorial

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DISCLAIMER

As part of the Annual Report, this Strategy and Management Report contains statements regarding future financial and operational developments and results as well as other projections that are forward-looking or contain subjective assessments that are not historical facts. In some cases, these forward-looking statements can be identified by the use of words such as «believe», «estimate», «anticipate», «expect», «target», «intend» and similar expressions as well as their negative equivalent. Such forward-looking statements or subjective assessments (hereafter referred to as «forward-looking statements») are based on expectations, estimates and assumptions that seem to be appropriate to the Company at the time of the preparation of the Annual Report. However, the actual results may differ from forward-looking statements. A number of factors, such as the ability of the management to implement the business strategies of Swiss Prime Site AG, the future conditions and developments in the market in which Swiss Prime Site AG operates, or the market behaviour of other market players, may differ materially from the anticipated results including the actual business situation, results of operations, financial condition of the Company. In addition, past trends are not indicative of any future trends.

Swiss Prime Site AG, its affiliated companies, their employees, their advisors as well as other people that are involved in the preparation of the Annual Report explicitly disclaim any warranty or guarantee that information contained in this Annual Report is still correct and complete at any time after its publication. Furthermore, they disclaim any obligation to publish updates or amendments regarding the forward-looking statements made in this Annual Report in order to reflect changes in the events or circumstances on which these forward-looking statements are based except as required by law. Readers of this Annual Report should therefore not rely on the forward-looking statements expressed therein.

GLOSSARY

AuM (assets under management)

Market value of assets managed by a service provider

Cash yield

Distribution in percent of market price at the end of the reporting year

Convertible bond

Bond that can be converted into shares or participation certificates of the relevant company under certain prerequisites and conditions

Cost

Sum of all costs incurred relating to the acquisition of properties (e.g. acquisition price, notary and ownership transfer costs, sales commissions, value-added investments as well as borrowed capital costs for properties under construction and development sites and trading properties, etc.)

CRM (customer relationship management)

Systematic structuring of the customer relationship process; a company's consistent orientation toward its clients

DCF (discounted cash flow)

Method of calculation for determining fair values of real estate, under which the fair value of a property is derived by means of the total future expected net earnings discounted to the valuation date (before interest, taxes, depreciation and amortisation), taking into account investment costs

Diluted earnings per share

Earnings adjusted for the effect of convertible bonds, divided by the weighted average number of shares

EBIT

Earnings before interest and taxes

EBITDA

Earnings before interest, taxes, depreciation and amortisation

EC/OO (energy controlling/operational optimisation)

Energy data are measured and digitally reproduced for all existing buildings in the portfolio, which are optimally configured by means of reporting, enabling sustainable reduction of energy consumption

Equity ratio

The ratio of shareholders' equity to total shareholders' equity and borrowed capital

Energy Strategy 2050

Strategy developed by the Swiss Federal Council envisaging a gradual modification of Switzerland's energy system by the year 2050, based on revised energy prospects (including fundamental decision to exit nuclear energy step-by-step)

EPRA

European Public Real Estate Association

EPS (earnings per share)

Earnings per share is defined as the mathematical proportion of the realised annual profit or group profit relative to one share, calculated from the profit attributable to shareholders divided by the weighted number of outstanding shares

Fair value

Corresponds to the particular price that an independent market participant would likely receive for the sale of an asset under normal market conditions at the relevant valuation date (i.e. exit price). Fair value measurement is generally determined by means of the discounted cash flow method (DCF), without factoring in transaction costs

FTE (full-time equivalent)

Number of employees in full-time positions

GRESB (Global Real Estate Sustainability Benchmark)

A joint initiative from some of the world's largest institutional investors, renowned scientists and major real estate companies; GRESB annually compiles a global ranking of real estate funds and real estate companies that are the most strongly committed to sustainability and the environment

GRI (Global Reporting Initiative)

Develops guidelines through a participatory process for compiling sustainability-relevant reports from major corporations, small- and medium-sized enterprises (SMEs), governments and NGOs

Gross return

Calculated from rental income (excluding ancillary costs) in percent of a property's fair value

GSBC (DGNB)

German Sustainable Building Council

HC (headcount)

Number of employees in absolute figures (part- and full-time positions)

IFRS (International Financial Reporting Standards)**Investment volume**

Total property and construction costs at acquisition values (for new buildings, including borrowing costs)

LEED

Leadership in Energy and Environmental Design

Like-for-like rental income growth

Change in income from rental properties based on a constant real estate portfolio compared with the beginning of the period

LTV (loan-to-value)

Ratio of interest-bearing real estate liabilities to real estate assets; loan-to-value ratio of the property portfolio

Maintenance and repair expenses

Sum of all costs necessary for the restoration or preservation of a property's target condition that are borne by the owner, including repair and service costs

Market capitalisation

Calculated by means of the number of issued shares and market price as at the balance sheet date

Minergie

Construction standard for new and modernised buildings; the label is jointly supported by the economy, cantons and federal government

NAV (net asset value)

Net asset value or value of shareholders’ equity

NAV per share (net asset value per share)

Shareholders’ equity per share attributable to shareholders (number of issued shares after deducting treasury shares)

NAV after deferred taxes

Shareholders’ equity attributable to shareholders excluding deferred tax liabilities, divided by the number of issued shares (excluding treasury shares)

NAV before deferred taxes

Shareholders’ equity attributable to shareholders adjusted for deferred taxes (excluding deferred tax assets from loss offsetting), divided by the number of issued shares (excluding treasury shares)

Net rental income

Defined as the sum of all realised income (target rental income) including land lease income, less vacancy losses in the reporting period

Net yield

Calculated from the property income in percent of fair value as at the balance sheet date

OCI (other comprehensive income)

Includes primarily revaluation of owner-occupied properties and remeasurement of net defined benefit obligations and the relevant deferred taxes

Other operating expense

Expenses relating to repairs and replacement of tangible assets, property insurance and fees, capital taxes, administrative expenses, audit and advisory expenses, advertising expenses, accounts receivable, losses and debt collection expenses

Ordinance

Ordinance Against Excessive Compensation in Listed Companies

PEC (primary energy consumption)

Consumption of primary energy that requires a process. PEV is derived from the end-energy consumption and losses that incur from the production of end-energy from primary energy

Premium

Difference between share price on the balance sheet date and net asset value (NAV) after deferred taxes

Portfolio size

Indicates volume (size) of an asset class as well as allocation of assets

Property gains

Rental income less all expenses incurred to the owner such as administrative, operating, maintenance and repair, as well as for value-retaining renovations. Defined as net property income before deducting borrowing costs and taxes (EBIT)

Result from property sales

Difference between the sales price paid (sales proceeds) and fair value as at the last balance sheet date, taking into account transaction costs from the sale

Revaluation effect

Corresponds to a higher or lower valuation of the real estate portfolio resulting from revaluation compared with the value at the balance sheet date of the previous year, carried out by an external, independent valuation expert, taking into account changes in deferred taxes

ROE (return on equity)

Calculated based on profit attributable to shareholders divided by average shareholders’ equity attributable to shareholders

ROIC (return on invested capital)

Calculated based on profit attributable to shareholders before financial expenses, divided by average total shareholders’ equity and borrowed capital

Share performance (total return = TR)

Share price performance in the reporting period compared with the closing price of the previous year’s period, taking into account the distribution

SSBC (SGNI) (Swiss Sustainable Building Council)

Non-profit association with the objective of promoting – as well as enabling the transparency and quantification of – the sustainability of real estate and the constructed environment across the entire life cycle, including planning, construction and utilisation

Target rental income

Defined as the sum of all potential rental income and land lease income given full occupancy before deducting vacancy losses in the reporting period

Vacancy

Sum of all losses from target rents of vacant floor space resulting from lack of effective rental agreement and during building modification activities. With total renovations, the property is recognised on the balance sheet as a construction project during the modification phase, and neither target rents nor vacancies are booked

Vacancy rate

Sum of all cumulated rental income losses resulting from lack of effective rental agreement and vacancies in percent of target rental income

WACC

Weighted average cost of capital





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