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MEDIA RELEASE

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Quarterly report as of 31 March 2010

Convincing performance

Olten, 21 May 2010 – Swiss Prime Site AG increased rental income by 96.2% to CHF 104.6 million and EBIT by 78.2% to CHF 91.4 million in the first quarter of 2010. Profit was 52.4% higher at CHF 47.7 million. The growth rates and the increase in the real estate portfolio from CHF 3.8 billion to CHF 8.1 billion are largely attributable to the acquisition of Jelmoli Holding Ltd in October 2009.

Swiss Prime Site carried last year's momentum into the current year, delivering very good results in the first quarter of 2010 as well. The results as of 31 March 2010 are, however, not comparable with those for the corresponding year-earlier period since the figures of the acquired Jelmoli Group have only been consolidated effective 29 October 2009 (acquisition date). It must also be considered that minor integration costs were still incurred in the first quarter of 2010 and that synergies will not be apparent before the second half of the year.

Rental income grew by 96.2% to CHF 104.6 million (CHF 53.3 million). Compared with the figure for 2009 (4.0%), the loss of earnings rate was reduced slightly to 3.8% in the first quarter. EBIT increased year-on-year by 78.2% from CHF 51.3 million to CHF 91.4 million. CHF 7.7 million (CHF 9.7 million) of this growth was due to revaluations, above all reflecting the progress of ongoing construction projects. Net profit was up 52.4% to CHF 47.7 million (CHF 31.3 million). Net of revaluation effects, EBIT increased by 101.2% to CHF 83.7 million (CHF 41.6 million) and profit by 85.9% to CHF 48.7 million (CHF 26.2 million).

Compared with the year-back quarter, operating income grew from CHF 53.4 million to CHF 144.7 million. This figure also contains revenues of CHF 35.0 million generated by the Jelmoli department store on Zurich's Bahnhofstrasse (The House of Brands). Revenues are down slightly on the year-earlier figure owing to the closure of parts of the sales area during conversion work. The House of Brands continues to be headed by Hanspeter Grüninger, who has been a member of the Management Board of Swiss Prime Site since 1 April 2010.

Compared with the same quarter of the previous year, the net asset value (NAV) per share before deferred taxes increased by 6.6% from CHF 67.54 to CHF 72.03. The NAV after deferred taxes was CHF 60.17. Following a resolution passed by the General Meeting of Shareholders on 21 April 2010, a distribution of CHF 3.50 (CHF 3.40) per share will be paid to shareholders. The distribution (presumably on 12 July 2010) is exempt from income tax for private individuals and will take the form of a reduction in the nominal value of the share from CHF 18.80 to CHF 15.30, corresponding to an attractive cash yield of 6.0% based on the share price of CHF 58.00 on 31 December 2009.

A five-year 1.875% CHF 300 million convertible bond was issued on 20 January 2010. Within a few hours it was oversubscribed several times. The bulk of the proceeds was used to repay the 2% CHF 170 million convertible bond (2005-2010) falling due on 3 February 2010.

Integration successfully completed

The process of integrating the Jelvoli Group was successfully completed on schedule in the first quarter of 2010. This included finding new positions with partner companies for former Jelvoli employees of the real estate division and concluding restructuring plans for the legal and fiscal structures. "Having successfully completed the integration after just four months, we can now concentrate again on further development", explains CEO Markus Graf. On 12 May 2010, the exchange of non-tendered and outstanding shares (since declared invalid) in Jelvoli Holding Ltd for shares in Swiss Prime Site AG was completed, as a result of which Swiss Prime Site now owns 100% of Jelvoli Holding Ltd.

Real estate portfolio

The value of the real estate portfolio increased by 111.9% from CHF 3.82 billion to CHF 8.10 billion. In the first quarter of 2010, Swiss Prime Site sold the office building at Ringstrasse 1 in Olten as well as four properties from the former Jelvoli portfolio in Vevey, Biel/Bienne, Sion and Thônex. At CHF 22.8 million, the sales proceeds were slightly above the market value. Under the announced portfolio streamlining programme, Swiss Prime Site plans to sell real estate in an amount of CHF 300 to 400 million in the current year.

The value of properties under construction and the development sites was CHF 404.5 million (previous year CHF 256.7 million) as of 31 March 2010. The increase is attributable mainly to progress on the construction projects at the Maag site in Zurich (Prime Tower with the two neighbouring buildings Diagonal and Cubus plus Platform) and to the new Business Park construction project in Basel. With Swiss & Global Asset Management Ltd. having signed a rental agreement for the Prime Tower, 68% of space has now been let one year prior to opening. Implementation of the fifth and final stage (completion mid-2011) of the Stücker Business Park in Basel is progressing according to schedule.

Outlook

For the 2010 business year Swiss Prime Site (as announced in March 2010) is expecting a loss of earnings rate of 4.5% to 5.0% and a result which (excluding one-off effects) will be above the previous year's level.

Selected key figures

	Figures in	31.03.2010	31.03.2009	Change (%)
Investment properties	CHF m	8 100.3	3 822.6	111.9
Rental income	CHF m	104.6	53.3	96.2
Loss of earnings rate	%	3.8	3.4	11.8
Turnover of goods	CHF m	35.0	-	100.0
EBITDA	CHF m	95.7	51.3	86.5
EBIT	CHF m	91.4	51.3	78.2
Change in fair value of real estate (IAS 40)	CHF m	7.7	9.7	-20.6
Profit attributable to shareholders of Swiss Prime Site AG	CHF m	47.7	31.3	52.4
Comprehensive income attributable to shareholders of Swiss Prime Site AG	CHF m	49.1	31.3	56.9
Shareholders' equity attributable to shareholders of Swiss Prime Site AG	CHF m	3 245.2	1 450.0	123.8
Equity ratio	%	38.1	37.4	1.9
Borrowed capital	CHF m	5 244.6	2 431.4	115.7
Borrowed capital ratio	%	61.5	62.6	-1.8
Minority interests	CHF m	34.4	-	100.0
Minority interests in total capital	%	0.4	-	100.0
ROE (weighted)	%	5.8	8.7	-33.3
ROIC (weighted)	%	3.7	4.8	-22.9
Earnings per share (weighted)	CHF	0.88	1.31	-32.8
NAV before deferred taxes	CHF	72.03	67.54	6.6
NAV after deferred taxes	CHF	60.17	60.56	-0.6
Figures net of revaluation effects*				
EBIT	CHF m	83.7	41.6	101.2
Profit attributable to shareholders of Swiss Prime Site AG	CHF m	48.7	26.2	85.9
Earnings per share (weighted)	CHF	0.90	1.09	-17.4
ROE (weighted)	%	6.0	7.3	-17.8

* Change in fair value (IAS 40) and deferred taxes



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Swiss Prime Site AG

Swiss Prime Site AG is Switzerland's leading real estate investment company. Its portfolio of around CHF 8.1 billion is structured according to the real estate-picking strategy and consists of first-class commercial properties at selected Swiss business locations. Swiss Prime Site has been listed on the SIX Swiss Exchange since April 2000, and has a market capitalization of around CHF 3.4 billion. The company boasts a crisis-resistant portfolio with low vacancy and rent failure risks, professional management with slim structures and low costs, high earnings and capital potential and an outstanding risk/return profile.

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