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## MEDIA RELEASE

14 November 2012  
For immediate release

### Quarterly report as at 30 September 2012

#### Success still prevails

**Olten, 14 November 2012 – Swiss Prime Site increased EBIT by 10.6% to CHF 370.8 million and boosted profit by 15.6% to CHF 221.6 million in the first three quarters of 2012. Weighted earnings per share surged by 15.3% to CHF 4.07. The value of the real estate portfolio edged up by 2.2% to the CHF 8.4 billion mark.**

Swiss Prime Site AG realised a pick-up in EBIT by 10.6% to CHF 370.8 million as at 30 September 2012 (CHF 335.2 million). Revaluations of properties soared by 47.5% versus the first nine months of the previous year, to CHF 135.7 million (CHF 92.0 million). Excluding revaluation effects, EBIT amounted to CHF 235.1 million, thus falling short of the prior year's level (CHF 243.3 million) by 3.4%. Profit attributable to shareholders after revaluation effects climbed by 15.6% to CHF 221.6 million (CHF 191.7 million), resulting in a 15.3% increase in weighted earnings per share to CHF 4.07 (CHF 3.53). "Swiss Prime Site has once again positioned itself advantageously with its reliably strong earnings capacity," declared CEO Markus Graf.

Net rental income edged down slightly from CHF 307.4 million to CHF 305.8 million (-0.5%). The anticipated increase in the loss of earnings rate from 4.8% to 5.3% was attributable primarily to vacancies at the following properties: Murifeld located at Weltpoststrasse in Berne (under modification), Manessestrasse in Zurich (under modification) and Stücki Business Park in Basel (completion at end-2011). Total operating income amounted to CHF 419.5 million (CHF 415.3 million), of which net retail trade turnover accounted for CHF 111.3 million (CHF 106.4 million). The retail trade segment comprises the Hotel Ramada Encore in Geneva, Clouds Restaurant in Prime Tower (which opened its doors at the end of 2011) and Jelmoli – The House of Brands department store in Zurich. Under the management of the new CEO Franco Savastano, Jelmoli succeeded in further strengthening its position as the fashion house with the broadest range of exclusive brands in German-speaking Switzerland.

#### Acquisition of Wincasa AG

Swiss Prime Site took a significant strategic step with the acquisition of Wincasa AG, Winterthur, announced in September 2012 and consummated in October 2012, at a price tag of CHF 109.0 million. Wincasa ranks among the leading real estate service providers in Switzerland, with more than 670 employees and 171 000 properties under management. Swiss Prime Site expects to continue reaping benefits – together with the other Wincasa customers – from the vast know-how on the part of Wincasa specialists regarding the local real estate markets. Moreover, the acquisition of Wincasa constitutes further diversification of

Swiss Prime Site's revenue sources. The Company estimates earnings from Wincasa of more than CHF 10 million starting from 2013, which should result in an annual contribution to profit of minimum CHF 8 million at the group level.

### **Performance of the Swiss Prime Site share**

Net asset value (NAV) of the Swiss Prime Site share before deferred taxes amounted to CHF 78.21 as at 30 September 2012, thus exceeding the previous year's value of CHF 73.02 by 7.1%. NAV after deferred taxes increased by 6.0% from CHF 60.25 to CHF 63.89. The withholding tax-exempt distribution from capital contribution reserves issued to shareholders on 27 April 2012 amounted to CHF 3.60 per share. The distribution corresponded to an attractive cash yield of 5.1%, based on the closing share price at 31 December 2011.

The Swiss Prime Site share price closed at CHF 77.70 on 30 September 2012. The stock turned in a very favourable performance (+15.5%) once again in the reporting period, outperforming the SXI Real Estate Shares Index (+12.0%) as well as the SPI Swiss Performance Index (+12.5%). Market capitalisation increased from CHF 3.84 billion to CHF 4.24 billion.

### **Real estate portfolio**

The real estate portfolio was valued at CHF 8 397.7 million as at 30 September 2012 (CHF 8 165.1 million as at 31 December 2011). The increase of CHF 232.6 million was attributable to investments and higher valuations in the ongoing construction projects (CHF +46.7 million), renovations and revaluations of existing properties (CHF +173.0 million), the purchase and investments in the Majowa project (CHF +21.4 million) as well as to one disposal (CHF -8.5 million). The breakdown in revaluations amounting to CHF 135.7 million (CHF 92.0 million) was as follows: CHF 5.4 million from properties under construction and development sites (including acquisition) as well as CHF 130.3 million from existing properties and building land.

Construction activities on the new building and modification projects SkyKey in Zurich Oerlikon, residential complex Maaghof North and East at the Zurich Maag Site, Majowa/ headquarters of Swiss Post in Berne, Aux Armourins in Neuchâtel (retail property) and multiplex cinema in Centre commercial & de loisirs (CCL) La Praille in Geneva are proceeding according to plan.

### **Outlook**

Swiss Prime Site forecasts a positive trend ahead for its real estate holdings and projects, which should be less affected by the oversupply in certain segments of the office property market and the signs of saturation in the retail property market. The attractiveness of the locations, healthy basic building structures and significant share of modern, flexible-use properties ensure qualitative competitive advantages that lead to positive effects amid an increasingly volatile environment. At the same time, Swiss Prime Site also reaps rewards from the fact that roughly 80% of its real estate portfolio (as measured by fair value) is located in the leading economic regions of Zurich, Geneva and North-western Switzerland. Furthermore, more than half of net rental income stems from rental agreements whose terms still extend to between five and ten years. The rental agreements with terms of ten or more years account for over 20% of target rental income.

As already announced, Swiss Prime Site estimates net rental income (segment view) of more than CHF 425 million and a loss of earnings rate of less than 5.5% for the financial year 2012. Net profit should surpass the previous year's level.

## Selected key figures

	Figures in	30.09.2012	30.09.2011	Change in %
Investment properties	CHF m	8 397.7	8 215.2	2.2
Net rental income	CHF m	305.8	307.4	-0.5
Loss of earnings rate	%	5.3	4.8	10.4
Net retail trade turnover	CHF m	111.3	106.4	4.6
Earnings before interest, taxes depreciation and amortisation (EBITDA)	CHF m	382.8	347.6	10.1
Earnings before interest and taxes (EBIT)	CHF m	370.8	335.2	10.6
Revaluation of investment properties (IAS 40)	CHF m	135.7	92.0	47.5
Profit attributable to shareholders of Swiss Prime Site AG	CHF m	221.6	191.7	15.6
Comprehensive income attributable to shareholders of Swiss Prime Site AG	CHF m	224.6	195.8	14.7
Shareholders' equity attributable to shareholders of Swiss Prime Site AG	CHF m	3 485.2	3 273.3	6.5
Equity ratio	%	39.9	38.3	4.2
Borrowed capital	CHF m	5 256.2	5 283.9	-0.5
Borrowed capital ratio	%	60.1	61.7	-2.6
ROE (weighted)	%	8.6	7.8	10.3
ROIC (weighted)	%	4.8	4.6	4.3
Earnings per share (weighted)	CHF	4.07	3.53	15.3
NAV before deferred taxes per share	CHF	78.21	73.02	7.1
NAV after deferred taxes per share	CHF	63.89	60.25	6.0
<b>Figures without revaluation effects*</b>				
Earnings before interest and taxes (EBIT)	CHF m	235.1	243.3	-3.4
Profit attributable to shareholders of Swiss Prime Site AG	CHF m	139.1	142.1	-2.1
Earnings per share (weighted)	CHF	2.55	2.62	-2.7
ROE (weighted)	%	5.5	5.9	-6.8

\* revaluations (IAS 40) and deferred taxes



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### **Swiss Prime Site**

Swiss Prime Site AG is Switzerland's leading real estate investment company. The firm's portfolio is valued at CHF 8.4 billion and comprises first-class, value-retaining commercial and retail properties situated in prime locations. Swiss Prime Site is distinguished by its experienced management team, with stream-lined structures and low costs, high earnings and capital potential as well as an excellent risk/return profile. The Company has been listed on the SIX Swiss Exchange since 2000 and reports market capitalisation of around CHF 4.2 billion.

SIX Swiss Exchange / symbol SPSN / securities number 803 838

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