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MEDIA RELEASE

Olten, 15 March 2016

Annual Report as at 31 December 2015

Successful financial year 2015 for Swiss Prime Site

- **Profit climbs to CHF 355.1 million (+23.9%)**
- **Earnings per share (EPS) increases to CHF 5.30 (+12.3%)**
- **Sales of condominiums and investment properties account for the lion's share of earnings contributions**
- **Assisted Living business file strengthened further**
- **Constantly high distribution of CHF 3.70 per share proposed**

Swiss Prime Site realised its best results to date in the financial year 2015 since the Company was founded. Operating profit (EBIT) climbed by 19.6% versus the prior year's period to CHF 553.4 million (previous year: CHF 462.8 million). Profit jumped by 23.9% to CHF 355.1 million (previous year: CHF 286.7 million). Revaluations amounted to CHF 124.6 million (previous year: CHF 113.2 million). EBIT excluding revaluation effects surged by 22.7% to CHF 428.9 million (previous year: CHF 349.6 million). Profit before revaluation effects (i.e. revaluations and deferred taxes) rose by 19.0% to CHF 280.8 million (previous year: CHF 236.0 million).

The equity ratio improved from 39.6% to 46.4%. The pickup is 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 and reduction of financial liabilities, in addition to the realised annual profit. As at 31 December 2015, the return on equity (ROE) amounted to 7.6% (previous year: 7.0%) and the return on invested capital (ROIC) was 4.3% (previous year: 3.7%).

Real Estate business field

The Real Estate business field continued to boost rental income in the financial year 2015. Rental income from investment properties edged up by 0.2% year-on-year to CHF 432.0 million (previous year: CHF 431.3 million). At the same time, the development projects that were completed in 2014 – SkyKey in Zurich and EspacePost in Berne – had a positive impact here. The sale of properties to the Swiss Prime Investment Foundation in the fourth quarter of 2015 amounting to a total of around CHF 420 million diminished rental



income accordingly. The vacancy rate in the Real Estate business field amounted to 6.5% (previous year: 6.4%).

Income from real estate services from Wincasa climbed by 9.0% to CHF 109.5 million (previous year: CHF 100.5 million). Wincasa succeeded in acquiring new contracts for its integrated real estate services and expanding its presence throughout Switzerland.

In the wake of a roughly three-year construction period, the Maaghof North and East residential building complex was completed in April 2015, comprising 137 rental apartments, 83 condominiums and 2 200 square metres of services floor space. All condominiums had been sold as at the end of December 2015. The rental apartments were divested to the Swiss Prime Investment Foundation in the fourth quarter of 2015.

The Real Estate business field realised gross profit of CHF 42.2 million from sales of condominiums in the reporting year (there were no condominium sales in the previous year). Realised profit from sales of investment properties amounted to CHF 30.9 million (previous year: CHF 2.1 million).

Retail business field

Income from the Retail business field (including gastronomy until mid-year) declined by 9.9% to CHF 137.0 million (previous year: CHF 152.1 million). Jelmoli – The House of Brands on the Bahnhofstrasse in Zurich turned in a successful performance as the leading premium department store, amid the increasingly challenging Swiss retail trade market. In 2015, roughly six million customers visited the premium department store and purchased goods and services with a value of around CHF 260 million (proprietary and third-party revenues/shop-in-shop). The Clouds restaurant operation in Prime Tower was transferred to Candrian Catering AG at mid-year 2015 (following an extended period of preparations) and was no longer part of the business field from this date.

Assisted Living business field

Tertianum Group generated a 20.4% boost in income from assisted living of CHF 185.0 million (previous year: CHF 153.6 million), in addition to rental income of CHF 51.3 million (previous year: CHF 47.1 million). The acquisition of SENIOcare was concluded at the beginning of October. With a total of CHF 107.1 million in 2014, SENIOcare was the leading provider in terms of revenues in the geriatric care centre segment in Switzerland, managing a total of 29 operating facilities with 1 128 geriatric care beds and 214 apartments.

The purchase agreement for acquiring the senior care activities of Boas-Yakhin Holding AG was signed on 15 December 2015. The acquisition was concluded at the end of February 2016. Boas Senior Care is active in French-speaking Switzerland and realised revenues of roughly CHF 70 million in 2014, managing a total of 15 operating facilities with 632 geriatric care beds and 176 apartments. With both acquisitions, Swiss Prime Site is consistently



further pursuing its growth strategy in the Assisted Living business field, thereby continuing to expand Tertianum Group's leading market position as private provider in Switzerland.

Share and share capital

Earnings per share (EPS) increased by 12.3% to CHF 5.30 (previous year: CHF 4.72) and before revaluation effects (i.e. revaluations and deferred taxes) by 7.7% to CHF 4.20 (previous year: CHF 3.90). Net asset value (NAV) before deferred taxes edged up from CHF 84.77 to CHF 85.83, and after deferred taxes rose from CHF 69.06 to CHF 71.15, versus the respective levels at 31 December 2014.

Proposals to the Annual General Meeting

The Board of Directors is proposing a distribution of CHF 3.70 per share to the Annual General Meeting (AGM) on 12 April 2016, in the form of a withholding tax-exempt distribution from capital contribution reserves. The proposed distribution corresponds to an attractive cash yield of 4.7% (5.1%), based on the closing share price of CHF 78.50 (CHF 73.00) at year-end. The financial resources realised with the record results should be utilised for the continuation of the Company's growth strategy.

Furthermore, the election of two new Board of Directors members is being proposed to the Annual General Meeting. The candidates are Dr. Elisabeth Bourqui (*1975, Swiss, French and Canadian nationalities), Head of Pension Management at ABB Group, as well as Markus Graf (*1949, Swiss nationality), Chief Executive Officer of Swiss Prime Site AG until end-2015. The Board of Directors is proposing the re-election of the other existing members. The Vice-Chairman of the Board of Directors to date, Dr. Thomas Wetzler, is no longer running for re-election.

Outlook for Swiss Prime Site

Swiss Prime Site's forecast for 2016 calls for rental income and total operating income that are above the previous year's levels, respectively. The vacancy rate should hover between 6% and 7%. The record year 2015 will not be duplicated from the current perspective, in light of the above-average proceeds realised from sales of condominiums and investment properties. Nevertheless, Swiss Prime Site anticipates that the trend in robust profitability will prevail and assesses the prospects for 2016 as positive.

SELECTED GROUP KEY FIGURES

	in	31.12.2014	31.12.2015	Change in %
Investment properties at fair value	CHF m	9 785.0	9 686.6	- 1.0
Rental income from properties	CHF m	443.1	445.9	0.6
Vacancy rate	%	6.6	6.7	1.5
Income from sale of trading properties	CHF m	-	105.1	n.a.
Income from real estate services	CHF m	100.1	109.0	8.9
Income from retail ¹	CHF m	151.9	136.8	- 9.9
Income from assisted living ²	CHF m	153.3	184.2	20.2
Total operating income	CHF m	852.7	995.2	16.7
Revaluation of investment properties, properties under construction and development sites	CHF m	113.2	124.6	10.1
Result from investments in associates	CHF m	12.9	12.1	- 6.2
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	CHF m	497.9	582.6	17.0
Earnings before interest and taxes (EBIT)	CHF m	462.8	553.4	19.6
Profit	CHF m	286.7	355.1	23.9
of which attributable to non- controlling interests	CHF m	0.9	- 0.8	n.a.
Comprehensive income	CHF m	288.2	377.1	30.8
of which attributable to non- controlling interests	CHF m	0.9	- 0.8	n.a.
Shareholders' equity	CHF m	4 201.8	4 956.0	17.9
of which non- controlling interests	CHF m	1.6	0.2	- 87.5
Equity ratio	%	39.6	46.4	17.1
Borrowed capital	CHF m	6 400.3	5 734.6	- 10.4
Total capital	CHF m	10 602.1	10 690.6	0.8
Return on equity (ROE)	%	7.0	7.6	8.6
Return on invested capital (ROIC)	%	3.7	4.3	16.2
Earnings per share (EPS)	CHF	4.72	5.30	12.3
NAV before deferred taxes per share	CHF	84.77	85.83	1.3
NAV after deferred taxes per share	CHF	69.06	71.15	3.0
Figures excluding revaluation effects³				
Earnings before interest and taxes (EBIT)	CHF m	349.6	428.9	22.7
Profit	CHF m	236.0	280.8	19.0
of which attributable to non- controlling interests	CHF m	-	- 0.2	n.a.
Comprehensive income	CHF m	207.6	273.6	31.8
Earnings per share (EPS)	CHF	3.90	4.20	7.7
Return on equity (ROE)	%	5.9	6.1	3.4

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

² 2015: acquisition of SENIOcare Group as at 01.10.2015, WGDM Papillon AG as at 01.07.2015 and Sternmatt Pflegegruppen as at 05.01.2015
2014: sale of Permed AG as at 17.03.2014

³ revaluations and deferred taxes



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The financial results press conference can be viewed live via:
<http://www.swiss-prime-site.ch/en/investor-relations/pressconference>

Link to online annual report:
<http://www.swiss-prime-site.ch/en/investor-relations/annual-report-2015>

Link to annual report PDF:
<http://www.swiss-prime-site.ch/en/investor-relations/downloads#1>

Swiss Prime Site

Swiss Prime Site AG is Switzerland's leading listed real estate company. The Group's portfolio is valued at CHF 9.7 billion and comprises value-retaining and high-quality properties with primarily office and retail floor space situated in prime locations. The real estate investments, coupled with the real estate services provided by group company Wincasa AG, make up the Real Estate business field. The Retail business field consists of Jelmoli – The House of Brands premium department store. The Assisted Living business field comprises the senior residences and geriatric care facilities provided by Tertianum Group.

Swiss Prime Site is distinguished by its experienced management team, considerable earnings continuity and excellent risk/return profile. The Company has been listed on the SIX Swiss Exchange since 2000 and reports market capitalisation of CHF 5.5 billion as at the last balance sheet date.

SIX Swiss Exchange / symbol SPSN / securities number 803 838

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