

SWISS PRIME SITE

MEDIA RELEASE

Olten, 25 October 2017

Swiss Prime Site's Capital Markets Day focuses on company's development pipeline

- **Developments and modernisations foster independence and enhance yields**
- **2017 targets confirmed**

Growth and profitability spurred by market independence, innovation and sustainability

Swiss Prime Site, Switzerland's leading listed real estate company, is hosting a Capital Markets Day in Zurich today. The focus of this event is on the company's development pipeline in its core real estate business. In order to enhance its independence from the transactions market and to foster additional growth and profitability in an environment characterised by low interest rates and high property prices, Swiss Prime Site is placing deliberate emphasis on its own development projects. These developments are not limited to new constructions, but also encompass modernisation projects, thus optimally responding to current megatrends. By implementing this strategy, the company aims not only to raise the current net yield on its portfolio but also to reduce vacancy rates. As René Zahnd, Swiss Prime Site's CEO, explains, «We are gaining momentum by focusing on development projects sourced from a healthy pipeline worth over CHF 2 billion. In the years ahead, this will enable us to achieve internally generated growth and an above-average increase in the profitability of our portfolio».

Enhanced yields thanks to development projects and modernisations

Swiss Prime Site's portfolio comprises some 20 projects which are currently in the construction, development or sales phase. The total investment value of the projects in the construction phase is around CHF 600 million. Between 2017 and 2021, these projects will create more than 100 000 m² of new floorspace, generate additional rental revenue of approximately CHF 37 million and a projected net yield (on cost) of 5.4%. Planned investments in projects currently in the development phase are projected to total some CHF 900 million between 2018 and 2023. These projects are expected to create some 130 000 m² of new rental floorspace generating approximately CHF 50 million in additional rental income. The estimated net yield (on cost) on these developments is 4.6% on average. The sale of two projects is currently also under way. Swiss Prime Site expects these transactions to generate proceeds of some CHF 300 million and a pre-tax profit of CHF 100 million in the years 2017 to 2021 in total. Further potential for growth is available from the company's reserves of new building land and additional construction capacity, amounting to some 129 000 m², which will further enhance its existing independence from the transactions market. In the words of Peter Lehmann, Swiss Prime Site Immobilien's CEO, «Thanks to their above-average net yields, our development projects will raise our NAV per share».

2017 targets confirmed

Swiss Prime Site is well on the way to achieving the targets it has set itself for 2017. These include an increase in operating income and EBIT before revaluations, a further reduction in vacancy rates, continued expansion of the real estate portfolio as well as a stable and attractive dividend payout to shareholders.

SWISS PRIME SITE

Should you have any further questions, please contact:

- **Investor Relations, Markus Waeber**
Phone +41 58 317 17 64, markus.waeber@sps.swiss
- **Media Relations, Mladen Tomic**
Phone +41 58 317 17 42, mladen.tomic@sps.swiss

Link to the Capital Markets Day presentation (PDF)

<https://www.sps.swiss/en/media/downloads>

Swiss Prime Site

Swiss Prime Site is Switzerland's leading listed real estate company. The value of the Group's high-quality portfolio exceeds CHF 10 billion and comprises value-retaining properties in prime locations, most of which incorporate office and retail space. Swiss Prime Site Immobilien AG invests in first-class buildings and land. These activities, coupled with transformation and development projects encompassing entire large-scale sites, constitute Swiss Prime Site's core business. The principal property in the Group's real-estate-related business is Jelmoli – The House of Brands in Zurich, Switzerland's leading premium department store. The store's overall floorspace of 23 800 m² is divided between Jelmoli formats and shop-in-shop concepts operated by third parties. As Switzerland's largest and most significant integrated real estate services provider, the Group's Wincasa division ideally complements Swiss Prime Site's core business. Wincasa's innovative service offering covers the entire property life cycle. The value of its assets under management is approximately CHF 65 billion. Tertianum, Switzerland's leading service provider in the expanding assisted living for seniors field, further complements Swiss Prime Site's business portfolio. At its more than 74 residential and care centres, Tertianum's mission is to provide high-quality living accommodation which combines the autonomy senior residents want with the individual services, security, care and support they need. In 2017, the Group established Swiss Prime Site Solutions, an asset management company focusing on the real estate sector. This business field develops tailor made service solutions and investment products for third-party clients.

Swiss Prime Site is notable for its experienced management team, its high level of earnings continuity and its excellent risk/return profile. The company has been listed on SIX Swiss Exchange since 2000 and has a market capitalisation of some CHF 6 billion.

SIX Swiss Exchange / Symbol SPSN / Swiss securities number 803 838

THIS PRESS RELEASE IS NOT BEING ISSUED IN THE UNITED STATES OF AMERICA AND SHOULD NOT BE DISTRIBUTED TO UNITED STATES PERSONS OR PUBLICATIONS WITH A GENERAL CIRCULATION IN THE UNITED STATES. THIS DOCUMENT DOES NOT CONSTITUTE AN OFFER OR INVITATION TO SUBSCRIBE FOR OR PURCHASE ANY SECURITIES. IN ADDITION, THE SECURITIES OF SWISS PRIME SITE AG HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO U.S. PERSONS ABSENT FROM REGISTRATION UNDER OR AN APPLICABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE UNITED STATES SECURITIES LAWS.