

SWISS PRIME SITE

PRESS RELEASE

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Development pipeline in focus at Capital Markets Day 2018 in Geneva

- **Attractive project pipeline**
- **Growth, increased profitability and returns through project development**
- **Acquisition of «streamnow» by Wincasa**
- **Confirmation of annual targets 2018**

Attractive project pipeline

Swiss Prime Site is holding a Capital Markets Day today in Geneva. The main focus of the day is the project pipeline of the core real estate business. In addition to Zurich and Basel, the Geneva basin represents an extremely dynamic and important geographical market segment for Swiss Prime Site. Today, approximately 24% or CHF 2.6 billion of the property portfolio totalling about CHF 11 billion is located in western Switzerland. The company's development pipeline, which is important for future growth and sustained profitability, boasts a total volume of CHF 2.0 billion. This also includes three projects in western Switzerland with investments to the value of CHF 650 million. René Zahnd, CEO of Swiss Prime Site, explains: «The market in western Switzerland is of significant interest to us. The further development of Geneva also gives us the opportunity to play an active part in the future of the biggest city in the region.»

Growth, increased profitability and returns from project developments

Swiss Prime Site's project pipeline currently includes 15 major projects. Six properties are under construction, with a total investment volume of CHF 800 million, anticipated rental income of CHF 45 million and a total rental space of 157 000 m². Nine further projects are planned between 2019 and 2026. The intended investment volume will amount to CHF 900 million and will generate office and commercial space in the region of 136 000 m². CHF 47 million of rental income is expected from the projects under development. On average, Swiss Prime Site anticipates a net yield (on cost) of 5% on the projects. In addition, the company has substantial land and densification reserves at its disposal (CHF 300 million). As already communicated in 2017, the «Weltpost Park» project and parts of «Espace Tourbillon» were sold according to plan. This will realise pre-tax profits of CHF 100 million until completion. For many years, the company has pushed ahead with its own project developments in order to be able to operate as far as possible independently of the transaction market. Peter Lehmann, CEO of Swiss Prime Site Immobilien explains: «Through our pipeline, we can actively influence rental growth ourselves and generate at the same time attractive capital gains through sales. In addition, we will also increase the profitability of our portfolio.» Furthermore, own real estate development projects also enable the use of group-wide synergies.

Acquisition of «streamnow» by Wincasa

As at 19 October 2018, Wincasa, a Swiss Prime Site group company, acquired «streamnow». This platform, already established in the market, bundles digital services relating to rental agreements and makes them available to users via a digital portal. The purchase complements Wincasa's digital strategy perfectly.

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Confirmation of the annual targets 2018

Swiss Prime Site expects to meet its targets for the financial year 2018. These include an increase in operating income and EBIT before revaluations, a stable, low vacancy rate of under 5%, further growth of the property portfolio and an attractive distribution to shareholders.

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Link to Capital Markets Day presentation (PDF – in English only)

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

Swiss Prime Site

Swiss Prime Site AG is the leading listed real estate company in Switzerland. Its high quality real estate is worth approximately CHF 11 billion and consists of properties with a stable value in prime locations, with mostly office and retail floor space. Swiss Prime Site Immobilien AG invests in high quality buildings and land, which together with conversion and development of entire areas form the company's core business. One of the real estate-related group companies is the leading premium department store in Switzerland, Jelmoli – The House of Brands, in Zurich, the most important property in the portfolio. Third-party shop-in-shop concepts and its own formats are managed there on 23,800 m² of retail floor space. Wincasa is the biggest and most important integral real estate service provider in Switzerland and ideally complements Swiss Prime Site's core business. Its innovative range of services cover the entire property life cycle. Assets under management amount to approximately CHF 67 billion. Tertianum, the leading Swiss service provider in the promising area of assisted living, further expands the Swiss Prime Site Group. Quality living with associated autonomy, individual services, safety, and care and support are the core focus of Tertianum and its more than 77 residential and care centres. In 2017, an asset manager focusing on the real estate sector was founded with Swiss Prime Site Solutions. This business area develops customised services and investment products for third-party clients.

Swiss Prime Site is distinguished by its experienced management team, high earnings continuity and outstanding risk-return profile. The company has been listed on the SIX Swiss Exchange since 2000 and has a market capitalisation of approximately CHF 6 billion.

SIX Swiss Exchange | Symbol SPSN | Securities number 803 838

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