MEDIA RELEASE

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For immediate release

Quarterly report as at 30 September 2014

Rental income climbs amid challenging market environment

- Rental income grows by 6.2% to CHF 330.6 million
- Value of real estate portfolio edges up by 2.6% to CHF 9.6 billion
- EBIT before revaluations rises by 2.3% to CHF 254.3 million
- Profit before revaluation effects increases to CHF 169.8 million (+5.7%)
- Optimistic outlook prevails

Swiss Prime Site boosted operating income by 16.7% in the first nine months of the financial year 2014, from CHF 537.3 million to CHF 627.2 million. EBIT excluding revaluation effects* increased by 2.3% from CHF 248.6 million to CHF 254.3 million. The corresponding profit rose by 5.7% from CHF 160.6 million to CHF 169.8 million. EBIT after revaluations dropped by 25.6% from CHF 421.6 million to CHF 313.7 million as a result of the 65.6% change in revaluations of real estate to CHF 59.5 million as well as the 30.9% pick-up in operating expenses to CHF 377.7 million. Group profit contracted by 29.2% from CHF 267.4 million to CHF 189.3 million.

Rental income from real estate holdings – Swiss Prime Site Group’s core business – increased by 6.2% to CHF 330.6 million. The vacancy rate dipped versus the level of the previous quarter, from 6.8% to 6.6%. Income from real estate services of CHF 76.0 million rose 5.1% versus the comparable previous year’s period. Income from the retail and gastronomy segment declined by 3.0% to CHF 104.5 million, which was attributable primarily to the divestment of the Hotel Ramada Encore’s operating business in Geneva. Income from assisted living amounted to CHF 113.1 million (CHF 42.7 million). Tertianum Group fulfilled the expectations in every aspect and provides interesting growth opportunities.

The reported fair value of the real estate portfolio amounted to CHF 9.6 billion as at 30 September 2014, growing by 2.6% versus the relevant previous year’s level of CHF 9.4 billion, or 3.2% above the level as at year-end 2013. Two properties located in Lausanne and Rapperswil-Jona as well as a plot of land were divested, while two properties (Vitadomo Bellinzona and the Siemens Site Zurich) were also acquired in the reporting period. The stake in real estate firm Ensemble artisanal et commercial de Riantbosson with building land in Meyrin was increased from 31.0% to 57.4%.

*revaluations (IAS 40) and deferred taxes
Development of the new building projects is proceeding according to plan: for example, the residential building complex Maaghof North and East in Zurich (ready for occupancy in December 2014 and spring 2015, respectively); the Vitadomo facilities located in Opfikon and Bellinzona; the nearly completed new Swiss Post headquarters in Berne and the Flurpark modification project in Zurich. In addition, the new SkyKey building in Zurich celebrated its opening on 23 October.

The equity ratio of 39.1% remained unchanged versus the figure at year-end 2013. Return on equity (ROE, weighted) was 6.2% (9.5% as at 30 September 2013).

**Share and share capital**

Earnings per share (EPS) before revaluation effects climbed by 5.6% from CHF 2.66 to CHF 2.81 and after revaluation effects dropped by 29.8% from CHF 4.43 to CHF 3.11. Net asset value (NAV) before deferred taxes amounted to CHF 82.76 per share as at 30 September 2014, thus exceeding the previous year’s figure of 2.1% (CHF 81.07). NAV after deferred taxes edged up by 1.5% from CHF 66.37 to CHF 67.36. The Swiss Prime Site share’s closing price on 30 September 2014 amounted to CHF 70.90, corresponding to market capitalisation of CHF 4.3 billion. The stock turned in a performance (TR = total return) of 7.7% in the first three quarters of 2014, thus slightly underperforming the SXI Real Estate Shares Index (+8.0%) and Swiss Performance Index (SPI) (+10.9%).

On 16 April 2014, Swiss Prime Site issued a bond amounting to CHF 300.0 million with interest rate of 1.75% and maturity of seven years.

**Acquisition of Swiss Post headquarters**

Swiss Prime Site acquired the property located at Viktoriastrasse 21/21a/21b in Berne as at 1 October 2014. Swiss Post is still the tenant at "Schönburg" until mid-2015 and will take up residence at its new headquarters at Wankdorfallee (Majowa) in spring 2015. Swiss Prime Site is reviewing various options for converting and further developing the easily accessible urban property comprising 14 000 square metres.

**Outlook**

Although the market for commercial properties has become more challenging, Swiss Prime Site expects a persistently high occupancy rate of more than 93%. Continuity is also provided by the fact that 70% of total rental income is realised from rental agreements with a residual term to expiry of more than three years. The lion’s share of new building projects to be completed in the next two years is leased already today. For the financial year 2014, Swiss Prime Site forecasts EBIT and net profit figures (before revaluation and one-time effects) that surpass the respective 2013 levels, as well as net rental income in the neighbourhood of CHF 440 million.
### Swiss Prime Site Group: Selected key figures

<table>
<thead>
<tr>
<th>Figures without revaluation effects*</th>
<th>30.09.2013</th>
<th>30.09.2014</th>
<th>Changes in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings before interest and taxes  (EBIT)</td>
<td>CHF m 248.6</td>
<td>254.3</td>
<td>2.3</td>
</tr>
<tr>
<td>Profit</td>
<td>CHF m 160.6</td>
<td>169.8</td>
<td>5.7</td>
</tr>
<tr>
<td>of which non-controlling interests2</td>
<td>CHF m -0.0</td>
<td>100.0</td>
<td></td>
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<tr>
<td>Comprehensive income</td>
<td>CHF m 170.1</td>
<td>158.5</td>
<td>-6.8</td>
</tr>
<tr>
<td>of which non-controlling interests2</td>
<td>CHF m -0.0</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>ROE (weighted)</td>
<td>% 5.9</td>
<td>5.6</td>
<td>-5.1</td>
</tr>
<tr>
<td>ROIC (weighted)</td>
<td>% 4.9</td>
<td>3.4</td>
<td>-30.6</td>
</tr>
</tbody>
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* revaluations (IAS 40) and deferred taxes

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1 acquisition of Tertianum Ltd as at 12.07.2013; divestment of Permed Ltd as at 17.03.2014
2 full consolidation of Ensemble artisanal et commercial de Riantbosson S.A. as at 15.01.2014 (total stake = 57.4%)
* revaluations (IAS 40) and deferred taxes
Contact

- Markus Graf, CEO
  Tel. +41 58 317 17 00, markus.graf@swiss-prime-site.ch

- Peter Wullschleger, CFO
  Tel. +41 58 317 17 20, peter.wullschleger@swiss-prime-site.ch

Swiss Prime Site AG is Switzerland's largest listed real estate investment company. The Group's portfolio is valued at CHF 9.6 billion and comprises first-class, 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 subsidiary Wincasa Ltd, make up the real estate segment. The retail and gastronomy segment consists of Jelmoli – The House of Brands department store and Clouds Restaurant in Prime Tower, Zurich. The assisted living segment comprises the senior residences and geriatric care facilities provided by Tertianum Group, which was acquired in mid-2013.

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 4.3 billion.

SIX Swiss Exchange / symbol SPSN / securities number 803 838