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MEDIA RELEASE

13 September 2012
For immediate release

Semi-annual report as at 30 June 2012

Further improvement in earnings quality

Olten, 13 September 2012 – Swiss Prime Site AG succeeded in boosting EBIT by 20.8% to CHF 291.8 million and profit by 18.3% to CHF 180.3 million in the first half-year 2012. The portfolio was valued at CHF 8 350.0 million (+2.3%). For the full-year 2012, Swiss Prime Site continues to forecast a loss of earnings rate of less than 5.5% as well as EBIT and net profit figures (before revaluation and one-time effects) that are at least in line with the respective previous year's levels.

Swiss Prime Site AG reaped benefits in the first half-year 2012 from the prevailing positive economic environment, focus on first-class office and retail properties as well as valuation gains. Earnings before interest and taxes (EBIT) surged by 20.8% from CHF 241.5 million to CHF 291.8 million, of which revaluations amounted to CHF 130.4 million (excluding owner-occupied properties). This corresponded to an increase of 67.6% versus the CHF 77.8 million recorded in the previous year's period. Including revaluation effects*, profit climbed by 18.3% to CHF 180.3 million (CHF 152.4 million) and comprehensive income rose from CHF 154.9 million to CHF 182.3 million. Excluding revaluation effects, profit and comprehensive income reached the CHF 94.3 million mark, respectively (CHF 105.1 million). The change versus the previous year was attributable primarily to one-time income from investments in associates in the amount of roughly CHF 10 million booked in 2011. Weighted earnings per share before revaluation effects declined by 10.4% from CHF 1.93 to CHF 1.73. Including revaluation effects, weighted earnings per share increased by 17.8% from CHF 2.81 to CHF 3.31.

"We have actively pursued our "prime strategy" over the past 12 years, enabling us to also reap the rewards in the first half-year 2012 accordingly," declared Swiss Prime Site CEO Markus Graf.

Net asset value (NAV) before deferred taxes stood at CHF 77.26 as at 30 June 2012 compared with CHF 76.72 as at 31 December 2011 (+0.7%). NAV after deferred taxes declined by 0.4% from CHF 63.34 to CHF 63.11. The premium – i.e. difference between the share price of CHF 79.15 (CHF 70.55) and NAV after deferred taxes – amounted to 25.4% (11.4%). The withholding tax-exempt distribution from capital contribution reserves issued to shareholders this year amounted to CHF 3.60 (CHF 3.50) per share. The distribution corresponded to a cash yield of 5.1% (5.0%), based on the closing share price at 31 December 2011.

* revaluations (IAS 40) and deferred taxes

The return on equity (ROE, weighted) amounted to 10.5% (10.6% as at 31 December 2011) and the weighted return on invested capital (ROIC) totalled 5.5% (5.8%). The balance sheet ratios changed just slightly. The equity ratio reached 39.6% (40.0%) and the borrowed capital ratio amounted to 60.4% (60.0%).

Conversions of 2 690 units of the CHF 300 million convertible bond into 187 088 registered shares were carried out in April, resulting in an increase in share capital of CHF 2.9 million and in capital reserves of CHF 10.4 million.

The closing price of the Swiss Prime Site AG share was CHF 79.15 at the end of the reporting period (CHF 70.55 as at 31 December 2011), resulting in a total return (i.e. share-price performance and distribution = total return (TR)) of 17.6% (6.1%). The performance once again clearly surpassed the Swiss Performance Index SPI (+5.4%) as well as the SXI Real Estate Shares benchmark index (+12.5%).

The Swiss Prime Site share will be listed on the Swiss Leader Index (SLI) of the SIX Swiss Exchange starting from 24 September 2012, which comprises the stocks of the Swiss Market Index (SMI) as well as the ten largest stocks of the SMIM – thus including the 30 largest and most liquid stocks on the Swiss equity market.

The weighted average interest rate on all financial liabilities amounted to 2.6% (2.8%), with an average residual term to maturity of 4.1 (4.5 end 2011) years.

Net rental income of CHF 204.2 million surpassed the previous year's level (CHF 203.8 million) by 0.2%. This pickup, attributable to the new building projects completed in the previous financial year, was partially offset by the elimination of rental income resulting from various divestments. The loss of earnings rate rose from 4.9% to 5.4%, as expected.

Total operating income edged up by 0.8% to CHF 281.4 million (CHF 279.1 million). This figure included net turnover from the retail trade segment of CHF 76.2 million (CHF 73.7 million), comprising CHF 64.6 million (CHF 68.8 million) generated by Jelmoni – The House of Brands department store (before group eliminations) as well as income from the hotel business of CHF 11.7 million (CHF 5.0 million). The revenues realised by Clouds Restaurant – which opened its doors in Prime Tower at end 2011 – were included here as well.

Real estate portfolio

The real estate portfolio was valued at CHF 8 350.0 million as at 30 June 2012 (CHF 8 165.1 million as at 31 December 2011), corresponding to an increase of 2.3%. The portfolio comprised 170 existing properties, 12 plots of building land and 4 new building projects. The commercial building located at Vadianstrasse 25 in St. Gallen was divested at a profit at the outset of the financial year. Moreover, the new building project Majowa in Berne was acquired on 12 March 2012.

The pickup in the fair value of the real estate portfolio of CHF 184.9 million was attributable to value changes and investments in the new building projects Maaghof North and East, SkyKey and MFO building in Zurich (CHF +33.7 million), value changes (including renovations/investments) in existing properties (CHF +147.1 million) and plots of building land (CHF +0.6 million), the acquisition of the Majowa project in Berne (CHF +12.0 million) as

well as the divestment of the property located in St. Gallen (CHF -8.5 million). The value of existing properties edged up by 1.6% in the reporting period. The weighted average real discount rate amounted to 4.26% (4.38% as at 31 December 2011).

The construction start-up for the residential building complex Maaghof North and East located at the Maag Site in Zurich kicked off in July 2012. Swiss Prime Site is investing roughly CHF 140 million for the construction of 137 rental apartments and 82 condominiums.

The spectacular translocation of the MFO building in Zurich Oerlikon proceeded successfully on 22/23 May 2012 amid tremendous interest on the part of the public and media. Final construction activities are still underway.

Outlook

Swiss Prime Site basically continues to take an optimistic stance regarding the second half of 2012 and anticipates a persistently high occupancy rate. The loss of earnings rate should hover in a range between 5.0% and 5.5% of target rental income and therefore still considerably below the market average. Roughly 60% of net rental income is based on rental agreements that still extend for residual terms of four to ten years. The Company forecasts EBIT and net profit figures (before revaluation and one-time effects) that trend in line with, or slightly surpass, the previous year's levels. The excellent quality of the locations and properties of the real estate portfolio as well as intact overall economic conditions pave the way for Swiss Prime Site's positive assessment.

As already announced, Swiss Prime Site will integrate significant management services that had been previously provided by the related Credit Suisse AG, Real Estate Asset Management, into the Company effective as at 1 January 2013. CEO Markus Graf, CFO Peter Wullschleger and CIO Peter Lehmann, who, together with Franco Savastano (CEO Jelmoli – The House of Brands), had previously formed the firm's Management Board, will be directly employed by Swiss Prime Site, in addition to other real estate specialists with a proven track record. The management agreement with Credit Suisse AG will continue to remain in effect in a reduced form.

Selected key figures

	Figures in	30.06.2012	30.06.2011	Change in %
Investment properties	CHF m	8 350.0	8 181.2	2.1
Net rental income	CHF m	204.2	203.8	0.2
Loss of earnings rate	%	5.4	4.9	10.2
Net retail trade turnover	CHF m	76.2	73.7	3.4
Earnings before interest, taxes depreciation and amortisation (EBITDA)	CHF m	299.8	249.7	20.1
Earnings before interest and taxes (EBIT)	CHF m	291.8	241.5	20.8
Revaluation of investment properties (IAS 40)	CHF m	130.4	77.8	67.6
Profit attributable to shareholders of Swiss Prime Site AG	CHF m	180.3	152.4	18.3
Comprehensive income attributable to shareholders of Swiss Prime Site AG	CHF m	182.3	154.9	17.7
Shareholders' equity attributable to shareholders of Swiss Prime Site AG	CHF m	3 442.8	3 232.3	6.5
Equity ratio	%	39.6	37.9	4.5
Borrowed capital	CHF m	5 250.9	5 300.7	-0.9
Borrowed capital ratio	%	60.4	62.1	-2.7
ROE (weighted)	%	10.5	9.4	11.7
ROIC (weighted)	%	5.5	5.1	7.8
Earnings per share (weighted)	CHF	3.31	2.81	17.8
NAV before deferred taxes per share	CHF	77.26	72.04	7.2
NAV after deferred taxes per share	CHF	63.11	59.50	6.1
Figures without revaluation effects*				
Earnings before interest and taxes (EBIT)	CHF m	161.4	163.7	-1.4
Profit attributable to shareholders of Swiss Prime Site AG	CHF m	94.3	105.1	-10.3
Earnings per share (weighted)	CHF	1.73	1.93	-10.4
ROE (weighted)	%	5.6	6.6	-15.2

* revaluations (IAS 40) and deferred taxes

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Webcast on the Internet

You can find the live webcast of the financial results press conference on the Internet in German and English at: www.swiss-prime-site.ch/pressconference

Swiss Prime Site

Swiss Prime Site AG is Switzerland's leading real estate investment company. The Company's portfolio is valued at CHF 8.4 billion and comprises first-class, value-retaining retail and commercial 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 4.3 billion.

SIX Swiss Exchange / symbol SPSN / securities number 803 838

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