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MEDIA RELEASE

Olten, 19 May 2016

Quarterly report as at 31 March 2016

Swiss Prime Site kicks off new financial year on positive operating note

- **Quarterly results in line with expectations**
- **Significant success achieved in core real estate business**
- **Vacancy rates reduced versus previous year**
- **Acquisitions in Assisted Living business field developing favourably**

The first quarter 2016 results were in line with expectations. Operating profit (EBIT) climbed by 13.8% versus the prior year's period to CHF 243.7 million (previous year: CHF 214.1 million). Profit edged down by 2.4% to CHF 48.8 million (previous year: CHF 50.0 million). EBIT excluding revaluations decreased by 3.3% to CHF 83.8 million (previous year: CHF 86.7 million). Profit before revaluation effects (i.e. revaluations and deferred taxes) of CHF 53.7 million fell slightly short of the prior year's mark (previous year: CHF 54.5 million).

The equity ratio strengthened further versus the previous year (46.6%). Total shareholders' equity traversed the CHF 5 billion threshold for the first time. The return on equity (ROE) amounted to 4.0% as at 31 March 2016 (previous year: 4.7%) and the return on invested capital (ROIC) totalled 2.7% (previous year: 2.9%).

Real Estate business field

The Real Estate business field continued to boost rental income from investment properties, which edged up by 0.2% year-on-year to CHF 113.2 million (previous year: CHF 113.0 million). At the same time, rental income from additionally leased properties considerably compensated for the eliminated rental income from the properties divested at a profit in the financial year 2015. The vacancy rate (Group) declined significantly, from 7.0% in the previous year's quarter or from 6.7% as at 31 December 2015, to 6.5%, Swiss Prime Site forecasts a further reduction in the vacancy rate in conjunction with its proactive portfolio management.



An additional 2,500 square metres of services floor space was leased at the converted Media Park (formerly Flurpark) property in Zurich. Hence, a total of 12,500 square metres of services floor space has been leased at this property since December 2015.

Assets managed by Swiss Prime Site in the Swiss Prime Investment Foundation launched last autumn have grown to roughly CHF 600 million.

Income from real estate services rose by 4.4% to CHF 28.3 million (previous year: CHF 27.1 million) due to acquired contracts for Swisscom and Swisscanto.

Retail business field

Income from the Retail business field (including Clouds restaurant in Prime Tower until mid-year 2015) declined by 11.1% to CHF 28.7 million (previous year: CHF 32.3 million). Revenues at Jelmoli – The House of Brands on the Bahnhofstrasse in Zurich edged down by 3.7% year-on-year, particularly due to the lack of sales from floor space that was undergoing modifications in the first quarter of 2016 for the opening debut of the largest shoe world in Switzerland.

Assisted Living business field

Tertianum Group generated an 85.3% surge in acquisition- and project-related income from assisted living of CHF 70.8 million (previous year: CHF 38.2 million). Integration of the SENIOcare acquisition concluded at the beginning of October 2015 proceeded according to plan. The acquisition announced in December 2015 of the SENIOcare activities of Boas-Yakhin Holding AG was concluded at the end of February 2016, and its integration into Tertianum Group initiated.

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 in Switzerland.

Share and share capital

Net asset value (NAV) before deferred taxes increased from CHF 85.83 to CHF 86.60 and NAV after deferred taxes edged up from CHF 71.15 to CHF 71.92, versus the respective levels at 31 December 2015. Earnings per share (EPS) dipped year-on-year from CHF 0.79 to CHF 0.71 and EPS before revaluation effects (i.e. revaluations and deferred taxes) declined from CHF 0.86 to CHF 0.77.

The Swiss Prime Site share price closed at CHF 84.80 on 31 March 2016. The share's performance (total return) of +8.0% in the first quarter of 2016 surpassed that of the SXI Real Estate Shares Index (+6.6%) as well as the Swiss Performance Index (SPI) (-8.5%). The distribution of CHF 3.70 per share approved at the Annual General Meeting (AGM) and paid out on 19 April 2016 corresponded to an attractive cash yield of 4.4%, based on the closing share price as at 31 March 2016.



Outlook

Swiss Prime Site foresees significant opportunities in development projects, property conversions and modernisations amid challenging real estate markets from investors' perspective. For instance, a building permit was issued for the Plan-les-Ouates major development project in Geneva.

For 2016, the Company forecasts rental income and total operating income that surpass the respective previous year's levels. The vacancy rate should continue to decline.

Swiss Prime Site remains favourably positioned to sustainably ensure returns with its high-quality portfolio and real estate-related business fields.

Selected Group key figures

	in	31.03.2015	31.03.2016	Change in %
Investment properties at fair value	CHF m	9 782.3	9 707.5	- 0.8
Rental income from properties	CHF m	113.0	113.2	0.2
Vacancy rate	%	7.0	6.5	- 7.1
Income from sale of trading properties	CHF m	2.4	-	- 100.0
Income from real estate services	CHF m	27.1	28.3	4.4
Income from retail ¹	CHF m	32.3	28.7	- 11.1
Income from assisted living ²	CHF m	38.2	70.8	85.3
Total operating income	CHF m	214.1	243.7	13.8
Revaluation of investment properties, properties under construction and development sites	CHF m	2.6	- 1.2	- 146.2
Result from investments in associates	CHF m	0.5	-	- 100.0
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	CHF m	96.6	91.9	- 4.9
Earnings before interest and taxes (EBIT)	CHF m	89.2	82.7	- 7.3
Profit	CHF m	50.0	48.8	- 2.4
of which attributable to non-controlling interests	CHF m	- 0.1	- 0.4	300.0
Comprehensive income	CHF m	53.1	51.9	- 2.3
of which attributable to non-controlling interests	CHF m	- 0.1	- 0.4	300.0
Shareholders' equity	CHF m	4 455.0	5 015.4	12.6
of which non-controlling interests	CHF m	1.5	- 0.2	- 113.3
Equity ratio	%	42.2	46.6	10.4
Borrowed capital	CHF m	6 101.6	5 735.8	- 6.0
Total capital	CHF m	10 556.6	10 751.2	1.8
Return on equity (ROE)	%	4.7	4.0	- 14.9
Return on invested capital (ROIC)	%	2.9	2.7	- 6.9
Earnings per share (EPS)	CHF	0.79	0.71	- 10.1
NAV before deferred taxes per share	CHF	85.07	86.60	1.8
NAV after deferred taxes per share	CHF	69.94	71.92	2.8

Figures excluding revaluation effects ³

Earnings before interest and taxes (EBIT)	CHF m	86.7	83.8	- 3.3
Profit	CHF m	54.5	53.7	- 1.5
of which attributable to non-controlling interests	CHF m	-	- 0.4	n.a.
Comprehensive income	CHF m	54.6	53.7	- 1.6
Earnings per share (EPS)	CHF	0.86	0.77	- 10.5
Return on equity (ROE)	%	5.1	4.3	- 15.7

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

² 2016: acquisition of Bo as Senior Care as at 29.02.2016

² 2015: acquisition of SENIOcare Group as at 01.10.2015, WGD M Papillon AG as at 01.07.2015 and Stermatt Pflegewohngruppen as at 05.01.2015

³ revaluations and deferred taxes

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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 5.9 billion as at the last balance sheet date.

SIX Swiss Exchange / symbol SPSN / securities number 803 838

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