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MEDIA RELEASE

Olten, 13 November 2015

Quarterly report as at 30 September 2015

Swiss Prime Site forges ahead with earnings-underpinned growth

- **Profit surges to CHF 249.8 million (+32.0%)**
- **Profit excluding revaluation effects surges to CHF 203.7 million (+20.0%)**
- **Earnings per share (EPS) climbs to CHF 3.77 (+21.2%)**
- **Acquisition of SENIOcare successfully concluded**
- **Launch of “Swiss Prime Investment Foundation” investment group succeeds**

Swiss Prime Site continued to stage a positive performance in the first nine months of 2015. Operating profit (EBIT) climbed by 25.7% versus the previous year's period from CHF 316.4 million to CHF 397.6 million. Profit surged by 32.0% from CHF 189.3 million to CHF 249.8 million. Revaluations amounted to CHF 100.0 million (previous year CHF 59.5 million). EBIT excluding revaluation effects (revaluations and deferred taxes) increased by 15.8% from CHF 257.0 million to CHF 297.6 million, while profit jumped by 20.0% from CHF 169.8 million to CHF 203.7 million.

The equity ratio edged up from 39.1% to 44.9%. The pickup is attributable to conversions of the CHF 300 million convertible bond (conversion rate of more than 90%) with maturity date of 20 January 2015, as well as to the capital increase by CHF 413.3 million on 29 May 2015. As at 30 September 2015, the return on equity (ROE) amounted to 7.3% (previous year 6.2%) and the total return on invested capital (ROIC) was 4.1% (previous year 3.4%).

Segment Reporting

Real Estate

The Real Estate segment boosted rental income from investment properties by 1.8% versus the previous year's period to CHF 327.1 million (CHF 321.2 million). The projects completed in 2014 – SkyKey in Zurich and Swiss Post headquarters/Majowa in Berne – provided a significant contribution to the higher rental income. The segment's vacancy rate amounted to 6.7% (6.4%).

The sale of condominiums at the Maaghof complex in Zurich-West is completed.

Income from real estate services generated by Wincasa rose by 8.9% from CHF 76.3 million to CHF 83.1 million.

Retail

Income from retail declined by 7.7% to CHF 96.5 million (previous year CHF 104.6 million). Despite a challenging Swiss retail environment Jelmoni – The House of Brands on the Bahnhofstrasse in Zurich succeeded in maintaining its position as the leading premium department store in Switzerland.

Assisted Living

Tertianum Group generated a 2.2% spurt in income (incl. rental income) of CHF 155.0 million (previous year CHF 151.7 million).

The acquisition of SENIOcare was concluded at the outset of October 2015. With revenues of CHF 107.1 million in 2014, SENIOcare is the market leader in the geriatric care facility segment in Switzerland, managing a total of 29 operating facilities with 1 128 geriatric care beds and 214 apartments. The acquisition propels Tertianum Group to the strongest private provider in the assisted living market segment in Switzerland in terms of revenues.

Share and share capital

Earnings per share (EPS) climbed by 21.2% from CHF 3.11 to CHF 3.77 and before revaluation effects by 9.3% from CHF 2.81 to CHF 3.07. Net asset value (NAV) before deferred taxes increased from CHF 82.76 to CHF 84.01 and after deferred taxes from CHF 67.36 to CHF 69.47 versus 30 September 2014.

Launch of “SPIF Real Estate Switzerland” investment group

Swiss Prime Site successfully launched the investment group “SPIF Real Estate Switzerland” of the Swiss Prime Investment Foundation. In the initial offering a total of CHF 550 million have been raised. The initial offering amounted to a total of CHF 1.5 billion which equals a triple oversubscription. Till the end of the year CHF 425 million of the proceeds will be invested.

Outlook

Underpinned by the domestic economy and net migration in Switzerland, Swiss Prime Site’s forecast for 2015/2016 calls for stable demand for first-class commercial properties situated in urban, excellently developed locations. The Company believes that it is well-positioned to continue on the growth path toward strengthening earnings in the supplemental real estate-related segments too.

Based on current trading and ongoing projects Swiss Prime Site predicts that rental income, operating profit (EBIT) and net profit figures will noticeably surpass the respective previous year’s levels. The vacancy rate is expected around 7.0%.

Selected Group key figures

	in	30.09.2014	30.09.2015	Change in %
Real estate portfolio at fair value	CHF m	9 634.0	9 931.0	3.1
Rental income from properties	CHF m	330.6	335.6	1.5
Vacancy rate	%	6.6	6.9	4.5
Income from sale of trading properties	CHF m	-	96.5	100.0
Income from real estate services	CHF m	76.0	82.8	8.9
Income from retail and gastronomy	CHF m	104.5	96.4	- 7.8
Income from assisted living ¹	CHF m	113.1	117.9	4.2
Total operating income	CHF m	627.2	734.6	17.1
Revaluation of investment properties, properties under construction and development sites	CHF m	59.5	100.0	68.1
Result from investments in associates	CHF m	2.7	5.5	103.7
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	CHF m	339.2	421.3	24.2
Earnings before interest and taxes (EBIT)	CHF m	316.4	397.6	25.7
Profit	CHF m	189.3	249.8	32.0
of w hich attributable to non-controlling interests	CHF m	0.9	- 0.3	- 133.3
Comprehensive income	CHF m	185.3	260.1	40.4
of w hich attributable to non-controlling interests	CHF m	0.9	- 0.3	- 133.3
Shareholders' equity	CHF m	4 076.7	4 839.5	18.7
of w hich non-controlling interests	CHF m	1.6	1.3	- 18.8
Equity ratio	%	39.1	44.9	14.8
Borrowed capital	CHF m	6 349.4	5 940.7	- 6.4
Total capital	CHF m	10 426.1	10 780.2	3.4
Return on equity (ROE)	%	6.2	7.3	17.7
Return on invested capital (ROIC)	%	3.4	4.1	20.6
Earnings per share (EPS)	CHF	3.11	3.77	21.2
NAV before deferred taxes per share	CHF	82.76	84.01	1.5
NAV after deferred taxes per share	CHF	67.36	69.47	3.1
Figures without revaluation effects ²				
Earnings before interest and taxes (EBIT)	CHF m	257.0	297.6	15.8
Profit	CHF m	169.8	203.7	20.0
of w hich attributable to non-controlling interests	CHF m	- 0.0	- 0.0	140.0
Comprehensive income	CHF m	158.5	189.6	19.6
Earnings per share (EPS)	CHF	2.81	3.07	9.3
Return on equity (ROE)	%	5.6	6.0	7.1

¹ Sale of Permed AG, Zurich, as at 17.03.2014; acquisitions: Pflegewohngruppe Sternmatt, Lucerne, as at 05.01.2015, WGDM Papillon AG, Winterthur, as at 01.07.2015

² Revaluations and deferred taxes



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Swiss Prime Site

Swiss Prime Site AG is Switzerland's leading listed real estate investment company. The Group's portfolio is valued at CHF 9.9 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 AG, make up the Real Estate segment. The Retail segment consists of Jelmoli – The House of Brands department store. The Assisted Living segment 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 4.9 billion as at the balance sheet date.

SIX Swiss Exchange / symbol SPSN / securities number 803 838

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