

MEDIA RELEASE

14 May 2009
For immediate publication

Quarterly report as of 31 March 2009

In excellent shape

Olten, 14 May 2009 – Swiss Prime Site AG increased its rental income by 3.3% to CHF 53.3 million in the first quarter of 2009. Operating profit (EBIT) rose by 27.6% to CHF 51.3 million and net earnings were up by 48.3% to CHF 31.3 million respectively. The loss of earnings rate declined to 3.5%. Swiss Prime Site remains optimistic for 2009.

Despite the current economic environment, real estate investment company Swiss Prime Site AG was able to increase its rental income by 3.3% to CHF 53.3 million in the first quarter of 2009 [Q1 2008: CHF 51.6 million]. The loss of earnings rate declined to 3.5%, after 4.3% in the first quarter of 2008 and 4.5% in the 2008 financial year. "Prime sites like those in our portfolio are in short supply, and this, together with our emphasis on maintaining long-term relationships with our tenants, made a significant contribution to the gratifying performance", explains CEO Markus Graf.

During the reporting period, operating profit rose by 27.6% from CHF 40.2 million to CHF 51.3 million. This overall rise of CHF 11.1 million included CHF 9.7 million attributable to positive revaluation effects resulting from the first-time valuation of properties that are being constructed or developed. Since 1 January 2009, and in accordance with IFRS accounting standard IAS 40, these have been reported at fair value even during the construction and development phase, reflecting the stage reached. Furthermore, since 1 January 2009 the pro rata interest payments relating to properties under construction and development sites have been capitalized in accordance with IAS 23 "Borrowing Costs". In the reporting period, borrowing costs amounting to around CHF 1.5 million were therefore capitalized as investment costs for new-build projects.

Net income advanced by 48.3% or CHF 10.2 million to CHF 31.3 million. Excluding revaluation effects, EBIT rose by 3.7% to CHF 41.6 million [CHF 40.1 million], EBIT margin from 77.0% to 77.8% and net income by 9.6% to CHF 26.2 million [CHF 23.9 million].

Compared with the same quarter of the previous year, the net asset value (NAV) per share before deferred taxes increased by 4.1% from CHF 64.85 to CHF 67.54. After deferred taxes, NAV rose by 3.6% from CHF 58.43 to CHF 60.56. Following the resolution passed by the General Meeting of Shareholders on 21 April 2009, a distribution of CHF 3.40 per share will be paid to shareholders, as in the previous year. The distribution (scheduled presumably for 9 July 2009) will take the form of a reduction in the nominal value of the share from CHF 22.20 to CHF 18.80, corresponding to an excellent cash yield of 6.7% based on the share price of CHF 51.00 on 31 March 2009.

Forward-looking real estate portfolio

As at 31 March 2009, the real estate portfolio was valued at CHF 3.82 billion, which was 3.7% higher than the year-earlier level of CHF 3.69 billion. Although there were no sales transactions during the reporting period, Swiss Prime Site disposed of three properties after the balance sheet date because they did not fit the company's strategy. The selling prices came to CHF 32.0 million in total, which is around 6.8% more than the market value entered as at 31 March 2009.

The construction projects at the Maag site are proceeding on schedule. Work has just started on the shell of the upper floors of the Prime Tower project. Of the total of 36 floors, 20 are due to be completed in 2009.

The final touches are now being made to the PostFinance Arena in Berne. Its official opening will take place on 22 August 2009.

As already announced in March 2009, the management anticipates that operating profit (before revaluation) will equal the high figure achieved in the previous year, and expects an EBIT margin of at least 74% to be achieved. The loss of earnings rate is forecasted to reach 4.5 – 5.5% in full-year 2009.

Selected key figures

	Figures in	31.03.2009	31.03.2008	Change in %
Investment properties	CHF m	3 822.6	3 686.7	3.7
Rental income	CHF m	53.3	51.6	3.3
EBITDA	CHF m	51.3	40.2	27.6
EBIT	CHF m	51.3	40.2	27.6
Change in fair value of real estate (IAS 40), including properties under construction and development sites	CHF m	9.7	0.1	---
Profit, imputable to shareholders of Swiss Prime Site AG	CHF m	31.3	21.1	48.3
Shareholders' equity, imputable to shareholders of Swiss Prime Site AG	CHF m	1 450.0	1 350.8	7.3
Equity ratio	%	37.4	35.9	4.2
Borrowed capital	CHF m	2 431.4	2 407.8	1.0
Borrowed capital ratio	%	62.6	64.1	-2.3
ROE (weighted)	%	8.7	6.3	38.1
ROIC (weighted)	%	4.8	4.0	20.0
Earnings per share (weighted)	CHF	1.31	0.91	44.0
NAV before deferred taxes	CHF	67.54	64.85	4.1
NAV after deferred taxes	CHF	60.56	58.43	3.6
Figures net of revaluation effects*				
EBIT	CHF m	41.6	40.1	3.7
EBIT margin	%	77.8	77.0	1.0
Profit	CHF m	26.2	23.9	9.6
Earnings per share (weighted)	CHF	1.09	1.03	5.8
ROE (weighted)	%	7.3	7.1	2.8

* Revaluations (IAS 40) and deferred taxes



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Swiss Prime Site AG

Swiss Prime Site AG is the first Swiss specialist real estate investment company. Its roughly CHF 3.8 billion portfolio has been created on the basis of a real estate picking strategy and comprises top-class commercial properties at selected Swiss business locations. Swiss Prime Site has been listed on the SIX Swiss Exchange since April 2000, and has a market capitalization of around CHF 1.3 billion. The company boasts a crisis-resistant portfolio with low vacancy and rent failure risks, professional management with slim structures and low costs, high earnings and capital potential and an outstanding risk/return profile.

SIX Swiss Exchange / symbol SPSN / securities number 803 838

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