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## MEDIA RELEASE

31 August 2009  
For immediate publication

**Interim report as at 30 June 2009**

### **Profitable growth maintained**

**Olten, 31 August 2009 – Swiss Prime Site turned in another very pleasing performance in the first half of 2009. Rental income increased by 2.6% year-on-year to CHF 105.9 million, while the loss of earnings rate was further reduced from an exceptionally low 4.9% in the previous year to 3.7%. EBIT (before revaluations) increased by 2.9% to CHF 82.5 million, while net profit rose by 1.6% from CHF 69.1 million to CHF 70.2 million. Net asset value (NAV) after deferred taxes as of 30 June 2009 amounted to CHF 58.85; after adjustment for distributions NAV increased by 5.1% compared with the end of 2008. With the acquisition of a stake of approximately 30% in Jelmoli Holding Ltd and the exchange offer made to Jelmoli shareholders, Swiss Prime Site has embarked on further expansion in the prime segment. 2009 is expected to see a sustained positive trend.**

Despite the deepening recession, Swiss Prime Site performed well in all respects. Compared with the first half of 2008, rental income rose by 2.6% from CHF 103.2 million to CHF 105.9 million. Rental agreements for more than 13'000 m<sup>2</sup> of office space and 2'000 m<sup>2</sup> of catering space – mainly in the Cityport building in Zurich Oerlikon, the Opus building in Zug and the Messeturm and Elisabethenstrasse properties in Basel – were concluded in the first half of 2009. Without revaluation effects, operating profit before interest and tax (EBIT) rose by 2.9% to CHF 82.5 million (CHF 80.2 million), resulting in a sustained high EBIT margin of 76.8% (77.1%). A slight decline in revaluations meant that EBIT after revaluations decreased by 1.9% to CHF 110.9 million (CHF 113.1 million). Revaluations were again positive at CHF 28.3 million, however, they were down by CHF 4.6 million on the corresponding prior year figure (CHF 32.9 million). Net profit before revaluations rose 5.9% to CHF 50.3 million (CHF 47.5 million). Weighted earnings per share for the first six months of the year stood at CHF 2.89 (CHF 2.97).

The acquisition of a stake of roughly 30% in Jelvoli Holding Ltd led to changes in the balance sheet ratios versus the end of 2008. As a consequence of the payment obligation of CHF 250 million in cash and a capital increase through contributions in kind, shareholders' equity increased compared to year end 2008 by CHF 254.2 million net to CHF 1'673.0 million. The net change stems mainly from the capital increase from the contribution in kind through shares in Jelvoli Holding Ltd (CHF + 265.4 million) and from the resulting issue of 4'480'000 new Swiss Prime Site shares. Compared with the end of 2008, the equity ratio has increased from 37.0% to 37.8%. Despite the slight rise in interest rates on the capital market, the average interest rate on financial liabilities was held at a low 3.1% (3.0%). At 4.1 years, the average weighted residual term has only changed slightly compared with the previous year (4.3 years).

#### **Overall return of 4.7% of the Swiss Prime Site share**

As at 30 June 2009, net asset value (NAV) per share before deferred taxes stood at CHF 64.93 (CHF 66.01 as at 31 December 2008). NAV after deferred taxes and before distributions was 5.1% higher at CHF 62.25 (CHF 59.25 as of 31 December 2008). Adjusted for distributions amounting to CHF 3.40 per share on 9 July 2009, NAV after deferred taxes stood at CHF 58.85. The distribution took the form of a reduction in the nominal value of the share from CHF 22.20 to CHF 18.80 per share. Based on the share price of CHF 50.80 on 31 December 2008, this corresponds to a cash yield of 6.7%. The overall return (price increase and any distribution) for the first six months of this year came to an attractive 4.7% and thus outperformed the Swiss Performance Index (2.1%) clearly.

#### **Real estate portfolio**

In the first six months of 2009, the portfolio of investment properties increased by CHF 63.1 million or 1.7% to CHF 3'848.6 million (CHF 3'785.5 million as at 31 December 2008). This positive change is a result of investments and revaluations in the PostFinance Arena in Berne (CHF 16.5 million) and in the development projects on the Maag site in Zurich (CHF 61.4 million), changes in the value of portfolio properties (CHF 21.2 million), including investments/refurbishments, and the disposal of properties (CHF -36.0 million). Four smaller properties were sold for a total of CHF 38.2 million. The proceeds exceeded the market value as of the end of 2008 by around 6.2%.

Following the completion of a two-year construction and conversion project, the PostFinance Arena was opened on 22 August 2009, marked by a celebration party for people of all ages. Work on the various projects at the Maag site is proceeding on schedule. August 2009 saw the laying of the foundation stone for the construction of the Platform commercial building, which will provide office space for some 1'100 Ernst & Young employees from spring 2011. The tenth of a total of 36 storeys in the Prime Tower is already scheduled to be completed in October 2009.

### **Exchange offer made to the shareholders of Jelmoli Holding Ltd**

The Board of Directors of Swiss Prime Site AG has decided to waive the condition that the offer should only go through subject to Swiss Prime Site holding at least 66.7% of the shares issued by Jelmoli Holding Ltd. It can therefore be stated with a very high degree of certainty that the exchange offer will come to fruition. The deadline for the exchange offer is 14 September 2009, with the additional acceptance period ending on 2 October 2009. The final result is due to be published on 8 October 2009.

If the combination goes ahead, the earnings potential for all shareholders two years from now can increase by 12% to 17% (baseline: 2008). In addition, the combined enterprise can be expected to rank among those real estate investment companies with the highest trading liquidity and distributions.

Given that with the "House of Brands" (retailing at the main Jelmoli store in Zurich's Bahnhofstrasse) Jelmoli Holding Ltd also encompasses activities other than pure real estate investments, the Board of Directors of Swiss Prime Site AG has added a short supplementary clause to the investment regulations. This stipulates that investments in other companies are also permissible, "if they are acquired in the context of an acquisition of a real estate company or of a company active in a business ancillary to real estate and if they are subordinate in value".

### **Promising future**

In light of the high occupancy rate and the easy lettability of the properties, Swiss Prime Site AG can expect to continue to perform well in 2009. What is more, the development projects have further potential. In 2009, the loss of earnings rate should be significantly lower than in 2008. The EBIT margin will remain at a high level. The strategic development of Swiss Prime Site AG will be affected by the outcome of the current exchange offer to Jelmoli shareholders.

## Selected key figures

	Figures in	30.06.2009	30.06.2008	Change in %
Investment properties	CHF m	3'848.6	3'680.2	4.6
Rental income	CHF m	105.9	103.2	2.6
Loss of earnings rate	%	3.7	4.9	-24.5
EBITDA	CHF m	110.9	113.1	-1.9
EBIT	CHF m	110.9	113.1	-1.9
Revaluation gains on property (IAS 40)	CHF m	28.3	32.9	-14.0
Comprehensive income attributable to shareholders of Swiss Prime Site AG	CHF m	70.2	69.1	1.6
Shareholders' equity attributable to shareholders of Swiss Prime Site AG	CHF m	1'673.0	1'359.7	23.0
Equity ratio	%	37.8	36.0	5.0
Borrowed capital	CHF m	2'746.7	2'421.3	13.4
Borrowed capital ratio	%	62.2	64.0	-2.8
ROE (weighted)	%	9.9	10.3	-3.9
ROIC (weighted)	%	5.0	5.5	-9.1
Earnings per share (weighted)	CHF	2.89	2.97	-2.7
NAV before deferred taxes	CHF	64.93	63.77	1.8
NAV after deferred taxes	CHF	58.85	57.26	2.8
<b>Figures without revaluation effects*</b>				
EBIT	CHF m	82.5	80.2	2.9
EBIT margin	%	76.8	77.1	-0.4
Comprehensive income	CHF m	50.3	47.5	5.9
Earnings per share (weighted)	CHF	2.07	2.04	1.5
ROE (weighted)	%	7.2	8.8	-18.2

\* Change in fair value (IAS 40) and deferred taxes

### **Brochure on the exchange offer to Jelmoli shareholders**

Facts and figures on the strategic importance and positive implications of a combination of the two companies can be found in the brochure entitled "**New dimension, new perspectives**". The publication can be downloaded from [www.swiss-prime-site.ch/umtauschangebot](http://www.swiss-prime-site.ch/umtauschangebot). You can also order a printed version, either by e-mailing us at [info@swiss-prime-site.ch](mailto:info@swiss-prime-site.ch) or by phoning us on +41 (0)62 213 06 06.

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### **Swiss Prime Site AG**

Swiss Prime Site AG is Switzerland's first specialist real estate investment company. Its portfolio of around CHF 3.8 billion is structured according to the real estate-picking strategy and consists of first-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 1.5 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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## **ADDITIONAL IMPORTANT INFORMATION**

This press release and related materials do not constitute an offer or invitation to sell or purchase or tender any securities, pursuant to the Offer or otherwise. Holders of Jelmoli shares ("Jelmoli Shareholders") are advised to read carefully the prospectus and other formal documentation in relation to the Offer once it has been despatched. This will contain the full terms and conditions of the Offer, including details of how the Offer may be accepted.

Furthermore, this press release is not a preliminary announcement within the meaning of Swiss takeover laws, is not binding and has no legal effects, whatsoever. Only the German and the French versions of the formal preliminary announcement that are being published by electronic and Swiss print media are legally relevant for purposes of Swiss takeover laws. Please consult these formal preliminary announcements for relevant information on the prospective offer.

The availability of the Offer to Jelmoli Shareholders who are not resident in and citizens of Switzerland may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Such persons should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions. Further details in relation to shareholders who are not resident in and citizens of Switzerland will be contained in the prospectus containing the Offer.

Unless otherwise determined by Swiss Prime Site ("Bidder"), and permitted by applicable law and regulation, the Offer is not expected to be made, directly or indirectly, in, into or from the United States, Canada or Australia or any jurisdiction where to do so would constitute a breach of laws in that jurisdiction or by any means or instrumentality (including, without limitation, facsimile transmission, telephone and the internet) of interstate or foreign commerce, or of any facility of a national securities exchange, of the United States, Canada or Australia or such other jurisdiction and the Offer is not expected to be capable of acceptance by any such use, means instrumentality or facility or from within the United States, Canada or Australia or such other jurisdiction. Accordingly, copies of this press release are not being, and must not be, mailed or otherwise forwarded, distributed or sent in, into or from the United States, Canada or Australia or any jurisdiction where to do so would constitute a breach of securities laws in that jurisdiction. Persons receiving this press release (including custodians, nominees and trustees) should observe these restrictions and should not send or distribute this press release in, into or from any such jurisdictions. Notwithstanding the foregoing, Bidder retains the right to permit the Offer to be accepted and any sale of securities pursuant to the Offer to be completed if, in its sole discretion, it is satisfied that the transaction in question can be undertaken in compliance with applicable law and regulation.

"United States" means the United States of America, its territories and possessions, any State of the United States and the District of Columbia.

### **Forward-looking statements**

This presentation may contain forward-looking statements based on current expectations, estimates, forecasts and projections about the businesses and the industries in which the companies mentioned operate as well as management's beliefs and assumptions. Forward-looking statements may be identified by the use of forward-looking terms such as "may," "will," "expects," "believes," "anticipates," "plans," "estimates," "projects," "targets," "forecasts," and "seeks" or the negative of such terms or other variations on such terms or comparable terminology. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that could cause actual outcomes and results to differ materially. These risks and uncertainties include, but are not limited to, the risk that Swiss Prime Site's and Jelmoli's businesses will not be integrated. This cautionary statement is applicable to all forward-looking statements contained in this press release. We undertake no obligation to update, amend or clarify forward-looking statements, whether as a result of new information, future events or otherwise.