



NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART, IN, INTO OR FROM THE UNITED STATES, CANADA OR AUSTRALIA OR ANY OTHER JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF SUCH JURISDICTION.

MEDIA RELEASE

18 March 2010
For immediate publication

Annual report as of 31 December 2009

Earnings strong in financial year 2009

Olten, 18 March 2010 - The acquisition of Jelmoli Holding Ltd lifted the value of Swiss Prime Site AG's real estate portfolio to CHF 8.1 billion, more than double the figure for the previous year. 2009 saw rental income increase by 21.5% to CHF 251.7 million. The loss of earnings rate edged down from 4.5% to 4.0%. Impacted by special factors, net profit grew by 61.0% to CHF 187.4 million. A distribution of CHF 3.50 per share (CHF 0.10 higher than for the previous year) will be proposed at the Annual General Meeting of Shareholders on 21 April 2010. This corresponds to a cash yield of 6.0%. Net asset value (NAV after deferred taxes) increased by 0.5% to CHF 59.52 as of 31 December 2009. During the current year, Swiss Prime Site expects rental income to be largely stable and anticipates a loss of earnings rate between 4.5% and 5.0%.

As a result of joining forces with Jelmoli Holding Ltd, Swiss Prime Site became Switzerland's leading real estate investment company in 2009. The 2009 consolidated financial statements include the Jelmoli figures from 29 October 2009 onward (acquisition date). Swiss Prime Site's rental income rose by 21.5% from CHF 207.1 million to CHF 251.7 million during the reporting year. At 4.0% (4.5%), the loss of earnings rate was once again well below the Swiss average for office and retail space. "The fact that our portfolio – which is now worth more than CHF 8 billion – has lost only 4% of rental income is a clear sign that it still has the same high quality as ever", explains CEO Markus Graf.

Together with the revenues of CHF 39.8 million from the new retail trade segment, operating income rose to CHF 291.6 million (CHF 209.4 million). Earnings before interest and taxes (EBIT) increased by CHF 18.5 million or 9.2% to CHF 219.4 million (CHF 200.9 million). Operating profit includes a positive revaluation effect of CHF 53.9 million (CHF 42.3 million) on properties and development sites.

Net profit increased by 61.0% to CHF 187.4 million (CHF 116.4 million). Very nearly half of the increase (CHF 32.8 million) is a result of the profit generated by the roughly 30% stake in Jelmoli Holding Ltd prior to its full consolidation on the acquisition date of 29 October 2009. The new estimated minimum holding period of 20 years (previously two years) for real estate properties produced a further one-off acquisition-related effect. In 2009, this adjustment led to deferred tax revenues of CHF 31.0 million. The total acquisition costs of CHF 28.3 million are included in the 2009 financial statements.

Profit before revaluation effects increased by 25.2% to CHF 117.1 million (CHF 93.5 million). Weighted earnings per share rose from CHF 4.95 to CHF 6.09 (+23.0%). As at 31 December 2009, net asset value (NAV) before deferred taxes stood at CHF 71.22. This is 7.9% more than at the end of 2008 (CHF 66.01). NAV after deferred taxes was 0.5% higher at CHF 59.52 (CHF 59.25).

The average weighted interest rate for all financial liabilities was 2.8% (3.0%). Their average residual term is 3.4 (4.4) years.

Increased distribution and higher visibility

In light of the sustained strong earnings and the continuing positive outlook for 2010, the Board of Directors will propose to the Annual General Meeting of Shareholders on 21 April 2010 that the distribution be increased to CHF 3.50 (CHF 3.40) per share. The planned distribution will once again take the form of a reduction in nominal value. This will result in a cash yield of 6.0% (6.7%) on the closing share price for the year (CHF 58.00) (closing share price for 2008: CHF 50.80).

Swiss Prime Site registered shares have seen a sharp increase in their liquidity and tradability. Since completion of the acquisition, the daily trading volume has amounted to around CHF 8.5 million. On 31 December 2009, the company's market capitalization stood at CHF 3.2 billion. Swiss Prime Site's inclusion in important indices such as EPRA, SMIM and Stoxx has significantly increased its visibility. Swiss Prime Site plays a key role in the new real estate indices launched by SIX Swiss Exchange on 1 December 2009. Swiss Prime Site shares have a weighting of more than 10% in the overall SXI Swiss Real Estate index and around 42% in the SXI Swiss Real Estate Shares index.

Portfolio value has more than doubled

The real estate portfolio grew from CHF 3.8 billion to CHF 8.1 billion, mainly as a result of the acquisition of the Jelmoli Group. In terms of fair value by regions, Zurich's share declined from 45% to 38%, while Geneva's increased from 9% to 22%. Retail space generated 41% (22%) of net rental income, while office space accounted for 36% (57%). The doubling of the portfolio's size also had a positive impact on the diversification of the tenant structure. Thus, during the period under review, the five largest external tenants generated 30.8% of rental income as against 45.0% the previous year. In 2009, the largest external tenants were Coop at 9.6% and UBS Inc. at 6.2% (previous year: UBS Inc. at 15.6% and Credit Suisse Group Ltd at 10.6%).

As of 31 December 2009, the real estate portfolio consisted of 230 properties (120). These included 17 plots of building land, as well as the Prime Tower (together with the adjoining Diagonal and Cubus buildings) and Platform projects on the Maag site in Zurich, Business Park 60 (fourth and fifth stage) on the Stücker site in Basel and Usego in Olten. Nine properties with a total fair value of CHF 155.4 million were sold. Of these, the sale of the Pizol Center in Mels for CHF 102.0 million had the most significant impact.

Swiss Prime Site will commence with the announced streamlining of its portfolio during the current year.

New-build projects progressing according to plan

As of February 2010, 24 storeys of the Prime Tower on the Maag site in Zurich West had been built. In the lower storeys, work has already begun on the interior fixtures and fittings. Work on the two adjoining buildings, Cubus and Diagonal, and the office building Platform is also progressing according to plan. The investment volume for the four new buildings will come to around CHF 355 million. 65% (based on rental income) of the new surface area is currently let.

Forming part of the Stücki site development in Basel, the shopping center and the hotel were opened in September 2009. The occupancy rate is 95%. At the Stücki Business Park, a long commercial and office building with a total of ten storeys and a lettable surface area of around 37 000 m², three of five stages have currently been completed. The shell of the fourth stage has also been erected. Construction of the fifth and final stage has begun and should be finished by mid-2011. At the end of 2009, the occupancy rate stood at 53%.

Retail trade segment

The results of the new retail trade segment have been reported for the period from the acquisition on 29 October 2009 to the balance sheet date. The House of Brands reported sales turnover of CHF 32.8 million net. On an annualized basis, net sales of around CHF 154 million were generated during 2009 on retail space managed by The House of Brands. This figure is down slightly on the previous year because of the closure of certain areas for conversion work. Rental income amounted to CHF 4.9 million (around CHF 17.0 million on an annualized basis). By the end of October 2010, The House of Brands will be expanded in several stages, strengthening its position as a leading department store. As in 2008, revenues from the Hotel Ramada Encore in Geneva came to CHF 1.6 million. In 2009, credit card operator Jelmoli Bonus Card Ltd. posted a turnover of around CHF 654 million (CHF 600 million).

Successful integration and strengthening of management

The process of integrating the Jelmoli Group was begun in November 2009. Before Christmas, jobs could be offered to nearly all staff working in the real estate segment. In line with Swiss Prime Site AG's business model, most of these jobs are with partner companies. Preparations for the legal and tax restructuring measures are almost complete. This means that the integration as a whole has reached an advanced stage and will be completed as at the end of March 2010 as planned.

Mr Michael Müller, CEO of Jelmoli Holding Ltd, has played a pivotal role in this process of integrating Jelmoli into Swiss Prime Site and has made a key contribution to its success. Once this process has been completed at the end of March 2010, he will devote his attention to a new professional challenge. The Board of Directors of Swiss Prime Site thanks Mr Müller for his committed and successful work.

As of 1 April 2010, the Management of Swiss Prime Site AG is to be reinforced by Mr Hanspeter Grüninger, CEO of The House of Brands. He has in-depth knowledge of retailing and decades of experience in the sector and will continue to develop the business with the tried-and-tested strategy.



Stable trend during the current year

Swiss Prime Site expects the 2010 financial year to see a sustained high occupancy rate despite the uncertainties as to where the economy is heading. The main factors underpinning this expectation are the higher-than-average quality of the portfolio's sites and properties and the high proportion of long-term indexed rental agreements with first-class tenants. In 2010, the loss of earnings rate should fluctuate within a range of 4.5% to 5.0%. Swiss Prime Site is very well positioned to be able to continue generating stable earnings and to match or exceed the very good result achieved in 2009 (excluding special effects).

Selected key figures

	Figures in	31.12.2009	31.12.2008	Change in %
Real estate portfolio	CHF m	8 081.6	3 785.5	113.5
Rental income	CHF m	251.7	207.1	21.5
Loss of earnings rate	%	4.0	4.5	-11.1
Sales turnover	CHF m	32.8	-	100.0
EBITDA	CHF m	223.3	200.9	11.1
EBIT	CHF m	219.4	200.9	9.2
Change in fair value (IAS 40)	CHF m	53.9	42.3	27.4
Profit attributable to shareholders of Swiss Prime Site AG	CHF m	187.4	116.4	61.0
Comprehensive income attributable to shareholders of Swiss Prime Site AG	CHF m	190.5	116.4	63.7
Shareholders' equity attributable to shareholders of Swiss Prime Site AG	CHF m	3 221.4	1 418.8	127.1
Equity ratio	%	37.8	37.0	2.2
Borrowed capital	CHF m	5 273.5	2 411.4	118.7
Borrowed capital ratio	%	61.8	63.0	-1.9
Minority interests	CHF m	33.8	-	100.0
Minority interests as a percentage of total capital	%	0.4	-	100.0
ROE (weighted)	%	10.0	8.5	17.6
ROIC (weighted)	%	4.3	4.9	-12.2
Earnings per share (weighted)	CHF	6.09	4.95	23.0
NAV before deferred taxes	CHF	71.22	66.01	7.9
NAV after deferred taxes	CHF	59.52	59.25	0.5
Figures net of revaluation effects*				
EBIT	CHF m	165.4	158.6	4.3
Profit attributable to shareholders of Swiss Prime Site AG	CHF m	117.1	93.5	25.2
Earnings per share (weighted)	CHF	3.81	3.98	-4.3
ROE (weighted)	%	6.5	6.9	-5.8

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



Contacts at Swiss Prime Site AG:

- Markus Graf, CEO
Tel. +41 (0)62 213 06 06, markus.graf@swiss-prime-site.ch
- Peter Wullschleger, CFO
Tel. +41 (0)62 213 06 06, peter.wullschleger@swiss-prime-site.ch

Internet broadcast

The live internet broadcast of the balance sheet media conference in German and English can be found at: www.swiss-prime-site.ch/pressconference

Video recordings will be available under "Media" at www.swiss-prime-site.ch from around 2 p.m.

Swiss Prime Site AG

Swiss Prime Site AG is Switzerland's first specialist real estate investment company. Its portfolio of around CHF 8.1 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 since April 2000 on the SIX Swiss Exchange and has a stock market capitalization of around CHF 3.2 billion. The company is characterized by its crisis-resistant portfolio with low vacancy rates and rent default risk, professional management with streamlined structures and low costs, high earnings and capital potential and an outstanding risk/return profile.

SIX Swiss Exchange / symbol SPSN / securities number 803 838

THIS PRESS RELEASE IS NOT BEING ISSUED IN THE UNITED STATES OF AMERICA AND SHOULD NOT BE DISTRIBUTED TO UNITED STATES PERSONS OR PUBLICATIONS WITH A GENERAL CIRCULATION IN THE UNITED STATES. THIS DOCUMENT DOES NOT CONSTITUTE AN OFFER OR INVITATION TO SUBSCRIBE FOR OR PURCHASE ANY SECURITIES. IN ADDITION, THE SECURITIES OF SWISS PRIME SITE AG HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO U.S. PERSONS ABSENT FROM REGISTRATION UNDER OR AN APPLICABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE UNITED STATES SECURITIES LAWS.