

SWISS PRIME SITE

**SEMI-ANNUAL
2017 RESULTS**
ZURICH, 24 AUGUST 2017



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| | | |
|----------|---------------------------------------|--------------------------|
| 1 | Welcome address | Hans Peter Wehrli |
| 2 | H1 2017 highlights | René Zahnd |
| 3 | Key financial data for H1 2017 | Markus Meier |
| 4 | Outlook | René Zahnd |

1st half 2017 overview

Strategy

Market viability of business model confirmed

H1 results

Pleasing start into the financial year 2017

Outlook

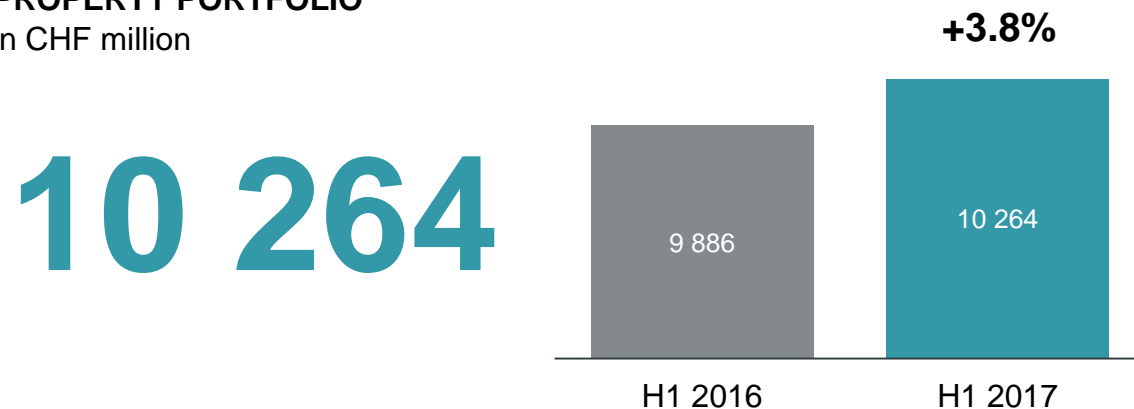
Full-year 2017 objectives reaffirmed

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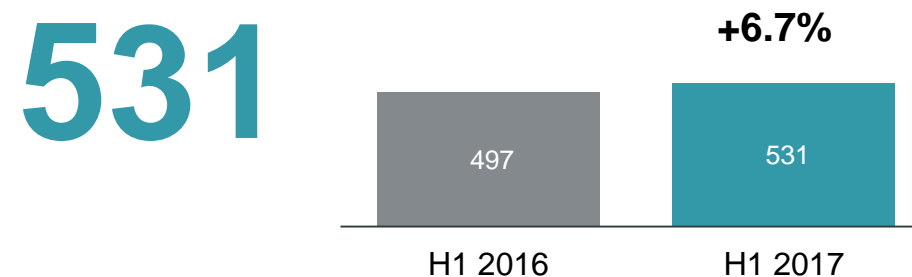
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Pleasing start into the financial year 2017

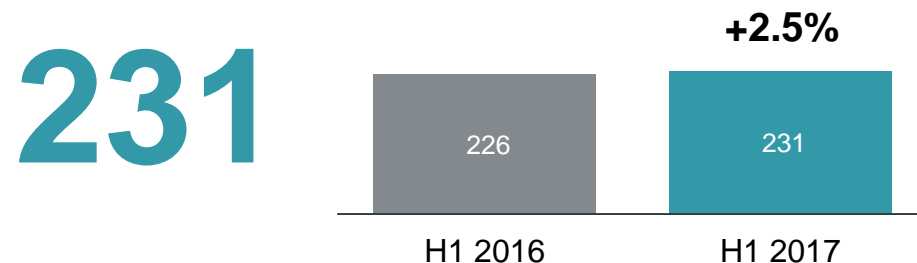
PROPERTY PORTFOLIO
in CHF million



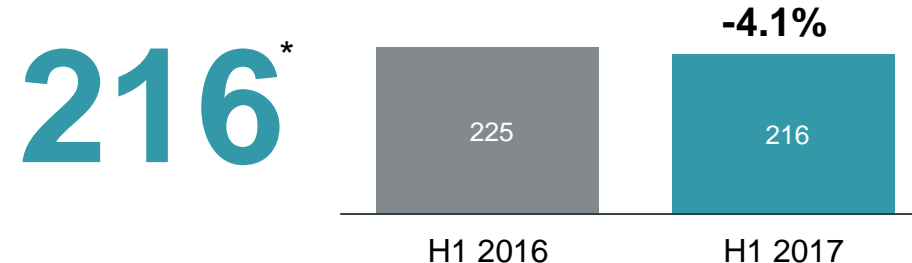
OPERATING INCOME
in CHF million



RENTAL INCOME
in CHF million



EBIT
in CHF million



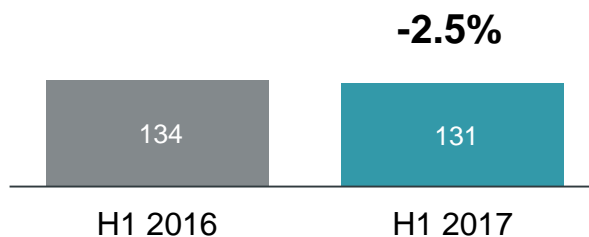
* does not include profit on partial sale of «Espace Tourbillon» project, signed in June 2017 with closing in H2 2017

Earnings per share provide solid basis for stable dividend

NET PROFIT

in CHF million, excluding revaluation effects

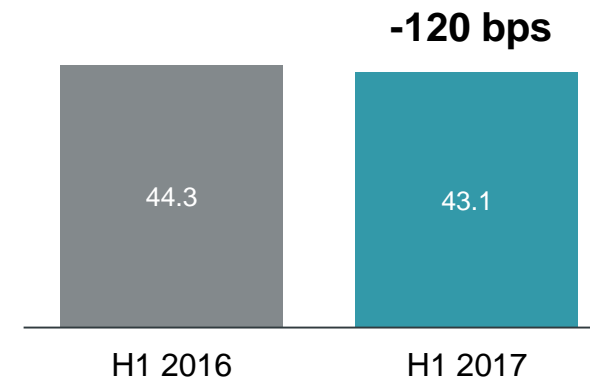
131



EQUITY RATIO

in %

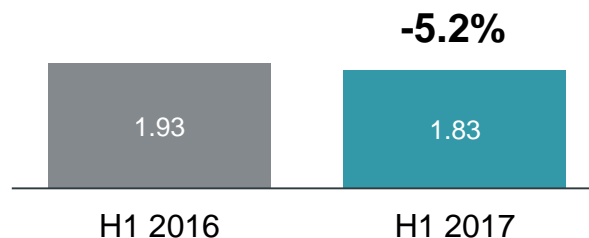
43.1



EARNINGS PER SHARE

in CHF, excluding revaluation effects

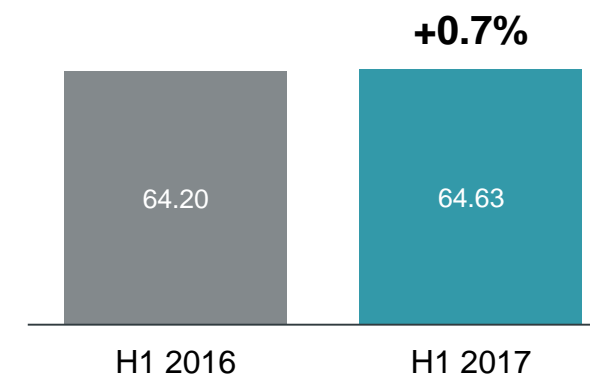
1.83



NET ASSET VALUE

in CHF per share after deferred taxes

64.63*



* figure includes only the book values for the Services segment

Reporting structure 2017

SWISS PRIME SITE

Group management CEO René Zahnd | CFO Markus Meier | Peter Lehmann | Oliver Hofmann | Franco Savastano | Luca Stäger

Group companies


SWISS PRIME SITE
Immobilien
CEO
Peter Lehmann

 wincasa
CEO
Oliver Hofmann

Jelmoli
CEO
Franco Savastano

TERTIANUM
CEO
Luca Stäger


SWISS PRIME SITE
Solutions
CEO
Martin Gut

Segment

Real Estate

Services

Core Real Estate business achieved good performance



Image: Motel One, Zurich

Real Estate

- **Four construction permits granted:** Siemens-Areal in Zurich, Espace Tourbillon in Geneva, Schönburg and Weltpostpark in Berne
- **Opening of** Motel One in Zurich (July 2017)
- **New and extended leases** on a total of 127 500 m², including some 30 000 m² retail leases on centrally located properties on improved terms (exceeding the ~120 000 m² achieved by end of 2016) | full occupancy of Stückli Business Park – Lonza as new anchor tenant
- **Purchased** three Assisted Living properties, bids accepted for three attractive large-scale sites in Winterthur, Regensdorf and Geneva
- **Sold** two buildings (with ~35 000 m² floorspace) in Espace Tourbillon project in Geneva

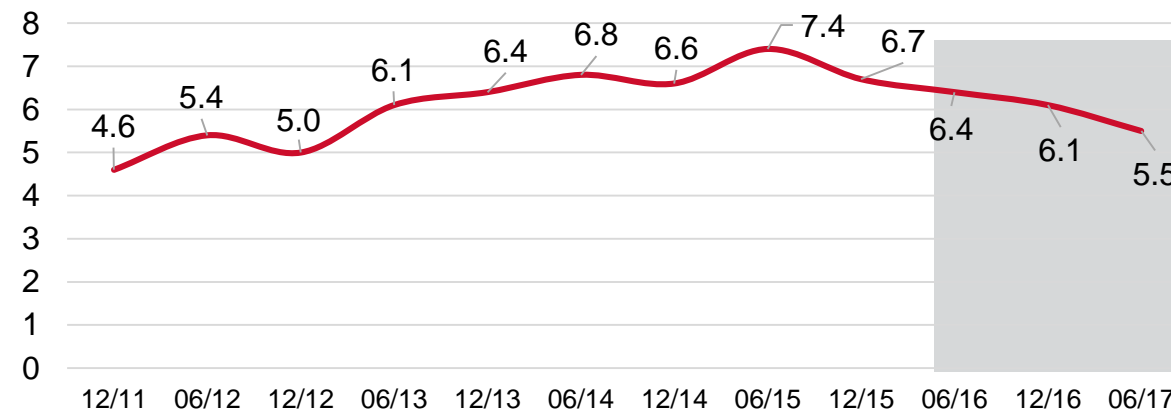
Real Estate cuts vacancy rate by ~1.0 pct points to 5.5%

| Real Estate portfolio in CHF million | 30.06.2016 | 30.06.2017 |
|--------------------------------------|------------|------------|
| Total | 9 886.4 | 10 263.7 |
| of which projects developments | 264.3 | 422.3 |
| Number of properties | 184 | 187 |
| Rental income | 225.5 | 231.1 |
| Revaluation of properties | 36.7 | 37.4 |
| Net property yield (in %) | 3.9 | 3.7 |
| Discount rate (in %), real | 3.60 | 3.42 |

Comments

- **Value** of property portfolio **increased** to CHF 10.3 billion with attractive net yield of 3.7%
- **Revaluation gains** of CHF 34.9 million on existing properties and CHF 2.5 million on developments

Vacancy rate in % (Group)



Comments

- Significant **reduction** in vacancy rate to 5.5%
- Further **improvements** expected in H2 2017

Real Estate development projects achieve substantial progress

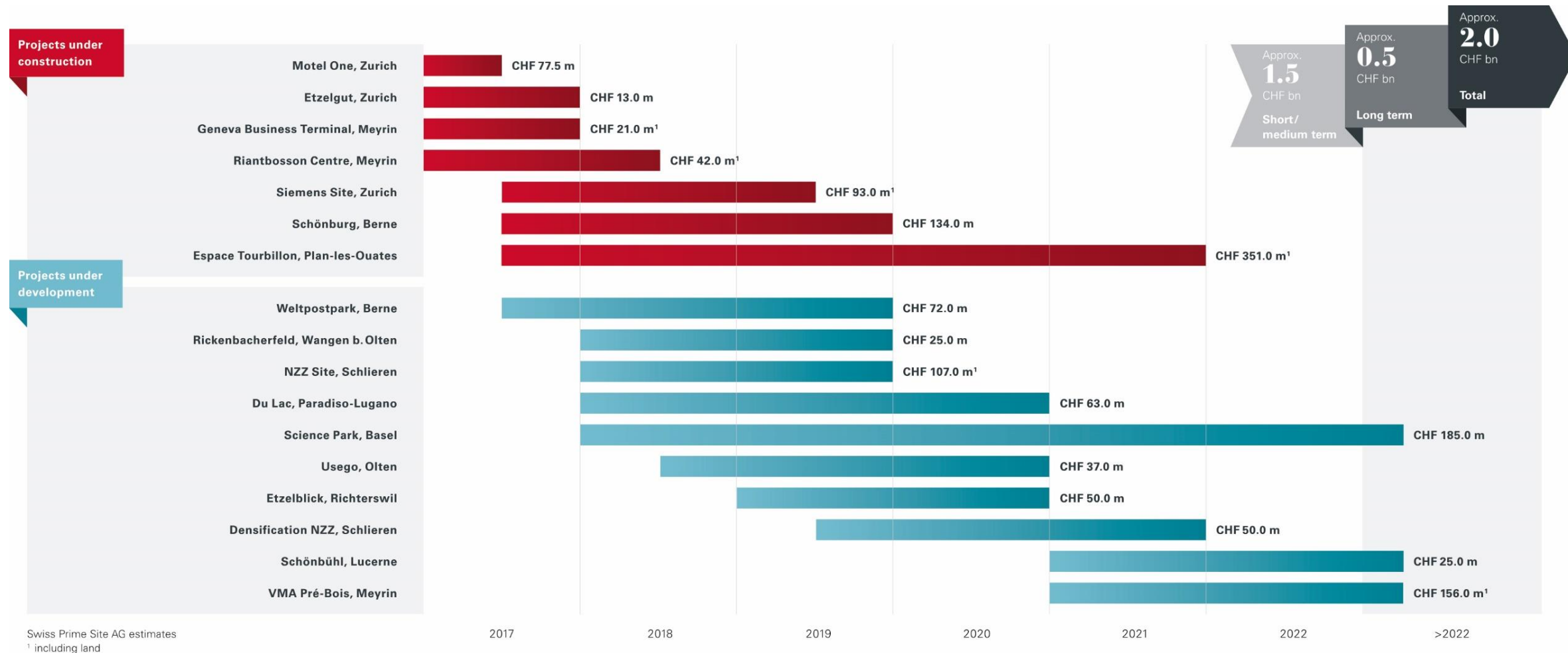


Image: Stücki Business Park, Basel

Real Estate

- **Building application submitted** for Business Park (adding four finger docks for laboratories etc.), Stücki Shopping Centre (new cinema for anchor tenant Arena Cinemas), A1 Center (with Bauhaus as anchor tenant) and NZZ-Areal (with Zühlke as anchor tenant)
- **Assisted Living** pipeline enhanced by attractive new development projects in Richterswil (Etzelblick) and Paradiso (Résidence Du Lac close to Lugano)
- **Sales** of buildings in development projects initiated in Geneva (Espace Tourbillon, 2017) and Berne (Weltpostpark, 2018) with substantial profit potential
- **Investor Day** showcasing Project Development to be held on 25 October 2017 in Zurich

Seven Real Estate projects under construction or nearing completion



Trendsetting Motel One hotel concept opens in Zurich



Highlights

- Identifying trends and breaking new ground: on 28 July 2017, a new 394-room hotel opened in the former Selnau post-office building, making it the largest in the city
- Key success criteria: location, a partner with a sound track record and a convincing business case
- Total investment volume = approx. CHF 77.5 million

Innovative new build at Siemens site in Zurich Albisrieden



Highlights

- New property concept's flexibility and simplicity set new standards
- Flexible floorspace rapidly available to small, medium-sized and larger-scale service tenants
- Planning and execution in accordance with lean principles
- Construction commenced, completion in 2019
- Total investment volume = approx. CHF 93 million¹

¹ incl. land

Major Espace Tourbillon project to revitalise an area of Geneva



Highlights

- Multifunctional industry and commerce park with high-end logistics and approx. 95 000 m² of floor space
- Project's individually configurable units will provide space for 4 000 new jobs
- Two completed buildings sold to Hans Wilsdorf Foundation
- Construction commenced; completion in 2021/2022
- Total investment volume = approx. CHF 351 million¹

¹ incl. land

Du Lac to offer unique senior accommodation in Paradiso (Lugano)



Highlights

- Exclusive plot purchased on shores of Lake Lugano
- New, exclusive Tertianum Du Lac senior residence to be built
- Realisation: 2018 – 2020
- Project will expand Assisted Living business field, raise profile in Italian-speaking Switzerland
- Total investment volume = approx. CHF 63 million

Services: real-estate related businesses performing well

| | |
|-----------------------------------|--|
| Wincasa | <ul style="list-style-type: none">▪ Assets under management increased to CHF 65 billion, a new record▪ New Mixed-Use Site Management concept introduced for multi-purpose sites |
| Jelmoli | <ul style="list-style-type: none">▪ Rebuild under way for opening of new «Men's World» (incl. Etro, Moncler) in autumn 2017▪ Architecture competition for project «Aero» (Zurich airport) completed |
| Tertianum | <ul style="list-style-type: none">▪ Network expanded to 73 sites, uniform market profile established▪ Three new sites to open by late 2017 – Gommiswald, Tenero, Etzelgut Zurich |
| Swiss Prime Site Solutions | <ul style="list-style-type: none">▪ Assets under management increased to some CHF 1.4 billion (as of July 2017)▪ Continuously developing range of products and services |
| Overall Services segment | <ul style="list-style-type: none">▪ Operating income: CHF 356.7 million (+10%), EBIT: CHF 13.7 million (+54.8%)▪ Large increase in EBIT underscores segment's operational efficiency gains |

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**WE CREATE
LIVING SPACES**



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Rental income increased by 2.5%

Net rental income
in CHF million



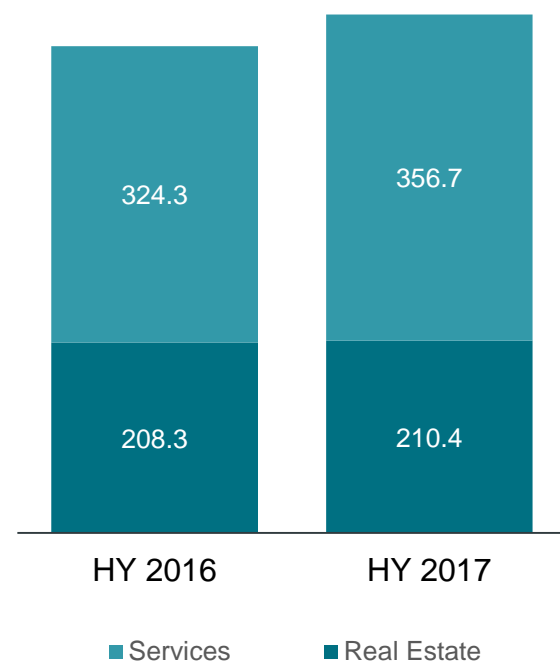
Facts

- Acquisition of BOAS Senior Care (February 2016), new openings (e.g. Letzipark, Zurich) and acquisitions of new Tertianum properties (e.g. Parco Maraini, Lugano) increased Assisted Living rental income
- Rental income of CHF 29.4 million from leased Tertianum properties (Services segment) included in results

* Assisted Living

Operating income raised | EBIT shifted to H2 2017

Operating income by segment
in CHF million



Operating result (EBIT) by segment
in CHF million

| | | |
|-------------|--------------|--------------|
| Real Estate | 216.1 | 202.1 |
| Services | 8.9 | 13.7 |
| EBIT | 225.0 | 215.8 |

Operating result (EBIT) by Group company

| | | |
|-------------------------------|--------------|--------------|
| Swiss Prime Site Immobilien | 211.3 | 203.9 |
| Swiss Prime Site Solutions | 0.8 | -0.1 |
| Wincasa | 8.5 | 7.5 |
| Jelmoli | -7.4 | -4.0 |
| Tertianum | 7.0 | 10.3 |
| <i>Holding and Management</i> | 4.8 | -1.8 |
| EBIT | 225.0 | 215.8 |

Facts

- Core Real Estate business generated CHF 0.3 million in pre-tax profit on sales in H1 2017 vs CHF 10.1 million in H1 2016 → positive contribution from Geneva sale expected in H2 2017
- Swiss Prime Site Solutions (established 24 February 2017) faced start-up and development costs
- Wincasa achieved good results despite restrained transaction market in 2017
- Jelmoli and Tertianum made good operational progress

Attractive refinancing deals reduce financial expenses

Swiss Prime Site Group income statement
in CHF million

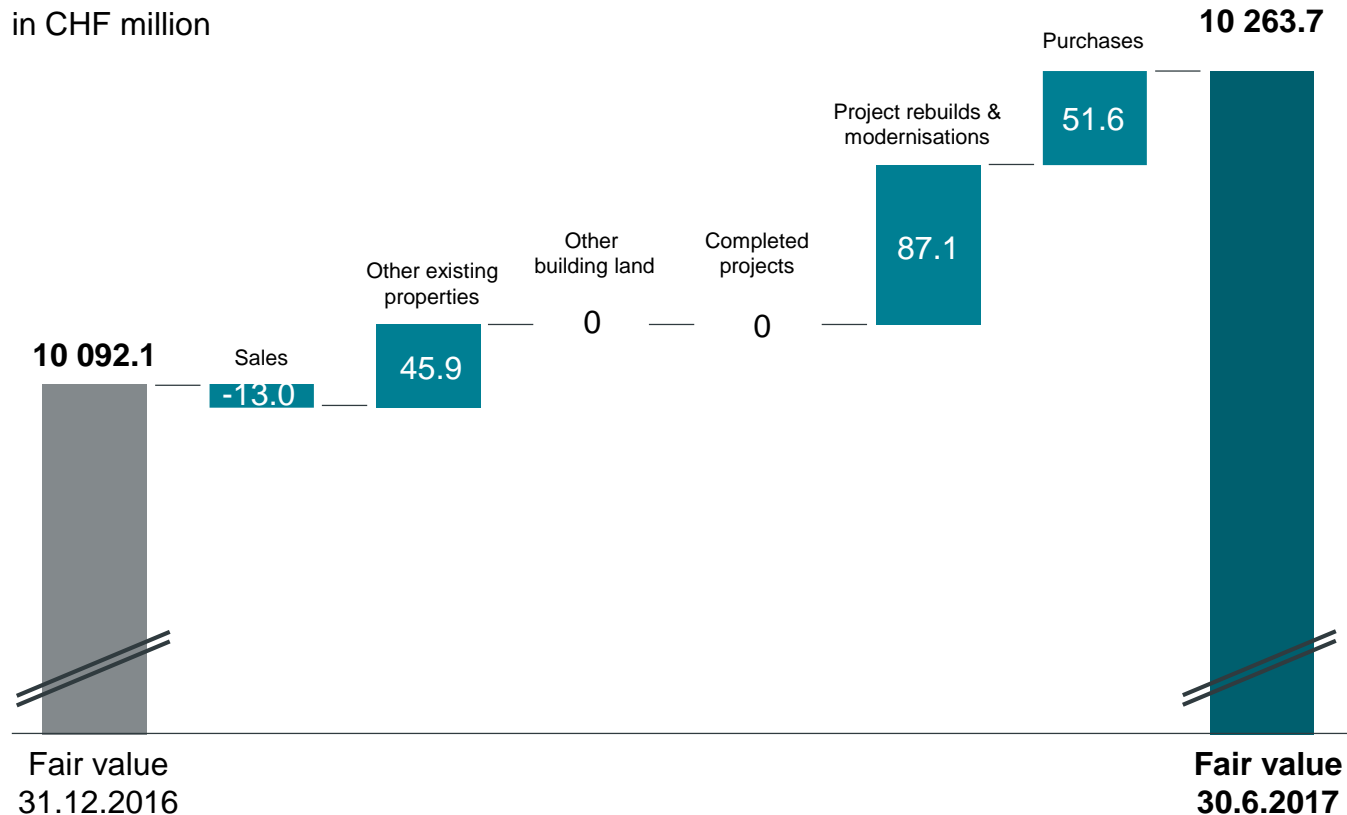
| | H1 2016 | H1 2017 |
|--|--------------|--------------|
| Operating income | 497.4 | 530.5 |
| Revaluation of investment properties, net | 36.7 | 37.4 |
| Result from investments in associates | 8.6 | 1.1 |
| Result from investment property sales, net | 10.1 | 0.3 |
| Operating expenses | -327.8 | -353.5 |
| Operating result (EBIT) | 225.0 | 215.8 |
| Financial expenses | -44.1 | -39.2 |
| Financial income | 1.5 | 1.5 |
| Income taxes | -36.5 | -37.1 |
| Profit | 145.9 | 141.0 |
| Profit excl. revaluation effects | 134.4 | 131.0 |

Facts

- Operating income reached record high in H1 2017
- Stable income from property revaluations demonstrates high portfolio quality
- EBIT and net profit slightly lower than in H1 2016 due to reduced results from associates (parking) and results on investment property sales booked in H2 2017 only
- Operating expenses rose due to higher staff costs resulting from acquisitions (incl. BOAS Senior Care purchased on 29 February 2016)
- Financial expenses reduced thanks to attractive refinancing transactions (incl. bond issues)

Property portfolio successfully expanded

Property portfolio (fair value)
in CHF million



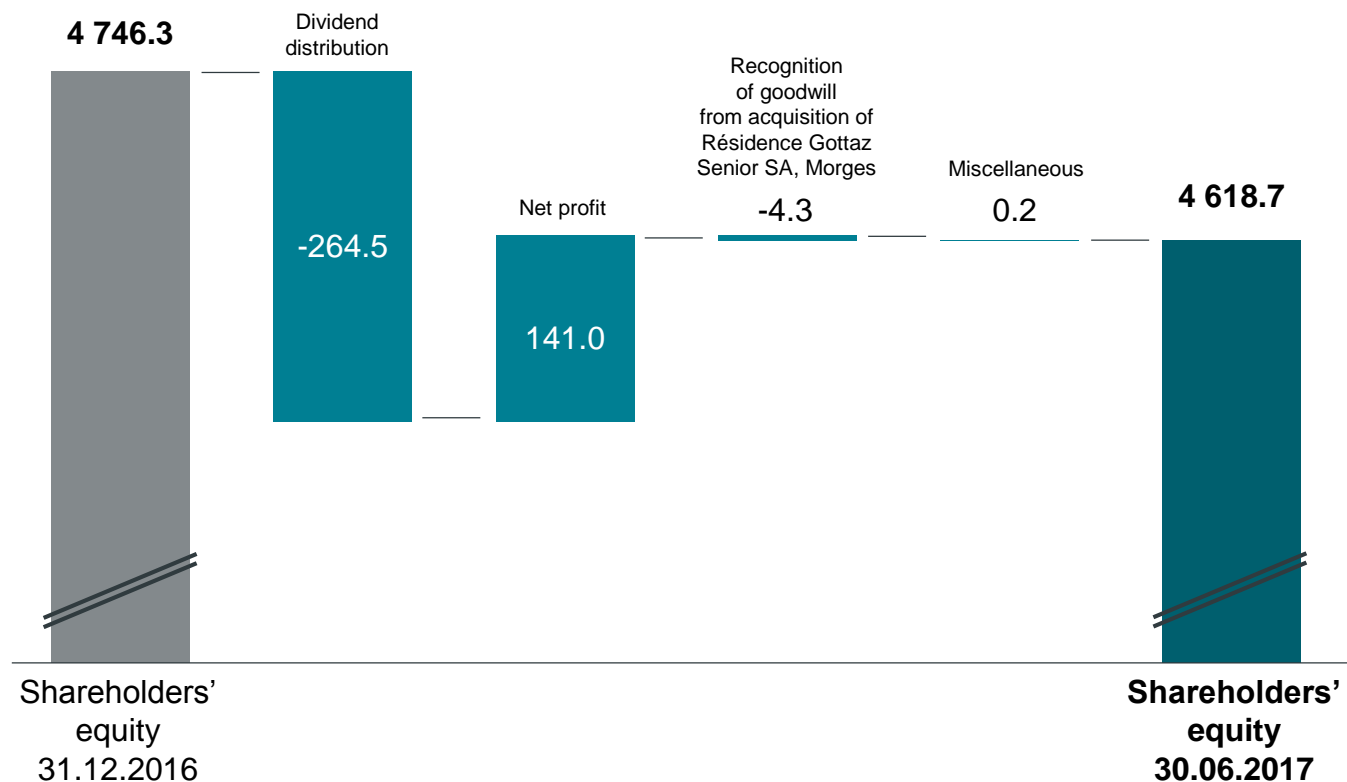
Facts

- 3 new purchases expanded portfolio to a total of 187 rental properties
- Value of existing and development properties increased
- Stable net yield of 3.7% despite further revaluations demonstrates improvements in operating income resulting from successful portfolio management
- Vacancy rate cut by almost 1.0 percentage point to 5.5%, further improvements expected by end of 2017

Robust equity ratio of 43.1%

Shareholders' equity

in CHF million

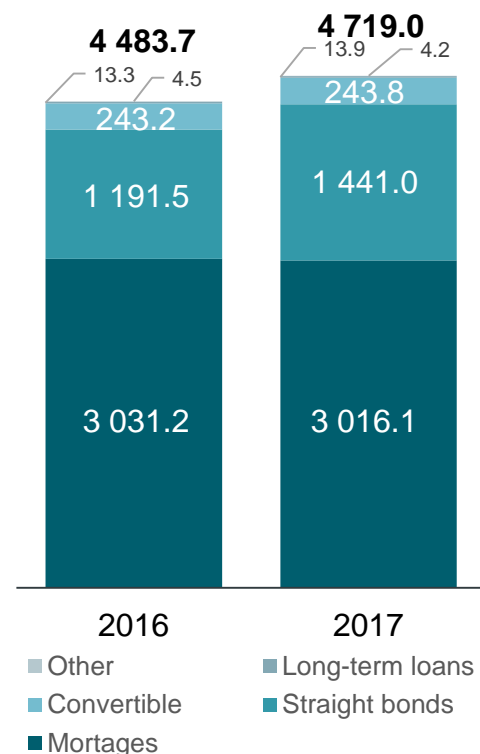


Facts

- One-off, CHF 430.3 million reduction in shareholders' equity at year-end 2016 resulting from restatement following adoption of Swiss GAAP FER accounting standard
- Dividend of CHF 3.70 per share distributed on 20 April 2017
- Target equity ratio remains unchanged at approx. 45%
- ROE of 6.0% within long-term target range

Borrowing costs reduced to 1.7%

Financing structure
in CHF million



Financial liabilities

| | 30.06.2016 | 30.06.2017 |
|-------------------------|------------|------------|
| Ø interest rate (%) | 1.9 | 1.7 |
| Ø residual term (years) | 4.2 | 4.7 |
| Loan-to-value (in %) | 45.2 | 46.0 |

| in CHF million | 31.12.2016 | 30.06.2017 |
|----------------|----------------|----------------|
| Short-term | 678.1 | 552.1 |
| Long-term | 3,805.6 | 4,166.9 |
| Total | 4,483.7 | 4,719.0 |

Facts

- Average borrowing cost cut by 20 bps, while average residual term to maturity lengthened by 0.5 years
- High, stable interest spread of 2.0% (= net yield minus borrowing costs)
- 9-year, CHF 250 million bond issued with 0.825% coupon in H1 2017
- Bond portion (including convertible) of total liabilities raised to 36%
- Loan-to-value ratio conservative at 46%

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**WE OFFER
PERSPECTIVES**



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Guidance for 2017 confirmed

Top line

- Increase operating income

Profitability

- Raise operating result (EBIT) before revaluations

Vacancy-rate management

- Cut vacancy rate

Portfolio

- Further growth through project developments and acquisitions

Dividend policy

- Maintain attractive dividend pay-out

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**WE SHAPE
THE FUTURE**



SWISS PRIME SITE

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Corporate calendar

| | |
|-------------------------------|---------------|
| 2017 annual report | 1 March 2018 |
| Annual General Meeting | 27 March 2018 |

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