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MEDIA RELEASE

11 November 2010
For immediate publication

Quarterly report as of 30 September 2010

Firmly on course

Olten, 11 November 2010 – As at 30 September 2010, Swiss Prime Site increased rental income by 99.6% to CHF 315.6 million and EBIT by 75.3% to CHF 290.2 million. Profit rose year-on-year by 48.4% to CHF 156.6 million, and the value of the real estate portfolio grew by CHF 4.2 billion to CHF 8.0 billion. This increase reflects not only the positive performance achieved in the current business year but also, to a large degree, the acquisition of the Jelmoli Group.

The first nine months of 2010, in which the figures of the Jelmoli Group were consolidated for the first time, cannot be directly compared with the corresponding year-back period. The comparison period only included the equity valuation of what was then a minority shareholding of 28.3% for around four months, stated with income from associated companies of CHF 11.0 million.

Rental income increased by 99.6% from CHF 158.1 million to CHF 315.6 million. The loss of earnings rate was at a low 4.2% (4.0%) in the period under review. "Once again we have achieved an excellent level. An occupancy rate consistently above the Swiss average has virtually become our trademark", commented CEO Markus Graf.

Total operating income reached CHF 431.8 million (CHF 170.0 million). This figure includes CHF 105.3 million from the retail trade segment, with its key sales driver Jelmoli – The House of Brands on Zurich's Bahnhofstrasse. Over the past 18 months, the Jelmoli building has been remodeled and modernised in stages into a leading premium department store. In excess of 1,000 global brands are on offer across six storeys in the new store building. To mark the high-profile relaunch on 27 October 2010, Jelmoli also unveiled a new logo and corporate identity. As announced in a previous communication, the majority holding in Jelmoli Bonus Card Ltd. was sold at the end of May 2010.

After revaluations, operating profit before interest and taxes (EBIT) rose by 75.3% from CHF 165.5 million to CHF 290.2 million. EBIT without revaluation effects grew 89.2% to CHF 239.5 million (CHF 126.6 million). Before revaluations, profit attributable to shareholders increased by 66.8% to CHF 125.1 million (CHF 75.0 million). After revaluations, weighted earnings per share came to CHF 2.89 (CHF 4.11).

SPS shares in heavy demand

As at 30 September 2010, net asset value (NAV) per share before deferred taxes stood at CHF 70.56 (CHF 71.22 on 31 December 2009). This amount takes into account the distribution of CHF 3.50 (CHF 3.40) made on 12 July 2010 in the form of a nominal value reduction from CHF 18.80 to CHF 15.30 per share. NAV after deferred taxes came to CHF 58.65 (CHF 59.52 on 31 December 2009). Measured against the price of the share on 31 December 2009, the distribution was equivalent to a cash yield of 6.0%.

During the first three quarters of 2010, the Swiss Prime Site share posted a sizable gain of 20.3%, outperforming both the Swiss Performance Index SPI (-0.6%) and the SXI Real Estate Shares Index (16.2%). The share closed at CHF 69.75 at the end of September 2010, as against CHF 58.00 at year end 2009. In the review period, market capitalisation increased from CHF 3.2 billion to CHF 3.8 billion. Exchange turnover per trading day rose year-on-year from CHF 3.8 million to CHF 8.8 million. SIX Swiss Exchange included the Swiss Prime Site share in the SMIM midcap index effective 20 September 2010, a step which has visibly widened the investor base.

Real estate portfolio

Mainly as a result of the Jelmoli acquisition, the real estate portfolio grew by 111.6% to CHF 8.0 billion (CHF 3.8 billion). In the period under review the value of the portfolio decreased by CHF 115.0 million. This figure corresponds to the net balance resulting from the sale of properties, higher valuations (reflecting progress on current construction projects as well as refurbishments) and revaluations. As of 30 September 2010, the portfolio consisted of 205 (104) properties, including 16 (17) plots of building land.

During the review period, Swiss Prime Site sold a total of 26 properties which were not classified as in line with strategy. The sales proceeds of CHF 305.7 million were CHF 2.7 million above the fair value of CHF 303.0 million.

Construction work at the Maag site in Zurich West, where Swiss Prime Site is investing around CHF 355 million in the Prime Tower, the annex buildings Cubus and Diagonal, as well as the Platform commercial building, is progressing according to schedule. Since the topping-out ceremony in July 2010, interest in the rental space that is still vacant has increased significantly.

Outlook

Swiss Prime Site is expecting to see continued solid demand for office and retail space offering state-of-the art fitouts at attractive locations and considers itself very well positioned to respond to such a development. The loss of earnings rate should settle at 4.5% for the current business year. Everything is pointing to the excellent result achieved last year (excluding one-off factors) being bettered in 2010.

Selected key figures

	in	30.09.2010	30.09.2009	Change in %
Investment properties	CHF m	7 966.6	3 765.6	111.6
Rental income	CHF m	315.6	158.1	99.6
Loss of earnings rate	%	4.2	4.0	5.0
Retail trade turnover	CHF m	105.3	-	100.0
EBITDA	CHF m	305.8	165.5	84.8
EBIT	CHF m	290.2	165.5	75.3
Revaluation of investment properties (IAS 40)	CHF m	50.7	39.0	30.0
Profit attributable to shareholders of Swiss Prime Site AG	CHF m	156.6	105.5	48.4
Comprehensive income attributable to shareholders of Swiss Prime Site AG	CHF m	159.8	105.5	51.5
Shareholders' equity attributable to shareholders of Swiss Prime Site AG	CHF m	3 186.0	1 708.2	86.5
Equity ratio	%	38.3	39.1	-2.0
Borrowed capital	CHF m	5 135.0	2 655.2	93.4
Borrowed capital ratio	%	61.7	60.9	1.3
ROE (weighted)	%	6.5	9.6	-32.3
ROIC (weighted)	%	4.1	5.1	-19.6
Earnings per share (weighted)	CHF	2.89	4.11	-29.7
NAV before deferred taxes	CHF	70.56	66.20	6.6
NAV after deferred taxes	CHF	58.65	60.10	-2.4
Figures without revaluation effects*				
EBIT	CHF m	239.5	126.6	89.2
Profit attributable to shareholders of Swiss Prime Site AG	CHF m	125.1	75.0	66.8
Earnings per share (weighted)	CHF	2.31	2.92	-20.9
ROE (weighted)	%	5.2	7.0	-25.7

* Revaluations (IAS 40) and deferred taxes



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Swiss Prime Site AG

Swiss Prime Site AG is Switzerland's leading real estate investment company. Its portfolio of around CHF 8.0 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 capitalisation of around CHF 3.8 billion. The Company is characterised 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

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