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MEDIA RELEASE

10 November 2011
For immediate publication

Quarterly report as at 30 September 2011

Profit surges by a remarkable 22%

Franco Savastano assumes role as new Jelmoli CEO

Olten, 10 November 2011 – Swiss Prime Site realised an increase in EBIT of 15.5% to CHF 335.2 million and boost in profit of 22.4% to CHF 191.7 million in the first three quarters of FY 2011. Weighted earnings per share soared by 22.1% to CHF 3.53. The value of the real estate portfolio grew by CHF 248.6 million to CHF 8.2 billion (+3.1%).

Swiss Prime Site's Board of Directors has named Franco Savastano as new CEO of Jelmoli – The House of Brands and member of the company's Management Board. He is currently still Director of the Grieder fashion stores.

The focus on continuously optimising the quality of earnings was manifested in an increase in EBIT in the first nine months of the financial year 2011. Earnings before interest and taxes, including revaluation effects, jumped by 15.5% from CHF 290.2 million to CHF 335.2 million. Excluding revaluation effects, EBIT edged up by 1.6% to CHF 243.3 million (CHF 239.5 million). Profit attributable to shareholders after revaluation effects surged by 22.4% to CHF 191.7 million (CHF 156.6 million), resulting in weighted earnings per share (EPS) of CHF 3.53 (CHF 2.89).

Rental income edged down by 2.6% year-on-year to CHF 307.4 million (CHF 315.6 million), primarily due to divestments in the previous year and current financial year. The loss of earnings rate of 4.8% exceeded the past year's level of 4.2%, but continued to hover in a low target range of between 4.5% and 5.0% compared with the Swiss average. Operating income declined from CHF 431.8 million to CHF 415.3 million, of which CHF 120.7 million (CHF 128.6 million) is attributable to the retail trade segment with Jelmoli – The House of Brands department store in Zurich. The renovation of Jelmoli – The House of Brands, concluded in the autumn of 2010, transformed the property into Switzerland's leading premium department store and resulted in a noticeable pick-up in customer traffic flow. Nevertheless, the strength of the Swiss franc had an adverse impact on consumer sentiment, particularly on tourists from the Eurozone and the dollar zone.

New CEO of Jelmoli – The House of Brands

Swiss Prime Site's Board of Directors has named Franco Savastano as successor to Hanspeter Grüninger, who is departing the company as of end-March 2012. The 45-year-old Swiss-Italian dual citizen has been director of the ten Grieder fashion stores in German-speaking Switzerland since 2001. In addition, he is responsible for procurement of women's and men's fashion for all 15 Bon Génie – Grieder points of sale in Switzerland.

The new Jelmoli CEO has worked in management positions for exclusive fashion labels and fashion businesses for more than 20 years. Indeed, Swiss Prime Site has gained a real leader with Franco Savastano, who is so well-suited to Jelmoli with his proven fashion and retail expertise in the premium segment.

Franco Savastano's photo and curriculum vitae can be downloaded via the following link:
<http://www.swiss-prime-site.ch/d/bilder.php>

Positive development of the SPS share

Net asset value (NAV) per SPS share before deferred taxes amounted to CHF 73.02 as at 30 September 2011, which exceeded the previous year's figure of CHF 70.56 by 3.5%. NAV after deferred taxes edged up by 2.7% from CHF 58.65 to CHF 60.25. The distribution of CHF 3.50 per share carried out in April 2011 equates to an attractive cash yield of 5.0%, based on the closing price as at 31 December 2010.

The SPS share closed at CHF 73.20 (CHF 69.75) as at 30 September 2011, resulting in market capitalisation of CHF 4.0 billion (CHF 3.8 billion). While SPS stock performed 10.1% in the nine months to 30 September 2011, the Swiss Performance Index (SPI) lost ground by 13.5%.

The strong interest in the SPS share is also evident in the renewed stepped-up average daily trading volume of CHF 8.8 million (up to end-September 2011), corresponding to a surge of 66% versus the figure of CHF 5.3 million recorded in 2009 – i.e. prior to the Jelmoli-acquisition.

Real estate portfolio

The value of the real estate portfolio increased from CHF 8.0 billion the previous year to CHF 8.2 billion. The pick-up was attributable to higher valuations (through progress in construction of ongoing projects and renovations) as well as to revaluation effects, which surged by 81.5% from CHF 50.7 million to CHF 92.0 million. Of this total, CHF 25.4 million can be traced to properties under construction and development sites, CHF 16.9 million to the completely constructed Platform corporate building and CHF 49.7 million to the remainder of the existing properties and building land.

Following divestment of a property in Solothurn at a market value of CHF 10.0 million in the third quarter, the portfolio comprised 191 (205) properties as at 30 September 2011, including 12 (16) building land plots as well as four properties under construction and development sites. The Platform building located on the Maag site in Zurich was reclassified as investment property in the third quarter of 2011 following final completion and occupancy by the tenants. Overall, eight properties amounting to a total of CHF 42.9 million were divested in the reporting period in the course of further portfolio optimisation.

The buildings located at the Maag site in Zurich West are approaching full occupancy levels. While the Platform corporate building has been occupied already since June by Ernst & Young Ltd and 100% leased, the last remaining tenants will be taking up residence in the coming weeks in Prime Tower and the Cubus and Diagonal annex buildings. The opening ceremony of the Prime Tower will be held at the beginning of December 2011. In addition to the range of food and beverage services already available at present, Clouds restaurant situated on the 35th floor will also be open to the public starting from 12 December 2011.

Construction of the other development properties (Maaghof and SkyKey in Zurich West and North) is proceeding according to plan, in addition to preparations for relocation of the MFO building in Zurich Oerlikon planned for the spring of 2012, which will represent one more highlight in Swiss Prime Site's company history.

Outlook

Swiss Prime Site's strong presence in the two most dynamic real estate markets in Switzerland – Zurich and Geneva (accounting for 62% of fair value) – as well as the well-balanced mix of utilisation of 38% retail and 37% office properties (as measured by net rental income), paves the way for favourable preconditions for achieving sustainable, high rental income amid a persistently below-average loss of earnings rate of less than 5%. The long-term nature of the rental agreements also justifies an optimistic assessment of future returns. Roughly 66% of rental income is based on agreements with a minimum term of three years. Rental agreements with a term exceeding eight years account for nearly one-third of total rental income. Furthermore, the practically fully leased new buildings located at the Maag site should have a positive impact on the earnings picture as well.

Swiss Prime Site forecasts results in the current financial year (excluding extraordinary effects) that surpass the excellent previous year's levels.

Selected key figures

	Figures in	30/09/2011	30/09/2010	Change in %
Investment properties	CHF m	8 215.2	7 966.6	3.1
Net rental income	CHF m	307.4	315.6	-2.6
Loss of earnings rate	%	4.8	4.2	14.3
Net retail trade turnover	CHF m	106.4	105.3	1.0
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	CHF m	347.6	305.8	13.7
Earnings before interest and taxes (EBIT)	CHF m	335.2	290.2	15.5
Revaluation of investment properties (IAS 40)	CHF m	92.0	50.7	81.5
Profit attributable to shareholders of Swiss Prime Site AG	CHF m	191.7	156.6	22.4
Comprehensive income attributable to shareholders of Swiss Prime Site AG	CHF m	195.8	159.8	22.5
Shareholders' equity attributable to shareholders of Swiss Prime Site AG	CHF m	3 273.3	3 186.0	2.7
Equity ratio	%	38.3	38.3	-
Borrowed capital	CHF m	5 283.9	5 135.0	2.9
Borrowed capital ratio	%	61.7	61.7	-
ROE (weighted)	%	7.8	6.5	20.0
ROIC (weighted)	%	4.6	4.1	12.2
Earnings per share (weighted)	CHF	3.53	2.89	22.1
NAV before deferred taxes per share	CHF	73.02	70.56	3.5
NAV after deferred taxes per share	CHF	60.25	58.65	2.7
Figures without revaluation effects*				
Earnings before interest and taxes (EBIT)	CHF m	243.3	239.5	1.6
Profit attributable to shareholders of Swiss Prime Site AG	CHF m	142.1	125.1	13.6
Earnings per share (weighted)	CHF	2.62	2.31	13.4
ROE (weighted)	%	5.9	5.2	13.5

* 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. The company's portfolio is valued at CHF 8.2 billion and comprises first-class, value-retaining retail and commercial properties situated in prime locations. Swiss Prime Site is distinguished by its experienced management team, with streamlined structures and low costs, high earnings and capital potential as well as an excellent risk/return profile. The company has been listed on the SIX Swiss Exchange since 2000 and reports market capitalisation of around CHF 4 billion.

SIX Swiss Exchange / symbol SPSN / securities number 803 838

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