

# swiss prime news



picking the real value



## NAV

CHF 72.11 as at 31.12.2010

CHF 71.22 as at 31.12.2009

before deferred taxes  
securities number 803 838  
SIX symbol SPSN

Swiss Prime Site AG – financial year 2010

## Prime focus sharpened



Markus Graf, CEO of Swiss Prime Site AG

**Striking growth resulting from the acquisition of Jelmolli Group did not stand in the way of Swiss Prime Site's strategy of consistently focusing its portfolio on first-class properties in prime locations. The success of this strategy is manifested in a persistently low loss of earnings rate of 4.2% as well as a 87.4% surge in EBIT to CHF 411.1 million. Forecasts for financial year 2011 call for a prevailing high occupancy rate and even higher EBIT.**

In its first annual report including the consolidation of Jelmolli Group (acquired in 2009) for an entire reporting year, Swiss Prime Site boosted rental income by 65.8% to CHF 417.3 million [CHF 251.7 million]. Retail as well as office properties – which together generate 76% [77%] of all rental income – basked in the spotlight of the tenants. The loss of earnings rate amounted to 4.2%. Although this figure slightly exceeded the previous year's level of 4.0%, it equates to just roughly half of the average for office and retail properties in Switzerland. Indeed, the loss of earnings rate impressively underscores the fact that the acquisition of Jelmolli real estate has not diminished the focus on prime sites.

Total operating income surged from CHF 291.6 million to CHF 593.3 million, with the retail trade segment including the Jelmolli department store in Zurich accounting for CHF 188.8 million, or 31.8%. Jelmolli – The House of Brands on the Bahnhofstrasse was renovated in 2009/2010 for around CHF 40 million, reopening its doors at the end of October as one of the leading premium department stores worldwide. The Hotel Ramada Encore in Geneva generated income of CHF 9.1 million.

Earnings before interest and taxes (EBIT) soared by 87.4% from CHF 219.4 million to CHF 411.1 million. This figure includes a positive revaluation effect of CHF 86.4 million [CHF 53.9 million] from existing properties as well as properties under construction and development sites.

Profit attributable to shareholders after revaluations increased by 25.4% to CHF 235.0 million [CHF 187.4 million].

The average weighted interest rate on all financial liabilities amounted to 2.8% [2.8%] with an average residual term to maturity of 3.9 [3.4] years.

### Strong share performance

Net asset value (NAV) before deferred taxes amounted to CHF 72.11 per share on 31.12.2010 versus CHF 71.22 the previous year (+1.2%). NAV after deferred taxes edged up by 1.0% to CHF 60.14 [CHF 59.52]. The Swiss Prime Site share turned in a repeat positive performance in the reporting year, closing at CHF 69.75 [CHF 58.00] at the end of 2010, resulting in a total return (i.e. share-price gain and distribution) of 27.1%. Market capitalisation reached CHF 3.8 billion [CHF 3.2 billion] on 31.12.2010.

Continued on page 2



### POTENTIAL

Well-filled pipeline of development sites and projects

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### WORLD CLASS

Jelmolli – The House of Brands ascends to the highest plateau

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### MOBILITY

Swiss Prime Site puts wheels on MFO building in Zurich Oerlikon

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The share's average stock-exchange volume per trading day amounted to CHF 8.8 million [CHF 5.3 million] in 2010. The Swiss Prime Site share has been listed on key indices such as EPRA, SMIM and STOXX since 2009. The Company's share holds weightings of 39.8% and 42.3% in the overall SXI Real Estate Shares and SXI Swiss Real Estate Shares indices, respectively. The Swiss Prime Site share holds the heaviest weighting among real estate investment companies on the Swiss stock market and has shown up on the radar screens of numerous international investors and market participants since the Jelvoli acquisition.

#### Attractive cash yield

Based on the renewed very solid annual results, with earnings per share of CHF 4.34 [CHF 6.09] and positive outlook for the financial year 2011, the Board of Directors has decided to propose to the Annual General Meeting of 19.04.2011 an unchanged distribution of CHF 3.50 per share. The payout should be carried out through a withholding tax-exempt distribution from reserves of paid-in capital. The proposed distribution of CHF 3.50 [CHF 3.50] corresponds to a cash yield of 5.0% [6.0%], based on the closing share price at year-end 2010.

#### Balanced lease expiry structure

The ranking list of most important tenants includes Coop (share of 9.7%) and Migros (5.6%) – the leading companies in the Swiss retail trade sector – the two big Swiss banks UBS (6.3%) and Credit Suisse Group (4.5%), as well as Swisscom, Inditex (Zara etc.) and Dosenbach-Ochsner. Three fourths of the rental agreements in 2010 had a term of contract ranging from two to ten years, measured by net rental income. The share of lease expiries of less than one year of 24% amounted to roughly the same level as the rental agreements with a ten-year term.

#### Portfolio quality strengthened

As anticipated, the fair value of the portfolio underwent just a moderate change in the reporting year, with a value of CHF 8.0 billion as at 31.12.2010 versus CHF 8.1 billion the previous year. The portfolio split according to region and type of use showed only marginal shifts as well: Zurich (38%), Geneva (23%) and Northwest Switzerland (20%) remained the strongest investment regions. Most rental income was realised from retail properties (40%) and office properties (36%), while warehouse, parking facilities, cinemas and restaurants accounted for 18% of total rental income.

As at end-2010, the portfolio comprised 198 [230] properties, including the Prime Tower and Platform projects located at the Maag site in Zurich and Business Park 60 A–E at the Stückerli site in Basel, as well as 13 building land parcels. Within the scope of the announced divestment programme and consistent focus on the highest-quality segment, 33 properties were divested in the reporting year, including 22 properties from the former Jelvoli portfolio. Total proceeds realised from divestments amounted to CHF 348.2 million, which exceeded the fair value of CHF 339.4 million as at 31.12.2009.

Among the existing properties, the favourable trend exhibited by Sihlcity stands out. The urban entertainment centre – in which Swiss Prime Site holds a 24.2% stake – boosted sales by 9% year-on-year in 2010. The demand for services even climbed by 16.6% in the reporting year. In its fourth year of operation, Sihlcity counted 6.6 million visitors, corresponding to an average of more than 20 000 visitors per day.

#### Prime Tower and other new building projects on course

The final construction phase has commenced for Prime Tower, the Platform corporate building and annex buildings Cubus and Diagonal located at the Maag site in Zurich West. The first office tenants in Prime Tower will move into their floor space in summer 2011. The restaurant/bar/lounge and conference areas situated on the top two floors of the building will open their doors in November 2011. Deutsche Bank (Switzerland) Ltd will take up residence probably in December 2011, leasing more than 5 000 m<sup>2</sup> of office floor space in Prime Tower for its Private Wealth Management business. The decisive factors for choosing Prime Tower were the first-class location in Zurich West, the outstanding architecture, flexible spatial concept and the building's sustainability, underscored by the LEED (Leadership in Environmental and Energy Design) certification. The tower's occupancy rate reached the 85% mark at end-2010.

#### New office tower in Zurich North

Swiss Prime Site purchased the SkyKey real estate project in Zurich North effective 24.01.2011, in which it will invest a total of CHF 230 million. The 63-metre-high commercial building is being constructed by Karl Steiner Ltd according to the LEED standard and will be ready for occupancy in summer 2014. The projected construction area is situated on a 9 500 m<sup>2</sup> site next to the Andreaspark business centre, comprising rental floor space of 40 000 m<sup>2</sup>, allocated over 18 upper floors

and 2 subterranean levels, where 230 parking places will be located. The building complex is equipped with roughly 2 300 workplaces and is being fully leased within the scope of a long-term contract by Zurich Insurance Company Ltd.

#### Outlook

The favourable economic picture in Switzerland leads to expectations of prevailing robust demand for commercial properties. Increasing employment levels should prompt a growing number of companies to lease additional office floor space, or search for larger locations. At the same time, the preference clearly favours modern properties with flexible use that are well situated in close proximity to city centres. Companies such as Swiss Prime Site that have focused their portfolios on prime real estate in the best locations will reap disproportionately high rewards from this trend. Furthermore, the significant share of long-term, indexed contracts with tenants holding good credit ratings should ensure strong earnings continuity. For the current financial year, Swiss Prime Site forecasts a boost in operating profit (EBIT before revaluation effects) compared with financial year 2010, with a loss of earnings rate of 4.5%–5.0%.

Development potential

## Tomorrow's potential

**Swiss Prime Site boasts a well-filled pipeline of property development sites and building land reserves. The project in the most advanced stages is the construction of a multiplex cinema situated on the roof of the La Praille shopping centre near Geneva.**

Among the roughly 200 properties and projects in the portfolio of Swiss Prime Site, there are several undeveloped sites, which are reported on a transparent basis in the Company's financial report in the «Property details» section under «Build-

ing land». In the same section, there are also details regarding «Properties under construction and development sites». The land areas of these two categories amount to roughly 145 000 m<sup>2</sup>, corresponding to around 11% of total land area and harbouring attractive development potential.

As the following examples reveal, the possible spectrum of development is vast. In Zurich West, planning for the residential building complex Maaghof has started (see the article on page 3). Part of the commercial property located on Weltpost-

strasse 5 in the Murfeld quarter in Berne will be replaced by a new building, while the other sections of the property will be totally renovated.

#### New multiplex cinema for Geneva

Exploiting the potential of existing properties in an intelligent and profitable way is exemplified by the La Praille shopping centre in Grand-Lancy near Geneva. In the wake of a multi-year planning phase, Swiss Prime Site obtained the building permit in November 2010 for the construction of a multiplex cinema to be situated on the roof of the shopping complex. The new movie facility with six theatres will be ready for occupancy in autumn 2012.

Swiss Prime Site also holds two excellently positioned properties located in close proximity to Geneva Airport and in Plan-les-Quates comprising an area of 36 000 m<sup>2</sup>. Future utilisation of these building land reserves is still open, with various scenarios currently under review.

#### PROPERTIES UNDER CONSTRUCTION AND DEVELOPMENT SITES

	Maaghof Zurich West <sup>3)</sup>	Weltpoststrasse 5 Berne <sup>1)</sup>	La Praille Grand-Lancy <sup>1)</sup>	Plan-les-Quates <sup>2)</sup>	Geneva Airport <sup>2)</sup>
Land area	11 199 m <sup>2</sup>	31 141 m <sup>2</sup>	20 602 m <sup>2</sup>	28 429 m <sup>2</sup>	7 631 m <sup>2</sup>
Fair value as of 31.12.2010	CHF 20.6 million	CHF 52.2 million	CHF 252.2 million	CHF 12.1 million	CHF 6.7 million
Current status	Industrial building with interim use	Commercial property	Shopping centre	Building land	Building land
Project or development scenario	Residential building complex in planning	Total renovation and replacement with new building	Addition of multiplex cinema with six theatres	Under review	Under review

<sup>1)</sup> existing properties; <sup>2)</sup> building land; <sup>3)</sup> properties under construction and development sites



Maag Site Plus, Zurich West

# Zurich West: Era of residential life begins



The ten-storey Maaghof site will feature space for social or commercial uses on the ground floor and for apartments on the upper floors. The top floors are designed for tenants who are looking for special premises with a fantastic view and sophisticated construction standards.

**Located to the west of Prime Tower, there are several residential building projects of various investors in the planning or construction phase. Swiss Prime Site is also active at this location with the Maaghof site, featuring about 220 residential units comprising rental floor space of 23 700 m<sup>2</sup>. The new buildings will be surrounded by an abundance of greenery.**

The Maag site to date has been a focal point of interest especially due to Prime Tower as well as the commercial buildings situated in direct proximity. However, the properties held by Swiss Prime Site extend far beyond just this particular zone. In fact, there is another zone situated west of Prime Tower

with the Maag Event Hall with roughly 8 000 m<sup>2</sup> of land area and another 11 200 m<sup>2</sup> of residential area, with a total fair value of CHF 31.4 million where Swiss Prime Site is planning to construct the Maaghof residential building project, with a spacious park-like courtyard.

**Preferably rental apartments in the medium-price segment**

The residential building complex is the result of a sound feasibility study developed on the basis of special building regulations for the entire Maag site. The complex is located in zone 3, which is subject to compliance with a minimum 80% share of residential use, resulting in a residential part of 26 700 m<sup>2</sup> gross. The building concept features an L-shaped

design, with the longer side extending from north to south. Plans call for various building sections with focal points directed at mixed utilisation. The largest proportion of space is earmarked for residential units in the medium-price segment. Apartments with larger rooms and exterior spaces, more sophisticated construction standards and a corresponding rent price level will be erected on the top floors. Construction of smaller residential units for seniors in the north wing is being analysed.

The ground floor is envisaged for social uses such as a nursery school and kindergarten, or commercial floor space for shops, businesses and a cafeteria. The longish building structure will be dissected in three places by spacious passages leading to the courtyard, ascending to a height of three storeys and serving pedestrians as well as cyclists as public gateways. Both residents and passers-by will benefit from the structure as they move from the Hardbrücke railway station through the Maag site toward the Technopark, or en route to the Zurich University of the Arts located at the Toni site.

**An abundance of green spaces**

The heart of the complex will feature a courtyard with an oasis of greenery. A spacious park-like setting is envisaged, with a comfortable assortment of trees.

Maaghof's green spaces will be bordered on the west side by an urban-like ten-storey residential building (City West E, investor: Swiss Life), which will also include passages leading to Mobimo Tower with the Renaissance Zurich Tower Hotel and the nearby planned Pfingstweidpark with school and gymnasium to the west. The Gleisbogen Passerelle will lead to the Toni site – the location of the future Zurich University of the Arts and a projected high-rise residential building, with the Sheraton Zurich Hotel situated in Hard Turm Park on the Pfingstweidstrasse. Indeed, Zurich West is emerging as an urban quarter with an elaborate infrastructure and stimulating vast array of uses.



- Welte-Furrer site
- City West
- Swiss Prime Site

1. Prime Tower
2. Platform
3. Cubus
4. Diagonal
5. Maag Event Hall
6. Maaghof
7. City West E
8. Mobimo Tower with Renaissance Zurich Tower Hotel
9. Pfingstweidpark
10. Technopark
11. Toni site with Zurich University of the Arts
12. Sheraton Zurich Hotel in Hard Turm Park
13. EWZ administration building





Structural measures and building-technology related renovations accounted for roughly two thirds of the total investment of approximately CHF 40 million in the Jelmolli building located on Seidengasse 1. Noteworthy are the vertical openings paving the way for the galleries that are so typical of such department stores.

Jelmolli – The House of Brands, Zurich

## World class department store

**Swiss Prime Site holds one of Europe's prominent premium department stores, with Jelmolli – The House of Brands located near the Bahnhofstrasse in Zurich. The building is the result of an 18-month phase of expansion and renovation that was concluded at end-October 2010. A shopping realm has emerged spanning six floors with total retail space of rund 23 000 m<sup>2</sup>, featuring 1 000 top brands and an unforgettable ambiance.**

The Jelmolli success story is also a tale of foresighted investments in real estate. Company founder Johann Peter Jelmolli-Ciolina – who originally sold his goods only at trade fair stands – opened the doors to his first business in Zurich at the Schipfe and subsequently relocated to the Münsterhof in 1837. Franz Anton, Jelmolli's son, acquired the building situated at Sihlstrasse 6 and divested the property at Münsterhof, buying the Seidenhöfe. The glass palace-like building was opened in 1899 with 72 employees at the time. This property was sup-

plemented with a new building in 1961 and thereafter expanded and renovated in various phases.

**Premium department store opens its doors** Jelmolli's last significant expansion and renovation phase was not completed until roughly five months ago. After a 18-month restructuring period, more than 900 invited guests celebrated the reopening of Zurich's leading premium department store at the Maag Event Hall on 26.10.2010. The glamorous festive occasion, with numerous VIPs and an elaborately staged fashion show, constituted the crowning conclusion of an investment programme totalling around CHF 40 million, flowing into the property structure and building technology as well as interior architecture.

Notable results are retail floor space that offers much more than merely «merchandise». In this context, the term department store is even antiquated. «We offer a unique shopping experience with absolute top brands, comparable with Harrods in London or Galeries Lafayette in Paris,» declares Jelmolli – The House of Brands CEO, Hanspeter Grüninger. Nevertheless, Mr. Grüninger does not want

the transformation into a premium department store to be perceived as a shift away from traditional values.

The spaciousness of the newly reopened store as well as the vast array of products and services offered are highlighted by the following figures: the new perfumery department on the ground floor comprises 1 000 m<sup>2</sup> – i.e. a record amount of floor space in Switzerland. The men's and women's fashion sections span areas of more than 2 900 and 4 500 m<sup>2</sup>, respectively. Add to that the lingerie department with 1 700 m<sup>2</sup> and Switzerland's largest sporting goods department situated on the fourth floor, with roughly 3 700 m<sup>2</sup>. Indeed, Jelmolli has ascended to the highest plateau in every aspect.

### KEY DATA: JELMOLI – THE HOUSE OF BRANDS

<b>Address</b>	Seidengasse 1, 8021 Zurich
<b>Opening of first building (glass palace)</b>	1899
<b>Total rental floor space (including office and warehouse space)</b>	32 198 m <sup>2</sup>
<b>Total retail floor space</b>	25 219 m <sup>2</sup>
<b>Sales (2010)</b>	CHF 319.6 million
<b>Sales under own management (2010)</b>	CHF 165.1 million
<b>Sales shop-in-shop (2010)</b>	CHF 154.5 million
<b>Sales per m<sup>2</sup> (2010)</b>	CHF 12 671.00
<b>Investment in expansion phase 2009/2010</b>	about CHF 40 million
<b>Number of tenants</b>	approximately 40
<b>Number of brands</b>	approximately 1 000
<b>Jelmolli parking</b>	230 parking places

### JELMOLI WINS AWARD

Jelmolli – The House of Brands is one of three winners of the EuroShop Retail Design Award 2011. Since 2008, the Dusseldorf trade fair and EHI Retail Institute, Cologne, have awarded this prize annually to the best three stores worldwide. EHI is a scientific institute of the retail industry counting 550 member companies.





The spectacular Jelmoli Opening Gala took place at the Maag Event Hall on 26.10.2010. Around 900 guests celebrated the reopening and new appearance of Jelmoli. Johann Peter Jelmoli (actually, an actor disguised as the company founder) and the ambassador of brands, Fiona Hefti, moderated the evening's fashion show.



# Excerpt from the annual report

## CONSOLIDATED INCOME STATEMENT

in CHF 1 000	01.01.–31.12.2010	01.01.–31.12.2009
Rental income from investment properties	417 276	251 745
Proceeds of property sales, net	(817)	(19)
Retail trade turnover, net	156 998	32 822
Sales proceeds from investment	4 384	–
Other operating income	15 487	7 019
<b>Operating income</b>	<b>593 328</b>	<b>291 567</b>
Real estate costs	62 538	35 926
Cost of goods sold	75 122	17 786
<b>Direct operating expenses</b>	<b>137 660</b>	<b>53 712</b>
Personnel costs	49 996	11 469
Other operating expenses	53 855	57 023
Depreciation, amortisation and impairment	27 103	3 948
<b>Operating expenses</b>	<b>130 954</b>	<b>72 440</b>
<b>Revaluation of investment properties, properties under construction and development sites, net</b>	<b>86 397</b>	<b>53 941</b>
<b>Operating profit (EBIT)</b>	<b>411 111</b>	<b>219 356</b>
Financial expenses	128 646	80 481
Financial income	6 968	2 065
Income from investments in associates	1 978	32 775
<b>Profit before income taxes</b>	<b>291 411</b>	<b>173 715</b>
Income tax expense/(income tax revenue)	55 615	(14 124)
<b>Profit</b>	<b>235 796</b>	<b>187 839</b>
<b>Profit attributable to shareholders of Swiss Prime Site AG</b>	<b>235 041</b>	<b>187 408</b>
<b>Profit attributable to non-controlling interests</b>	<b>755</b>	<b>431</b>
<b>Earnings per share, in CHF</b>	<b>4.34</b>	<b>6.09</b>
<b>Diluted earnings per share, in CHF</b>	<b>4.15</b>	<b>5.81</b>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

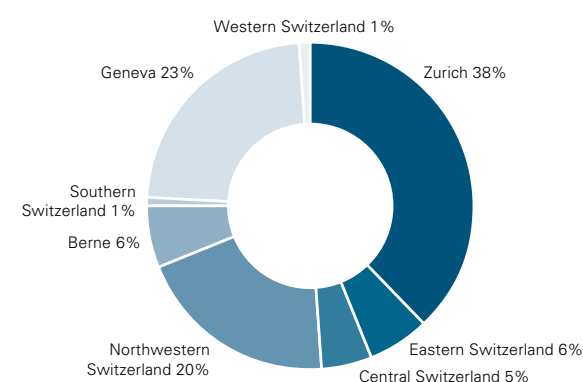
in CHF 1 000	01.01.–31.12.2010	01.01.–31.12.2009
<b>Profit</b>	<b>235 796</b>	<b>187 839</b>
Revaluation of owner-occupied properties	7 592	3 757
Deferred taxes on revaluation of owner-occupied properties	(1 746)	(601)
<b>Other comprehensive income</b>	<b>5 846</b>	<b>3 156</b>
<b>Comprehensive income</b>	<b>241 642</b>	<b>190 995</b>
<b>Comprehensive income attributable to shareholders of Swiss Prime Site AG</b>	<b>240 887</b>	<b>190 513</b>
<b>Comprehensive income attributable to non-controlling interests</b>	<b>755</b>	<b>482</b>

## CONSOLIDATED BALANCE SHEET

in CHF 1 000	31.12.2010	31.12.2009
Cash	9 800	90 473
Securities	1 285	1 329
Accounts receivable	97 486	166 960
Other receivables	15 595	22 343
Current income tax assets	2 688	2 512
Inventories	23 287	19 774
Accrued income and prepaid expenses	20 405	22 551
Assets held for sale	130 625	142 018
<b>Total current assets</b>	<b>301 171</b>	<b>467 960</b>
Non-current financial investments	2 029	3 289
Investments in associates	12 613	12 858
Investment properties including building land	7 051 166	7 131 373
Properties under construction and development sites	558 070	369 500
Owner-occupied properties	280 423	438 728
Tangible assets	45 583	28 814
Goodwill	36 010	36 130
Intangible assets	30 319	32 343
Deferred tax assets	–	7 750
<b>Total non-current assets</b>	<b>8 016 213</b>	<b>8 060 785</b>
<b>Total assets</b>	<b>8 317 384</b>	<b>8 528 745</b>
Accounts payable	6 143	23 278
Current financial liabilities	918 367	908 323
Other current liabilities	30 295	24 249
Advance payments	83 216	38 694
Current income tax liabilities	30 152	17 462
Accrued expenses and deferred income	57 833	116 118
<b>Total current liabilities</b>	<b>1 126 006</b>	<b>1 128 124</b>
Non-current financial liabilities	3 256 351	3 502 829
Other non-current financial liabilities	17 411	9 228
Deferred tax liabilities	650 083	632 969
Net pension provision obligation	355	349
<b>Total non-current liabilities</b>	<b>3 924 200</b>	<b>4 145 375</b>
<b>Total liabilities</b>	<b>5 050 206</b>	<b>5 273 499</b>
Share capital	831 841	1 022 132
Capital reserves	1 292 047	1 296 925
Revaluation reserves	9 002	3 105
Retained earnings	1 134 288	899 247
<b>Shareholders' equity attributable to shareholders of Swiss Prime Site AG</b>	<b>3 267 178</b>	<b>3 221 409</b>
Non-controlling interests	–	33 837
<b>Total shareholders' equity</b>	<b>3 267 178</b>	<b>3 255 246</b>
<b>Total liabilities and shareholders' equity</b>	<b>8 317 384</b>	<b>8 528 745</b>

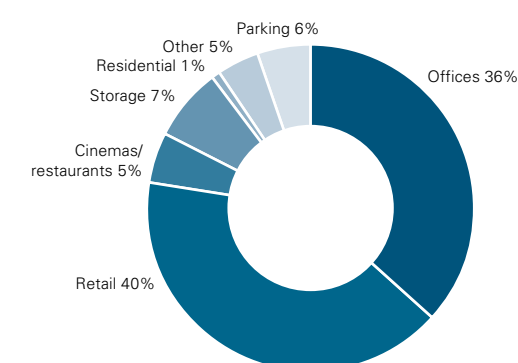
## PORTFOLIO SPLIT BY REGION

Basis: fair value as at 31.12.2010



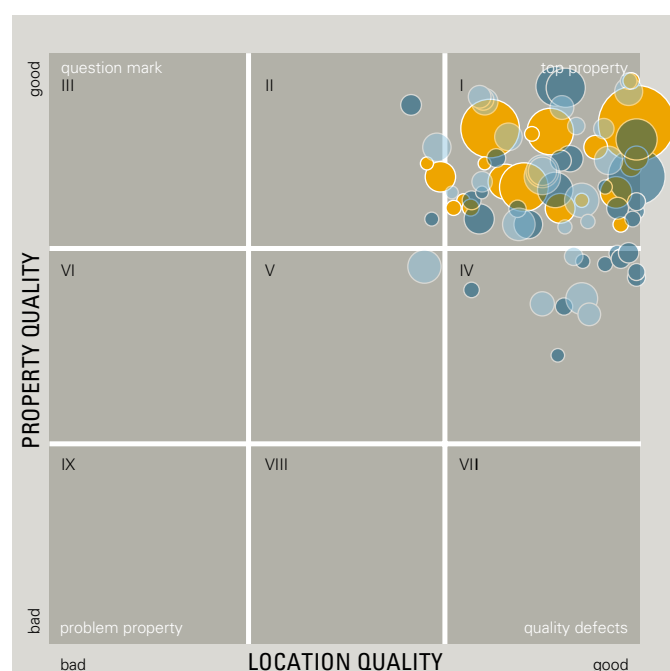
## PORTFOLIO SPLIT BY TYPE OF USE

Basis: net rental income as at 31.12.2010



## MARKET MATRIX: MARKET ASSESSMENT OF INDIVIDUAL PROPERTIES

As at 31.12.2010, source Wüest & Partner AG



- properties with office use > 66%; fair value > CHF 20 million
- properties with retail use > 66%; fair value > CHF 20 million
- properties with mixed use; fair value > CHF 20 million

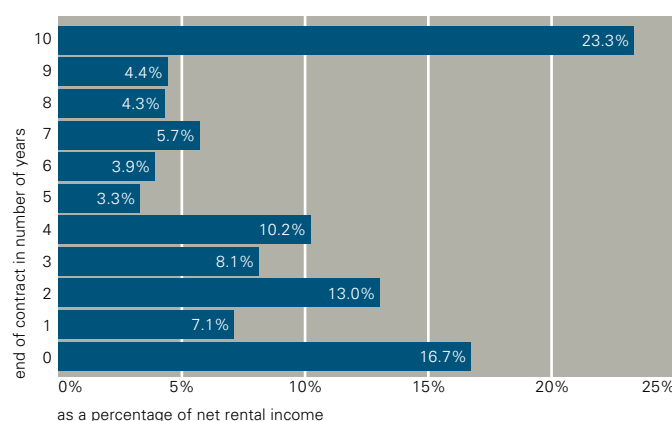
### LARGEST TENANTS

As at the balance sheet date 31.12.2010, the five largest external tenant groups accounted for 30.1% [30.8%] of future annual rental income. The individual tenants have good credit ratings. They were the following companies:

	31.12.2010 share in %		31.12.2009 share in %
Coop	9.7	Coop	9.6
UBS	6.3	UBS	6.2
Migros	5.6	Migros	5.3
Credit Suisse Group	4.5	Credit Suisse Group	5.2
Swisscom	4.0	Swisscom	4.5

### PORTFOLIO BY CONTRACTUAL END OF RENTAL RELATIONSHIP

Basis: net rental income as at 31.12.2010



## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

in CHF 1 000	Share capital	Capital reserves (premium)	Revaluation reserves	Retained earnings	Shareholders' equity attributable to shareholders of Swiss Prime Site AG	Non-controlling interests	Total shareholders' equity
<b>As at 01.01.2009</b>	<b>569 510</b>	<b>137 414</b>	<b>-</b>	<b>711 839</b>	<b>1 418 763</b>	<b>-</b>	<b>1 418 763</b>
Profit	-	-	-	187 408	187 408	431	187 839
Revaluation of owner-occupied properties	-	-	3 696	-	3 696	61	3 757
Deferred taxes on revaluation of owner-occupied properties	-	-	(591)	-	(591)	(10)	(601)
Other comprehensive income	-	-	3 105	-	3 105	51	3 156
<b>Comprehensive income</b>	<b>-</b>	<b>-</b>	<b>3 105</b>	<b>187 408</b>	<b>190 513</b>	<b>482</b>	<b>190 995</b>
Acquisition of the participation in Jelmoli Holding Ltd from Pelham Investments Ltd on 29.05.2009	-	265 440	-	-	265 440	-	265 440
Nominal value reduction on 09.07.2009	(87 222)	5 809	-	-	(81 413)	-	(81 413)
Payment of purchase price to Pelham Investments Ltd on 10.07.2009	84 224	(84 224)	-	-	-	-	-
Capital increase for exchange of shares for the exchange offer on 29.10.2009	455 620	903 394	-	-	1 359 014	33 355	1 392 369
Capital increase costs	-	(781)	-	-	(781)	-	(781)
Share-based payments	-	266	-	-	266	-	266
Purchase of treasury shares	-	(6)	-	-	(6)	-	(6)
Sale of treasury shares	-	69 613	-	-	69 613	-	69 613
<b>As at 31.12.2009</b>	<b>1 022 132</b>	<b>1 296 925</b>	<b>3 105</b>	<b>899 247</b>	<b>3 221 409</b>	<b>33 837</b>	<b>3 255 246</b>
Profit	-	-	-	235 041	235 041	755	235 796
Revaluation of owner-occupied properties	-	-	7 592	-	7 592	-	7 592
Deferred taxes on revaluation of owner-occupied properties	-	-	(1 746)	-	(1 746)	-	(1 746)
Other comprehensive income	-	-	5 846	-	5 846	-	5 846
<b>Comprehensive income</b>	<b>-</b>	<b>-</b>	<b>5 846</b>	<b>235 041</b>	<b>240 887</b>	<b>755</b>	<b>241 642</b>
Issue of 1.875% convertible bond on 20.01.2010, equity component	-	1 662	-	-	1 662	-	1 662
Conversion of employee options on 25.03.2010	-	5 408	-	-	5 408	-	5 408
Squeeze-out on 12.05.2010	-	32 154	51	-	32 205	(32 205)	-
Disposal of investment in a subsidiary on 28.05.2010	-	-	-	-	-	(2 387)	(2 387)
Nominal value reduction on 12.07.2010	(190 291)	160	-	-	(190 131)	-	(190 131)
Share-based payments	-	517	-	-	517	-	517
Purchase of treasury shares	-	(45 111)	-	-	(45 111)	-	(45 111)
Sale of treasury shares	-	332	-	-	332	-	332
<b>As at 31.12.2010</b>	<b>831 841</b>	<b>1 292 047</b>	<b>9 002</b>	<b>1 134 288</b>	<b>3 267 178</b>	<b>-</b>	<b>3 267 178</b>

## SELECTED KEY FIGURES

	Details in	31.12.2010	31.12.2009	Change in %
Rental income, net	CHF m	417.3	251.7	65.8
Retail trade turnover, net	CHF m	157.0	32.8	378.7
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	CHF m	438.2	223.3	96.2
Earnings before interest and taxes (EBIT)	CHF m	411.1	219.4	87.4
Profit attributable to shareholders of Swiss Prime Site AG	CHF m	235.0	187.4	25.4
Comprehensive income attributable to shareholders of Swiss Prime Site AG	CHF m	240.9	190.5	26.5
Shareholders' equity attributable to shareholders of Swiss Prime Site AG	CHF m	3 267.2	3 221.4	1.4
Equity ratio	%	39.3	37.8	4.0
Borrowed capital	CHF m	5 050.2	5 273.5	(4.2)
Borrowed capital ratio	%	60.7	61.8	(1.8)
ROE (weighted)	%	7.2	10.0	(28.0)
ROIC (weighted)	%	4.3	4.3	-

### Figures without revaluation effects\*

Earnings before interest and taxes (EBIT)	CHF m	324.7	165.4	96.3
Profit attributable to shareholders of Swiss Prime Site AG	CHF m	171.7	117.1	46.6
Comprehensive income attributable to shareholders of Swiss Prime Site AG	CHF m	171.7	117.0	46.8
Earnings per share (weighted)	CHF/share	3.17	3.81	(16.8)
ROE (weighted)	%	5.4	6.5	(16.9)

\* revaluations (IAS 40) and deferred taxes

## PROPERTY PORTFOLIO DETAILS

	Fair value in CHF m		Rental income in CHF m		Net yield in %		Loss of earnings rate in %	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.12.2010	31.12.2009
Zurich	2 586.1	2 696.3	133.7	103.6	5.0	5.0	3.8	2.6
Central Switzerland	382.3	412.9	23.8	21.7	5.2	5.6	0.2	0.8
Eastern Switzerland	502.4	495.9	29.9	14.3	5.1	5.1	4.1	2.1
Northwestern Switzerland	1 496.7	1 527.2	86.5	46.6	4.8	4.9	8.0	9.5
Berne	519.1	568.5	34.2	27.0	5.6	5.2	2.7	4.0
Geneva	1 811.6	1 802.9	93.0	33.5	4.4	4.5	3.2	2.9
Western Switzerland	60.3	100.6	5.7	3.1	6.2	5.2	4.5	4.8
Southern Switzerland	103.7	107.8	7.2	1.3	5.0	4.7	0.7	4.2
<b>Subtotal</b>	<b>7 462.2</b>	<b>7 712.1</b>	<b>414.0</b>	<b>251.1</b>	<b>4.9</b>	<b>4.9</b>	<b>4.3</b>	<b>4.0</b>
Properties under construction / development sites	558.1	369.5	3.3	0.6	n/a	n/a	-	0.2
<b>Total</b>	<b>8 020.3</b>	<b>8 081.6</b>	<b>417.3</b>	<b>251.7</b>	<b>n/a</b>	<b>n/a</b>	<b>4.2</b>	<b>4.0</b>



MFO brick building, Zurich Oerlikon

# A special form of travel planning

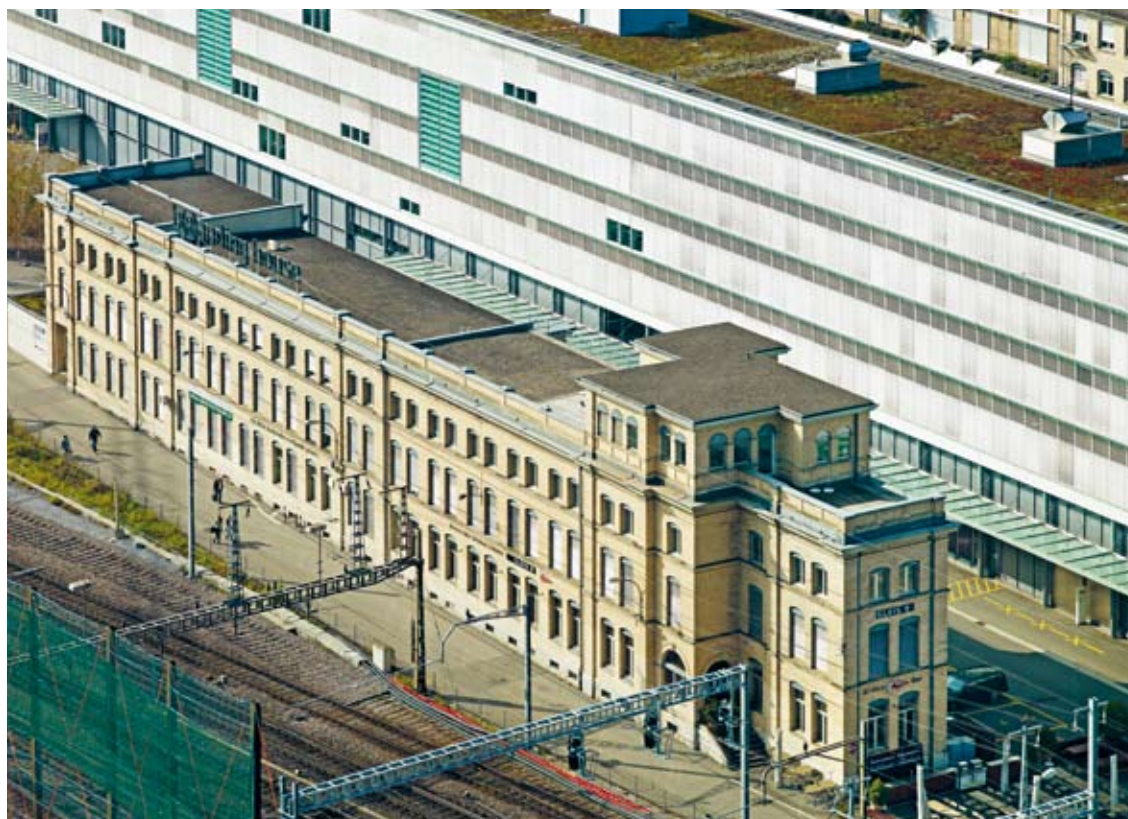
**Swiss Prime Site succeeded in acquiring a prime property by extraordinary means thanks to the relocation of a historic building.**

The relocation of an entire building is a premiere event for Swiss Prime Site. «Never before has a property rolled into our portfolio on steel casters,» declares Chief Investment Officer Peter Lehmann. When a 5600-ton-heavy house is relocated, there must be very extraordinary circumstances. Such is the case with the Oerlikon railway station in Zurich, where Swiss Prime Site holds a prominent position with the Cityport office building. Tucked between Cityport and the Swiss Federal Railways' (SBB) tracks lies the executive office building of the former tool and machinery factory Oerlikon (Maschinenfabrik Oerlikon – MFO). The building has to be moved from its current location no later than end-May 2012 because the SBB needs the space for the construction of two additional tracks. Tenants, local residents and government officials were vehemently opposed to any demolition of the property.

A happy ending did not emerge until September 2010 when the current owner, ABB, offered its hand in finding a solution: Ownership of the MFO building will be transferred from ABB to Swiss Prime Site, which will thus bear the costs for the relocation while the municipality of Zurich will provide part of the land for the new site. The planned investment on the part of Swiss Prime Site will amount to more than CHF 10 million.

## Meticulous preparations, brief travel time

The actual relocation of the building will probably not take place before March 2012, but preparations are proceeding in full swing. First, the utility lines must be dismantled and set up at the new location. Next, sheet pile walls will be erected around the 80-metre-long and 12-metre-wide building structure in order to excavate the basement. Thereafter, concrete bolts will be fastened to the upper part of the basement area, functioning as fixtures for cross-support beams, on which steel girders will be mounted and used as rails for the transport process. There will be upper and lower rails, in between which steel rollers are placed in order to ultimately pave the



way for the relocation of the building, with the help of hydraulic presses. Once the building is placed on the rollers, the lower basement walls will be removed – and subsequently the journey can commence.

The baseplate for the transported building will already be in place at the new location. Then the new basement walls must be erected and attached to the building, so the various support beams/girders and transport equipment can be removed thereafter. A further challenge looms in the form of the slightly diagonal relocation route, in addition to a marginal difference in height. While preparations

will necessitate several months of labor, the actual relocation itself will take probably just one day.

## TIMETABLE

<b>Special building regulations legally enter into effect</b>	May 2011
<b>Construction authorisation</b>	May 2011
<b>Start of excavation</b>	Following building permit autumn 2011 at the latest
<b>Construction of basement and set-up of relocation rail system</b>	Autumn/winter 2011/2012
<b>Relocation</b>	March 2012
<b>Transfer of plot of land to SBB</b>	End-May 2012
<b>Start of SBB construction</b>	Subsequently

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## AGENDA

### 19 April 2011

Annual General Meeting financial year 2010 of Swiss Prime Site AG

### 8 September 2011

Semi-annual Report as at 30.06.2011 with financial statements press conference

## SHARE DETAILS

### Share price

01.01.–31.12.2010			
31.12.2010	CHF	69.75	
High	CHF	72.25	
Low	CHF	58.00	

### Market capitalisation

31.12.2010	CHF m	3 792.2
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### NAV before deferred taxes per share\*

31.12.2010	CHF	72.11
31.12.2009	CHF	71.22
Change		1.2%

### NAV after deferred taxes per share\*

31.12.2010	CHF	60.14
31.12.2009	CHF	59.52
Change		1.0%

### Earnings per share (weighted)

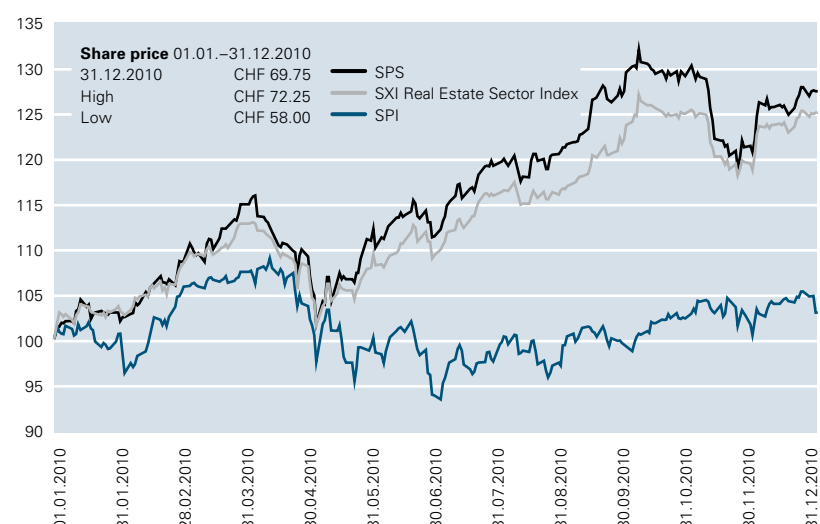
31.12.2010	CHF	4.34
31.12.2009	CHF	6.09
Change		(28.7%)

### Share statistics

Total registered shares	54 368 714
Securities number	803 838
ISIN number	CH 000 803 838 9
SIX-symbol	SPSN
First trading day	05.04.2000

\* Any non-controlling interests included in shareholders' equity are not taken into account for NAV calculation purposes.

## TREND OF THE SWISS PRIME SITE SHARE 01.01.–31.12.2010 (REINVESTED)



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