

# swiss prime news



picking the real value



## NAV

CHF 79.80 as at 30.06.2013

CHF 78.62 as at 31.12.2012\*

before deferred taxes (\* restated)

securities number 803 838

SIX symbol SPSN

Swiss Prime Site: first half-year 2013

## Significant boost in profit



Markus Graf, CEO of Swiss Prime Site AG

**Swiss Prime Site generated a 15.0% jump in EBIT to CHF 331.7 million and 25.0% surge in profit to CHF 222.3 million in the first half-year 2013. The value of the real estate portfolio increased by CHF 0.3 billion versus the figure at end 2012 to the CHF 8.9 billion mark. For 2013, Swiss Prime Site continues to forecast EBIT and profit figures that are higher than the respective previous year's levels.**

Swiss Prime Site turned in a renewed very successful performance in the first half-year, realising a 25.0% pickup in profit to CHF 222.3 million as well as 15.0% increase in EBIT to CHF 331.7 million. The previous year's figures were restated based on IAS 19 revised «Employee benefits». The EBIT number of CHF 331.7 million included revaluations of CHF 169.8 million [CHF 130.4 million] (excluding owner-occupied properties), of which CHF 22.5 million was attributable to the first-time application of IFRS 13 «Fair value measurement» with the new highest and best use concept.

Weighted earnings per share after revaluation effects\* edged up by 12.8% from CHF 3.27 to CHF 3.69 and before revaluations by 9.6% from CHF 1.67 to CHF 1.83. Net asset value (NAV) before deferred taxes amounted to CHF 79.80 as at 30.06.2013 versus CHF 78.62 as at 31.12.2012 (+1.5%). NAV after deferred taxes was CHF 65.53 versus CHF 65.22 (+0.5%). The distribution to shareholders paid out in April amounted to CHF 3.60 per share [CHF 3.60] and was effected through a withholding tax-exempt distribution from capital contribution reserves, corresponding to a cash yield of 4.7% [5.1%] based on the closing share price at year-end 2012.

The Swiss Prime Site share closed at the end of the reporting period at CHF 69.45 [CHF 76.35 as at end 2012], resulting in a total return (i.e. share price performance and distribution – TR) of –4.6% [17.6%]. The share price performance fell slightly short of the benchmark index SXI Real Estate Shares (–3.5%).

Following conversions of the CHF 300 million convertible bond into 491 470 registered shares in the first half-year 2013, the share capital amounted to CHF 925.7 million, or 60 503 081 shares.

The equity ratio amounted to 42.0% as at 30.06.2013, dipping slightly below the value as at 31.12.2012 [42.4%]. After the balance sheet date (i.e. on 11.07.2013), Swiss Prime Site issued a five-year bond totalling CHF 115.0 million with interest rate of 1.125%. The CHF 200.0 million bond with interest rate of 4.625% was redeemed on 11.07.2013.

### Real estate segment

Net rental income edged down by 2.4% to CHF 199.3 million in the reporting period. The decrease was attributable primarily to

\* revaluations and deferred taxes on real estate

Continued on page 2

### NEW INNOVATIVE WORKING ENVIRONMENT

SkyKey in Zurich Oerlikon on track toward becoming showcase project.

Page 3



### NEW SEGMENT

Tertianum stands for «assisted living».

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### NEW CINEMA

Superlative multiplex cinema emerges at La Praille in Grand-Lancy.

Page 8

the elimination of rental income from divestments and to modifications/renovations, as well as to an increase in vacancies and loss of earnings. The loss of earnings rate climbed in the forecast range from 5.4% to 6.2% in the reporting period.

The largest external tenants in the reporting period were as follows: Coop (8.5%), Migros (5.1%), Swisscom (3.9%), Inditex (3.6%) and Credit Suisse Group (3.0%). Around 60% of all rental agreements had a residual term of four or more years, based on data as at 30.06.2013.

The fair value of the real estate portfolio increased by CHF 0.3 billion to CHF 8.9 billion as at 30.06.2013, or +3.2% versus the value at end 2012 of CHF 8.6 billion. The pickup was attributable to value changes and investments in the new building projects SkyKey (CHF +46.5 million) and Maaghof North and East (CHF +21.0 million) in Zurich, Swiss Post headquarters/Majowa in Berne (CHF +16.6 million), the total renovation of the property at Flurstrasse 55/Flurpark in Zurich (CHF +5.7 million), value changes and investments related to plots of building land (CHF +1.1 million) and existing properties (CHF +193.0 million), as well as the divestment of a smaller property in Granges-Paccot at market value (CHF -7.8 million).

The real estate portfolio held a total of 187 [188] properties comprising 169 existing investment properties, 12 plots of building land and 6 development sites. The Flurpark property, which is currently undergoing total renovation, has been reclassified as property under construction and development site. The various new building projects are proceeding according to plan. The topping-out ceremony for the SkyKey commercial building took place on 27.06.2013. The new building is 100% leased to Zurich Insurance Company Ltd and qualifies as one of the first commercial buildings in Switzerland to boast a LEED (Leadership in Environmental and

Energy Design) Platinum certification. The various new building projects – including SkyKey and Swiss Post headquarters/Majowa, which are fully leased – will have a positive impact on earnings starting from 2014 and 2015, respectively. Sales of the condominiums at Maaghof North and East are proceeding favourably, with 28 of the 83 units ready for occupancy in 2015 already sold.

The most significant investment regions remained unchanged versus the previous year's period in terms of portfolio share: Zurich with 39% [38% as at end 2012], Geneva with 23% [23%] and Northwestern Switzerland with 18% [19%]. Office and commercial properties with 40% [40%] and retail properties with 36% [35%] accounted for the highest share of total net rental income. Wincasa, which was acquired in autumn 2012, generated revenues from real estate services amounting to CHF 45.6 million.

#### Retail and gastronomy segment

Net turnover in the retail and gastronomy segment of CHF 74.2 million fell slightly short of the previous year's mark of CHF 76.2 million (-2.4%). The decline was attributable primarily to weather-related dampened consumer sentiment at Jelmoli – The House of Brands, where turnover in the department store's proprietary-managed floor space dipped from CHF 64.6 million to CHF 63.1 million. Turnover from the hotel business (Ramada Encore in Geneva) and restaurant (Clouds Gastro AG in Zurich's Prime Tower) of CHF 11.2 million continued to hover practically at the previous year's level [CHF 11.7 million].

#### Acquisition of Tertianum AG

Swiss Prime Site announced the acquisition of Tertianum AG in June 2013 and executed the transaction as at 12.07.2013. The acquisition forms the cornerstone for the new «assisted living» segment, to which Swiss Prime Site ascribes signifi-

cant growth potential. Tertianum Group realised revenues of CHF 214 million and adjusted EBITDA of CHF 32 million in 2012. Tertianum's 12 properties ideally supplement Swiss Prime Site's existing office and retail real estate holdings. The properties add roughly CHF 435 million to the value of the real estate portfolio and provide broader diversification of risks (see also the subsequent interview and article on pages 4–5).

#### Outlook

Swiss Prime Site is well positioned to continue on the path toward achieving robust earnings-driven growth even amid an increasingly more volatile environment, thanks to its broadly diversified real estate portfolio valued at CHF 8.9 billion and supplemental business activities in the real estate services, retail and gastronomy as well as assisted living segments.

The persistently stable economy and favourable domestic demand – which is underpinned particularly by private consumption and investment in the construction industry – should continue to prevail in the current year. For the financial year 2013, Swiss Prime Site forecasts higher EBIT and profit figures versus the previous year's levels as well as a loss of earnings rate of 5.5% to 7.0%.

Interview with Dr. Luca Stäger, CEO of Tertianum AG

## «With Swiss Prime Site, we should grow at a faster pace»

**Tertianum Group can better focus on the brisk expansion of its core business thanks to the new parent company Swiss Prime Site.**

**What does the acquisition of Tertianum by Swiss Prime Site mean for your group?**

We are now part of a specialised, professionally managed Swiss real estate company that foresees significant growth potential in the «assisted living» segment and aims to expand in this field of business. Consequently, the move provides various advantages for Tertianum. With Swiss Prime Site, we should grow at a faster pace.

**What advantages do you perceive?**

I consider the experience of Swiss Prime Site in portfolio management, the optimisation of existing properties and project development, as well as the group's solid capital base and nation-wide presence, in addition to the dense office network maintained throughout the country by real estate services firm Wincasa – a subsidiary of Swiss Prime Site.

**What's the extent of the market potential in the «assisted living» segment?**

The number of people over the age of 80 should surge in the next 40 years from the current 290 000 to roughly 600 000 to 700 000. Experts therefore anticipate that we will have more than 180 000 people in need of nursing care in 20 years, or an increase of 50 000 versus the current level.

**How will the demand for long-term care trend?**

The Swiss market for long-term care should see robust growth in the coming decades. Estimates indicate a market volume of nearly CHF 19 billion for 2030.

**Who are the providers in the «assisted living» segment?**

Public-sector senior homes account for a market share of around 60% at present. In addition to Tertianum, the private providers include operators such as Senevita, Seniocare, Di Gallo, Domicil and Boas. The market is fragmented and exhibits interesting consolidation potential.

**What distinguishes private providers from public-sector operators?**

Private providers are better positioned to fulfil the mounting regulatory and technical requirements, with easier access to financing for renovation or modernisation activities compared with public-sector operations. Furthermore, private players have shorter decision-making paths and can therefore meet the changing needs for combined residence and care facilities more swiftly.

**What will change for the guests, clients and employees?**

Virtually nothing will change. Swiss Prime Site aims to continue pursuing the successful development of Tertianum Group together with the existing management team and personnel, striving to make every effort to maintain – or even further boost – the high level of satisfaction among clients and staff.



Dr. Luca Stäger has been CEO of Tertianum AG since 01.03.2010. He previously held positions as CEO of the Swiss Paraplegic Foundation in Nottwil, CEO of Spital Lachen AG and Director of the Bethanien Private Clinic AG, Zurich, among others.



SkyKey, Zurich Oerlikon

# Key to innovative working environment



A look behind the façades of the new building envisaged for a LEED Platinum certification reveals a highly innovative workplace concept.



The new building features spacious meeting zones, in addition to workspaces with abundant natural daylight.

**The SkyKey commercial building reached its true dimensions with the topping-out ceremony of the structure at end-June 2013. Trailblazing innovations are on the drawing board for the building's interior as well. Sole tenant Zurich Insurance Company Ltd is implementing a dynamic concept for the workplace here.**

The intensive construction activity in Zurich North reached another highpoint on 27 June, with the topping-out ceremony for SkyKey, attended by government officials, Zurich Insurance Company Ltd representatives, building owner Swiss Prime Site, general contractor Steiner Ltd and other project partners as well as construction workers. «We were impressed by the location in the dynamic Leutschenbach quarter and the concept right from the outset onward», as Peter Lehmann flashes back. The Chief Investment Officer of Swiss Prime Site – which invests a total of roughly CHF 236 million in the new structure – describes SkyKey as an innovative and sustainable building project, with which all parties are pleased.

## Showcase project for a «dynamic working» atmosphere

Following completion of the construction phase, SkyKey will house office rental floor space of more than 40 000 square metres, restaurant/cafeteria with seating for about 720 people, full-service restaurant, kiosk, library, auditorium, conference

rooms, IT service centre, retail space and 219 parking places in the subterranean garage, as well as 14 visitor parking places. The workforce will take up residence in the new building at Hagenholzstrasse starting from the summer of 2014, which up to now was divided between two locations in Leonardo and Ambassador House at Thurgauerstrasse in Zurich. The conception for the roughly 2 400 workspaces corresponds to further development of the so-called dynamic working concept, the introduction of which the group commenced worldwide about two years ago. The dynamic working concept does not just focus on the workplace in the strict sense of the term, but rather creates a working environment that ideally meets the individual needs of employees as well as efficiency criteria of the company. For instance, all workplaces are designed and furnished in such a way that they provide an optimal dose of natural daylight and ensure employees a high degree of private sphere, despite the half-open spaces. The partitions made of soundproof material or glass are flexible, enabling adaptation to various uses with a simple interlocking system.

Zurich Insurance Company Ltd decided in favour of SkyKey also in view of the sustainability features of the building, which was developed in accordance with LEED (Leadership in Energy and Environmental Design) certification. Through taking various additional measures during the tenant improvements

process, Zurich Insurance Company Ltd also contributes to SkyKey qualifying for the Platinum label for new construction – the highest level of LEED certification. These measures include providing EnergyStar-qualified laptops, monitors and other equipment. SkyKey will also be one of the first Swiss commercial properties to be nearly 100% equipped with LED lighting.

## KEY DATA

<b>Address</b>	Hagenholzstrasse 60, 8050 Zurich Oerlikon
<b>Construction phase</b>	Summer 2011 to summer 2014
<b>Base structure</b>	2 lower floors, 8 upper floors, height of 28.5 m
<b>Tower</b>	2 lower floors, 18 upper floors, height of 63 m
<b>Total investment costs</b>	approx. CHF 236 million
<b>Rentable floor space</b>	approx. 40 000 m <sup>2</sup>
<b>Number of workplaces</b>	2 400
<b>Website</b>	<a href="http://www.skykey.ch">www.skykey.ch</a>



## Acquisition of Tertianum Group

# The future lies in the senior segment

**The acquisition of Tertianum AG, Zurich, announced in June opens the door for Swiss Prime Site to enter the high-growth «assisted living» market segment. The real estate portfolio will expand with prime properties valued at CHF 435 million.**

Swiss Prime Site has achieved two primary objectives with the acquisition of the market leader Tertianum Group. First, the Company is expanding its real estate portfolio with 12 prime properties valued at roughly CHF 435 million, situated for the most part in exclusive locations in the economic centres Zurich and Berne as well as Eastern Switzerland. Various projects, including Vitadomo Opfikon (senior residences with services and care facilities) are in the planning and construction phase. Tertianum acts as the operating company and tenant for an additional eleven properties.

Second, Swiss Prime Site is establishing a foothold in the «assisted living» segment. In fact, the statistics also speak in favour of this move. Life expectancy in Switzerland is among the highest in the world, with the relevant ages for men and women climbing from roughly 46 to more than 80 and around 49 to nearly 85, respectively, since 1900. According to the Tertianum publication «Impulse» of February 2013,

the number of people over the age of 80 should surge from the current 290 000 to approximately 600 000–700 000 by the year 2050.

The acquisition paves the way for Swiss Prime Site to tap an attractive growth segment that exhibits a low correlation with the existing segments and limited dependency on the economy.

Tertianum Group realised revenues of CHF 214 million and adjusted EBITDA of CHF 32 million in 2012. The operating activities of Tertianum Residences, Perlavita locations and Permed business offices will be transformed into an independent company, which will continue to operate with the existing management team as a Swiss Prime Site group company.

## Growth potential Vitadomo

In addition to Tertianum Residences, concentrating on the premium segment, the group is also focusing on guests from a broader market segment with the Vitadomo brand. Indeed, this segment harbours above-average growth potential – due to shifting demographics and mounting cost pressure on the public sector – which Tertianum Group determinably aims to exhaust with the support of Swiss Prime Site.

The construction start-up for the first project featuring this product line was executed in April 2013. Vitadomo Opfikon, with an investment volume of roughly CHF 46 million, comprises 59 senior apartments with a range of à la carte services and nursing care wing with 43 beds for long-term care as well as publicly accessible bistro and multi-purpose auditorium. The new facility will commence operations at the outset of 2015. The nursing care facilities will be operated within the scope of a mandate commissioned by the city of Opfikon.



1 Tertianum Park Residence, Meilen\*



2 Tertianum Bellerive Residence, Lucerne\*



3 Tertianum Bellevue Park Residence, Thun\*



4 Perlavita Neutal, Berlingen\*

## Tertianum Park Residence, Meilen

The property, which is located at a prime address on the Gold Coast on Lake Zurich, comprises the main building situated at Dorfstrasse 16\* and another building with apartments at Seestrasse 545. Park Residence consists of a total of 59 apartments, of which 31 units are equipped with 2½ rooms. According to the motto «hospitality is making your guests feel at home» the facilities include an indoor swimming pool, wellness centre, sauna, wine cellar with private compartments for house guests and 88 garage parking places as well as an extensive range of available hotel and domestic care services.

## Tertianum Bellerive Residence, Lucerne

Bellerive Residence in Lucerne features a breathtaking panoramic view of the lake and mountains. S-Bahn and bus are just a few minutes' walk away. The city centre is a 20-minute walk from the residence via the beautiful lake promenade. Of the total 72 apartments, 68 units are equipped with a balcony or a garden terrace. The extensive range of facilities and services for wellness, fitness, health and beauty are rounded out with a refined restaurant.

## Tertianum Bellevue Park Residence, Thun

Bellevue Park Residence is situated directly on the beautiful banks of the Aare River in the Hofstetten quarter in Thun. The central location is in good proximity to public transportation, with a bus station right at the front door and the railway station just a 10-minute walk away. Most of the 66 apartments feature 2½ rooms. The residence also offers 30 single-care apartments, of which 12 units are located in a special building for residents afflicted with dementia. The Brasserie du Parc restaurant as well as historic vaulted cellars are also open to the public.

## Perlavita Neutal, Berlingen

The residence was established in 1950 and has developed into a pioneering operation for senior health care. The ensemble, located in idyllic Berlingen TG and situated at the widest point of the Lower Lake (Untersee), comprises three buildings that are each oriented toward various guest segments and needs. The Seeheim building is specialised in long-term care, while the Kronenhof building houses the clinic for geriatric rehabilitation commissioned by the canton of Thurgau. The Seefeld building provides a safe and secure home to residents with dementia or other psycho-geriatric limitations. In February 2013, Perlavita Neutal was granted the label for Palliative Care as Switzerland's second long-term institution.

\* new addition to Swiss Prime Site portfolio





5 Tertianum Residence  
Zurich Enge



6 Tertianum Residence  
Im Brühl, Zurich Höngg\*



7 Tertianum Residence  
Segeten, Zurich Witikon\*



8 Tertianum Residence  
Zollikerberg



9 Tertianum Residence  
Brunnehof, Uster



10 Tertianum Residence  
Horgen



11 Tertianum Residence  
Huob, Pfäffikon SZ\*



12 Tertianum Residence  
Al Parco, Muralto Locarno



13 Tertianum Residence  
Al Lido, Locarno



14 Tertianum Residence  
Chly-Wabere, Wabern\*



15 Tertianum Residence  
Mitteldorfpark,  
Ostermundigen\*



16 Tertianum Residence  
Sphinxmatte, Solothurn



17 Tertianum Residence  
St. Jakob-Park, Basel



18 Perlavita Villa Böcklin, Zurich\*



19 Perlavita Restelberg, Zurich\*



20 Perlavita Rosenau, Kirchberg



21 Perlavita Friedau, Frauenfeld\*

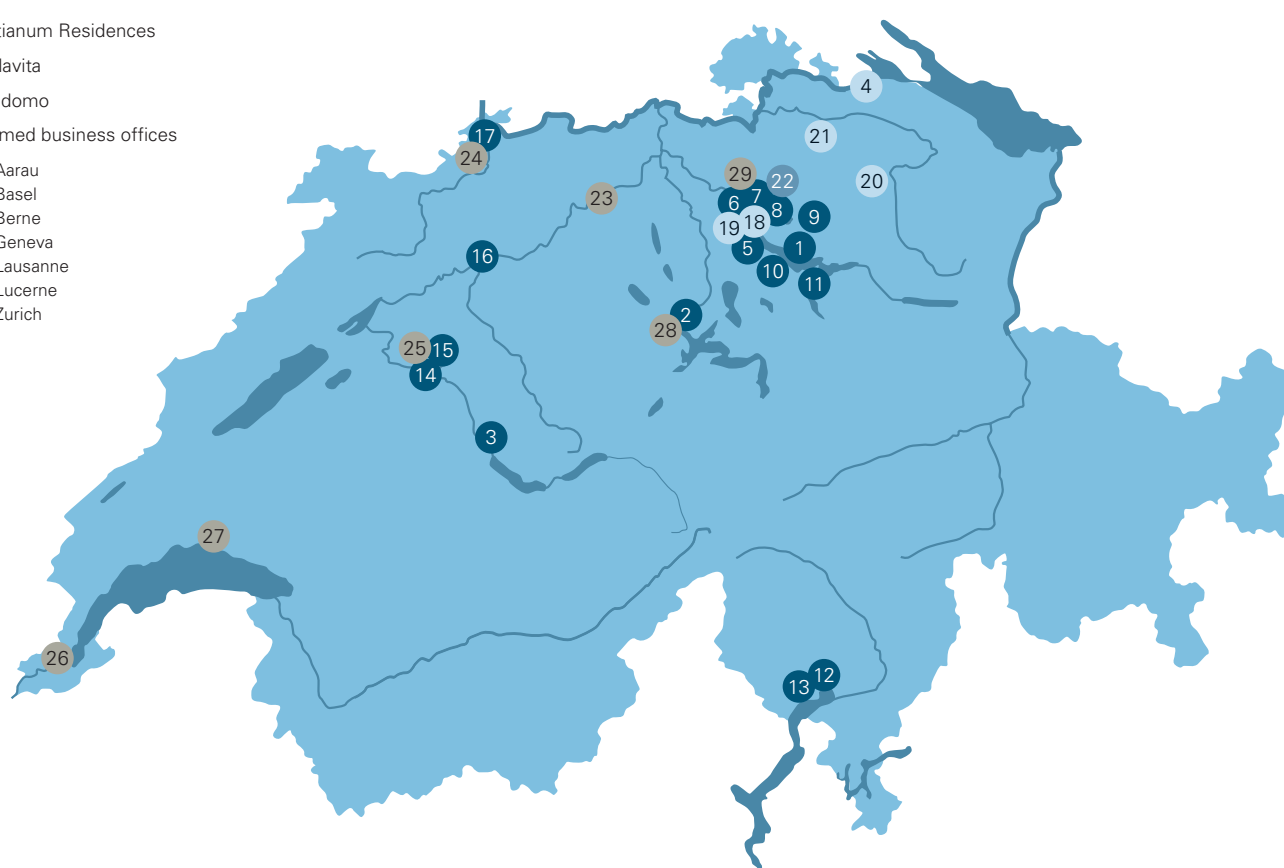


22 Vitadomo Bubenholz, Opfikon,  
under construction\*

## THE LOCATIONS

- Tertianum Residences
- Perlavita
- Vitadomo
- Permed business offices

- 23 Aarau
- 24 Basel
- 25 Berne
- 26 Geneva
- 27 Lausanne
- 28 Lucerne
- 29 Zurich



## TERTIANUM GROUP

**Tertianum has been active in the senior housing sector since 1982 and one of the market and opinion leaders in the «assisted living» segment in Switzerland. Today, the group comprises four brands:**

- **Tertianum Residences** offers apartments for independent senior living and comprehensive services for an individually structured lifestyle.
- **Perlavita** consists of operating businesses that provide stationary services revolving around the topic of senior healthcare.
- **Vitadomo** stands for assisted residence and nursing care with à la carte services for a broad middle class.
- **Permed** is active in the areas of ambulant services as well as personal services in the healthcare industry.

You will find additional information at:  
[www.tertianum.ch](http://www.tertianum.ch)

# Excerpt from the interim report

## CONSOLIDATED INCOME STATEMENT

in CHF 1 000	01.01.–30.06.2013	Restated* 01.01.–30.06.2012
Rental income from investment properties	199 259	204 154
Result from property sales, net	(239)	53
Income from real estate services**	45 636	–
Income from retail and gastronomy, net	74 223	76 224
Other operating income	1 900	990
<b>Operating income</b>	<b>320 779</b>	<b>281 421</b>
Real estate costs	26 238	32 911
Retail and gastronomy costs	33 679	35 443
Personnel costs	65 972	25 979
Other operating expenses	22 672	20 871
Depreciation, amortisation and impairment	10 259	8 020
<b>Operating expenses</b>	<b>158 820</b>	<b>123 224</b>
Revaluation of investment properties, properties under construction and development sites, net	169 786	130 350
<b>Operating profit (EBIT)</b>	<b>331 745</b>	<b>288 547</b>
Financial expenses	54 333	59 136
Financial income	6 790	3 281
Income from investments in associates	7 650	942
<b>Profit before income taxes</b>	<b>291 852</b>	<b>233 634</b>
Income tax expenses	69 531	55 819
<b>Profit attributable to shareholders of Swiss Prime Site AG</b>	<b>222 321</b>	<b>177 815</b>
<b>Earnings per share, in CHF</b>	<b>3.69</b>	<b>3.27</b>
<b>Diluted earnings per share, in CHF</b>	<b>3.43</b>	<b>3.01</b>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

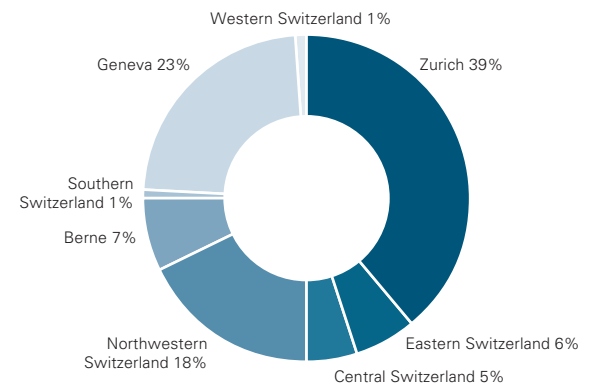
in CHF 1 000	01.01.–30.06.2013	Restated* 01.01.–30.06.2012
<b>Profit</b>	<b>222 321</b>	<b>177 815</b>
Revaluation of owner-occupied properties	7 566	2 569
Deferred taxes on revaluation of owner-occupied properties	(1 718)	(591)
Remeasurement of defined benefit cost	8 235	2 742
Deferred taxes on remeasurement of defined benefit cost	(1 894)	(631)
<b>Items that will not be reclassified subsequently to profit or loss</b>	<b>12 189</b>	<b>4 089</b>
<b>Items that will be reclassified subsequently to profit or loss</b>	<b>–</b>	<b>–</b>
<b>Other comprehensive income after income taxes</b>	<b>12 189</b>	<b>4 089</b>
<b>Comprehensive income attributable to shareholders of Swiss Prime Site AG</b>	<b>234 510</b>	<b>181 904</b>

## CONSOLIDATED BALANCE SHEET

in CHF 1 000	30.06.2013	Restated* 31.12.2012
Cash	115 942	201 762
Securities	499	456
Accounts receivable	110 709	115 738
Other current receivables	6 906	6 296
Current income tax assets	2 026	2 027
Inventories	22 554	24 192
Trading properties	21 667	15 371
Assets held for sale	241 749	185 663
Accrued income and prepaid expenses	35 147	23 595
<b>Total current assets</b>	<b>557 199</b>	<b>575 100</b>
Other non-current receivables	2 975	3 825
Pension plan assets	11 772	5 005
Non-current financial investments	1 565	1 772
Investments in associates	29 123	22 492
Investment properties and building land	7 911 952	7 871 311
Properties under construction and development sites	363 110	195 120
Owner-occupied properties	337 941	332 867
Tangible assets	41 953	44 448
Goodwill	123 378	123 378
Intangible assets	54 616	56 934
Deferred tax assets	4 085	4 774
<b>Total non-current assets</b>	<b>8 882 470</b>	<b>8 661 926</b>
<b>Total assets</b>	<b>9 439 669</b>	<b>9 237 026</b>
Accounts payable	7 590	11 096
Current financial liabilities	844 098	614 993
Other current liabilities	93 992	130 482
Advance payments	87 812	90 199
Current income tax liabilities	26 320	25 412
Accrued expenses and deferred income	80 430	80 262
<b>Total current liabilities</b>	<b>1 140 242</b>	<b>952 444</b>
Non-current financial liabilities	3 419 696	3 510 098
Other non-current financial liabilities	13 511	19 595
Deferred tax liabilities	866 187	805 406
Pension provision obligations	35 314	35 588
<b>Total non-current liabilities</b>	<b>4 334 708</b>	<b>4 370 687</b>
<b>Total liabilities</b>	<b>5 474 950</b>	<b>5 323 131</b>
Share capital	925 697	918 178
Capital reserves	981 487	1 172 692
Revaluation reserves	32 796	26 948
Retained earnings	2 024 739	1 796 077
<b>Shareholders' equity attributable to shareholders of Swiss Prime Site AG</b>	<b>3 964 719</b>	<b>3 913 895</b>
<b>Total liabilities and shareholders' equity</b>	<b>9 439 669</b>	<b>9 237 026</b>

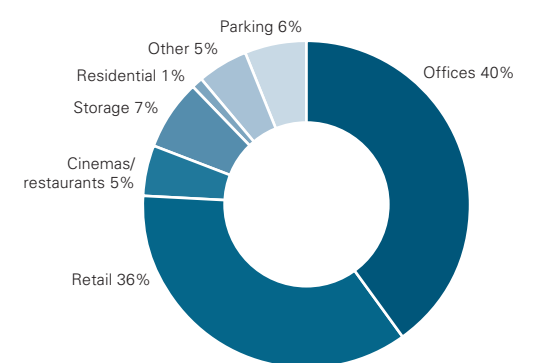
## PORTFOLIO SPLIT BY REGION

Basis: fair value as at 30.06.2013



## PORTFOLIO SPLIT BY TYPE OF USE

Basis: net rental income as at 30.06.2013, segment view



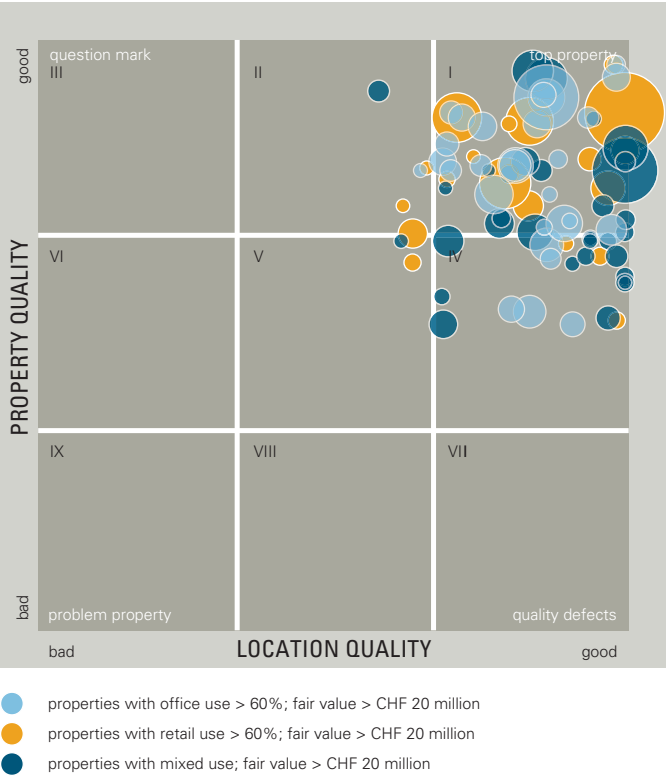
\* restatement based on IAS 19 rev.

\*\* acquisition of Wincasa AG as at 25.10.2012



MARKET MATRIX:  
MARKET ASSESSMENT OF INDIVIDUAL PROPERTIES

As at 30.06.2013, source: Wüest & Partner AG



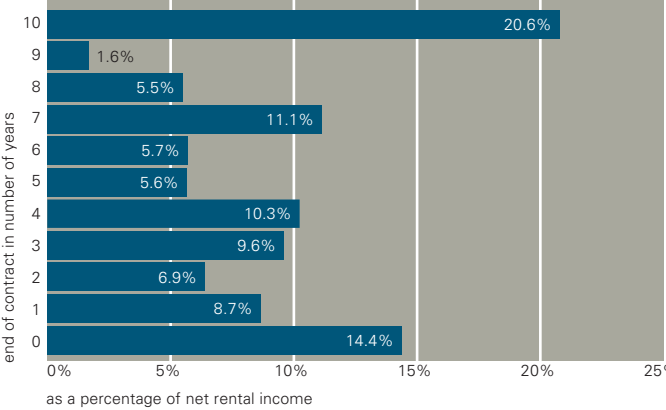
LARGEST TENANTS

As at balance sheet date 30.06.2013, the five largest external tenant groups accounted for 24.1% [25.0%] of future annual rental income and land lease income (segment view). The individual tenants have good credit ratings, including the following companies, in particular:

	30.06.2013		30.06.2012
	share in %		share in %
Coop	8.5	Coop	8.0
Migros	5.1	Migros	5.2
Swisscom	3.9	UBS	4.4
Inditex	3.6	Swisscom	3.9
Credit Suisse Group	3.0	Credit Suisse Group	3.5

LEASE EXPIRY PROFILE

Basis: net rental income as at 30.06.2013, segment view



CONSOLIDATED STATEMENT OF CHANGES  
IN SHAREHOLDERS' EQUITY

in CHF 1 000	Share capital	Capital reserves (premium)	Revaluation reserves	Restated* Retained earnings	Restated* Shareholders' equity attributable to shareholders of Swiss Prime Site AG
As at 01.01.2012	831 841	1 103 505	19 009	1 489 340	3 443 695
Change in shareholders' equity based on IAS 19 rev.	–	–	–	(8 784)	(8 784)
As at 01.01.2012, restated*	831 841	1 103 505	19 009	1 480 556	3 434 911
Profit	–	–	–	177 815	177 815
Revaluation of owner-occupied properties	–	–	2 569	–	2 569
Deferred taxes on revaluation of owner-occupied properties	–	–	(591)	–	(591)
Remeasurement of defined benefit cost	–	–	–	2 742	2 742
Deferred taxes on remeasurement of defined benefit cost	–	–	–	(631)	(631)
Other comprehensive income after income taxes	–	–	1 978	2 111	4 089
Comprehensive income	–	–	1 978	179 926	181 904
Distribution from capital contribution reserves on 27.04.2012	–	(196 386)	–	–	(196 386)
Conversion of 2 690 units of CHF 300 million bond (2010–2015) into 187 088 registered shares	2 863	10 363	–	–	13 226
As at 30.06.2012, restated*	834 704	917 482	20 987	1 660 482	3 433 655
Profit	–	–	–	133 484	133 484
Revaluation of owner-occupied properties	–	–	7 742	–	7 742
Deferred taxes on revaluation of owner-occupied properties	–	–	(1 781)	–	(1 781)
Remeasurement of defined benefit cost	–	–	–	2 742	2 742
Deferred taxes on remeasurement of defined benefit cost	–	–	–	(631)	(631)
Other comprehensive income after income taxes	–	–	5 961	2 111	8 072
Comprehensive income	–	–	5 961	135 595	141 556
Conversion of 3 units of CHF 300 million bond (2010–2015) into 208 registered shares	3	12	–	–	15
Capital increase on 05.12.2012	83 471	265 882	–	–	349 353
Costs of capital increase	–	(10 636)	–	–	(10 636)
Share-based payments	–	476	–	–	476
Purchase of treasury shares	–	(524)	–	–	(524)
As at 31.12.2012, restated*	918 178	1 172 692	26 948	1 796 077	3 913 895
Profit	–	–	–	222 321	222 321
Revaluation of owner-occupied properties	–	–	7 566	–	7 566
Deferred taxes on revaluation of owner-occupied properties	–	–	(1 718)	–	(1 718)
Remeasurement of defined benefit cost	–	–	–	8 235	8 235
Deferred taxes on remeasurement of defined benefit cost	–	–	–	(1 894)	(1 894)
Other comprehensive income after income taxes	–	–	5 848	6 341	12 189
Comprehensive income	–	–	5 848	228 662	234 510
Distribution from capital contribution reserves on 24.04.2013	–	(217 794)	–	–	(217 794)
Conversion of 6 976 units of CHF 300 million bond (2010–2015) into 491 470 registered shares	7 519	26 589	–	–	34 108
As at 30.06.2013	925 697	981 487	32 796	2 024 739	3 964 719

SELECTED KEY FIGURES

	Details in	30.06.2013	Restated* 30.06.2012	Change in %
Rental income from investment properties, net	CHF m	199.3	204.2	(2.4)
Income from real estate services**	CHF m	45.6	–	–
Income from retail and gastronomy, net	CHF m	74.2	76.2	(2.6)
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	CHF m	342.0	296.6	15.3
Earnings before interest and taxes (EBIT)	CHF m	331.7	288.5	15.0
Profit attributable to shareholders of Swiss Prime Site AG	CHF m	222.3	177.8	25.0
Comprehensive income attributable to shareholders of Swiss Prime Site AG	CHF m	234.5	181.9	28.9
Shareholders' equity attributable to shareholders of Swiss Prime Site AG	CHF m	3 964.7	3 433.7	15.5
Equity ratio	%	42.0	39.5	6.3
Borrowed capital	CHF m	5 475.0	5 254.9	4.2
Borrowed capital ratio	%	58.0	60.5	(4.1)
ROE (weighted)	%	11.9	10.4	14.4
ROIC (weighted)	%	5.9	5.5	7.3
Figures without revaluation effects***				
Earnings before interest and taxes (EBIT)	CHF m	162.0	158.2	2.4
Profit attributable to shareholders of Swiss Prime Site AG	CHF m	110.4	91.1	21.2
Comprehensive income attributable to shareholders of Swiss Prime Site AG	CHF m	116.7	93.2	25.2
Earnings per share (weighted)	CHF	1.83	1.67	9.6
ROE (weighted)	%	6.1	5.4	13.0

PARTICULARS OF PROPERTY PORTFOLIO

	Fair value in CHF m		Rental income in CHF m		Net yield in %		Loss of earnings rate in %	
	30.06.2013	30.06.2012	30.06.2013	30.06.2012	30.06.2013	30.06.2012	30.06.2013	30.06.2012
Zurich	3 108.0	3 094.2	64.5	69.1	4.3	4.6	4.4	5.8
Central Switzerland	436.1	415.0	10.4	11.0	4.4	4.9	5.8	1.1
Eastern Switzerland	531.5	513.3	15.1	15.2	5.0	5.3	1.1	0.5
Northwestern Switzerland	1 602.0	1 545.4	43.3	41.6	4.8	4.6	11.7	10.1
Berne	562.4	530.7	13.9	15.3	4.3	5.1	10.1	7.7
Geneva	2 070.8	1 934.9	47.3	47.0	3.9	4.2	4.1	2.4
Western Switzerland	68.8	64.1	1.3	1.5	3.2	4.1	0.8	2.2
Southern Switzerland	112.0	109.8	3.5	3.5	4.8	4.9	0.5	0.7
Subtotal	8 491.6	8 207.4	199.3	204.2	4.3	4.6	6.2	5.4
Properties under construction/development sites****	384.8	142.6	–	–	n/a	n/a	–	–
Total	8 876.4	8 350.0	199.3	204.2	n/a	n/a	6.2	5.4

\* restatement based on IAS 19 rev.  
\*\* acquisition of Wincasa AG as at 25.10.2012  
\*\*\* revaluations and deferred taxes on real estate  
\*\*\*\* trading properties are recognised at lower of cost or net realisable value

Shopping centre La Praille, Grand-Lancy

# Innovative investments

**The La Praille shopping centre near Geneva will house a multiplex cinema with nine flexible-use theatres. In addition, Swiss Prime Site has installed a photovoltaic system on the roof of the complex, with annual output of roughly 177 000 kilowatt hours.**

The fact that La Praille is much more than just a shopping centre is already manifested in the name: Centre commercial & de loisirs (CCL). Indeed, the complex, which was constructed on the ideally located Route des Jeunes in 2002, boasts numerous facets. The shopping aspect is covered by 65 stores. The range of food and beverage services comprises a dozen restaurants and self-service outlets. La Praille also features wellness and fitness facilities, bowling (26 lanes), conference and event rooms as well as the Hotel Ramada Encore. Stadion Stade de Genève is also located in the immediate vicinity of the shopping centre.

The complex is now adding another dimension. Construction activity for erecting a multiplex cinema with nine theatres and a total of 1 400 seats has been underway since September 2012. Each of the movie theatres, with 50 to 450 seats, features a stage and can be rented for private events too. Patrick Tavoli, CEO of Arena Cinemas AG – which has entered into a long-term lease for the multiplex cinema – estimates that the cinema will draw 300 000 to 450 000 visitors a year, who should be especially pleased with the comfortable seating arrangements and generous space between the rows. The multiplex cinema is expected to open its doors in the early summer of 2014.

La Praille is situated in a strategically favourable location right in the heart of the future urban district of Praille-Acacias-Vernets (PAV) and currently already connected to several lines

of the local public transportation network. The property is in close proximity to an expressway exit and contains roughly 950 parking places.

## Photovoltaic installation as pilot project

A newly installed photovoltaic system has been in operation on the roof of the shopping centre since December 2012. Three factors weighed in favour of investing CHF 0.5 million in the system. First, Geneva's geographic location promises to provide an abundance of sunlight. Second, an interesting stipulation regarding feed-in remunerations was concluded with the city of Geneva (Services Industriels de Genève, SIG). And third, Swiss Prime Site aims to garner experience with the pilot project for the installation of additional photovoltaic systems.

A total of 720 solar panels span a dimension of 1 200 square metres and should generate output of roughly 177 000 kilowatt hours per

annum. A contract with a term of 25 years has been concluded with SIG, which will takeover and compensate for the electricity produced on the La Praille rooftop.



New multiplex cinema in La Praille shopping centre features nine theatres with 1 400 seats.



The pilot project generates roughly 177 000 kilowatt hours annually.

## KEY DATA

<b>Address</b>	Route des Jeunes 10, 1212 Grand-Lancy
<b>Shopping centre rental floor space</b>	33 424 m <sup>2</sup>
<b>Multiplex cinema rental floor space</b>	2 542 m <sup>2</sup>
<b>Construction of multiplex cinema including tenant improvements</b>	September 2012 to June 2014
<b>Investment for multiplex cinema</b>	approx. CHF 22 million
<b>Website</b>	<a href="http://www.la-praille.ch">www.la-praille.ch</a>

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## AGENDA

### 12.11.2013

Publication of Q3 results

### 18.03.2014

Annual report as at 31.12.2013  
with financial statements press conference

### 15.04.2014

Annual General Meeting financial year 2013  
of Swiss Prime Site AG

## SHARE DETAILS

### Share price (01.01.–30.06.2013)

30.06.2013	CHF	69.45
High	CHF	78.45
Low	CHF	68.35

### Market capitalisation

30.06.2013	CHF m	4 201.9
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### NAV before deferred taxes

30.06.2013	CHF	79.80
31.12.2012, restated*	CHF	78.62
Change		1.5%

### NAV after deferred taxes

30.06.2013	CHF	65.53
31.12.2012, restated*	CHF	65.22
Change		0.5%

### Earnings per share (weighted)

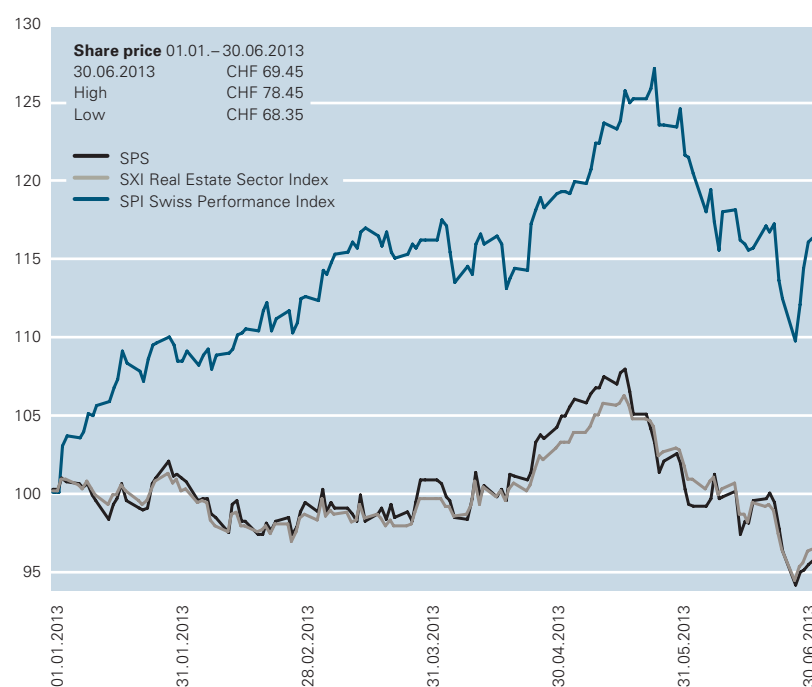
30.06.2013	CHF	3.69
30.06.2012, restated*	CHF	3.27
Change		12.8%

### Share statistics

Total registered shares	60 503 081
Securities number	803 838
ISIN number	CH 000 803 838 9
SIX symbol	SPSN
First trading day	05.04.2000

\* restatement based on IAS 19 rev.

## DEVELOPMENT OF THE SWISS PRIME SITE SHARE 01.01.–30.06.2013 (REINVESTED)



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