

SWISS PRIME NEWS

NAV

CHF 278.42 as at 30.09.2001

CHF 261.93 as at 31.12.2000

before deferred taxes

Securitynumber 803 838 · SWX symbol: SPSN



Quarterly report as at 30.09.2001

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The opinion leaders

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Added value by project development

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Theaterstrasse in Winterthur

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Swiss Prime Site in the Third Quarter of 2001

Antifreeze for Investors

The emerging economic slowdown and the tragic terror attacks of 11 September 2001 have created a frosty climate on stock exchanges. Investors are turning their attention to substantive stocks with a stable value. The stock of Swiss Prime Site AG is right in line with this trend. With its carefully selected real estate portfolio and tenants of above-average quality and creditworthiness, Swiss Prime Site is less susceptible to cyclical setbacks. Its net asset value (NAV) increased in the third quarter of 2001 to CHF 278.42. This NAV is 1.77% higher than the figure of 30 June 2001 and 10.59% higher than the figure at the time of the IPO in April 2000. The stock closed the third quarter on 30 September 2001 at CHF 251.00, virtually unchanged from the quarter before.



Stefan Mächler
Chairman of the Board
of Directors of
Swiss Prime Site AG

The value of the real estate holdings as at 30 September 2001 increased to some CHF 1.67 billion following the purchase of Theaterstrasse 19 in Winterthur in August 2001 (retroacti-

ve to 1 April 2001) and due to the good progress being made in the construction of three projects: Cityport in Zurich (completed), Opus in Zug and the Messturm in Basel. Thus the target announced at the time of the IPO to create a portfolio of CHF 1.5 billion by the end of the current year had already been met by April of 2001.

Due to the consistent implementation of our picking strategy and our risk-optimized performance, we are able to announce certain key ratios for the current year that we initially did not expect to reach until 2004 (compare table on



page 2). The excellent EBIT margin of 80% (prior to change in fair market value) is worthy of particular mention. It is one of the best EBIT performances among all Swiss real estate companies.

Solid tenants, like Winterthur Versicherungen and Swisscom in the high-rise on Theaterstrasse in Winterthur, help make the portfolio crisis-resistant.

Further decline in borrowing costs

After Swiss Prime Site had financed the Swisscom package in April of 2001 by drawing on a bridge loan from the Credit Suisse Group, the entire outstanding loan amount was refinanced by eight different banks in August. The low risk of our portfolio and the solid refinancing structure resulted in an average interest remaining rate of just 3.87% with an average term of 3.4 years. Borrowing costs could decline even further in the future given the downward revision of growth forecasts for 2002 in September by leading economists and the expectations of further drops in interest rates.

Cyclically resistant portfolio thanks to careful real estate selection process

As one of the leading real estate investment companies, Swiss Prime Site has set new standards in Switzerland for investment criteria and risk-optimized performance. We safeguard these high standards by complying strictly with our investment criteria and by refusing to compromise in the selection of our properties. We have a first-class portfolio of properties in major

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Continuation of page 1

Swiss business centers at locations superbly suited to the intended use (Diagram Page 7 – W&P Market Matrix). Due to the high quality of its portfolio, Swiss Prime Site is relatively resistant to economic cycles and is not likely to suffer major losses of rental income. Unlike other Swiss real estate companies, we have no need to dispose of properties that do not meet or no longer meet the investment criteria.

The stability of the value of a real estate portfolio depends on location, of course, but also to a large extent on the quality of the tenants, the duration of leases and the level of the rents. We put a major emphasis on solid and solvent tenants. Our five largest tenants (Swisscom, CS Group, Coop, ABB and

*Transparency and risk-
opti-mised performance
characterise the development
of Swiss Prime Site AG to date.*



PricewaterhouseCoopers) account for over 60% of our rent income. Moreover, 60% of our leases have a remaining term of over seven years. As a result, the Swiss Prime Site portfolio would in all probability weather a possible downturn in real estate business virtually unscathed. In some properties, rents are even below market, thus holding potential for higher rent income.

Attractive profit dynamics

The composition of the real estate portfolio promises a dynamic earnings trend once again for the coming business year. The 14 properties acquired in the spring generate an annualized and indexed rental income of CHF 40 million, of which CHF 30 million can be recorded for the current year on a pro-rata basis. Moreover, the Cityport project in Zurich Oerlikon was

Financial figures as at 30.09.2001

ROE	6.61%
ROIC	5.75%
Net Earnings	CHF 39.5 m
Profit per share (weighted)	CHF 13.10
Equity ratio	48.19%
EBIT margin	80.76%

handed over to tenants on September 2001 fully leased out, which will bring in an annualized and indexed rent income of CHF 7,7 million. Furthermore we expect profit of around CHF 16 million (change in fair market value under IAS 40) from the Cityport, affecting profit in the fourth quarter of 2001. In September the first of eight buildings in the Opus project (two phases involving four buildings each) in Zug was handed over to tenants. It will generate annualized and indexed rent income of CHF 1.8 million. Further properties will be handed over to tenants this coming December and in February 2002. In the meantime we have started construction on the first fully let building of phase two.

Thanks to these positive overall developments, the Board of Directors will be able to propose to the General Meeting of Shareholders that a dividend be distributed already for financial year 2001. In light of the economic slowdown and GDP growth of only 1% – 1.6% for 2002, we anticipate a moderate rent trend with a slightly larger supply of rental space. Large spaces account for a significant portion of our total lettable space, and these properties are highly flexible in their utilization and at coveted locations. We therefore await the impending economic slowdown with calm optimism.



SPS Strengths at a Glance

Crisis-resistant portfolio

- Selectively compiled portfolio of quality properties
- Focus on first-class locations in major Swiss business centers
- No divestment required thanks to careful real estate selection
- Minimal risk of non-payment of rent due to solid and solvent tenants
- Majority of leases with a remaining term of more than seven years
- Fair rents; even below market for some properties (under-rent)
- Lower than average rent default rate 2.16%
(rent default rate = vacancy losses plus rent default)
- New construction based on careful needs analyses

Attractively dynamic earnings

- Due to lean structures and low costs, an EBIT margin of 80%, which is a top performance among the Swiss real estate companies (EBIT = Earnings before interest and taxes and changing fair market value under IAS 40)
- High net yield of 5.42% with minimal risks
- Indexed, largely long-term leases = earnings safeguarded against inflation
- Development of new rent revenue sources as a result of acquisitions (e.g. Swisscom properties since 1 April 2001) or project completions (e.g. Cityport in Zurich Oerlikon in September 2001)
- One-time profit from IAS 40 changing fair market value from the Cityport project (CHF 16 million in the fourth quarter of 2001)
- Solid and favorable financing structure due to minimal portfolio risk (as of 30.9.01 average borrowing costs of 3.87% with an average term to maturity of 3.4 years)

Reliable and professional management

- Portfolio management by proven specialists from CSAM (market leader in indirect real estate investment with nearly CHF 10 billion in real estate assets under management)
- Goals reached or surpassed in table below:

	Announced at IPO in April 2000	Achieved thus far
ROIC	5.2 – 5.8 % by 2004	5.88 %
ROE	7 – 9 % by 2004	6.61 %
EBIT margin	> 70%	80 %
Real estate holdings	CHF 1.5 billion by end of 2001	CHF 1.67 billion
Dividend payment	Starting in financial year 2002	For financial year 2001

Exemplary transparency that inspires confidence

- Detailed quarterly reports with publication of the NAV
- IAS accounting
- Valuation of properties utilizing the DCF method = calculation based on future costs and earnings
- Assessment by market leader Wüest & Partner AG
- Active and continuous investor relations and public relations

Should Swiss Prime Site stock be in your portfolio?

High ratings for real estate expertise and lean structures – limited liquidity seen as the biggest handicap.

What do financial analysts think of real estate stocks these days? Where do the opportunities lie? What reservations are justified? Swiss Prime News asked six analysts what they thought and offers a summary of their views below.

The financial analysts we asked all agree that the Swiss market for real estate investment is still young and expandable. "Switzerland could be characterized as a newcomer in comparison to England, Holland and even Germany", noted Armin Rechberger, financial analyst at Zürcher Kantonalbank. Andres Gujan, an analyst at Bank Vontobel, echoed this view, describing Switzerland succinctly as being "still a fledgling market" in this regard.

The market breadth cannot be cited as the reason investors are still holding back. After all, they have a choice of several companies pursuing different strategies. "The reason for the restraint is the lack of free float in Switzerland. That means stocks are less interchangeable", explained Max Berkelder, an analyst at the Dutch-based Merchant Bank Kempen & Co. (part of Dexia Banque Internationale à Luxembourg since July 2001). Another factor cited was that the lower net yields on the Swiss real estate market leave little upward growth potential for real estate stocks.

Unpleasant memories of the real estate market in the 1990s

Frédéric Bersier, an analyst at Lombard Odier & Cie, agreed with this assessment and warned also about the risk of profit dilution through future capital increases.

CSFB analyst Werner Richli said it was important to bear in mind that the Swiss had not yet forgotten the dramatic plunges in the value of real estate in the 1990s and were "burnt children". With Switzerland now approaching the European average, Richli felt it was improbable that real estate prices would ever again rise to the high levels of the 1990s. Switzerland also had to realize that the free movement of goods and persons in Euroland plus globalization could lead to a shift in location preferences.

Andres Gujan believes that the market will not recover until "people discover real estate stocks as an investment in real estate instead of an investment in stocks". Real estate stocks could then be an appealing alternative to real estate investment trusts. Rolf Frey, an analyst at Rüd Blass & Cie AG, concurred, saying: "Following this long downward trend on the real estate markets investors have first to be convinced that this market is attractive again". As a new instrument, real estate stocks must first prove that they can deliver a positive performance.

"Safe haven" function

Real estate stocks have enjoyed a strong tailwind from the expected economic slowdown and the ongoing uncertainty on the stock markets. Werner Richli predicted these stocks would continue to outperform the overall stock market in relative terms. Max Berkelder was more precise, noting that a stabilization has already been anticipated in the valuation of European real estate stocks. "We believe real estate stocks with their higher dividend yields and lower beta factor in relation to the general stock index represent a good 'safe haven' for investors."

Andres Gujan said he expected that real estate stocks would feel the pressure on the stock markets in the short term but would be buoyed up in the medium term from the lower interest rates. The Vontobel analyst is convinced that: "In the long term, the market will reward the low risk and move the price of real estate stocks to a commensurately higher level." Armin Rechberger observed that the real estate



investment company stocks have proven their defensive qualities and their suitability as instruments for diversifying a portfolio.

According to Frédéric Bersier, the very listing of these stocks on the market has led to a correlation with the stock markets that is not justified by the logic of the sector. Werner Richli, for his part, warned that as confidence in the economy returns, investors could shift to cyclical stocks.

Greater liquidity desired

Swiss Prime Site received general praise for the quality of its portfolio and for its highly professional management. Armin Rechberger praised the management at Swiss Prime Site as very experienced in indirect real estate investment and noted that the company was "one of the most focused real estate companies in Switzerland." Andres Gujan saw a "certain shortcoming" in personnel overlaps with the management of other CSAM investment vehicles, a situation he said required some explanation.

Criticism was leveled at the inadequate liquidity of the stock and the lack of company shares in free float. Frédéric Bersier cited this as the reason he would not recommend buying the stock at its current price. Rolf Frey described Swiss Prime Site AG and one

Thanks to its defensive qualities and low correlation to the stock markets, property shares like Swiss Prime Site are ideal for diversifying a portfolio.

other listed real estate investment company as the most comparable to conventional real estate investment trusts "and therefore frontrunners as alternative investments."

"For private Swiss investors, Swiss Prime Site with its low risk is a buy in the current uncertain market", concluded Max Berkelder. Werner Richli called Swiss Prime Site an investment vehicle that "promises security from its stable cash flow and value growth from its development projects." He added that the yield-risk profile was balanced. Armin Rechberger characterized the Swiss Prime Site stock as suitable for investors "interested in maintaining the value of their investment over the long term." Andres Gujan said he sees real estate instruments as a sensible part of the portfolio for private investors and described SPS stock as an "attractive, diversified and liquid investment in commercial properties."

The analysts surveyed

Max Berkelder, Kempen & Co.
Frédéric Bersier, Lombard Odier & Cie
Rolf Frey, Rüd Blass & Cie AG
Andres Gujan, Bank Vontobel AG
Armin Rechberger, Zürcher Kantonalbank
Werner Richli, Credit Suisse First Boston



Project development

That extra something

Swiss Prime Site is expecting an increase in earning capacity and appreciation potential from its projects.

In the investment conventions, there is explicit provision for several new projects to be realized and these form an important cornerstone of Swiss Prime Site's investment strategy. The company investment conventions stipulate that "a necessary condition for this is predicted positive development chances based on detailed location and project analyses". In principle, projects must satisfy the same investment criteria (see box) as existing properties.

But Swiss Prime Site also decides on a project according to its complexity and risks. As well as the financial commitment, the expected expenditure on project management and the risks involved must be in proportion to the estimated profit trend and per-

formance. Thus it is important to minimise the probability of cost overshoots and delays and to resolve financial consequences before undertaking the project. Currently, Swiss Prime Site is in charge of the construction of three projects in Zurich, Zug and Basel.

Cityport in Zurich Nord

On 1st November 2001, both of the main tenants, ABB and PricewaterhouseCoopers, as well as some tenants of smaller premises moved into the Cityport complex in the up-and-coming business and residential quarter of Zurich Nord. The total investment comes to CHF 113 million. This 254-metre long, completely transparent office building with six floors above ground has been built on an area of

land covering about 10,000 m². It is next to the Zurich Oerlikon railway station and is thus only minutes from Zurich city centre in one direction and Kloten airport in the other. All of the 21,800 m² of office space was al-



CITYPORT ZÜRICH-NORD

ready rented some time ago. For Swiss Prime Site, the Cityport is an especially attractive investment, for as well as a future rental income of CHF 7.7 million (target value on a yearly basis), it will also generate a one time profit of approx. CHF 16 million. This profit, beneficial to net income in the 4th quarter of 2001, originates from the fact that we draw up our balance sheet for current projects according to IAS 16 (on acquisition costs) and only after completion according to IAS 40 (on market value). The difference between acquisition costs and the market value is recorded as profits from change in fair market value.

Opus in Zug

In September 2001, the first tenants moved into the Opus complex in the centre of Zug. They occupy the first of



OPUS, ZUG

four buildings in the first stage, which was begun in June 2000. 70% of the roughly 15,000 m² of the first stage, which construction was financed by an investment of CHF 82.5 million (corresponding to four buildings), is already rented. The biggest tenant is BAT, British American Tobacco; several other tenants are likely to be signing their rental contracts soon. Swiss Prime Site is reckoning on an annual net rental income (targeted) of CHF 5.7 million for the first stage. Construction of the first fully rented building of stage 2 began at the start of October 2001.



MESSETURM, BASEL

Messeturm in Basel

As of March 2003, the rent from the Messeturm in Basel will start rolling in. Construction of the highest building in Switzerland was begun in July 2001 by Batigroup, commissioned by Swiss Prime Site. When completed, the 105-metre high Messeturm, with its 31 floors above ground, designed by the Morger & Degelo, Marques architect group, will become the highest building in Switzerland. The Messeturm will be used by the Basle Trade Fair, the Sorat hotel group and various other tenants. 40% of the rental space is already taken. The property costs for this striking building, which covers a rentable space of approx. 25,000 m², total CHF 150 million.

Before construction, the three projects underwent careful evaluation and professional Due Diligence by external specialists. The intensive negotiations by Swiss Prime Site with the promoters

and constructors also led to the optimization of the original projects in several points (ground plan, domestic technical installations, etc.). Thus, the conditions for sustained income and value increases are given. The first results of Swiss Prime Site's selected project strategy are already to be seen in the current financial year.

Investment criteria of Swiss Prime Site

- Quality of location
- Income
- Potential for value and income increase
- Economic development potential
- Transport connections
- Architectural concept and renovation standards
- Rentability and actual rental situation
- Solvency and composition of tenants
- Use flexibility of the building

Key figures for the projects

Key figures	Cityport, Zurich	Opus, Zug (stage I)	Messeturm, Basel
Land area	10,387 m ²	7,400 m ²	1,230 m ²
Volume SIA	approx. 141,000 m ³	approx. 100,000 m ³	approx. 150,000 m ³
Start of construction	January 2000	June 2000	July 2001
Completion date	November 2001	April 2002	approx. autumn 2003
Construction stages	1	2	1
Investment	113 Mio.	82.50 Mio.	149.70 Mio.
Net rental income (target)	7.7 Mio. p.a.	5.7 Mio. p.a.	8.90 Mio. p.a.
Rental			
Rentable space	approx. 23,200 m ²	approx. 16,500 m ²	approx. 24,600 m ²
Current number of units rented	100%	70%	approx. 40%
Main tenants	ABB Asea Brown Boveri Ltd. PricewaterhouseCoopers	BAT British American Tobacco International Ltd.	Basel Trade Fair, Hotel Sorat
URL address			
	-	www.opus-zug.ch	www.messeturmbasel.ch

Consolidated income statement

in CHF 1,000	Financial year 01.01.–30.09.01	Financial year 01.07.–30.09.01	Financial year 01.01.–30.09.00	Financial year 01.07.–30.09.00
Rental income from investment properties	56,849	25,567	29,913	10,756
Other operating income	–	–	653	653
Total income	56,849	25,567	30,565	11,408
Direct operational expenditure	6,510	2,592	4,726	1,546
Change in fair market value (upward), net	(17,958)	786	(5,616)	659
Staff costs	165	56	61	20
Other operating expenditure	4,254	1,839	2,928	1,054
Depreciation of non-real estate fixed assets	6	1	6	1
Start-up costs	–	–	8	–
Total operating expenditure	(7,023)	5,274	2,113	3,280
Operating profit (EBIT)	63,872	20,293	28,452	8,128
Financial expenditure	15,306	7,675	2,618	574
Financial income	319	10	1,363	547
Profit before tax on earnings	48,885	12,628	27,197	8,101
Current tax on earnings	85	(106)	178	157
Deferred tax on earnings	9,341	1,588	2,702	934
Income for interim reporting period	39,459	11,146	24,317	7,010
Earnings per share for the period under review	13.10	3.70	9.64	2.32

The notes in the appendix are an integral component of the consolidated interim report.

Consolidated balance sheet

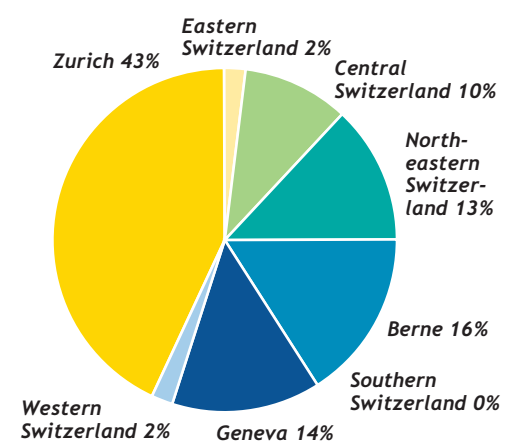
in CHF 1,000	Notes	30.09.2001	31.12.2000
Assets			
Working capital			
Cash and other liquid assets		5,189	53,428
Due from deliveries and services		3,469	2,825
Other claims		3,833	731
Accrued income and prepaid expenses		5,385	937
Total working capital		17,876	57,921
Fixed assets			
Non-real-estate fixed assets		11	17
Investment properties		1,671,016	791,215
Total fixed assets		1,671,027	791,232
Total assets		1,688,903	849,153
Liabilities			
Short-term liabilities			
Liabilities from deliveries and services		261	58
Other short-term liabilities		811	966
Advance payments		5,446	3,219
Accrued expenses and deferred income		4,994	6,869
Total short-term liabilities		11,512	11,112
Long-term liabilities			
Long-term financial liabilities		841,000	47,000
Deferred tax liabilities		22,432	13,091
Total long-term liabilities		863,432	60,091
Total dept capital		874,944	71,203
Shareholders' equity			
Equity capital		600,807	603,514
Capital reserves		162,180	145,923
Retained earnings (accumulated losses)		50,972	28,513
Total shareholders' equity		813,959	777,950
Total liabilities		1,688,903	849,153

Consolidated cash flow statement

in CHF 1,000	Notes	01.01.–30.09.2001	01.01.–30.09.2000
Income for interim reporting period		39,459	24,317
Adjustments for:			
Change in fair market value (upward), net		(17,958)	(5,616)
Depreciation of non-real estate fixed assets		6	6
Financial expenditure		15,306	2,618
Financial income		(319)	(1,363)
Changes in working capital:			
Increase in claims from deliveries and services		(644)	(1,380)
Increase in other claims		(3,102)	(447)
Increase in accrued income and prepaid expenses		(4,500)	(691)
Decrease/increase in liabilities from deliveries and services		203	2,924
Decrease/increase in other short-term liabilities and advance payments		2,072	2,132
Decrease in accrued expenses and deferred income		(2,903)	(2,479)
Increase in deferred tax liabilities		9,341	2,702
Interest payments made		(14,278)	(2,649)
Interest payments received		371	1,339
Payments of tax on earnings		–	–
Net inflow of funds from operational activity		23,054	21,413
Investments in investment properties		(861,843)	(286,173)
Investments in non-real-estate fixed assets		–	–
Income from the sale of financial investments		–	–
Dividend payments received		–	–
Net outflow of funds from investment activity		(861,843)	(286,173)
Acceptance of short-term financial liabilities		–	–
Repayment/acceptance of long-term financial liability		794,000	(89,000)
Capital increase including premium (minus IPO costs)		–	330,087
Purchase of own shares		(3,450)	(79)
Payment of profit distribution		–	–
Net inflow of funds from financing activity		790,550	241,008
Net reduction of cash and other liquid assets		(48,239)	(23,751)
Cash and other liquid assets at the start of the business		53,428	97,323
Cash and other liquid assets at the end of the interim reporting period		5,189	73,572

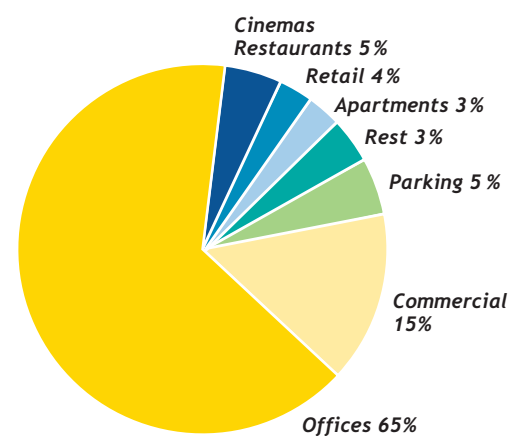
Portfolio by regions

Based on market value as of 30.09.2001



Portfolio by usage type

Based on target rental income as of 30.09.2001



Major shareholders

(subjects to reporting requirements)

Winterthur Life	23.26%
PF Credit Suisse Group	23.26%
PF of the Federal CH Government	6.36%

Market matrix: Market valuation of individual properties

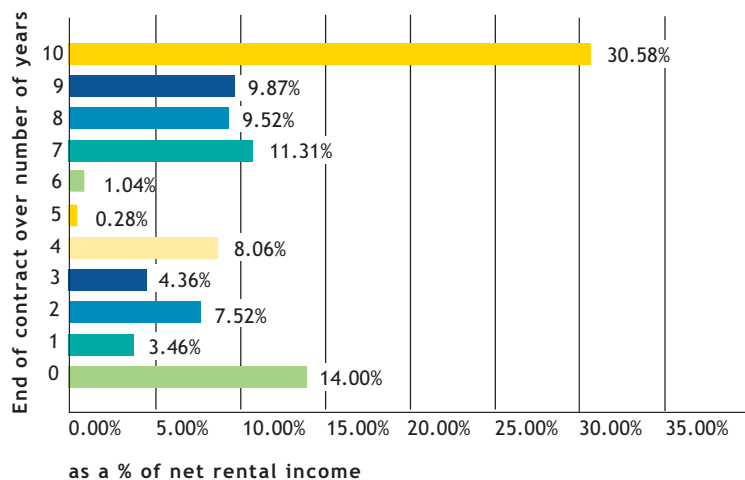
(Source: Wüest & Partner)



- | | |
|---|--|
| 1 Am Bohl 1 / Goliathgasse 6, 9000 St. Gallen | 23 OPUS I (Bauprojekt), 6300 Zug |
| 2 Reitergasse 9/11, 8004 Zürich | 24 OPUS II (Landwert), 6300 Zug |
| 3 Birchstr. 117, 8050 Zürich | 25 Route de Malagnou / Rue Michel-Chauvet 7, 1208 Genève |
| 4 Quai du Seujet, 1203 Genève | 26 Route du Petit-Moncor 1, 1752 Villars-sur-Glâne |
| 5 Josefstrasse 53/59, 8005 Zürich | 27 Messeturm, 4021 Basel |
| 6 Stauffacherstr. 94-96 / Molkenstr. 15-17, 8004 Zürich | 31 Genfergasse 14, 3001 Bern |
| 7 Kirchstrasse 20, 8913 Dietikon | 34 Alte Tiefenastrasse 6, 3048 Worblaufen BE |
| 8 Lagerhausstr. 1, Solothurn | 35 Peter-Merian-Strasse 80, 4002 Basel |
| 9 Röschlibachstr. 22 / Höggerstr. 40, Zürich | 36 Route de Meyrin 49, 1211 Genève |
| 10 Steinvorstadt 67, Basel | 37 Weinbergstrasse 4, 6000 Luzern |
| 11 Schulstrasse 34/36, 8050 Zürich | 38 Geissensteinring, 6000 Luzern |
| 12 Freiestrasse 26 / Falknerstr 3, 4001 Basel | 39 Tribschenstrasse 56/60, 6000 Luzern |
| 13 Aemmenmattstr. 43, 3123 Belp | 40 Quartierzentrale Tribschen, 6000 Luzern |
| 14 Frobürgstrasse 15, 4601 Olten | 41 Bahnhofquai 20, 4600 Olten |
| 15 Cityport, 8050 Zürich-Oerlikon | 42 Swisscom Gasse 2 / Bahnhofquai 18, 4600 Olten |
| 16 Rue du Rhône/Place Fusterie, 1204 Genève | 43 Theaterstrasse 19, 8400 Winterthur |
| 17 Industriestrasse 1, 8604 Volketswil | 44 Fraumünsterstrasse 16, 8000 Zürich |
| 18 Freischützgasse 14, 8004 Zürich | 45 Brandschenkestrasse 25, 8000 Zürich |
| 19 Hofwiesenstrasse 50, 8153 Rümlang | |
| 20 Vadianstrasse 25, 9000 St. Gallen | |
| 21 Weltpoststrasse 5, 3015 Bern | |
| 22 Route de Chancy 59, 1213 Petit-Lancy | |

Portfolio by contractual end of rental relationships

Based on net rental income as of 30.09.2001



Consolidated equity note

	Equity capital	Capital reserves (premium)	Retained earnings	Total equity capital
in CHF 1,000				
As at 1st January 2000	336,000	84,000	(7,596)	412,404
Income for the period under review	-	-	24,317	24,317
Profit distributions	-	-	-	-
Capital increase per 10.4.2000 (incl. premium, minus IPO costs)	268,000	62,087	-	330,087
Purchase of own shares	(58)	(21)	-	(79)
As at 30 September 2000	603,942	146,066	16,721	766,729
Income for the period under review	-	-	11,792	11,792
Profit distributions	-	-	-	-
IPO costs	-	(5)	-	(5)
Purchase of own shares	(428)	(138)	-	(566)
As at 31st December 2000	603,514	145,923	28,513	777,950
Income for the period under review	-	-	39,459	39,459
Profit distributions / Use of profit	-	17,000	(17,000)	-
Purchase of own shares	(2,707)	(743)	-	(3,450)
As at 30 September 2001	600,807	162,180	50,972	813,959

Notes to the consolidated interim results

1 Earnings per share

The profit used to calculate the earnings per share or the diluted earnings per share are the earnings for the reporting period reported by the Swiss Prime Site Group. The average number of shares is:

	01.01.-30.09.2001	01.01.-30.09.2000
in CHF 1,000		
Issued shares 01.01.-10.04.2000 (100 days)	-	1,680,000
Issued shares 11.04.-30.09.2000 (170 days)	-	3,020,000
Average stock of personal shares	-	290
Average weighted number of shares	-	2,523,414
Issued shares 01.01.-30.09.2001 (270 days)	3,020,000	-
Average stock of personal shares	15,964	-
Average weighted number of shares	3,012,889	-

The average weighted profit/loss per share in CHF is:

Earnings per share for the period (9 months)	13.10	9.64
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	01.07.-30.09.2001	01.07.-30.09.2000
in CHF 1,000		
Issued shares 01.07.-30.09.2000 (90 days)	-	3,020,000
Average stock of personal shares	-	290
Average weighted number of shares	-	3,019,710
Issued shares 01.07.-30.09.2001 (90 days)	3,020,000	-
Average stock of personal shares	15,964	-
Average weighted number of shares	3,009,731	-

The average weighted profit/loss per share in CHF is:

Earnings per share for the period (3 months)	3.70	2.32
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In the interim period 01.01 - 30.09.2001, no dilutive effects were to be noted.

Consequently no diluted profit per share is recorded.

Select company data

	Figures in	As at 30.09.2001	As at 30.09.2000	Change in percentage
EBITDA	Mio. CHF	63,9	27,8	129,86
EBIT	Mio. CHF	63,9	27,8	129,86
EBIT margin (befor re-evaluation - IAS 40)	%	80.76	74.16	8.90
Profit (+) / loss (-)	Mio. CHF	39,5	24,3	62,55
Equity capital	Mio. CHF	814,0	766,7	6,17
Equity ratio	%	48.19	92.02	47.63
Outside capital	Mio. CHF	874,9	66,5	1 215,64
Outside capital ratio	%	51.81	7.98	549.25
ROE (weighted)	%	6.61	5.50	-
ROIC (weighted)	%	5.75	4.61	-

Details of real estate portfolio, as of 30.09.2001

	Market value in CHF Mio.		Net rental income in CHF Mio.		Net yield		Rent default rate		Lettable space in m ²	
	30.09.01	30.09.00	01.01-30.09.01	01.01-30.09.00	30.09.01	30.09.00	30.09.01	30.09.00	30.09.01	30.09.00
Zurich	621,7	289,3	22,5	14,9	5.16%	6.24%	1.29%	0.96%	119 004	83 410
Central Switzerland	92,2	0,0	3,1	0,0	6.41%	n/a	3.59%	n/a	24 524	0
Eastern Switzerland	27,1	26,6	1,2	0,9	5.30%	5.22%	3.68%	2.47%	5 485	5 824
Northwestern Switzerland	160,7	50,2	5,4	2,5	5.43%	4.83%	6.21%	11.77%	35 683	11 851
Berne	270,2	115,8	10,2	5,3	5.53%	5.63%	0.84%	1.78%	67 970	34 142
Geneva	229,0	170,2	9,3	6,3	5.57%	5.57%	2.97%	0.55%	45 855	37 550
Western Switzerland	29,1	0,0	0,9	0,0	5.56%	n/a	4.71%	n/a	8 894	0
Subtotal	1 430,0	652,1	52,6	29,9	5.42%	5.80%	2.28%	1.96%	307 415	172 777
Projects	241,0	103,7	2,9	0,0	n/a	n/a	n/a	n/a	87 132	61 040
Total	1 671,0	755,8	55,5	29,9	n/a	n/a	2.16%	1.96%	394 547	233 817

A Winterthur Landmark

The prominent 25-floor building in the heart of Winterthur has been in the real estate portfolio of Swiss Prime Site AG since mid-August. The tenants of the 15,200 m² commercial space are first-class companies which have signed long-term leases.

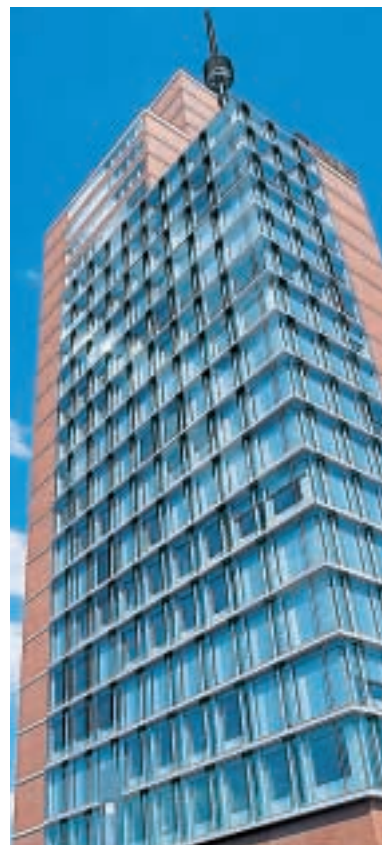


The 25-storey building on Theaterstrasse has meant that Swiss Prime Site has also become prominent in Winterthur since August 2001. The high-rise building provides over 15,000 m² of office space and is only five minutes by foot from the central station.

The sales agreement for the property at Theaterstrasse 19 in Winterthur was certified by a notary public on 14 August 2001 following the termination of a lease with Bellevue Bau AG. This means SPS is now the sole owner of the last of the 13 properties selected from the Swisscom office package.

The prominent 25-floor building is considered a landmark in Winterthur. Just a five-minute walk from the main train station, the high rise is in the very heart of this city of 90,000. It is highly accessible by public and private transport and provides 120 parking spaces for the cars of employees and visitors.

Multi-year leases with first-class tenants
About three fourths of the 15,200 m² commercial space is rented by Winterthur-Versicherungen under a lease running until 2010. The tenant for the remaining space is Swisscom AG, which also signed a multi-year lease with Swiss Prime Site. Sustained earning power is assured by the property's excellent location within the city, its character, and the tenants' credit-worthiness.



Swiss Prime Site has made a special effort here to provide adequate protection against sun and heat. Variably adjustable vertical glass shades were installed on outside surfaces exposed to the sun. They allow the windows to be opened in any weather. This means the interior can cool off naturally at night and energy costs can be dramatically reduced.

Incidentally: The view from the hundred meter high building is accessible to the general public. We recommend trying out the "Roter Turm" restaurant some evening on the top floor to enjoy the view of the sea of lights below.

KEY DATA

Theaterstrasse 19, Winterthur

- **Date of purchase:** 14.08.2001
- **Commencement of use, assumption of risk:** 01.04.2001
- **Lot size:** 7,535 m²
- **Year of construction:** 1999
- **Purchase price:** 63.74 Mio.
- **Market value W&P:** 62.83 Mio.

Share data

Share price
(01.01.2001–30.09.2001)
per 30.09.2001 CHF 251.–
high CHF 268.–
low CHF 226.–

Market capitalization
as at 30.09.2001 CHF 758 Mio.

NAV (before deferred taxes)
as at 31.12.2000 CHF 261.93
as at 30.09.2001 CHF 278.42
Change 6.30%

NAV (after deferred taxes)
as at 31.12.2000 CHF 257.60
as at 30.09.2001 CHF 270.96
Change 5.19%

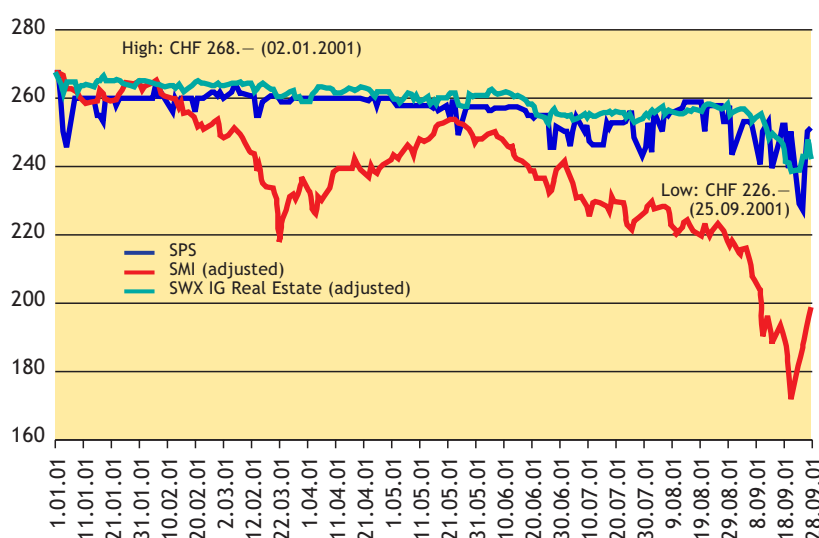
Profit per share (weighted)
as at 30.09.2000 CHF 9.64
as at 30.09.2001 CHF 13.10

Share statistics
Total registered shares 3 020 000
Security number 803 838
ISIN no CH 000 803 838 9
SWX symbol SPSN
First day of trading 05.04.2000

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Share Price Performance 01.01 - 28.09.01



Impressum

Published by
Swiss Prime Site AG
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Concept and production
ibl und partner ag, solothurn

Agenda

- Mid-March 2002**
Annual report as at 31.12.2001
- 19 March 2002**
Media conference on the annual financial statements 2001
- 29 April 2002**
General meeting of shareholders 2001