

# SWISS PRIME NEWS

## NAV

CHF 257.19 as at 30.09.2000

CHF 249.82 as at 31.12.1999

before deferred taxes

Securitynumber 803 838 · SWX symbol: SPSN



SWISS PRIME SITE

## Interim report as at 30.09.2000

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## “Messeturm Basel”

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## New “Cityport” in Oerlikon

Page 8



## Indirect is an advantage

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3<sup>rd</sup> quarter 2000

## New building projects boost Swiss Prime Site

Swiss Prime Site continued the positive development in the 3<sup>rd</sup> quarter of 2000. The highlight was the decision to build the prestigious Messeturm in Basel. This project, involving a capital investment of around CHF 150 million, rounds off the quality portfolio of Swiss Prime Site with a new building whose architecture, location and flexible use set a distinctive note in North West Switzerland. As expected, the share price's development was characterized by low volatility and reached an annual high of CHF 270.00 on 30.09.2000. The net asset value rose by CHF 2.64 to CHF 257.19 between 30.06.2000 and 30.09.2000.

What does Swiss Prime Site understand by Real Estate picking? A particularly clear and telling answer to that frequently asked question is provided in the third quarter of 2000 by the example of the Basel Messeturm. On 1 September 2000, Swiss Prime Site signed an outline agreement with Messe Basel and Basel City Canton to construct the Messeturm at the Trade Fair Centre in Basel. Further information on this prestigious project will be found on pages 2 and 3.

### Strategic new buildings round off the portfolio

Competition on the Swiss property market is becoming increasingly in-

tense. New buildings on prominent sites in the main economic centres are given priority over old buildings. Swiss Prime Site is excellently equipped to handle this trend with its Real Estate picking strategy. To strengthen the portfolio and optimize earnings Swiss Prime Site is constructing high quality, user-friendly new buildings providing high flexibility for users while it attaches the utmost importance to the site and building quality.

The present three projects in Zurich (“Cityport”), Zug (“Opus”) and Basel (“Messeturm”) at a capital investment cost of around CHF 450 million are a clear illustration of the corporate strategy. Those projects will offer Swiss



Prime Site's earnings in several tranches between July 2001 and the autumn of 2003. All the signs are that the lettable floor space in these top locations will easily be taken up by the market against the background of a buoyant economy.

### Competition for capital as a result of property outsourcing

Since the summer of last year, the Swiss real estate market has accelerated. In addition to a series of property investment companies, which have raised new capital or went public, a new property investment fund has also been launched and several property-

A new urban symbol is under construction at Messeplatz in Basel at a capital cost of around 150 million CHF. Swiss Prime Site plans to complete Switzerland's highest building by 2003. The 30 floors are planned for the Basel Fair, office space and a first-class hotel.

Continued on page 2



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



Continuation of page 1

Swiss Prime Site is increasingly commissioning its own buildings. The three major arms, Zug (Opus) and Zurich Nord (Cityport) alone represent a capital investment of some CHF 450 million.

investment funds have increased their capital. The offered volumes have in some cases been absorbed readily by the market, but investors' appetites seem to have slackened somewhat in the meantime.

On the supply side, a growing number of companies have made their appearance on the market to dispose of their properties, sometimes in large batches. This reflects a deliberate exit strategy to reduce the balance sheet and release tied-up capital. These suppliers are interested in other words in a straight sale and not in the exchange of real property for shares.

To absorb the growing supply of properties and new construction projects, solvent investors are needed. The listed Swiss property companies still have a relatively modest stock market capitalization (CHF 68 million to 1.56 billion). However, implementation of the partially quite aggressive growth strategies presupposes a willingness on the part of the companies concerned to compete for the scarce resource "capital". Investors' demands are clear: they are

SWISS PRIME SITE PROJECTS			
<b>Project:</b>	<b>Cityport</b>	<b>Opus</b>	<b>Messeturm</b>
<b>Place:</b>	Zurich Oerlikon	Zug	Basel
<b>Location:</b>	Gateway to new Zurich Nord city district between Kloten airport and city centre	8 commercial buildings right next to the rail station in a rapidly developing area	Unique site on pulsating Messeplatz Basel with first class hotel, trade fair and offices
<b>Occupancy date:</b>	July 2001	Autumn 2001 to June 2003	Summer 2001 to autumn 2003
<b>Capital investment:</b>	CHF 127 million	approx. CHF 170 million	approx. CHF 150 million

looking for a convincing strategy which is successfully implemented; a proven performance track-record and a transparency so that the investors know exactly where their funds are invested.

The investor has the choice between real estate equity companies with a

stock market capitalization\* of CHF 5.5 billion. They are in direct competition with the established Swiss real estate investment funds (market capitalization CHF 11 billion) and the real estate investment foundations (capitalization CHF 3.4 billion).

We are assuming that a slight surplus supply will occur in the next few months on the property market.

#### Swiss Prime Site benefits from the trend

With its strong capital structure, Swiss Prime Site is ideally equipped to continue to act as a selective buyer on the market and profit from the market trend. The projects which are under construction will have a positive impact on Swiss Prime Site's results in the longer term perspective. The Cityport project in Zurich Nord, which will be ready for occupation in 2001, has already been let. Tenants

have also already been found for two of the eight planned commercial buildings in the Opus Project in Zug. Strong interest is also reported in the Basel Messeturm, more than six months before construction work begins.

The conventional property business also continues to be successful. Swiss Prime Site's know-how and experience in the purchase, development, flexibility enhancement and optimization of commercial properties assure increasingly dynamic earnings.

\* Jelmoli, Intershop, PSP Swiss Property, Swiss Prime Site, Allreal, Zublin, Maag, Warteck, LO-Holding (listed in the ranking of their stock market capitalization as of 30.09.00)

### Key financial indicators as of 30 September 2000

ROE	5.50 %
ROIC	4.61 %
Net rental income	29.9 Mio.
Net yield (DCF)	5.00-5.80 %
Vacancy rate	1.96 %

Interview with Jürg Böhni, Messe Basel

## "A project of this kind can only prove successful if the chemistry between the partners is right"

In early September, Swiss Prime Site announced the planned building of the Messeturm in Basel. The foremost partner of this ambitious project is Messe Basel AG. Swiss Prime News therefore held an interview with the company's Chairman of the Management Committee, Jürg Böhni.

#### What does the Messeturm mean to Messe Basel and to Basel in general?

The Messeturm is for Messe Basel particularly important in two respects: firstly, the service center, office premises and hotel are central to our operations. The Messeturm will be our visiting card and the hub of our service activities. Secondly, the Messeturm is an architectonic symbol, which radiates far beyond the exhibition site: this tower adds a distinctive new feature to the trade fair centre.

Ultimately, the whole city and region of Basel will benefit from this further enhancement of the attractiveness of our trade fair and congress site. At the same time, Basel is demonstrating through the Messeturm its determination to establish its position as an international trade fair and congress centre. In a sense therefore

it is the symbol and facilitator of a Basel USP – site marketing in reality and in cultural terms.

#### Is a trade fair in the city centre not against the international trend?

The Basel Trade Fair gave intensive consideration in the early nineties to the matter of its siting and finally decided to retain its present urban site rather than rebuilding on a greenfield location. It did so not just for financial reasons, but primarily because of strategic and conceptual considerations. Ultimately, the benefits of the city centre site far outweigh the drawbacks – for example, the lack of space and limited potential for further expansion. The integration into a direct urban environment with a varied cultural offering and short routes



Jürg Böhni, Chairman of the Messe Basel AG Management Committee: "The key factor was that Swiss Prime Site convinced us of the quality of its work. We knew that we had found a totally competent and dependable partner."

is highly attractive, especially for visitors. This is particularly the case in the lifestyle segment in which our World Watch and Jewellery Fair and the Art Fair in Basel are world leaders in their fields.

#### What was the impact of this decision of principle on the city of Basel?

One outcome has been the investment



**The outline contract signed on 1 September 2000 for the construction of the Messeturm in Basel also marks the start of a successful, long-term partnership. Stefan Mächler, Board Chairman, Swiss Prime Site, Jörg Böhni, Messe Basel Management Committee Chairman and Markus Graf, CEO Swiss Prime Site (from left to right) all agree on this.**

of large sums by Messe Basel in recent years to implement the "Messe Basel Plus" master plan. These investments have been dedicated to improvement of the infrastructure and enhancement of the attractiveness of the site, for instance by building the new Hall 1. The redesign of the trade fair center and construction of the Messeturm are important parts of this master plan. The Messeturm in particular fits into this concept of the "Fair in the City" as though tailor-made for the purpose. To put it differently, can you imagine a Messeturm like that in Basel anywhere else on a greenfield site?



**"The Messeturm is site marketing in reality and in cultural terms."**

**Why did it take so long to find an investor?**

Development of the project under the management of Messe Basel was a particularly complex matter. This is by no means a routine project – at least for Swiss circumstances.

**You refer to complex planning?**

Yes, along with other factors. The competition and planning phases and the creation of the legal criteria such as rezoning the existing plans proved highly complex. In addition several partners are involved including the Basel City Canton, and other building projects such as transport improvements and redesign of the fair centre are all directly linked to this project. First and foremost, the interests of the trade fair and canton had to be satisfied even if Messe Basel is not itself in charge of the project.

All of this necessitated careful evaluation of the potential investors groups and a relatively complex contracting structure. The decision-making process also played

an important role. A measure of legal certainty had to be created before concrete negotiations could begin.

**What criteria were used to choose the investment partner?**

In the first place we wanted to find a partner who best represents our interests in relation to this project – from the conceptual, timing and financial angles.

**What was the decisive factor for Swiss Prime Site? Was it just a matter of price?**

No, even if – as I said – financial aspects are obviously an important factor. The determining factor was first and foremost the ability of Swiss Prime Site to convince us of the quality of its project and assure us that we had found a totally competent and dependable partner.

A project of this kind can only be implemented successfully if the "chemistry" between the partners is right – in other words if they are pursuing the same goals and speak the same language. They must trust each other and so forth. That too was very important to us.

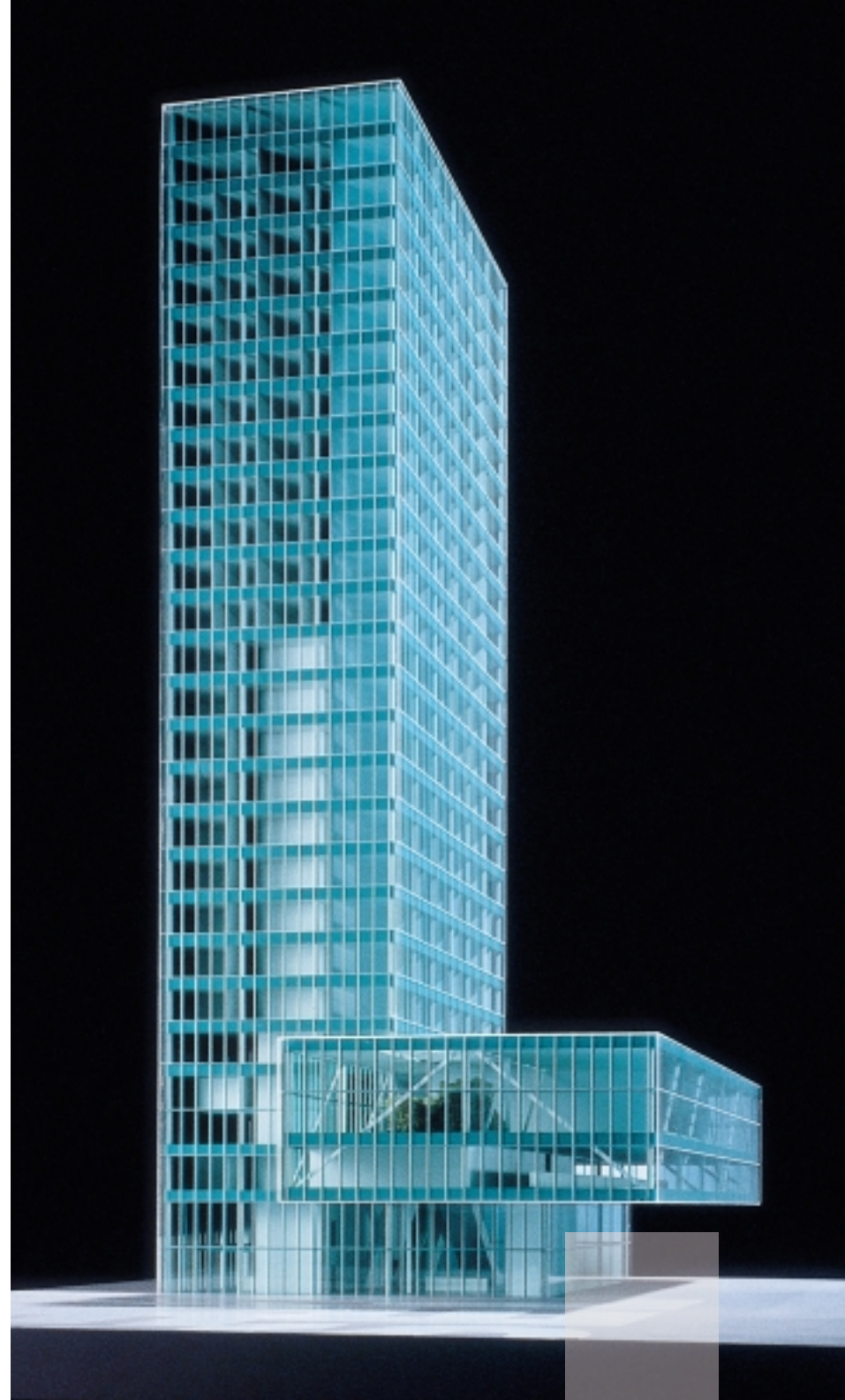
**"Cooperation with Swiss Prime Site has proved particularly smooth."**

**Does the project presented in early September already bear the signature of Swiss Prime Site?**

On 1 September, Swiss Prime Site purchased the project developed under the management of Messe Basel and took responsibility for implementing it in the stipulated form and time – subject to certain conditions, which have to be satisfied. Currently the project management put in place by Swiss Prime Site is working on project optimisation with its partners and planners and the signature of the new proprietor can now be recognized. Externally, however this is barely perceptible as there will not be essential changes to the project anymore.



**"I am convinced that, sooner or later, the Messeturm will not be the only skyscraper in Basel."**



**What has been your experience so far of cooperation with Swiss Prime Site?**

Swiss Prime Site and the project management quickly put the project in professional hands. From our standpoint the cooperation has proved very successful. It is a partnership with a goal-oriented, dynamic and friendly – in short highly agreeable – spirit.



**"Can you imagine a Messeturm like this out there on a greenfield site?"**

**What is the role of the Messeturm in the urban development of Basel?**

A skyscraper like the Messeturm is a new landmark for Basel where there are of course already many significant architectural works. Although I am not a town planner and builder, I am convinced that the Messeturm is not just another urban symbol but will also enliven the debate and further developments in this regard. To put it simply, I am convinced that the

**The 105 metre high building was designed by architects Morger & Degelo, Marques. Its transparency and scale symbolize the attractiveness of Basel as a trade fair site and economic centre.**

Messeturm will sooner or later be joined by other high-rise buildings in Basel. I naturally hope that the impact will be felt well beyond Basel.

**What personal wishes do you have for the investor and building owner?**

Our wish is to identify with this building as a special structure in terms of architecture, siting, environment and function. By this I mean that the Messeturm will not just be another building project, but a unique and living feature which proves to be a radiant symbol and a pulsating centre on the site of Switzerland's biggest trade fair and congress venture. I am quite sure that Swiss Prime Site and its partners will experience no problems with the satisfaction of that wish.

# Indirect is an advantage



**In comparison with direct investments, indirect property investments permit better diversification of the property component of a portfolio. They also facilitate investments on real estate markets of which an overview is harder to gain, for example in other countries.**

Indirect property investments are attracting growing investor interest. Institutional investors and pension funds in particular are increasingly tending to make or consider indirect investments. For some months now, institutional investors have a choice between several alternatives as various property investment companies are now listed on the stock market.

### Higher return with unchanged risk

For many years, the acquisition of property investment funds was the commonest way of making an indirect investment on the property market. As many studies have shown, indirect property investments can effectively support the diversification of an equity portfolio consisting of equities and bonds. The shares of property investment companies improve the yield of a portfolio with unchanged risk or, viewed differently, they reduce the overall portfolio risk with an unchanged yield. Additional indirect property investments have also been shown to have a positive impact on portfolio yield, although to a lesser extent than direct property investments.

Unfortunately no statistical information covering a sufficiently long period is available on property investment companies. The influence of indirect properties on a portfolio is therefore shown by reference to property funds. It may be assumed that the comparison with property funds will lead to conclusions similar to those of a comparison with property investment companies. We have therefore built "efficient" portfolios for the

period 1961 to 1999 (see chart) for this purpose on the basis of a Swiss equity, bond and property investment fund index. This chart clearly shows that stakes in a property fund can reduce the risk

of a portfolio with a given return. For instance, the risk measured by the standard deviation of yields for a yield level of 6.9 % is 17 % lower if property fund shares are included in the portfolio.

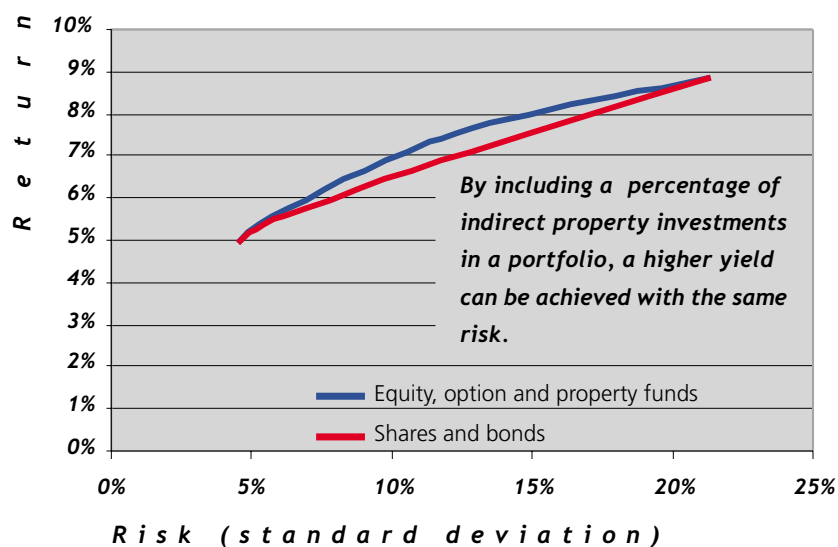
### Optimum weighting of indirect property investments between 15 and 20 %

As regards the optimum weighting of indirect property investments, long-term

studies have shown that it is about in the order of 15 to 20 % of total assets. If a portfolio already contains direct property investments, the ideal weighting will be lower: in this case, it is in the order of 5 to 10 %. An investor who wants to place a substantial part of his assets in indirect property investments must, however, always be aware that he is confronted with a relatively tight market. In addition, the volatility of property investment funds prices has increased substantially in recent years. In this regard, this type of investment has become somewhat less attractive. To reduce volatility, it is important to improve transparency, particularly in respect of the valuation of the properties held by investment funds and equity companies specializing in property investments.

Prof. Dr. Martin Hoesli  
Université de Genève

## Return/risk pattern with and without inclusion of property funds



## Glossary

### Market coefficient

The market coefficient reflects the present and future market situation and hence the long-term risk of a property investment. It is based on a local authority ranking by Wüest & Partner, which is guided by various factors such as accessibility, tax risk, number of jobs, market size, vacancy rates, future prospects (availability of building land, trend in demand and

vacancy rates, rental price potential as a function of the average income of the local authority concerned).

### Market value

Yield value = sum of net rental income discounted over 75 years (as calculated by Wüest & Partner)

### NAV

Net asset value or net inventory value.

The NAV is calculated by dividing the net assets of the company (value of the company's total assets less borrowed capital allowing for current costs and income) by the number of outstanding shares.

### Net yield (DCF)

The basic idea of the discounted cash flow calculation is that the present market value of a property is deter-

mined by the sum of all the anticipated future net yields (net rental income without ancillary costs less operating, maintenance and repair costs) discounted to the present date. The discount rates are adjusted to the present market situation on the basis of changes of ownership and capital market trends.

## Consolidated income statement for the period under review

in CHF 1,000	Notes	01.01.–30.09.2000	01.07.–30.09.2000	01.01.–30.09.1999*	01.07.–30.09.1999*
Rental income from investment properties		29,913	10,756	–	–
<b>Total income</b>		<b>29,913</b>	<b>10,756</b>	–	–
Direct operational expenditure (excl. direct financial expenditure)		4,726	1,546	–	–
Revaluation of investment properties (upward), net		(5,616)	659	–	–
Staff costs		61	20	–	–
Other operating expenditure		2,928	1,054	–	–
Depreciation on non-real-estate fixed assets		6	1	–	–
Start-up costs		8	0	–	–
<b>Total operating expenditure</b>		<b>2,113</b>	<b>3,280</b>	–	–
<b>Operating profit (EBIT)</b>		<b>27,800</b>	<b>7,476</b>	–	–
Financial expenditure (incl. direct financial expenditure)		2,618	574	–	–
Financial income		1,363	547	–	–
<b>Operating profit (after financial income)</b>		<b>26,544</b>	<b>7,448</b>	–	–
Extraordinary income	2	653	653	–	–
<b>Profit before tax on earnings</b>		<b>27,197</b>	<b>8,101</b>	–	–
Current tax on earnings		178	157	–	–
Deferred tax on earnings		2,702	934	–	–
<b>Income for interim reporting period</b>		<b>24,317</b>	<b>7,010</b>	–	–
<b>Earnings per share for the period under review</b>	3	<b>9.64</b>	<b>2.32</b>	–	–

## Consolidated balance sheet

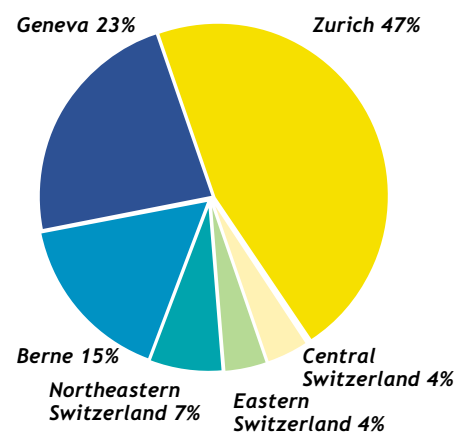
in CHF 1,000	Notes	30.09.2000	31.12.1999
<b>Assets</b>			
<b>Working capital</b>			
Cash and other liquid assets		73,572	97,323
Due from deliveries and services		2,647	1,267
Other claims		534	88
Accrued income and prepaid expenses		727	12
<b>Total working capital</b>		<b>77,480</b>	<b>98,690</b>
<b>Fixed assets</b>			
Non-real-estate fixed assets		19	25
Investment properties		755,755	463,966
<b>Total fixed assets</b>		<b>755,774</b>	<b>463,991</b>
<b>Total assets</b>		<b>833,254</b>	<b>562,681</b>
<b>Liabilities</b>			
<b>Short-term liabilities</b>			
Liabilities from deliveries and services		3,249	325
Other short-term liabilities		1	1
Advance payments		2,971	839
Accrued expenses and deferred income		3,312	5,822
<b>Total short-term liabilities</b>		<b>9,533</b>	<b>6,987</b>
<b>Long-term liabilities</b>			
Long-term financial liabilities		47,000	136,000
Deferred tax liabilities		9,992	7,290
<b>Total long-term liabilities</b>		<b>56,992</b>	<b>143,290</b>
<b>Total dept capital</b>		<b>66,525</b>	<b>150,277</b>
<b>Shareholders' equity</b>			
Equity capital		603,942	336,000
Capital reserves		146,066	84,000
Retained earnings (accumulated losses)		16,721	(7,596)
<b>Total shareholders' equity</b>		<b>766,729</b>	<b>412,404</b>
<b>Total liabilities</b>		<b>833,254</b>	<b>562,681</b>

## Consolidated cash flow statement

in CHF 1,000	Notes	01.01.–30.09.2000	01.01.–30.09.1999*
<b>Income for interim reporting period</b>		<b>24,317</b>	–
Adjustments for:			
Revaluation of investment properties (upward), net		(5,616)	–
Depreciation on non-real-estate fixed assets		6	–
Financial expenditure		2,618	–
Financial income		(1,363)	–
Changes in working capital:			
Increase in claims from deliveries and services		(1,380)	–
Increase in other claims		(447)	–
Increase in accrued income and prepaid expenses		(691)	–
Increase in liabilities from deliveries and services		2,924	–
Increase in other short-term liabilities and advance payments		2,132	–
Decrease in accrued expenses and deferred income		(2,479)	–
Increase in deferred tax liabilities		2,702	–
Interest payments made		(2,649)	–
Interest payments received		1,339	–
Payments of tax on earnings		–	–
<b>Net inflow of funds from operational activity</b>		<b>21,413</b>	–
Investments in investment properties		(286,173)	–
Investments in non-real-estate fixed assets		–	–
Income from the sale of financial investments		–	–
Dividend payments received		–	–
<b>Net outflow of funds from investment activity</b>		<b>(286,173)</b>	–
Acceptance of short-term financial liability		–	–
Acceptance of long-term financial liability		(89,000)	–
Capital increase including premium (minus IPO costs)		330,087	–
Purchase of own shares		(79)	–
Payment of profit distribution		–	–
<b>Net inflow of funds from financing activity</b>		<b>241,008</b>	–
<b>Net reduction of cash and other liquid assets</b>		<b>(23,751)</b>	–
Cash and other liquid assets at the start of the business year		97,323	–
<b>Cash and other liquid assets at the end of the interim reporting period (30.09.2000)</b>		<b>73,572</b>	–

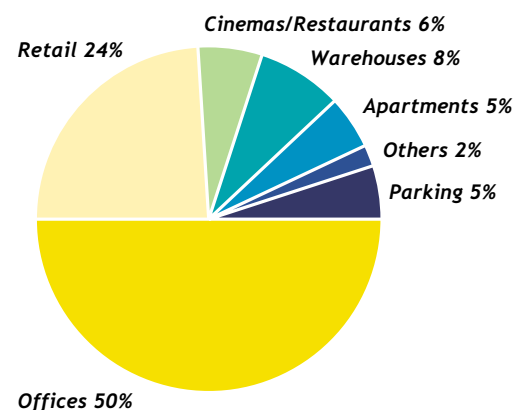
## Portfolio by regions

Based on market value as of 30.09.2000



## Portfolio by usage type

Based on target rental income as of 30.09.2000



## Major shareholders (subject to reporting requirements)

Winterthur Life*	23.26%
PF Credit Suisse Group*	23.26%
PF Siemens CH*	2.45%
PF of the Federal Government	6.36%

\*founding shareholders

## Notes to the consolidated cash flow statement

in CHF 1,000	Notes	01.01.–30.09.2000	01.01.–30.09.1999*
Interest receivable at the beginning of the reporting period		7	–
Interest income in the reporting period		1,363	–
less interest receivable at the end of the reporting period		(31)	–
<b>Interest payments received</b>		<b>1,339</b>	–
Total accrued income and prepaid expenses at the beginning of the reporting period		12	–
less interest receivable at the beginning of the reporting period		(7)	–
Subtotal		5	–
Total accrued income and prepaid expenses at the end of the reporting period		727	–
less interest receivable at the end of the reporting period		(31)	–
Subtotal		696	–
<b>Increase in accrued income and prepaid expenses</b>		<b>691</b>	–
Interest liabilities at the beginning of the reporting period		31	–
Interest expenditure in the reporting period		2,618	–
less interest liabilities at the end of the reporting period		–	–
<b>Interest payments made</b>		<b>2,649</b>	–
Total accrued expenses and deferred income at the beginning of the reporting period		5,822	–
less interest liabilities at the beginning of the reporting period		(31)	–
Subtotal		5,791	–
Total accrued expenses and deferred income at the end of the reporting period		3,312	–
less interest liabilities at the end of the reporting period		–	–
Subtotal		3,312	–
<b>Decrease in accrued expenses and deferred income</b>		<b>2,479</b>	–

\*Please refer to the note 1.2 of the appendix.

## Consolidated statement of changes in equity capital

in CHF 1,000	Notes	Equity capital	Capital reserves (premium)	Retained earnings	Total equity capital
<b>As at 11 May 1999</b> (foundation)		<b>168,000</b>	<b>42,000</b>		<b>210,000</b>
Annual loss				(7,596)	(7,596)
Profit distributions				–	–
Capital increase per 15.12.1999 (incl. premium)		168,000	42,000		210,000
<b>As at 1 January 2000</b>		<b>336,000</b>	<b>84,000</b>	<b>(7,596)</b>	<b>412,404</b>
Income for the period under review				24,317	24,317
Profit distributions				–	–
Capital increase per 10.04.2000 (incl. premium, minus IPO costs)		268,000	62,087		330,087
Purchase of own shares		(58)	(21)		(79)
<b>As at 30 September 2000</b>		<b>603,942</b>	<b>146,066</b>	<b>16,721</b>	<b>766,729</b>

## Notes to the consolidated interim results

### 1 Summary of the main accounting principles

#### 1.1 Reference to the annual financial statement as at 31 December 1999

In accordance with IAS 34 certain data need not be stated in the interim report if they constitute relatively insignificant updates of information which has been published in detail in the notes to the preceding annual financial report. This summary of the interim report therefore intentionally avoids stating non-significant information or reporting data which were already covered in the financial statement as at 31 December 1999. For details, please consult the ordinary, full version of the interim report.

#### 1.2 Prior-year figures

In accordance with IAS 34 on interim reporting, a balance sheet is to be drawn up as at the end of the current interim reporting period and a comparative balance sheet as at the end of the preceding business year. Similarly, a profit and loss account is to be drawn up for the current interim reporting period and a comparative profit and loss account for the equivalent interim reporting period of the preceding business year.

As the company was only established on 11 May 1999, the interim report as at 30 June 2000 was the first such interim report to be published. As such, the equivalent prior-year figures do not exist and therefore cannot be shown. The same remark also applies to the intermediate report as of 30 September 2000.

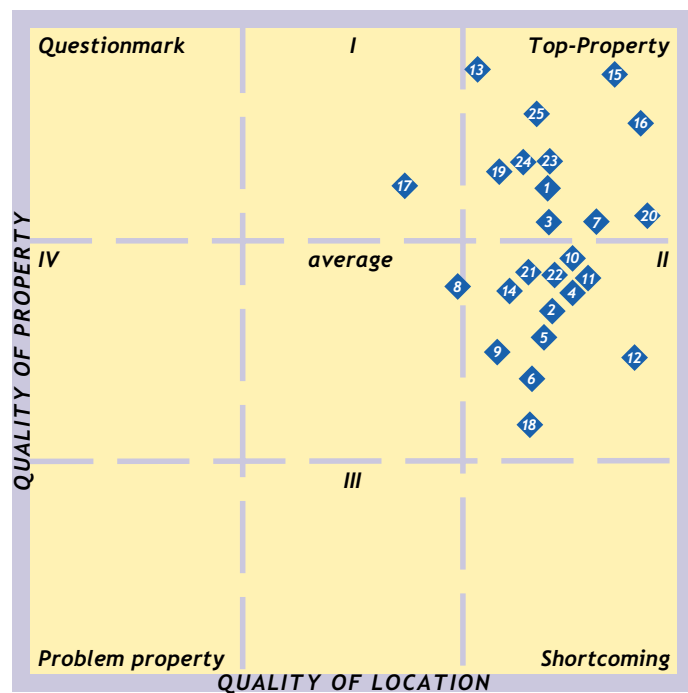
#### 1.3 Changes in accounting practice

In the annual financial statement as at 31 December 1999, direct financial expenditure (mortgage and loan interest payments used to finance investment properties) was stated under Direct operating expenditure. As a result, the income statement showed only the EBT (earnings before taxes) rather than the EBIT (earnings before interest and taxes), normally expected by the stakeholders. For the purposes of this interim report as at 30 June 2000 and of all future financial statements and interim reports, the income statement has been reclassified accordingly to permit the inclusion of EBIT. In line with this, mortgage and loan interest payments are henceforth included under "Financial expenditure", which was previously limited to other interest payments on debt capital and financing costs.

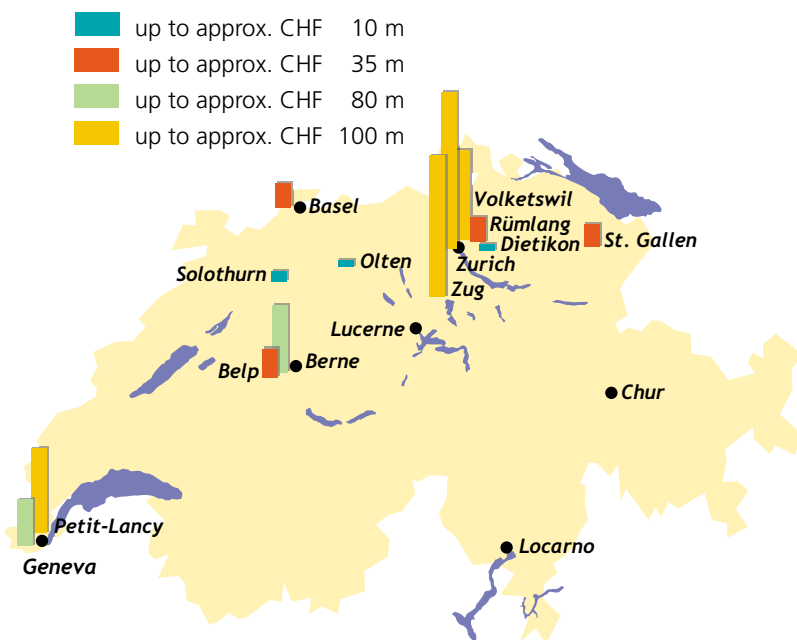
### 2 Extraordinary income

in CHF 1,000	01.01.–30.09.2000	01.01.–30.09.1999*
Compensation for early termination of a rental relationship	653	–

## Estimated market value of individual properties

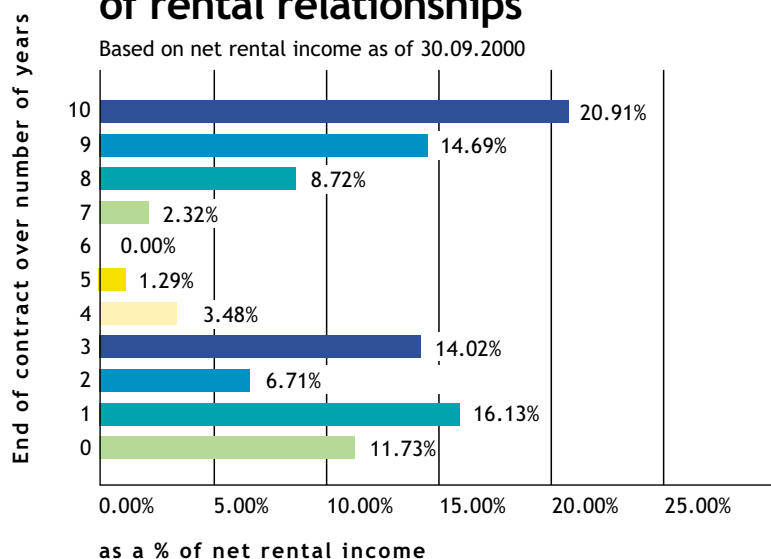


- |   |  |
|---|--|
| 1 Am Bohl 1 / Goliathgasse 6, 9000 St. Gallen           | 14 Froburgstrasse 15, 4601 Olten             |
| 2 Reitergasse 9/11, 8004 Zurich                         | 15 Cityport, 8050 Zurich Oerlikon            |
| 3 Birchstr. 117, 8050 Zurich                            | 16 Rue du Rhône/ Place Fusterie, 1204 Geneva |
| 4 Quai du Seujet, 1203 Geneva                           | 17 Industriestr. 1, 8604 Volketswil          |
| 5 Josefstrasse 53/59, 8005 Zurich                       | 18 Freischützgasse 14, 8004 Zurich           |
| 6 Stauffacherstr. 94-96 / Molkenstr. 15-17, 8004 Zurich | 19 Hofwiesenstr. 50, 8153 Rümlang            |
| 7 Kirchstrasse 20, 8953 Dietikon                        | 20 Vadianstrasse 25, 9000 St. Gallen         |
| 8 Lagerhausstr. 1, Solothurn                            | 21 Weltpoststrasse 5, 3015 Berne             |
| 9 Röschlibachstr. 22 / Hönggerstr. 40, Zurich           | 22 Route de Chancy 59, 1213 Petit-Lancy      |
| 10 Steinenvorstadt 67, Basel                            | 23 OPUS I, 6300 Zug                          |
| 11 Schulstrasse 34/36, 8050 Zurich                      | 24 OPUS II, 6300 Zug                         |
| 12 Freiestr. 26 / Falknerstr 3, Basel                   | 25 Route de Malagnou, 1208 Geneva            |
| 13 Aemmenmattstr. 43, 3123 Belp                         |  |
- Quelle: Wüest & Partner AG



## Portfolio by contractual end of rental relationships

Based on net rental income as of 30.09.2000



## 3 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:

in CHF 1,000	01.01.-30.09.2000	01.01.-30.09.1999
Issued shares 01.01.-10.04. (100 days)	1,680,000	-
Issued shares 11.04.-30.09. (170 days)	3,020,000	-
Buyback of own shares	290	-
Average number of shares	2,523,414	-

Average weighted earnings per share in CHF amount to:

<b>Earnings per share for the reporting period (9 months)</b>	<b>9.64</b>	-
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in CHF 1,000	01.07.-30.09.2000	01.07.-30.09.1999
Issued shares 01.07.-30.09. (90 Tage)	3,020,000	-
Buyback of own shares	290	-
Average number of shares	3,019,710	-

Average weighted earnings per share in CHF amount to:

<b>Earnings per share for the reporting period (3 months)</b>	<b>2.32</b>	-
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No diluting effects occurred in the interim reporting period from 01.01 to 30.9.2000. No diluted profit per share is therefore stated.

## 4 Future liabilities and contingent liabilities

The resultant contractual liabilities for future investments in long-term financial investments as at the balance sheet date will probably fall due as follows:

in CHF 1,000	30.09.2000	31.12.1999
In 2000	32,016	32,000
In 2001	81,300	27,000
In 2002	52,800	-
In 2003	8,100	-
<b>Total</b>	<b>174,216</b>	<b>59,000</b>

## 5 Details of pledged assets

in CHF 1,000	30.09.2000	31.12.1999
Market value of the assets in question	80,120	243,138
Nominal value of pledged mortgage certificates	61,820	184,370
Current utilisation	47,000	136,000

## Selected company data

	Data in	As at 30.09.2000	*As at 31.12.1999	Change in percent
Total real estate at market value	CHFm	755.8	464.0	62.89
Income from rental (net rental income)	CHFm	29.9	9.0	232.22
EBITDA	CHFm	27.8	7.6	265.79
EBIT	CHFm	27.8	0.2	13 800.00
Profit (+) / Loss (-)	CHFm	24.3	-7.6	-419.74
Equity capital	CHFm	766.7	412.4	85.91
Equity ratio	%	92.02	73.29	25.56
Dept capital	CHFm	66.5	150.3	-55.76
Dept ratio	%	7.98	26.71	-70.12
ROE (weighted)	%	5.50	-	-
ROIC (weighted)	%	4.61	-	-

\*These are figures for the first year of business (11.05.1999-31.12.1999). A comparison with the figures as at 30.09.2000 would therefore be very difficult.

## Details of real estate portfolio as at 30.06.2000

	30.09.2000	31.12.1999
Number of properties	25	18
- of which under construction	3	1
Market value of total portfolio	market value CHF 755.8 m	CHF 464.0 m
- of which under construction	purchase cost CHF 103.7 m	CHF 50.0 m
Average size of property	market value (excl. projects) CHF 29.6 m	CHF 24.4 m
Average net income from property	as per DCF (excl. projects) 5.39%	5.49%
Average vacancy rate	1.96%	3.50%

# New "Cityport" office building in Zurich Oerlikon



From mid-2001, the new gateway to Zurich Nord: "Cityport" right next to Zurich Oerlikon railway station

On the former ABB site right next to Zurich Oerlikon railway station, Swiss Prime Site is developing a prestigious business park project. This is the gateway to Zurich Nord, a booming city within the city. Completion of the "Cityport" is scheduled for 1 July 2001.

Zurich Oerlikon is one of the busiest SBB railway stations in terms of passenger numbers. The "Cityport" site has ideal public transport links to the city centre and the airport. Zurich Oerlikon is also exceptionally well-placed for automobile traffic with the nearby link to the motorway.

The 254m long, fully transparent office building with six floors sets a new tone in Zurich Nord. First-class, low maintenance building materials are used for construction so that the repair and renewal costs will be low, even in the long-term perspective. With its "Cityport" project, Swiss Prime Site has

again placed the emphasis on maximum flexibility of use. 85% of the gross floor space is available for office use – a high yardstick for the efficiency of a service building.

#### Interior finishing work scheduled for March 2001

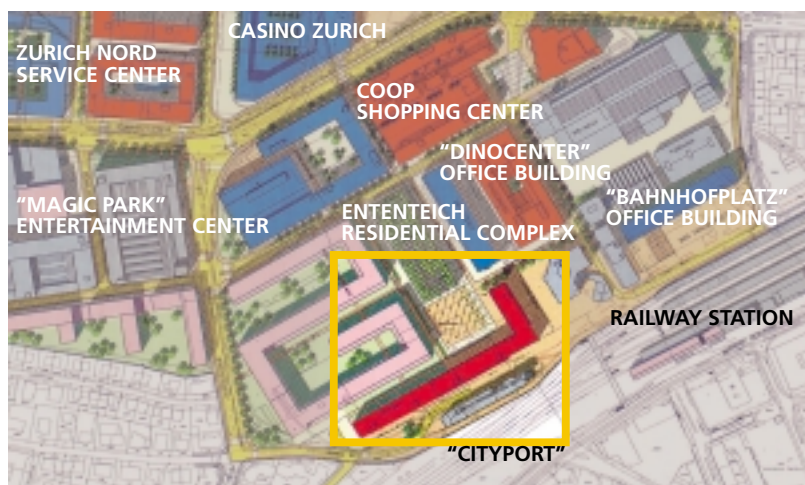
The project has long since moved beyond the virtual phase; its true scale can now be grasped in its impressive reality. The main structure will be ready in mid-December. Work will then proceed rapidly: installation of the facades covering an area of two football pitches and the first interior finishing work

Key data	
■ Site area	16,338 m <sup>2</sup>
■ SIA volume	141,270 m <sup>3</sup>
■ Construction	1999–2001
■ Net useful floor space	21,800 m <sup>2</sup>
■ Car parking spaces/ visitors parking spaces	190
■ Capital investment	around CHF 127 million

ready in March 2001. Construction has so far proceeded without significant problems. Costs and performance dates are well under control. The date for moving in is guaranteed.

After around two years building work, more than 20,000 square metres of high quality office space will be handed over to the users, an achievement which would have been inconceivable only ten years ago. Cityport reflects the significant progress towards greater efficiency and networked thinking made in the planning and construction processes.

Because of the high demand for offices in Zurich Nord, all the space was already rented to first-class companies well before completion.



## Impressum

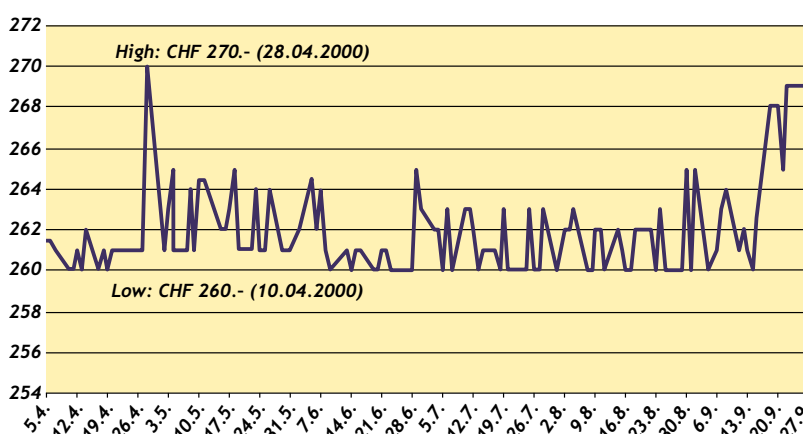
#### Published by

Swiss Prime Site AG  
Froburgstrasse 15  
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#### Concept and production

ibl und partner ag, solothurn

## Share price performance from 05.04.2000 to 30.09.2000



## Share data

Share price (01.07.–30.09.2000)  
as at 30.09.2000 CHF 270.–  
high CHF 270.–  
low CHF 260.–

Market capitalisation  
as at 30.09.2000 CHF 815.4 m

NAV  
(before deferred taxes)  
as at 31.12.1999 CHF 249.82  
as at 30.09.2000 CHF 257.19  
Change 2.95%

NAV  
(after deferred taxes)  
as at 31.12.1999 CHF 245.48  
as at 30.09.2000 CHF 253.88  
Change 3.42%

Profit (+) / loss (-)  
per share (weighted)  
as at 31.12.1999 CHF – 8.48  
as at 30.09.2000 CHF 9.64

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

## Contacts

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## Agenda

#### Early March 2001

Annual report as at 31.12.2000

#### 6 March 2001

Media conference on the annual financial statements 2000

#### 11 April 2001

General meeting of shareholders 2000

#### Mid-April 2001

Interim report as at 31.03.2001