AVOIDING EXPERIMENTS
Changing regulatory environment

p. 5

WIN-WIN SITUATION WITH WINCASA
At the heart of retail trade

p. 17

COMMENTARY ON THE FIRST HALF-YEAR 2014
Key facts and figures

p. 32
Dear Reader

Prices for office rents and office properties have been slipping and sliding here and there. The «Against Mass Migration Initiative» could limit migration and thus the demand for residential property as well as potential buying activity in the retail trade. And regulatory requirements are becoming increasingly tighter. Are the good old days numbered for the Swiss real estate market?

The answer from Swiss Prime Site’s perspective is simple: Real estate investments remain interesting, but the ability to anticipate the market trends is even more important. Hence, active portfolio management is essential, which we have pursued since the Company was founded. The focal point is directed at new building projects with a high advance leasing rate, renovation and revitalisation of existing properties as well as prompt divestment of real estate that no longer conform to our strategy. Above all, however, we must be willing to break new ground.

In this edition of Prime Times, there are numerous examples that shed light on what this means to us. For instance, I point to the Vitadomo facilities in our new assisted living segment, with the innovative business model of Tertianum Group, paving the way for seniors to live an independent life and access geriatric care services as needed.

We are also developing a benchmark project for the creative conversion of the office property complex located at Brandschenkstrasse in Zurich’s city centre into a Motel One Zurich with 380 rooms. The partnership with the Germany-based hotel operator ensures the long-term leasing of roughly 13,000 square metres of floor space previously used as offices. In addition, one of our properties features the largest movie screen in Switzerland (in operation since June 2014), belonging to the La Praille multiplex cinema in Grand-Lancy, which we constructed atop the roof of the local shopping centre and leased to Arena Cinemas Ltd under a long-term agreement.

Furthermore, our Wincasa subsidiary’s Centre Management demonstrates open-mindedness toward new trends and high innovative ability, boasting among other things impressive know-how in providing support for the imminent revitalisation of Swiss shopping centres.

Last, but not least, I of course also recommend reading the articles in Prime Times to garner information regarding the development of Swiss Prime Site in the first six months of 2014. Despite some negative headlines surrounding the real estate market in different media as well as scepticism on the part of various market observers, Swiss Prime Site succeeded in reporting favourable results anew for first half-year.

I hope you take advantage of Prime Times in order to learn more about our Group and thoroughly enjoy reading the publication.

MARKUS GRAF
CEO of Swiss Prime Site Ltd
Swiss real estate market is being confronted by a variety of political and regulatory interventions. Further measures could diminish the attractiveness of Switzerland as investment location.

---

Talk of a bubble has been circulating for years, and it’s still nowhere in sight.

---

Living independently, accessing geriatric care services as needed – that’s how Vitadomo functions. Director Marianne Häuptli explains the innovative concept.

---

A real estate portfolio is also subjected to constant change and should therefore be flexibly managed.

---

Clouds in Prime Tower is much more than a restaurant. In particular, it’s invariably different and a high-level atmosphere is indeed guaranteed.
CONTENTS

EDITORIAL ...................................................... 1

01 BACKGROUND
Avoiding experiments ............................................. 5
Interview with CEO Markus Graf – «Setting the right priorities» . . 6

02 REAL ESTATE MARKET
Gradually adjusting to new equilibrium ..................... 9

03 INTERVIEW
Vitadomo – more autonomy for seniors –
Interview with Director Marianne Häuptli ................. 13

04 FOCUS
Win-win situation with Wincasa –
Talk with Philipp Schoch, Wincasa Ltd ................. 17

05 LIFESTYLE
From urban breakfast to after-work drinks ............... 21

06 PROPERTIES AND PROJECTS
Flexibility is just half the story ................................. 23
Interview with Joachim Masur, CEO of Zurich Switzerland . 27

08 SHORT MESSAGES
Martin Gut for Investor Relations ......................... 30
«Shadow Sour» at the highest level ..................... 30
Jelmoli revives Home & Living ............................ 30

09 REPORTING
Commentary on the first half-year 2014 .................. 32
Selected Group key figures ................................ 35
Portfolio .......................................................... 36
Share .................................................................. 37
Contacts, addresses ............................................. 38
BACKGROUND

CHANGING REGULATORY ENVIRONMENT
AVOIDING EXPERIMENTS

The Swiss real estate market has been spared from facing any pronounced price fluctuations or price bubbles in recent years. Against this backdrop, further regulatory intervention seems unnecessary and even harbours the threat of negatively affecting the real estate asset class.

The trend in real estate prices in recent years is not comparable with the pattern in prices in the boom phase at the end of the 1990s, marked by much higher growth rates and accelerating growth in prices. Selective overextensions are undeniable, but have been self-regulating for the most part. However, any speculative bubble in the segments so important for investors – i.e. commercial property or residential rental property – is generally indiscernible. On the contrary, all decisive indicators are pointing to a «soft landing». The slightly weaker trend in recent quarters speaks in favour of such a scenario.

ANY SPECULATIVE BUBBLE IS INDISCERNIBLE.

LEX KOLLER AND ADDITIONAL MEASURES

Nevertheless, current movements in the regulatory environment indicate that authorities may forge ahead with initiating additional corrective interventionary measures – for example, through expanding Lex Koller – amid a self-regulating market. In fact, numerous measures have already been imposed or initiated, such as introducing the anti-cyclical capital buffer and hampering mortgage lending activity (imposing higher equity capital requirements, shortening repayment durations). These measures are generally viewed by the market as reasonable, focusing on the residential property sector and particularly on single-family housing and condominiums. Both measures have significantly contributed to the expected scenario calling for a «soft landing». The intention to expand Lex Koller has not been appreciated by the market, because the primary objective is aimed at prohibiting ownership of property used for business purposes and the acquisition of shares in stock-exchange-listed real estate companies as well as units in real estate funds by persons abroad. The decision by the Council of States in June 2014 to reject these two motions provided some reassurance for the entire Swiss economy.

FOREIGN INVESTORS PLAY A SECONDARY ROLE

Industry experts consider the expansion of Lex Koller as disproportionate, asserting that the share of foreign investors in Swiss real estate investment vehicles amounts to less than 10%, thus representing a minority. Furthermore, listed real estate vehicles play merely a subordinate role in determining prices on the real estate market. National private investors, pension funds, insurance firms and building cooperatives in particular assume a greater role in determining prices.

Hence, further regulatory intervention could adversely affect and damage Switzerland’s attractiveness as an investment location.
INTERVIEW WITH CEO MARKUS GRAF:
“SETTING THE RIGHT PRIORITIES”

Markus Graf, what’s your assessment of the current environment for real estate investments?

Compared with other asset classes, stock-exchange-listed real estate companies and real estate funds are in fact a safe haven of stability and continuity. Real estate stocks have outperformed the Swiss Performance Index (SPI) this year to-date as well as the past ten years. The risk/return profiles of professionally managed real estate investment companies remain favourable.

Various market observers forecast declining real estate prices and diminishing returns.

There’s no guarantee for stable or rising prices and returns. The issues here revolve around positioning amid a volatile environment and setting strategic priorities. We are convinced that real estate will retain its high intrinsic value.

Swiss Prime Site is diversifying and growing. Where do you see the limits?

We’re diversifying and growing in order to strengthen and broaden the earnings base. Our diversification is carried out in segments that are directly related to real estate investments. Growth is not the objective of our strategy, but a consequence thereof. The first priority is quality, or more precisely – the quality of earnings.

WE ARE CONVINCED THAT REAL ESTATE WILL RETAIN ITS HIGH INTRINSIC VALUE.

Does the Swiss real estate market still offer sufficient growth opportunities?

Yes, although the significance is shifting. The times of zoning major new building projects are past. Growth in the real estate sector is now organic. Industrial and commercial sites will become freed up and converted for developing new urban districts. New floor space will be created in existing residential neighbourhoods through add-on construction and consolidation, without claiming one additional square metre of building land. Furthermore, Switzerland exhibits significant demand for restructuring, renovations and modernisation of existing properties, representing the growth fields of the future.

How does Wincasa contribute to seizing these growth opportunities?

Wincasa is a company that covers the entire spectrum of real estate services. The 670 specialists are positioned for buying or selling, constructing, leasing, managing and renovating properties. Thanks to this broad coverage and presence throughout Switzerland, we boast know-how within the Group that we can thoroughly take advantage of in all three segments.

What news from the Wincasa subsidiary has especially pleased you recently?

Wincasa and ISS Switzerland winning the bidding for the Swisscom mandate. Wincasa will assume responsibility for the business facility management of roughly 90 office and 1000 operating buildings of Swisscom starting from 2015. ISS Switzerland will assume the functions in the areas of technology and infra-
structure. The fact that Winca emerged as victor in this bidding process versus established national and international providers confirms the professionalism of our subsidiary and is a sign of trust in Swiss Prime Site.

**How has Tertianum Group developed since the acquisition in 2013?**

Tertianum Group which was acquired one year ago is performing very well. The properties have been integrated into the real estate segment's portfolio. Tertianum Group focuses on the operating business and future development. Permed Ltd, which specialises in ambulant care services, was divested at a profit in March 2014 because the focal point is directed at stationary services.

**Will the share of special real estate in the portfolio be expanded?**

With the acquisition of Tertianum Group, we have established ourselves in a high-growth segment with good return potential. We aim to boost the share of real estate in this market from the current roughly CHF 0.5 billion to around CHF 1.0 billion.

**Zurich’s office property market – the most important portfolio segment in terms of geography and utilisation – is undergoing a significant upheaval. Do you anticipate mounting vacancy rates?**

Vacancy rates are in fact edging up slightly, which is attributable to a large extent to the changing preferences for location on the part of large corporations: namely, in the financial and insurance sectors. These firms are combining floor space that was previously divided among several properties together at a new location, thus realising considerable synergies in the process. Consequently, this leads to vacant attractive floor space in the city centres, which is very interesting for smaller service providers, lawyers and doctors as well as foreign companies. However, some time elapses until these properties can be leased and restructured according to the needs of the new tenants.

**“TERTIANUM GROUP IS PERFORMING VERY WELL.”**

*Could this trend have negative effects on Swiss Prime Site?*

More of an opportunity than threat. For instance, the SkyKey new building in Zurich North enables Zurich Insurance Company Ltd to place all employees of the headquarters of Zurich Switzerland under one roof in the future.

**Which properties in Switzerland exhibit the greatest vacancy risks?**

Any properties that are not well connected to the infrastructure network and no longer up-to-date pose vacancy risks. The prime real estate that dominates in our portfolio is less exposed to such risks. In some cases, we benefit from the fact that tenants are exiting unattractive properties and moving to higher-quality real estate. Upgrading is on the upswing.

**Rental apartments situated in good urban locations are still a scarce commodity. So why aren’t you modifying office floor space into residential properties?**

There are many reasons. First, building ordinances and zoning plans must first approve such modifications. Second, the investments should range within the scope of generating a return in line with the market. And third, commercial properties generally realise higher and even indexed rents. We believe that office properties located in urban agglomerations will continue to look attractive in the future as well.

**The fact that you believe in the Zurich economic centre is exemplified by the new partnership with Greater Zurich Area (GZA). What prompted you to enter into this commitment?**

A significant proportion of our office properties is located in regions that belong to GZA: i.e. in addition to canton Zurich and Zurich City, this also includes the cantons of Schaffhausen, Schwyz, Solothurn and Zug as well as the Winterthur region. We have much to offer to international companies in this catchment area.

**Are you aiming to attract new tenants through GZA?**

It’s not all that simple. In this context, we aim to provide support to GZA through our partnership to extend the strengths and advantages of Switzerland and the Zurich economic centre even more systematically out into the world, thereby influencing the location-evaluation in favour of GZA. Our range of rental properties is just one of many pieces of the puzzle.

**What can Swiss Prime Site offer international tenants that others cannot necessarily provide?**

In addition to location, quality and prestige of the properties, we offer years of extensive experience in dealing with international tenants. We recognise their needs and know how to fulfill them.

**Could you provide a specific example?**

Yes. Most of our new buildings are certified according to an international sustainability standard; for example Prime Tower in LEED Gold or SkyKey in LEED Platinum.

**Final question: What characterises a successful real estate investor?**

To be successful, a real estate investor must be competent, experienced and trustworthy, practice dynamic portfolio management and collaborate with the best partners, as well as boast impeccable reporting standards and rapid decision-making ability.
REAL ESTATE MARKET

NO BUBBLE IN SIGHT
GRADUALLY ADJUSTING TO NEW EQUILIBRIUM

The current phase of climbing property prices in Switzerland has sparked apprehension in various circles regarding their future course. In this context, the real estate sector is being confronted by a variety of political and regulatory interventions. However, a “soft landing” is the most likely scenario for Swiss investment properties at the present time.

The Swiss economy is treading on the right track. And the positive trend continues to prevail. The unemployment rate is still wavering around the 3% mark. Economic growth is broadly underpinned by robust consumption activity as well as rising net exports, with forecasts calling for real growth in gross domestic product (GDP) of roughly 2% in 2014. Inflation continues to hover in slightly negative territory, paving the way for the Swiss National Bank to carry on with its zero interest rate and minimum exchange rate policies. Despite acceptance of the “Against Mass Migration Initiative”, Switzerland remains an attractive location, and annual net migration should continue to hold steady at close to its historical peak of 80,000 persons in 2014 as well.

Notwithstanding these positive economic developments, the Swiss real estate sector is increasingly facing regulatory or political intervention. Are we actually seeing a speculative price bubble on Switzerland’s real estate market? Or will the market gradually cool down and find new equilibrium?

TYPICAL BUBBLES HAVE SPECULATIVE TRIGGERS
The term “speculative bubble” is defined as a situation in which prices are paid in a market that are unjustifiable by the economic reality, but rather based on speculation surrounding valuations on the part of buyers. A typical real estate bubble is characterised by investors that purchase property primarily due to expectations for rising prices, with the objective of divesting the real estate again at a profit within just a brief period of time.

Furthermore, the indicators of real estate price bubbles are often sharply accelerating growth rates in prices and expansion of mortgage loans, high loan-to-value ratios as well as a construction boom.

**SWITZERLAND REMAINS AN ATTRACTIVE LOCATION.**

As the trend in real market prices in various real estate segments and transaction prices for investment properties in Switzerland reveals, prices have actually surged sharply in recent years. At the same time, prices for condominiums have exhibited the strongest momentum.

**INDICES HOVERING FAR BELOW THE HIGHS OF THE 1990S**
The significant segments for real estate investors of rental apartments and commercial properties lagged behind this uptrend in the condominiums sector. Taking the trend in inflation-adjusted market prices for office properties as the benchmark, no meaningful growth in prices is discernible between the years 2000 (low point in prices) and 2011. The inflation-adjusted index of transaction prices for investment properties paints a similar picture as well. Both these indices exhibited an increasingly stronger uptrend from 2011, since the earnings power of real estate played a more important role for investors amid the persistent zero interest rate environment. However, all these indicators are still hovering far below the peaks of the 1990s in real terms, while other asset classes such as equities or Swiss government bonds have recently been hitting new highs.

Prime properties in Swiss cities have enjoyed a more positive trend than the nationwide pattern. For example, office properties in Zurich generated a net initial return of roughly 5% in 2000, versus a current return amounting to just 3.3%. The trend emerged amid substantial growth in transaction values for office properties, but should also be viewed against the backdrop of interest rates.

**REAL PRICE TRENDS IN THE VARIOUS SEGMENTS**

**PRICE INDICES ADJUSTED FOR CONSUMER PRICE INFLATION (INDEX 1987 Q1 = 100)**

![Graph showing real price trends in various segments](https://via.placeholder.com/150)

Source: Credit Suisse Ltd

---

*Page 9| August 2014 Edition*
Swiss government bonds with ten-year maturities generated a return of 3.5% in 2000, versus a mere 0.6% in mid-2014. Hence, risk premiums for such properties – as measured by the yield spreads versus bonds – increased even further in this period. Although unrealistic price expectations still prevail among some sellers at present, the high risk premiums continue to indicate that no exaggerated market expectations exist.

BORROWED CAPITAL IS INVESTED CAUTIOUSLY TODAY.

Nevertheless, there are also significant differences observable between the current situation on the Swiss market and the typical property price bubbles in the past. A sharp acceleration in growth rates for prices with persistent levels of more than 10% were visible in Switzerland in the 1980s as well as in the USA, UK and Spain between 2003 and 2007.

A lesson can be learned from the recent international financial crisis: The use of borrowed capital plays a central role in the formation of a bubble. As the illustration below shows, growth in lending activity in Switzerland as well as in the USA was marked by double-digit growth rates and acceleration in the years toward the end of the boom. Today, by contrast, borrowed capital is invested cautiously because the dominant market participants – such as real estate funds, listed real estate companies or Swiss institutional investors – primarily invest equity capital. The prevailing conditions on today’s Swiss real estate market are consequently not the least bit comparable with the situation in Switzerland at the end of the 1980s or in the USA and Spain in the recent past.

GROWTH RATES FOR MORTGAGE LOANS
SOFT LANDING ON THE HORIZON
Switzerland’s office property market has been exhibiting a somewhat weaker pattern already for the past few quarters. The constellation for retail properties is also showing less momentum under the impact of declining consumer prices and the trend toward multichannel distribution. However, the market for residential rental property – except the luxury segment – continues to be characterised by stability and very low vacancy rates.

SIGNS OF A CRISIS
ARE NOT
DISCERNABLE.

All factors currently point to a gradual adjustment on the part of the markets to the prevailing equilibrium. Any signs of an abrupt correction or even a crisis are not discernable.

MARKUS WAEBER
Senior Analyst Equity Research,
Zürcher Kantonalbank, Zurich

“Rents for office properties are already under pressure in some locations, and the prospects look subdued by emerging signs of an oversupply of floor space. We regard the outlook for residential rental property as still interesting, primarily in locations that are not so peripheral.”

MARC WYSS
Indirect Real Estate Investment Analyst,
Maerki Baumann & Co. Ltd, Zurich

“Warnings of overheating on the Swiss real estate market had been constantly circulating in past years. Nevertheless, the luxury residential property segment in particular has been registering fewer sales for a prolonged time and exhibiting increasingly more adverse overall conditions. The current situation therefore paints a picture of a rather soft landing.”

PASCAL FURGER
Equity Analyst,
Bank Vontobel, Zurich

“Analysts’ View on the Real Estate Market”

The market for residential rental property is still characterised by stability and low vacancy rates.
VITADOMO BREAKS AWAY FROM TRADITIONAL PRICE MODEL
Marianne Häuptli is responsible within Tertianum Group for the development and operations of the Vitadomo facilities. The innovative business model focuses on people that live independently in their twilight years as well, but want access to a broad spectrum of geriatric care services if needed. Several Vitadomo projects are planned throughout Switzerland in the coming four years. We conducted an interview with Marianne Häuptli at the occasion of the topping-out ceremony for Vitadomo Bubenholz, Opfikon, at end-July 2014.

Ms. Häuptli, what motivated you to switch sectors last year in the wake of 25 years in the travel business?

It was always clear to me that I would switch from working in the travel sector when I was no longer employed at Kuoni. I pursued the search for a new challenge with a structured approach while at the same time acknowledging that my future lies in the healthcare industry – a sector in which I had always been interested.

Are there parallels between the healthcare sector and travel business?

Yes, definitely more than people think. First, similar to a travel agency, the healthcare industry functions primarily based on the know-how and skills of the employees as well as their focus on customer needs. Another parallel is the tough competition, in which the only firms that succeed are those that continually review and restructure their processes more efficiently.

What do you especially like about your current responsibilities?

The variety. Developing the Vitadomo brand involves a broad spectrum of responsibilities, ranging from analysing the requirements to determining the business model and processes, and extending to the calculations, leasing and marketing, in addition to meetings with government authorities as well as personal recruitment – and of course the contact with the future guests.

ABOUT MARIANNE HÄUPTLI

Marianne Häuptli (1969) has held positions as Director of Vitadomo and member of the Tertianum Group Management Board since 2013. She previously pursued a 25-year career at Kuoni Travel. From 2011 to 2013, she held positions as Deputy CEO of Kuoni Switzerland and Senior Vice President of the Sales & Operations department, where she was responsible among other things for the operational and strategic administration of Pricing & Yield Management. Ms. Häuptli holds a business degree from IFKS (Institute for Management Training, Zurich).
How have your relations with seniors changed since your arrival at Tertianum Group?

I have become more deeply aware of the fact that there are numerous facets to living in the twilight years. At the same time, I am also more conscious of the dignity of seniors.

How do Vitadomo facilities distinguish themselves from the existing senior residence and geriatric care offerings?

Comparable facilities in the medium-price segment normally require a fixed monthly accommodation price, including rent for the residence and board, as well as weekly cleaning of the apartment. Vitadomo breaks away from this price model, by allowing each guest to independently decide whether he/she wants to do their own cooking, cleaning and washing. Tenants are charged for these and other services only when requested.

Is it true that the more services residents provide themselves, the less they pay?

Yes, residents maintain their autonomy even in terms of expenditures.

Why should a prospective tenant move into a Vitadomo facility if he/she is still physically and mentally fit to reside in a standard apartment?

Because these people are still able to acclimate very well to a new environment. They quickly get accustomed to their new home, from which they are not compelled to leave should they ever need geriatric care. Also noteworthy is the social aspect. Many seniors are still certainly capable of managing their own house or apartment, but often live alone and isolated. The motivation for cooking diminishes, which can also lead to malnutrition over time. In this context, Vitadomo offers ideal alternatives, where tenants are part of a community – when so desired – and can then withdraw to their private domicile when seeking privacy.

Which geriatric care needs are covered by the Vitadomo range of services offered?

A Vitadomo facility basically offers all geriatric care services, with no real distinctions versus the services offered at the Tertianum residences and Perlavita operations of Tertianum Group.

What are the comparative differences between a Vitadomo facility and Tertianum residence in terms of management and operations?

Vitadomo’s management and operational concept is significantly less complex. For instance, the concierge not only functions as point of reception, but also assumes additional services and coordination responsibilities. Furthermore, the reception at a Vitadomo facility is open on a daily basis for two hours, while at a Tertianum residence the concierge is available for guests from 8 a.m. to 6 p.m.

Roughly 68% of current Tertianum guests are female. Do you assume that women will noticeably dominate in terms of percentage of residents at Vitadomo facilities as well?

Yes, this is contingent on demographics. However, our experience in Opfikon shows that a noticeable number of married couples are interested in Vitadomo residences too, because they are able to continue maintaining their own household and customary lifestyle. At present, Opfikon residents comprise 50% single women and 20% single men, with 30% married couples.
What are the most important prerequisites for a Vitadomo facility to function properly?

- Maximum capacity utilisation of the residences and geriatric care rooms,
- flexible cost structure,
- senior-oriented management,
- motivated and well-trained personnel.

How does Vitadomo succeed in being cheaper than traditional senior citizen centres?

We are cheaper primarily due to the reduced fixed costs, which we achieve by not employing our own personnel for services outside the scope of geriatric care, but rather working together with proven external partners.

Are Vitadomo development projects financially supported by public-sector funds?

No. But our geriatric care rooms are included on the cantonal geriatric care centre lists, enabling the settlement of the relevant costs of care through the health insurance schemes and the public sector.

How many Vitadomo facilities are on the drawing board? And are any development projects planned for Western Switzerland?

We aim to have several new projects under construction or in the planning phase in the next four years, including some in Western Switzerland, too. Two projects are under construction at present: Vitadomo Opfikon with 59 residential units and Vitadomo in Bellinzona with 71 units. Other projects are in the planning phase.

How do you find the appropriate properties and projects?

We boast an experienced acquisitions team that is actively on the lookout for new locations and projects. However, many offers are submitted to us directly. As part of Swiss Prime Site Group, we are also able to reap benefits from considerable synergies emanating from the acquisition or construction of new facilities.

Vitadomo Bubenholz in Opfikon near Zurich will open its doors already on 1 April 2015. What’s the current occupancy rate?

The occupancy rate already stands at a remarkable 65% at present. Tenants will move into their residences in stages in the course of April. Vitadomo will operate the geriatric care facilities within the scope of a public private partnership (PPP) under a service-level agreement with the city of Opfikon.

Marianne Häuptli meets with architect Marco Fitze.

---

**ACQUISITION CRITERIA FOR VITADOMO DEVELOPMENT PROJECTS**

- Catchment area with minimum 20,000 residents,
- central location, maximum 300 metres distance from shopping facilities and link to public transportation network,
- market-relevant price for property and/or project,
- space for roughly 70–80 residential units and 30 geriatric care rooms, restaurant, multipurpose room, hairdresser, etc., totalling roughly 8,000 square metres of gross floor space.

**VITADOMO BUBENHOLZ, OPFIKON**

The first Vitadomo project in Opfikon near Zurich comprises 59 senior residences with à la carte services and geriatric care wing with 43 beds for long-term care as well as a publicly accessible bistro with a multipurpose hall. The geriatric care facilities will be operated within the scope of a public private partnership (PPP) with the city of Opfikon.

<table>
<thead>
<tr>
<th>Address</th>
<th>Müllackerstrasse 2/4, Opfikon</th>
</tr>
</thead>
<tbody>
<tr>
<td>Completion</td>
<td>spring 2015</td>
</tr>
<tr>
<td>Investment volume</td>
<td>approx. CHF 42 million</td>
</tr>
</tbody>
</table>

**VITADOMO, BELLINZONA**

The construction start-up for another Vitadomo facility – located at Via San Gottardo near the railway station – kicked off in June 2014. The project comprises three buildings with 71 residences (1½ to 3½ rooms), geriatric care facility with 30 beds, bistro, multipurpose room and three doctor offices. The property is leased to Tertianum Ltd as at 1 April 2016.

<table>
<thead>
<tr>
<th>Address</th>
<th>Via San Gottardo, Bellinzona</th>
</tr>
</thead>
<tbody>
<tr>
<td>Completion</td>
<td>spring 2016</td>
</tr>
<tr>
<td>Investment volume</td>
<td>approx. CHF 38 million</td>
</tr>
</tbody>
</table>
FOCUS

AT THE HEART OF RETAIL TRADE
WIN-WIN SITUATION WITH WINCASA

For Swiss Prime Site, Wincasa is not just a profitable subsidiary, but also a partner that contributes considerable know-how and expertise thanks to its solid positioning in the Swiss retail sector over the years.

Roughly 35% of Swiss Prime Site’s rental income is generated by retail properties. Four of the five largest external tenants are retailers, which account for around 17% of the Group’s total rental income. Swiss Prime Site therefore tracks the developments and trends in the retail trade sector, and particularly those for shopping centres, with a close eye and the utmost intensity. At the same time, the Group also relies on the know-how and expertise of its Wincasa subsidiary, whose Centre Management is responsible for managing about 70 shopping centres and retail properties in Switzerland, including St. Jakob Park in Basel and Regensdorf Centre since mid-2014. Wincasa even provides the centre managers for shopping centres such as Sihlcity in Zurich, Shopping Arena St. Gallen and La Praille in Grand-Lancy.

Centre Management provides the entire spectrum of functions for successfully operating and managing shopping centre properties, for example, positioning properties on the market, constantly optimising the tenant mix, leasing and managing of tenants, marketing including events and promotions, budgeting and accounting as well as facility management and technical management. Wincasa acts as a partner hand in hand with retail property owners, providing the entire range of services from a single source with the utmost competence.

FIT FOR REVITALISATION

The demand for Wincasa’s extensive expertise in the Swiss shopping centre market is stronger than ever. First, Switzerland exhibits an above-average density of shopping centres by European comparison, with 180 centres comprising floor space of 5,000 square metres or more. Second, roughly half of these shopping centres were constructed between the years 1970 and 1995, most of which require revitalisation.

«Not all of these shopping centres will undergo revitalisation because the life-cycles for some are not renewable, resulting in conversions», anticipates Philipp Schoch, Head of Centre Management East/Central at Wincasa and responsible for Shopping Arena St. Gallen and Sihlcity, among others. He points out that the average age of a shopping centre in Switzerland is 24 years, thus exceeding the European mean. «Revitalisation requires willingness on the part of investors to persistently engage in the positioning of the property, developing the tenant mix and presence», declares Jan Tanner, President of the Swiss Council of Shopping Centres and Centre Manager of Stücki Shopping Centre in Basel. However, some investors are unable to demonstrate such willingness or provide the requisite resources, which could thus lead to the disappearance of these relevant properties from the shopping centre market.

«SWISS SHOPPING CENTRES ARE 24 YEARS OLD ON AVERAGE.»

On the other hand, some investors do take the initiative and bring their retail property back into shape with the professional support of Wincasa. For instance, the mall at St. Jakob Park in Basel (owners: Suva and UBS property fund Swiss Mixed -Sima-), which connected the original shopping centre to the subsequently constructed expanded facility, underwent architectural harmonisation. Wincasa will also execute the modificiation of the Confédération Centre located in Geneva’s city centre probably starting from 2016, commissioned by the Credit Suisse Investment Foundation Real Estate Switzerland. The project consists of a fresh concept for the mall, a redesigned layout of the floor space and new tenant mix.

SWISS PRIME SITE IS WELL POSITIONED

Although tenants of Swiss Prime Site’s retail properties cannot evade the effects of the trend toward stagnating to shrinking
sales, the relevant retail properties in the Swiss Prime Site portfolio are in fact well positioned on the market. This is attributable primarily to the traditional selective investment strategy and active portfolio management as well as the ongoing adaptation of the properties and tenant mix to the ever-changing consumer sentiment.

Properties such as La Praille in Grand-Lancy near Geneva and Sihlcity in Zurich (24.2% share of co-ownership) are trail-blazers for a new generation of shopping centres. These facilities do not treat their visitors primarily as retail customers, but rather as guests accessing various services under one roof that enjoy spending part of their leisure time on site as well. Experts concur that sales for the range of restaurants, food outlets and leisure activities offered in shopping centres will exhibit above-average growth rates. Hence, shopping centres that fulfil the architectural and technical prerequisites have the opportunity to boost their sales even amid stagnating retail sales.

With the vigorous support of the local Wincasa team, Swiss Prime Site has succeeded in achieving a virtual textbook execution of this trend at La Praille, where a multiplex cinema with nine theatres and more than 1,500 seats has been constructed atop the roof of the shopping centre. At the same time, the Food Court has been redesigned too, with new restaurants added. «The new facilities attracted new visitors already in the first weeks following the opening on 19 June 2014 and revived the sales of the other tenants as well», according to the statement of Peter Lehmann, CIO of Swiss Prime Site Ltd.

**ONLINE CHANNELS POSE CHALLENGE TO STATIONARY TRADING**

Online trading poses an additional challenge, which has exhibited much stronger growth versus the overall market rate already for years. According to a GfK panel, online traders in Switzerland realise sales of CHF 10 billion, corresponding to roughly 10% of total retail sales. And the share is expected to grow to 20% in the coming years. Are booming online sales undermining stationary trading?

«We view the trend as an opportunity. We’re only at the initial stages of the omnichannel integration, aimed at facilitating a better understanding of phenomena such as ‹customer journey› or ‹showrooming› on the part of retailers, enabling them to take advantage in their own interest», observes Philipp Schoch (see box). The reverse trend — i.e. first conducting research online and subsequently purchasing offline (Research online, Purchase offline = RoPo), is already very widespread by contrast. «Roughly 50% of customers pursue this avenue», according to Mr. Schoch. Various retailers are already offering «click and collect» services (see box) at shopping centres in Switzerland.

Online trading is compelling stationary retailers to reinvent themselves as well.
as the presentation of their products. Because of the fact that such a move can hardly be executed without additional costs, the demand for investment will grow for stationary trading as well. Because of the fact that such a move can hardly be executed without additional costs, the demand for investment will grow for stationary trading as well. Shopping centres will have to address the omni-channel integration too and create offerings, also resulting in stepped-up demand for investment here. In any case, Mr. Schoch conveys optimism: «The demand for physical retail floor space will not disappear due to the omni-channel trend».

**PHILIPP SCHOCH**

Philipp Schoch (1980) holds an Executive MBA – General Management from the University of Applied Sciences in Business Administration (HWZ) Zurich and is Head of Centre Management East/Central 2 & Services of Wincasa Ltd. From 2009 to 2012, he held the position as Centre Manager at Sihlcity, Zurich. His professional career also comprises several years as Project Leader of Centre Management at Wincasa as well as in Treasury of Gate Gourmet International.

**CUSTOMER JOURNEY**

A customer journey comprises all the points of contact between a customer and the acquired product. Potential points of contact include traditional forms of advertising, review portals and especially online traces that the consumer leaves behind before and after the purchase.

**SHOWROOMING**

Showrooming is defined as the consumer behaviour relating to viewing and inspecting a product on the stationary trading premises and perhaps even seeking advisory services in order to subsequently order the desired product online through another provider.

**JELMOLI – THE HOUSE OF BRANDS**

Revitalisation has also been an ongoing topic of discussion at Jelmoli – The House of Brands, which will continue to be vigorously addressed. After Jelmoli Food Market opened its doors in April 2014 and has since been regarded as Zurich’s leading address for exquisite indulgence, the new Home & Living department will start up operations in September 2014, providing a fresh breeze in the area of household goods.
NEW PERSPECTIVE FOR CONNOISSEURS
FROM URBAN BREAKFAST TO AFTER-WORK DRINKS

What’s really so different about Clouds hovering high above Zurich? It offers numerous opportunities to take a time-out and unwind from workaday life.

On the weekends, the need for a change of atmosphere intensifies, while the urge to swap those four walls for another ambiance and test a new perspective grows stronger. In this case, the ideal starting point is an urban breakfast in Clouds Bistro, where from 10 a.m. guests can get an eyeful of panoramic views while filling up on the culinary delights served with a three-storey breakfast étagère – without reservations and totally uncomplicated. One small tip: The so-called second seating offers a leisurely breakfast for late risers from 12 noon. Clouds Bistro’s menu also features some delicacies that smoothly transform an urban breakfast into an exquisite weekend lunch.

New scenario: a quite ordinary workday, no major meetings, ideal for swapping the latest business stories with colleagues over lunch – spontaneously reserved, spontaneously booked. Guests coming from Zurich’s Seefeld district can be standing at Prime Tower’s doorstep after a mere nine-minute train ride, and from Zurich Airport the journey is just 12 minutes.

After reaching the top of the tower, the delicious lunch menu looks impressive, with two perfectly attuned courses – vegetarian upon request – including coffee for just CHF 45. Many people cannot resist a Clouds classic dish: Kalbsgeschnetzeltes with Rösti. For guests travelling by car, a parking place in the subterranean garage can easily be reserved upon request via telephone, subject to availability.

Clouds also features «Thursday After-Work», kicking off at 5 p.m. with specially mixed cocktails: for example, the «Thursday Classic Canchanchara» (i.e. white rum, lime juice and honey).

Cocktails are accompanied by tapas and pinchos, Basque snacks on a stick, served on a tablet that’s constantly passed around. The after-work ambiance lives up with the right music, mixed by the after-work Dj. Zurich really looks like a big city from 120 metres above ground, with the urban life pulsating down below and horizons expanding up above. Whether planned or totally spontaneous, each and every visit to Clouds is somehow very, very different.
SWISS PRIME SITE IS INVESTING MORE THAN CHF 700 MILLION
FLEXIBILITY IS JUST HALF THE STORY

Swiss Prime Site’s portfolio is constantly changing, and the project pipeline is well-filled. Siemens Site in Zurich Albisrieden is the latest acquisition, comprising 22 745 square metres. Properties that no longer conform to company strategy are divested.

“A rolling stone gathers no moss.” This expression can also apply to real estate portfolio management. Properties that are neither strategically managed, nor periodically subject to review in terms of their marketability and return potential can quickly become a problem child. As a stock-exchange-listed real estate investment company aiming to pave the way for a consistent, attractive return for its shareholders, Swiss Prime Site actively manages its properties, projects and land reserves.

Active management means that properties no longer conforming to company strategy are divested or modified. In fact, Swiss Prime Site has divested real estate valued at more than CHF 250 million since the beginning of 2012, in most cases at prices above fair values.

EXPANSION OF CINEMA AND HOTEL UTILISATION
In particular, Swiss Prime Site invests in new building development projects and construction extensions as well as renovation, modernisation and revitalisation of existing properties. Of the following projects, six are based on properties that do not primarily comprise office or retail floor space. The highest state-of-the-art multiplex cinema in Switzerland emerged in Grand-Lancy near Geneva. Swiss Prime Site is building a Motel One in Zurich’s city centre and in Basel, consisting of 380 and 136 rooms, respectively. Also in Zurich, at the Maag Site, 137 rental apartments and 83 condominiums are under construction. And in Opfikon and Bellinzona, the Group is building Vitadomo facilities for senior citizens comprising 59 and 71 apartments, respectively. Indeed, Swiss Prime Site boasts the know-how to develop innovative ideas and blaze new trails.

THE PROPERTIES’ POTENTIAL FOR RETURNS IS SUBJECT TO REVIEW ON AN ONGOING BASIS.

DEVELOPMENT SITES AND BUILDING LAND RESERVES

<table>
<thead>
<tr>
<th>PROPERTY</th>
<th>LAND AREA</th>
<th>CURRENT STATUS</th>
<th>PROJECT CONCEPT</th>
<th>POTENTIAL ESTIMATED INVESTMENT</th>
<th>POTENTIAL CONSTRUCTION PHASE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Berne, Weltpoststrasse, Muritfeld</td>
<td>31 074 m² land lease</td>
<td>Industrial buildings with interim utilisation</td>
<td>Real estate complex with approx. 150 apartments</td>
<td>CHF 63 million</td>
<td>From 2016</td>
</tr>
<tr>
<td>Geneva, Route de Pré-Bois I</td>
<td>2 156 m² land lease</td>
<td>Hotel and subterranean parking garage</td>
<td>Real estate complex with approx. 3 900 m² commercial floor space</td>
<td>CHF 15 million</td>
<td>From 2015</td>
</tr>
<tr>
<td>Geneva, Route de Pré-Bois II</td>
<td>7 631 m² ownership 1 004 m² future land lease</td>
<td>Quarter planning</td>
<td>Real estate complex with approx. 15 800 m² commercial floor space</td>
<td>CHF 60 million</td>
<td>2016 – 2020</td>
</tr>
<tr>
<td>Otellingen, Industriestrasse 19/21, 31</td>
<td>114 068 m²</td>
<td>Logistics property with industrial building land</td>
<td>Buildings with approx. 45 000 m² commercial floor space</td>
<td>CHF 75 million</td>
<td>From 2016</td>
</tr>
<tr>
<td>Plan-les-Ouates, Chemin des Aulx</td>
<td>28 429 m²</td>
<td>Industrial building land</td>
<td>Real estate complex with approx. 65 800 m² – 70 000 m² commercial floor space</td>
<td>CHF 300 million</td>
<td>2016 – 2021</td>
</tr>
<tr>
<td>Zuchwil, Riverside Business Park</td>
<td>170 345 m²</td>
<td>Commercial property</td>
<td>Real estate complex with commercial floor space and apartments</td>
<td>CHF 250 – 300 million</td>
<td>From 2017</td>
</tr>
<tr>
<td>Zurich, Eventblock Maag, Hardstrasse 219</td>
<td>8 002 m²</td>
<td>Event halls/theatre</td>
<td>Real estate complex with 18 000 m² floor space for events, restaurants and services</td>
<td>CHF 110 million</td>
<td>From 2020</td>
</tr>
<tr>
<td>Zurich, Albisriederstrasse 203, Siemens Site</td>
<td>22 745 m²</td>
<td>Office, production and warehouse building complexes with retail and services building land</td>
<td>Real estate complex with approx. 20 000 m² services floor space</td>
<td>CHF 85 million</td>
<td>From 2017</td>
</tr>
</tbody>
</table>

Left: Swiss Prime Site plans to invest CHF 85 million in a new services building at the recently acquired Siemens Site.
SIEMENS SITE, ZURICH

Swiss Prime Site acquired a property – with an area of 22,745 square metres – located at Albrisriederstrasse 203 from Siemens Switzerland Ltd on 27 June 2014. Three building complexes with office, commercial and restaurant use are situated on the property. Half of the property area is undeveloped and utilised primarily as an above-ground parking lot. The site is very accessible via the transportation network. In addition, the Siemens tram/bus stop is located directly next to the property.

Albrisrieden has become increasingly attractive in recent years. The local population has grown at an above-average rate. Moreover, the city of Zurich aims to further invigorate the district through planning a new traffic concept starting in 2018, with a direct tram connection to Altstetten.

Swiss Prime Site recognises the substantial development potential of the property and is planning to construct a modern services building with rental floor space of around 20,000 square metres on the free space of roughly 12,000 square metres by the year 2019. The existing building complexes should remain in their current condition for the time being. They are almost fully leased, and the building structures are so sound that the floor space can continue to be leased to third-party tenants. Roughly 30% of the floor space is occupied by Siemens under a lease-back agreement.

ALBISRIEDEN IS AN ATTRACTIVE LOCATION, WITH ABOVE-AVERAGE GROWTH.

Half of the property area is undeveloped.

<table>
<thead>
<tr>
<th>BRIEF NEWS</th>
<th>Albrisriederstrasse 203, Zurich Albrisrieden</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address</td>
<td>Albrisriederstrasse 203, Zurich Albrisrieden</td>
</tr>
<tr>
<td>Construction date of services building</td>
<td>from 2017</td>
</tr>
<tr>
<td>Investment volume</td>
<td>approx. CHF 85 million</td>
</tr>
</tbody>
</table>
Swiss Prime Site is investing roughly CHF 50 million for modifying the existing office property with the former Selnau Post into a hotel, situated in a prime urban location at Brandschenkestrasse 25, just five minutes away from the Bahnhofstrasse and Paradeplatz. The hotel will be operated by Motel One Group, which has positioned itself as a swiftly and successfully expanding low-budget design hotel chain in Germany, Austria, Great Britain and Belgium, with a total of 50 hotels and more than 11,500 rooms at the present time. The new Zurich hotel, with 380 rooms, plans to open its doors in 2016.

WE ARE ALLEVIATING THE SHORTAGE OF HOTEL ROOMS IN THE BUDGET SEGMENT.

PETER LEHMAN
CIO of Swiss Prime Site Ltd

“Through modifying and converting the property into a hotel, we are eliminating some office floor space from Zurich’s city centre. At the same time, we are contributing toward alleviating or diminishing the chronic shortage of modern hotel rooms in the budget segment”, declared Peter Lehmann, CIO of Swiss Prime Site Ltd, at a project presentation in June 2014. Modification of the four buildings situated on a total property area of 3,902 square metres will be carried out under strict compliance with their diverse and, to some extent, landmark-protected architecture.

MOTEL ONE IN BASEL TOO

Another Motel One project is currently being realised in Basel’s city centre, in which Swiss Prime Site is investing CHF 17 million in an existing commercial building located at Freie Strasse 68. The modification and partnership with Motel One Group paves the way for Swiss Prime Site to lease rental floor space of around 13,000 square metres in Zurich and about 3,700 square metres in Basel and realise long-term attractive returns thanks to multi-year rental agreements. Moreover, these rental agreements will have a welcome diversification effect on the portfolio.

WE ARE ALLEVIATING THE SHORTAGE OF HOTEL ROOMS IN THE BUDGET SEGMENT.

PETER LEHMAN
CIO of Swiss Prime Site Ltd

“Through modifying and converting the property into a hotel, we are eliminating some office floor space from Zurich’s city centre. At the same time, we are contributing toward alleviating or diminishing the chronic shortage of modern hotel rooms in the budget segment”, declared Peter Lehmann, CIO of Swiss Prime Site Ltd, at a project presentation in June 2014. Modification of the four buildings situated on a total property area of 3,902 square metres will be carried out under strict compliance with their diverse and, to some extent, landmark-protected architecture.

MOTEL ONE IN BASEL TOO

Another Motel One project is currently being realised in Basel’s city centre, in which Swiss Prime Site is investing CHF 17 million in an existing commercial building located at Freie Strasse 68. The modification and partnership with Motel One Group paves the way for Swiss Prime Site to lease rental floor space of around 13,000 square metres in Zurich and about 3,700 square metres in Basel and realise long-term attractive returns thanks to multi-year rental agreements. Moreover, these rental agreements will have a welcome diversification effect on the portfolio.

WE ARE ALLEVIATING THE SHORTAGE OF HOTEL ROOMS IN THE BUDGET SEGMENT.

PETER LEHMAN
CIO of Swiss Prime Site Ltd

“Through modifying and converting the property into a hotel, we are eliminating some office floor space from Zurich’s city centre. At the same time, we are contributing toward alleviating or diminishing the chronic shortage of modern hotel rooms in the budget segment”, declared Peter Lehmann, CIO of Swiss Prime Site Ltd, at a project presentation in June 2014. Modification of the four buildings situated on a total property area of 3,902 square metres will be carried out under strict compliance with their diverse and, to some extent, landmark-protected architecture.

MOTEL ONE IN BASEL TOO

Another Motel One project is currently being realised in Basel’s city centre, in which Swiss Prime Site is investing CHF 17 million in an existing commercial building located at Freie Strasse 68. The modification and partnership with Motel One Group paves the way for Swiss Prime Site to lease rental floor space of around 13,000 square metres in Zurich and about 3,700 square metres in Basel and realise long-term attractive returns thanks to multi-year rental agreements. Moreover, these rental agreements will have a welcome diversification effect on the portfolio.

WE ARE ALLEVIATING THE SHORTAGE OF HOTEL ROOMS IN THE BUDGET SEGMENT.

PETER LEHMAN
CIO of Swiss Prime Site Ltd

“Through modifying and converting the property into a hotel, we are eliminating some office floor space from Zurich’s city centre. At the same time, we are contributing toward alleviating or diminishing the chronic shortage of modern hotel rooms in the budget segment”, declared Peter Lehmann, CIO of Swiss Prime Site Ltd, at a project presentation in June 2014. Modification of the four buildings situated on a total property area of 3,902 square metres will be carried out under strict compliance with their diverse and, to some extent, landmark-protected architecture.

MOTEL ONE IN BASEL TOO

Another Motel One project is currently being realised in Basel’s city centre, in which Swiss Prime Site is investing CHF 17 million in an existing commercial building located at Freie Strasse 68. The modification and partnership with Motel One Group paves the way for Swiss Prime Site to lease rental floor space of around 13,000 square metres in Zurich and about 3,700 square metres in Basel and realise long-term attractive returns thanks to multi-year rental agreements. Moreover, these rental agreements will have a welcome diversification effect on the portfolio.
The opening ceremony for a spectacular new building in Zurich will take place in October 2014. The building comprises an eight-storey base structure and 18-storey tower extending 63 metres. The ensemble fits seamlessly together with the new buildings that have emerged in recent years between Andreasstrasse and Hagenholzstrasse. SkyKey has been leased to Zurich Insurance Company Ltd since July 1, 2014, providing the firm with roughly 40,000 square metres of office floor space with around 2,500 workplaces. The in-house offering also comprises a restaurant with cafeteria (with seating for about 720 persons), full-service restaurant, kiosk, library, auditorium, conference rooms, IT service centre, diverse retail space and around 220 parking places in the subterranean level.

**SKYKEY WAS DESIGNED AS AN EXCEPTIONALLY SUSTAINABLE BUILDING.**

The lion’s share of the company’s workforce will move into the new building, which was previously divided between the two locations at Leonardo and Ambassador House on Thurgauerstrasse in Zurich. The workplaces are designed according to the “dynamic working” principle, which is aimed at meeting the individual needs of the employees as well as fulfilling the efficiency criteria of the company.

**CERTIFICATION AS SUSTAINABLE BUILDING**

As verified by the Platinum Label for new buildings in accordance with LEED (Leadership in Energy & Environmental Design) certification (see box), SkyKey was designed as an exceptionally sustainable building. Zurich Insurance Company Ltd also contributed toward obtaining the highest label through specific measures directed at the building structure. For example, the rooms are equipped with nearly 100% LED lighting.

<table>
<thead>
<tr>
<th>BRIEF NEWS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Address</strong></td>
<td>Hagenholzstrasse 80, Zurich Oerlikon</td>
</tr>
<tr>
<td><strong>Completion date</strong></td>
<td>July 2014</td>
</tr>
<tr>
<td><strong>Conclusion of tenants’ improvements</strong></td>
<td>August 2014</td>
</tr>
<tr>
<td><strong>Investment volume</strong></td>
<td>approx. CHF 244 million</td>
</tr>
<tr>
<td><strong>Information</strong></td>
<td><a href="http://www.skykey.ch">www.skykey.ch</a></td>
</tr>
</tbody>
</table>

**LEED**

LEED (the abbreviation for Leadership in Energy and Environmental Design) was launched in the USA in 2000 and has since established itself internationally as the most renowned sustainability label. The rating system comprises seven categories. The number of points achieved determines the level of certification granted: Platinum, Gold, Silver or Certified.

---

**SKYKEY, ZURICH**
Mr. Masur, what are you looking forward to the most when you move into SkyKey with your workforce?

The 2,500 employees of the company’s headquarters will be working together for the first time under one roof. We have an architecturally impressive building featuring state-of-the-art technology and the most advanced workplaces in all of Switzerland. SkyKey boasts an exemplary character even within Zurich Group. Our new headquarters symbolises Zurich Switzerland.

How will these advantages affect the working environment and productivity?

The transparency of the new workplace environment paves the way for us to communicate with one another more easily and openly, which will also be noticeable in the quality of services. We can interact with customers more swiftly and effectively. These factors underpin our culture overall. Noteworthy here is the fact that our internal surveys reveal that the employees are very pleased with the new working environment.

"WE SAVE UP TO 40% OF DRINKING WATER COMPARED WITH BENCHMARK PROJECTS."

How would you explain the "dynamic working" principle to a job applicant in one sentence?

Flowing, open work zones underpin formal and informal cooperation. Depending on the individual needs, our employees can find the ideal working environment in the traditional workplace, quiet focus rooms, colourfully designed living zones, highly equipped conference rooms or even in the cafeteria.

Why were you striving for a Platinum LEED certification? What did this high-level target mean for tenants’ improvements?

Sustainability plays a significant role for me. And Zurich Switzerland aims to become climate-neutral by 2016. Hence, only energy-efficient options were considered for the building’s interior design. Some examples in this context: We utilise the energy from the braking systems of our elevators for energy recovery. Through so-called fibre-to-the-desk technology, we save more than 1,000 square metres of EDP space compared with the old buildings, corresponding to five single-family houses. In addition, we constructed a 100,000 litre rainwater tank, with which we flush the toilets. Thanks to special fittings and flow-rate-reducing measures, we save up to 40% of drinking water compared with benchmark projects. And we save up to 30% of electricity in the restaurant floor space thanks to an energy optimisation system.

How did you like working with Swiss Prime Site?

The collaboration with Swiss Prime Site ran smoothly, constructively and very professionally right from the outset, for example, at all the monthly building committee or LEED meetings.
LA PRAILLE MULTIPLEX CINEMA, GRAND-LANCY

Swiss Prime Site has demonstrated just how entertaining and diversified real estate can really be in Grand-Lancy near Geneva, where the superlative multiplex cinema has been in operation since 19 June 2014. The cinema is situated atop the roof of the La Praille shopping centre, comprising nine theatres with 1,541 comfortable seats. But that’s not all: The multiplex cinema, which is operated by Arena Cinemas Ltd, is also quite impressive with the largest movie screen in Switzerland and equipped with a 3-D audio system in all the theatres. «Moviegoers can enjoy picture and sound quality that sets entirely new standards in the sector, thanks to the convex cinema screens too», declared Peter Lehmann (CIO of Swiss Prime Site Ltd) enthusiastically in his speech at the opening ceremony.

THE MULTIPLEX CINEMA IS ALSO IDEAL FOR SEMINARS.

Patrick Tavoli, Director of Arena Cinemas Ltd – which has leased the multiplex cinema under a long-term agreement – conveyed his confidence to the invited guests that the innovative features offered will soon become very popular with the public. He estimates the number of moviegoers at 300,000 to 450,000 per annum. But the cinema operator is focusing on other customer segments too. Since each theatre is also equipped with a stage and complete conference infrastructure, the new multiplex cinema is ideal for seminars, conferences, exhibitions, company anniversaries and similar events.

Together with the multiplex cinema, the totally redesigned Food Court (previously Food Avenue) opened its doors as well. The array of food and beverage outlets offered has been expanded by a McDonald’s restaurant and McCafé. The shopping centre, which opened in 2002, features 65 retail stores, in addition to a broad array of leisure facilities, including a bowling alley with 26 lanes, fitness studio with swimming pool and Hotel Ramada Encore with 150 rooms.

The actual construction activity for the building extension of the existing shopping centre with an additional two storeys took only 21 months, but the development of the project began already ten years ago. «The fascination is even more intense now that the curtain is finally rising to unveil this spectacular urban entertainment centre situated on the «Rive Gauche»», explains Mr. Lehmann. La Praille is located in a strategically attractive place in the heart of the new Praille-Acacias-Vernets (PAV) urban district and is well connected to numerous lines of the public transportation network already at present.

BRIEF NEWS

Address
Route des Jeunes 10, Grand-Lancy

Completion date
June 2014

Rental floor space shopping centre
33,424 m²

Rental floor space multiplex cinema
2,955 m²

Investment volume
approx. CHF 22 million

Information
www.la-praille.ch
MAAGHOF NORTH AND EAST, ZURICH

Maaghof North and East comprises residential floor space of 21,800 square metres as well as around 2,200 square metres of space on the ground floor for child day-care services, commercial utilisation and other uses. The subterranean garage will include 143 parking places. Of the total 83 condominiums, 53 have been sold and 1 reserved (status at 30 June 2014). Four commercial units have already been sold as well. Since the start of the leasing process in the spring of 2014, 89 rental apartments and 3 commercial units have already been rented or reserved. The strong interest may be attributable among other factors to the attractive price/quality ratio by Zurich City standards. For instance, the net rent for a 100 square-metre 3½-room apartment amounts to around CHF 2,700 per month.

Zurich West today ranks among the most popular districts in Zurich City. Residents who live here have chosen a fascinating mix of workplace and spice of life, a contrast of old and new, patina and perfection. But first, construction of the residential building complex located west of Prime Tower and Zurich’s Maag Site must be fully completed. Construction activity on the L-shaped structure framing a large park-like courtyard is proceeding according to plan.

MAAGHOF NORTH AND EAST | Interest in the offering of residential units comprising 21,800 square-metres has been strong: 54 condominiums are sold or reserved, and 89 apartments are leased or reserved.

BRIEF NEWS

<table>
<thead>
<tr>
<th>Address</th>
<th>Hardstrasse 129, Naphtastrasse 10, Turbinenstrasse 21, Zurich</th>
</tr>
</thead>
<tbody>
<tr>
<td>Completion date</td>
<td>spring 2015</td>
</tr>
<tr>
<td>Investment volume</td>
<td>approx. CHF 140 million</td>
</tr>
<tr>
<td>Information</td>
<td><a href="http://www.maaghome.ch">www.maaghome.ch</a> – for condominiums</td>
</tr>
<tr>
<td></td>
<td><a href="http://www.maag-ich.ch">www.maag-ich.ch</a> – for rental apartments</td>
</tr>
</tbody>
</table>

POST HEADQUARTERS/MAJOWA, BERNE

The new Swiss Post headquarters comprises roughly 33,700 square metres of rental floor space for around 1,800 workplaces as well as a conference centre and personnel restaurant with seating for 450 persons. The development project shall be certified with the German Sustainable Building Council (DGNB) gold quality seal of approval. The rental agreement begins on 1 November 2014, and the occupancy date is scheduled for March 2015.

<table>
<thead>
<tr>
<th>Address</th>
<th>Wankdorfallee 4, Berne</th>
</tr>
</thead>
<tbody>
<tr>
<td>Completion date</td>
<td>November 2014</td>
</tr>
<tr>
<td>Investment volume</td>
<td>approx. CHF 144 million</td>
</tr>
</tbody>
</table>

FLURPARK, ZURICH

The former IT centre will undergo extensive renovations and repositioning on the market. The property in the future will offer office and services floor space as well as spacious warehouse space comprising 18,500 square metres. The ground level will house floor space for restaurant use, shops and service providers. The subterranean level will include 456 parking places.

<table>
<thead>
<tr>
<th>Address</th>
<th>Flurstrasse 55, Zurich</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfer to tenant</td>
<td>from February 2015</td>
</tr>
<tr>
<td>Investment volume</td>
<td>approx. CHF 69 million</td>
</tr>
<tr>
<td>Information</td>
<td><a href="http://www.flurpark.ch">www.flurpark.ch</a></td>
</tr>
</tbody>
</table>

AUX ARMOURINS, NEUCHÂTEL

Fashion retail chain Zara will make its debut in Neuchâtel’s city centre at Rue du Temple Neuf starting from August 2014. The company is leasing both lower floors of a new building that Swiss Prime Site constructed, together with the renovation of two existing building structures. The other shops, office space and doctors’ facilities as well as apartments in the new building have also been leased.

<table>
<thead>
<tr>
<th>Address</th>
<th>Rue du Temple Neuf 14, Neuchâtel</th>
</tr>
</thead>
<tbody>
<tr>
<td>Completion date</td>
<td>June 2014</td>
</tr>
<tr>
<td>Investment volume</td>
<td>approx. CHF 26 million</td>
</tr>
</tbody>
</table>
MARTIN GUT FOR INVESTOR RELATIONS

Swiss Prime Site has created the Investor Relations & Sales (IR&S) function, with the aim of expanding relations with the financial community and appealing to new investors. Martin Gut is Head of IR&S, reporting directly to CEO Markus Graf. Mr. Gut’s responsibilities also include providing support services for realising future development of the Group and seizing growth opportunities that reinforce the traditional real estate investment business.

Up until December 2013, Martin Gut was Country Manager Switzerland for the leading global asset manager BlackRock. He previously held various positions at UBS and Credit Suisse. From 2007 to 2010, he was Head of Relationship Management for institutional investors at Credit Suisse. Martin Gut is a business economist graduate from Kaderschule Zurich (KSZ), with post-graduate studies at INSEAD including risk management in banking.

The father of two daughters mostly enjoys spending his leisure time with his family and with sporting activities. Born in Davos, he is especially fond of mountain-related sports and golf.

JELMOLI REVIVES HOME & LIVING

The once legendary homeware department is being revived. On 25 September 2014, Home & Living will open its doors on the third floor. Customers will find here everything for the household in the premium segment. New shops mark the presence of interior designer Teo Jakob, Nespresso and WMF. Other well-known Home & Living names include Dibbern, Versace, Rosenthal, Bodum, Kuhn Rikon, Victorinox, Fischbach, Schlossberg, Lexington, KitchenAid, KAI Knife Shop, Alessi, Riedel, Tempur, Billerbeck and the new knife collection by star chef Andreas Caminada. Services include custom-made sheets and duvets, personalising linen and towels or wedding services.

www.jelmoli.ch
REPORTING

FIRST HALF-YEAR
2014
COMMENTARY ON THE FIRST HALF-YEAR 2014

“OPERATING INCOME EDGED UP BY 29.4% TO CHF 415.9 MILLION VERSUS THE FIRST HALF-YEAR 2013.”

PETER WULLSCHLEGER
CFO of Swiss Prime Site Ltd

Swiss Prime Site reported a boost in operating income by 29.4% to CHF 415.9 million and a spurt in rental income by 8.9% to CHF 217.3 million in the first half-year 2014. The value of the real estate portfolio increased by 2.3% versus year-end 2013 to CHF 9.6 billion. EBIT before revaluations edged up by 2.0% to CHF 165.3 million.

Swiss Prime Site boosted operating income by 29.4% to CHF 415.9 million (CHF 321.3 million) in the first half-year 2014. The increase by CHF 94.6 million was attributable primarily to Tertianum Group, consolidated since 12 July 2013. Operating profit (EBIT) before revaluations edged up by 2.0% versus the first half-year 2013 to CHF 165.3 million (CHF 162.0 million). Property revaluations affecting net income amounted to CHF 53.6 million, hovering below the previous year’s level (CHF 169.8 million), as expected. Profit before revaluation effects* dipped slightly by 3.1% from CHF 110.4 million to CHF 107.0 million. Comprehensive income before revaluation effects declined by 14.8% from CHF 116.7 million to CHF 99.4 million.

“WE’RE REAPING REWARDS FROM THE HEALTHY ECONOMIC ENVIRONMENT.”

MARKUS GRAF
CEO of Swiss Prime Site Ltd

We are reaping rewards from the healthy economic environment in Switzerland thanks to our diversification in three segments and prevailing focus on high-quality real estate, declares CEO Markus Graf.

Operating expenses rose from CHF 159.1 million to CHF 255.3 million. The lion’s share of the 60.5% increase was attributable to the surge in headcount from 1,181 to 2,357 (full-time equivalents) resulting from acquisitions and the related pick-up in personnel costs from CHF 66.0 million to CHF 125.1 million, as well as expenses related to the assisted living segment.

The real estate segment posted an increase in rental income from properties of 1.1% to CHF 211.2 million (CHF 208.9 million). The vacancy rate stood at 6.5% (5.8%), hovering below the expected range and once again wavering far below the Swiss average. Income from real estate services generated by Wincasa

“OPERATING PROFIT (EBIT) AFTER REVALUATION IN CHF MILLION

218.9


TREADING ON THE GROWTH PATH

Swiss Prime Site share turned in a performance of +11.6% in the first half-year 2014, thus outperforming the Swiss Performance Index SPI (+7.9%) as well as the SXI Real Estate Shares Index (+11.0%). Market capitalisation amounted to CHF 4.4 billion, derived from the closing share price of CHF 73.50 as at 30 June 2014. The cash yield totalled 5.2% resulting from the distribution of CHF 3.60 per share paid out on 25 April 2014, as measured by the stock price as at 31 December 2013.

“WE’RE REAPING REWARDS FROM THE HEALTHY ECONOMIC ENVIRONMENT.”

MARKUS GRAF
CEO of Swiss Prime Site Ltd

* weighted earnings per share (EPS) before revaluation effects edged down slightly by 3.3% from CHF 1.83 to CHF 1.77 and after revaluation effects dropped by 39.0% from CHF 3.69 to CHF 2.25. Net asset value (NAV) before deferred taxes amounted to CHF 81.65 as at 30 June 2014 (CHF 82.65 as at 31 December 2013) and after deferred taxes CHF 66.52 (CHF 67.91).

STRAIGHT PATH

The Swiss Prime Site share performance turned in a performance of +11.6% in the first half-year 2014, thus outperforming the Swiss Performance Index SPI (+7.9%) as well as the SXI Real Estate Shares Index (+11.0%). Market capitalisation amounted to CHF 4.4 billion, derived from the closing share price of CHF 73.50 as at 30 June 2014. The cash yield totalled 5.2% resulting from the distribution of CHF 3.60 per share paid out on 25 April 2014, as measured by the stock price as at 31 December 2013.

REAL ESTATE SEGMENT

The real estate segment posted an increase in rental income from properties of 1.1% to CHF 211.2 million (CHF 208.9 million). The vacancy rate stood at 6.5% (5.8%), hovering within the expected range and once again wavering far below the Swiss average. Income from real estate services generated by Wincasa

* revaluations and deferred taxes
climbed by 6.8% to CHF 48.7 million (CHF 45.6 million). Operating income in the real estate segment of CHF 260.7 million surpassed the previous year’s figure of CHF 255.8 million by 1.9%. However, EBIT declined by 34.4% to CHF 225.3 million (CHF 343.7 million) due to significantly lower revaluations.

The real estate portfolio consisted of 194 (193 on 31 December 2013) properties as at 30 June 2014, with a fair value of CHF 9.6 billion (CHF 9.3 billion). The increase in value of CHF 218.5 million in the first half-year 2014 comprised value changes (including renovations/investments) related to existing properties (CHF +75.3 million), the acquisitions of existing properties, projects and plots of building land (CHF +90.3 million), divestments (CHF –16.4 million), value changes related to plots of building land (CHF +0.1 million) as well as value changes to and investments in projects (CHF +69.2 million).

In the reporting period, Swiss Prime Site acquired a property with building land reserves located at Albisriederstrasse 203 in Zurich Albisrieden, land for the construction of a Vitadomo facility in Bellinzona and an additional equity interest in a real estate company with building land in Meyrin. Two properties (located at Grünfeldstrasse 25 in Rapperswil-Jona properties with office use > 60%; fair value > CHF 20 million

properties with retail use > 60%; fair value > CHF 20 million

properties with mixed use; fair value > CHF 20 million

problems

AUGUST 2014 EDITION

I

ON

AUGUST 2014 EDITION

REPORTING
and Avenue de Chailly 1 in Lausanne) and a plot of land in Oftringen were divested for a total of CHF 20.4 million. The overall price tag exceeded the fair value reported in the previous year by roughly CHF 4 million. The ongoing development projects were proceeding according to plan. SkyKey in Zurich in addition to the Swiss Post headquarters/Majowa in Berne, both properties fully leased, are on the verge of completion. The respective rental income will have a positive impact on the second half-year results.

RETAIL AND GASTRONOMY SEGMENT
Income from retail and gastronomy declined by 4.4% to CHF 71.1 million (CHF 74.4 million). The decrease by CHF 3.3 million was attributable primarily to the elimination of revenues from the Hotel Ramada Encore in Geneva, whose operating business was divested as at end-2013. Jelmoli – The House of Brands in Zurich boosted net retail trade turnover from proprietary managed floor space by 3.6% from CHF 63.1 million to CHF 65.4 million. Rental income remained almost steady at CHF 9.0 million (CHF 8.9 million).

ASSISTED LIVING SEGMENT
The assisted living segment, comprising the operations of Tertianum Group acquired in July 2013, generated income from the assisted living business amounting to CHF 77.3 million, as well as rental income from properties of CHF 25.5 million. Permed Ltd, which specialises in ambulant care services, was divested in March 2014.

OUTLOOK
Swiss Prime Site anticipates that the general economic conditions in Switzerland will remain favourable, but the regulatory uncertainties should rather intensify. The growing supply of office and retail properties will likely increasingly prompt tenants toward upgrading their leased floor space. The demand for rental properties that promise a higher equivalent value due to the quality of their location, accessibility, flexibility of use and architecture should accentuate further. Hence, Swiss Prime Site can reap the ensuing rewards with its portfolio of prime properties.

For the financial year 2014, Swiss Prime Site forecasts EBIT and net profit figures (before revaluation and one-time effects) that surpass the respective previous year’s levels, net rental income of roughly CHF 435 million and a vacancy rate of 6.0% to 7.0%.
## Selected Group Key Figures

### Key Financial Figures

<table>
<thead>
<tr>
<th>Description</th>
<th>Details in 30.06.2014</th>
<th>Details in 30.06.2013</th>
<th>Change in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rental income from properties</td>
<td>CHF m 217.3</td>
<td>CHF m 199.5</td>
<td>8.9</td>
</tr>
<tr>
<td>Income from real estate services</td>
<td>CHF m 48.4</td>
<td>CHF m 45.6</td>
<td>6.1</td>
</tr>
<tr>
<td>Income from retail and gastronomy</td>
<td>CHF m 71.0</td>
<td>CHF m 74.2</td>
<td>(4.3)</td>
</tr>
<tr>
<td>Income from assisted living*</td>
<td>CHF m 77.3</td>
<td>–</td>
<td>100.0</td>
</tr>
<tr>
<td>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</td>
<td>CHF m 233.8</td>
<td>CHF m 342.0</td>
<td>(31.6)</td>
</tr>
<tr>
<td>Earnings before interest and taxes (EBIT)</td>
<td>CHF m 218.9</td>
<td>CHF m 331.7</td>
<td>(34.0)</td>
</tr>
<tr>
<td>Profit</td>
<td>CHF m 137.2</td>
<td>CHF m 222.3</td>
<td>(38.3)</td>
</tr>
<tr>
<td>Comprehensive income</td>
<td>CHF m 134.6</td>
<td>CHF m 234.5</td>
<td>(42.6)</td>
</tr>
<tr>
<td>Shareholders’ equity</td>
<td>CHF m 4,026.0</td>
<td>CHF m 3,964.7</td>
<td>1.5</td>
</tr>
<tr>
<td>Equity ratio</td>
<td>% 39.2</td>
<td>% 42.0</td>
<td>(6.7)</td>
</tr>
<tr>
<td>Borrowed capital</td>
<td>CHF m 6,237.0</td>
<td>CHF m 5,475.0</td>
<td>13.9</td>
</tr>
<tr>
<td>Borrowed capital ratio</td>
<td>% 60.8</td>
<td>% 58.0</td>
<td>4.8</td>
</tr>
<tr>
<td>ROE (weighted)</td>
<td>% 6.8</td>
<td>% 11.9</td>
<td>(42.9)</td>
</tr>
<tr>
<td>ROIC (weighted)</td>
<td>% 3.6</td>
<td>% 5.9</td>
<td>(39.0)</td>
</tr>
</tbody>
</table>

**Figures without revaluation effects**

<table>
<thead>
<tr>
<th>Description</th>
<th>Details in 30.06.2014</th>
<th>Details in 30.06.2013</th>
<th>Change in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings before interest and taxes (EBIT)</td>
<td>CHF m 165.3</td>
<td>CHF m 162.0</td>
<td>2.0</td>
</tr>
<tr>
<td>Profit</td>
<td>CHF m 107.0</td>
<td>110.4</td>
<td>(3.1)</td>
</tr>
<tr>
<td>Earnings per share (weighted)</td>
<td>CHF 1.77</td>
<td>1.83</td>
<td>(3.3)</td>
</tr>
<tr>
<td>ROE (weighted)</td>
<td>% 5.4</td>
<td>6.1</td>
<td>(11.5)</td>
</tr>
</tbody>
</table>

* acquisition of Tertianum Ltd as at 12.07.2013; divestment of Permed Ltd as at 17.03.2014

** revaluations and deferred taxes

### Composition of Operating Income

- **Income from retail and gastronomy**: CHF 71 m
- **Income from assisted living**: CHF 77 m
- **Income from real estate services**: CHF 48 m
- **Rental income from properties**: CHF 217 m

### Workforce

**As at 30.06.2014**

<table>
<thead>
<tr>
<th>Number of Employees</th>
<th>Of which Apprentices</th>
</tr>
</thead>
<tbody>
<tr>
<td>30.06.2014</td>
<td>30.06.2014</td>
</tr>
<tr>
<td>2,958</td>
<td>157</td>
</tr>
<tr>
<td>3,115</td>
<td>175</td>
</tr>
</tbody>
</table>

-5% decrease in number of employees
-10% decrease in number of apprentices
At the balance sheet date of 30.06.2014, the five largest external tenant groups account for 20.5% (24.1%) of future annual net rental income and land lease income (real estate segment perspective). These individual tenants have good credit ratings.
SHARE

SHARE PRICE (30.06.2014)

CHF 73.50

SHARE PRICE TREND (01.01. – 30.06.2014)

<table>
<thead>
<tr>
<th>high</th>
<th>low</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHF 76.00</td>
<td>CHF 68.95</td>
</tr>
</tbody>
</table>

MARKET CAPITALISATION

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>30.06.2014</td>
<td>CHF m 4,447.0</td>
</tr>
</tbody>
</table>

NAV BEFORE DEFERRED TAXES*

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>30.06.2014</td>
<td>CHF 81.65</td>
</tr>
<tr>
<td>31.12.2013</td>
<td>CHF 82.65</td>
</tr>
</tbody>
</table>

Change (1.2%)

NAV AFTER DEFERRED TAXES*

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>30.06.2014</td>
<td>CHF 66.52</td>
</tr>
<tr>
<td>31.12.2013</td>
<td>CHF 67.91</td>
</tr>
</tbody>
</table>

Change (2.0%)

EARNINGS PER SHARE (WEIGHTED)

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>30.06.2014</td>
<td>CHF 2.25</td>
</tr>
<tr>
<td>30.06.2013</td>
<td>CHF 3.69</td>
</tr>
</tbody>
</table>

Change (39.0%)

SHARE STATISTICS

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total registered shares</td>
<td>60,503,081</td>
</tr>
<tr>
<td>Securities number</td>
<td>803,838</td>
</tr>
<tr>
<td>ISIN number</td>
<td>CH 000 803 838 9</td>
</tr>
<tr>
<td>SIX symbol</td>
<td>SPSN</td>
</tr>
<tr>
<td>Number of shareholders</td>
<td>8,031</td>
</tr>
<tr>
<td>Average trading volume/day</td>
<td>CHF m 8.3</td>
</tr>
</tbody>
</table>

* Non-controlling interests reported in shareholders’ equity were not taken into account in the NAV calculation.

PERFORMANCE 2000–2014*

INDEX 05.04.2000 = 100

Source: Bloomberg

SPI SWISS PERFORMANCE INDEX (3.7% p.a.)

OBJECTIVE

Distribution per share

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>CHF 1.50</td>
</tr>
<tr>
<td>2002</td>
<td>CHF 2.00</td>
</tr>
<tr>
<td>2003</td>
<td>CHF 2.40</td>
</tr>
<tr>
<td>2004</td>
<td>CHF 2.90</td>
</tr>
<tr>
<td>2005</td>
<td>CHF 3.40</td>
</tr>
<tr>
<td>2006</td>
<td>CHF 3.80</td>
</tr>
<tr>
<td>2007</td>
<td>CHF 3.90</td>
</tr>
<tr>
<td>2008</td>
<td>CHF 3.90</td>
</tr>
<tr>
<td>2009</td>
<td>CHF 3.90</td>
</tr>
<tr>
<td>2010</td>
<td>CHF 3.90</td>
</tr>
<tr>
<td>2011</td>
<td>CHF 3.90</td>
</tr>
<tr>
<td>2012</td>
<td>CHF 3.90</td>
</tr>
<tr>
<td>2013</td>
<td>CHF 3.90</td>
</tr>
</tbody>
</table>

Cash yield in %

<table>
<thead>
<tr>
<th></th>
<th>0.0%</th>
<th>2.0%</th>
<th>4.0%</th>
<th>6.0%</th>
<th>8.0%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>3.2%</td>
<td>4.3%</td>
<td>5.2%</td>
<td>4.4%</td>
<td>4.6%</td>
</tr>
<tr>
<td>2002</td>
<td>25.0%</td>
<td>20.0%</td>
<td>12.0%</td>
<td>10.7%</td>
<td>9.7%</td>
</tr>
<tr>
<td>2003</td>
<td>4.2%</td>
<td>4.6%</td>
<td>4.2%</td>
<td>5.9%</td>
<td>6.7%</td>
</tr>
<tr>
<td>2004</td>
<td>10.7%</td>
<td>9.7%</td>
<td>0.0%</td>
<td>2.9%</td>
<td>0.0%</td>
</tr>
<tr>
<td>2005</td>
<td>10.7%</td>
<td>9.7%</td>
<td>0.0%</td>
<td>2.9%</td>
<td>0.0%</td>
</tr>
<tr>
<td>2006</td>
<td>10.7%</td>
<td>9.7%</td>
<td>0.0%</td>
<td>2.9%</td>
<td>0.0%</td>
</tr>
<tr>
<td>2007</td>
<td>10.7%</td>
<td>9.7%</td>
<td>0.0%</td>
<td>2.9%</td>
<td>0.0%</td>
</tr>
<tr>
<td>2008</td>
<td>10.7%</td>
<td>9.7%</td>
<td>0.0%</td>
<td>2.9%</td>
<td>0.0%</td>
</tr>
<tr>
<td>2009</td>
<td>10.7%</td>
<td>9.7%</td>
<td>0.0%</td>
<td>2.9%</td>
<td>0.0%</td>
</tr>
<tr>
<td>2010</td>
<td>10.7%</td>
<td>9.7%</td>
<td>0.0%</td>
<td>2.9%</td>
<td>0.0%</td>
</tr>
<tr>
<td>2011</td>
<td>10.7%</td>
<td>9.7%</td>
<td>0.0%</td>
<td>2.9%</td>
<td>0.0%</td>
</tr>
<tr>
<td>2012</td>
<td>10.7%</td>
<td>9.7%</td>
<td>0.0%</td>
<td>2.9%</td>
<td>0.0%</td>
</tr>
<tr>
<td>2013</td>
<td>10.7%</td>
<td>9.7%</td>
<td>0.0%</td>
<td>2.9%</td>
<td>0.0%</td>
</tr>
</tbody>
</table>
SWISS PRIME SITE GROUP

REAL ESTATE

Swiss Prime Site Ltd, Olten, is Switzerland’s largest listed real estate investment company, with a high-quality portfolio of properties valued at CHF 9.6 billion. The real estate holdings are optimised by dynamic portfolio management on an ongoing basis and expanded through value-enhancing project developments and earnings-boosting acquisitions.

Wincasa ranks among the leading real estate services companies in Switzerland, with 15 locations and roughly 178,000 properties, shopping centres, rental units and offices, etc. under management valued at CHF 42 billion.

RETAIL AND GASTRONOMY

Jelmoli

Jelmoli – The House of Brands on the Bahnhofstrasse in Zurich is Switzerland’s leading premium department store.

Clouds operates the restaurant and related bistro and bar as well as the conference centre on the 34th and 35th floors in Prime Tower, Zurich.

ASSISTED LIVING

Tertianum Group boasts a leading position in the assisted living market segment in Switzerland and a presence with three brands:

Tertianum Residences stand for residential housing with comprehensive services and geriatric care in the premium category. Vitadomo facilities cover the medium-price segment, focusing on seniors that aim to live independently in their twilight years too, as well as access services and geriatric care assistance according to needs. Perlavita is specialised in stationary services revolving around senior healthcare issues.

Disclaimer: The financial data presented and the other reports in Prime Times are selected information. A copy of the Annual or Semi-Annual Report can be requested from the Company in writing or by telephone. This information constitutes neither an offer nor a recommendation to buy or sell Swiss Prime Site Ltd shares. It may not be disseminated in jurisdictions where it infringes on applicable law or regulations. Statements about the future involve uncertainties and risks that could mean the events that affect the Company in fact deviate from the forecast situation.