

Press Release

12 July 2001



PSP Swiss Property AG completes capital increase

PSP Swiss Property AG issues new shares

Zurich, July 12, 2001 – PSP Swiss Property AG (SWX PSPN), the Swiss property company listed on the Swiss stock exchange, has successfully completed its Offering of 1,549,614 shares. In addition, the company has granted the bookrunner, JPMorgan, a greenshoe option of a further 254,150 shares. The price of the Offering was set at Sfr 152. Existing shareholders subscribed to 343,115 shares by way of the preferred allocation programme. The remaining shares were placed with a broad investor base and were approximately two times oversubscribed.

Proceeds of the offering will enable PSP Swiss Property to continue its growth strategy most recently demonstrated by the closing of the Swisscom properties acquisition in June this year. The success of this offering clearly demonstrates PSP Swiss Property's strong position in the market as the leading Swiss property company.

Transaction details

The shares have been offered by way of a public offering in Switzerland and to institutional investors in the rest of Europe and under rule 144A in the US. The 1,549,614 registered shares with a nominal value of CHF 100 each, consist of 1,479,170 new shares issued from authorized capital and 70,444 shares from the company's treasury stock. The over-allotment option of 254,150 new shares is issued from authorised capital. A preferred allocation programme enabled existing shareholders to subscribe for one new share for every four shares held at the close of business on 28 June 2001. This offering will increase the company's outstanding nominal share capital from 5,916,680 shares to 7,395,850 or to 7,650,000 if the over-allotment option is exercised. The new shares will carry full dividend rights from January 1, 2001.

Further information

PSP Swiss Property Group
Felix Fischer, Chief Financial Officer
Vasco Cecchini, Investor Relations
Feldeggstrasse 5
CH-8152 Glattbrugg
Tel.: ++41-(0)1-625 57 57
Fax: ++41-(0)1-625 58 58
investor.relations@psp-swissproperty.ch
www.psp-swissproperty.ch

The foregoing does not constitute an offer to sell or a solicitation of an offer to buy any securities. The shares sold in the offering discussed above have not been and will not be registered under the United States Securities Act of 1933, as amended (the 'Securities Act') or under any of the relevant securities laws of any state of the United States.

The shares may not be offered, sold or delivered, directly or indirectly, to or for the account of any US Person (as defined in Regulation S under the Securities Act), in or into the United States, or by use of the United States mails or by any means of instrumentality of United States interstate commerce, absent registration or an exemption from registration under the Securities Act.