

Press release, 13 December 2004

for immediate publication



Substitution of Borrower for the PSP Real Estate AG 4.625% Bonds 2000-2006 (the "Bonds")

PSP decided with respect to the outstanding Bonds to substitute the former issuer PSP Real Estate AG with PSP Swiss Property AG as of today. Thereby all the rights and obligations under the Bonds and Coupons were transferred to PSP Swiss Property AG. The general transfer of debts relates to unsecured debts exclusively.

Fitch Ratings Limited, the rating company, has confirmed the rating of the Bonds being A- (stable outlook) and the Lead Manager of the Bonds, UBS Investment Bank, has approved this substitution pursuant to the terms of the Bonds. Other than the substitution of the Borrower, the terms of the Bonds remain unchanged.

In addition to and notwithstanding PSP West A AG and PSP West S AG continuing to have secured debts, PSP has undertaken that during the life of the Bonds, no PSP group company other than PSP Swiss Property AG enters into new debt for the purpose of financing or refinancing and PSP group companies adhere to the negative pledge provision of the Bonds, with the exception of new debt to secure Acquisitions provided that such debts shall be entirely refinanced and the Securities released within 6 calendar months after the date of such Acquisition.

Until 31 December 2004, PSP Swiss Property AG offers to buy back Bonds on the SWX Swiss Exchange at market prices according to the market conditions prevailing from time to time provided there is no major disruption in international capital markets. Therefore, PSP has mandated UBS Investment Bank to purchase Bonds for PSP's account. Bondholders wishing to sell Bonds are requested to proceed in accordance with instructions given by their depository bank.

13 December 2004

PSP Swiss Property AG

If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice immediately from your broker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (if you are in the United Kingdom), or from another appropriately authorised independent financial adviser.

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Agenda

Publication 2004 financial figures	8 March 2005
Annual General Meeting 2005	8 April 2005, Kongresshaus, Zurich

PSP Swiss Property – leading Swiss real estate company

As Switzerland's leading real estate Company, PSP Swiss Property owns office and commercial properties with a market value (IAS 40) of CHF 3.8 billion in prime locations in Switzerland's main cities, particularly Zurich and Geneva. In addition, the company owns sites and development properties worth CHF 0.3 billion (current acquisition cost according to IAS 16). In order to achieve sustainable and stable growth, PSP Swiss Property applies a professional and active real estate asset management. In order to achieve sustainable and stable growth, PSP Swiss Property applies a professional and active real estate asset management. Apart from its own properties, PSP Swiss Property also manages properties for institutional clients. These managed portfolios have a total aggregate value of approximately CHF 12 billion. In Switzerland PSP Swiss Property is represented in eight locations with 198 employees.

SWX Swiss Exchange - symbol: PSPN, security number: 1829415