

Q1

QUARTERLY REPORT Q1 2009

KEY FIGURES

KEY FINANCIAL FIGURES		Unit	1 JAN. TO 31 DEC. 2008	1 JAN. TO 31 MARCH 2008	1 JAN. TO 31 MARCH 2009	CHANGE IN % ¹
Rental income	CHF 1 000		256 397	63 548	68 215	7.3
Net changes in fair value of real estate investments	CHF 1 000		121 464	495	4 499	
Income from property sales	CHF 1 000		13 860	2	4	
Income from investments in associated companies	CHF 1 000		184	134	-16	
Other income	CHF 1 000		3 263	1 465	359	
Net income	CHF 1 000		224 030	30 430	36 986	21.5
Net income excluding gains/losses on real estate investments ²	CHF 1 000		124 529	30 044	33 495	11.5
EBITDA excluding gains/losses on real estate investments	CHF 1 000		208 422	49 927	54 738	9.6
EBITDA margin	%		78.1	76.6	79.8	
Total assets	CHF 1 000		5 272 189	5 153 744	5 243 921	-0.5
Shareholders' equity	CHF 1 000		2 587 693	2 561 857	2 599 930	0.5
Equity ratio	%		49.1	49.7	49.6	
Return on equity	%		8.7	4.8	5.7	
Interest-bearing debt	CHF 1 000		2 133 989	2 093 076	2 084 293	-2.3
Interest-bearing debt in % of total assets	%		40.5	40.6	39.7	

PORTFOLIO KEY FIGURES

Number of properties	Number		191	194	189	
Carrying value properties	CHF 1 000		4 983 029	4 858 239	4 992 853	0.2
Implied yield, gross ³	%		5.2	5.3	5.5	
Implied yield, net ³	%		4.3	4.4	4.7	
Vacancy rate end of period (CHF) ^{3,4}	%		8.3	10.9	8.4	
Number of sites and development properties	Number		7	6	7	
Carrying value sites and developments properties	CHF 1 000		165 643	168 750	180 973	9.3

EMPLOYEES

End of period	Posts		81	82	79	
Equal full-time employees	Posts		78	78	76	

PER SHARE FIGURES

Earnings per share (EPS) ⁵	CHF		5.29	0.72	0.89	23.6
EPS excluding gains/losses on real estate investments ⁵	CHF		2.94	0.71	0.80	12.7
Nominal value reduction per share	CHF		2.50 ⁶	n.a.	n.a.	
Net asset value per share (NAV) ⁷	CHF		61.83	60.35	62.73	1.5
NAV per share before deferred taxes ⁷	CHF		72.01	69.65	73.10	1.5
Share price end of period	CHF		52.70	67.05	48.00	-8.9

1 Change to previous year's period 1 January to 31 March 2008 or carrying value as of 31 December 2008 as applicable.

2 See definition «Net income excluding gains/losses on real estate investments» on page 23, footnote 2.

3 For properties.

4 Equals the lost rental income in % of the potential rent, as per reporting date.

5 Based on average number of outstanding shares.

6 For the 2008 business year. Cash payment planned for end of June 2009.

7 Based on number of outstanding shares, before cash payment by nominal value reduction.

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QUARTERLY REPORT Q1 2009

There is no printed version of this quarterly report. It can be downloaded as a PDF from www.psp.info.

CHARTS/TABLES

Due to roundings, the sum of listed individual positions may be higher/lower than 100%.

www.psp.info

Further publications, in particular the presentation of the quarterly results Q1 2009, are also available under www.psp.info.

REPORT FOR THE FIRST QUARTER 2009

To our shareholders,
business partners and staff

MAJOR OPERATIONAL ACTIVITIES

In the first quarter 2009, the optimisation of the property portfolio and the further development of the sites remained at the top of our operational agenda. We also paid particular attention to the active and early management of existing leases which run out during the next twelve to eighteen months.

During the first months of the year, we again evaluated a number of acquisition opportunities, but no purchases were made.

We were able to further strengthen our financial situation by expanding a number of credit agreements with selected banks, despite a difficult market environment. At the end of March 2009, unused credit lines amounted to CHF 575 million.

With an equity base of CHF 2.6 billion – corresponding to an equity ratio of 49.6% – PSP Swiss Property has a strong equity base compared to the industry average. As at 31 March 2009, interest-bearing debt amounted to CHF 2.084 billion or 39.7% of total assets.

REAL ESTATE PORTFOLIO

In the first quarter 2009, only a hobby room in the property on Brandschenkestrasse 72 – 78 in Zurich was sold. Negotiations for the sale of several properties were in their final phase at the end of the quarter.

At the end of March 2009, the real estate portfolio included 189 office and commercial buildings in prime locations. In addition, there were 7 sites with attractive development projects. The carrying value of the total portfolio stood at CHF 5.174 billion (end of 2008: CHF 5.149 billion).

Work on the development sites progressed as planned. The following developments are worth mentioning:

- Hürlimann site, Zurich: Construction started at the beginning of 2009 for a unique health spa combined with a boutique hotel. The health spa is planned to open at the end of 2010, while the hotel should be ready in spring 2011. The total investment for this project amounts to approximately CHF 60 million (excluding land and infrastructure).
- Wädenswil site: All 15 freehold apartments of the apartment complex «SeeSicht» have been sold in the meantime and will be transferred to the buyers during this year. This will result in a net income from sales before taxes of approximately CHF 1.7 million for the 2009 business year (this income is not part of the Q1 result).

VACANCY

At the end of March 2009, the vacancy rate stood at 8.4% (end of 2008: 8.3%). With regard to lease extensions which were signed in the first quarter 2009, we were able to negotiate an overall rental increase of 2.7% or CHF 1.2 million p.a. compared to previous rents (new rental volume: CHF 45.1 million p.a.). We were also successful with new leases: on average, rents were 4% higher than the rents assumed resp. expected by the independent property valuation company when it performed its most recent valuations as at the end of 2008.

Of the 8.4% vacancy rate, 1.9 percentage points were due to ongoing renovation work on various properties. 0.7 percentage points were related to the property on Bleicherweg 10 in Zurich which will be fully rented after completion of the renovation as at 1 December 2009. Another 0.7 percentage points were due to the renovation of the property on Aarbergstrasse 94 in Biel which will be completed in 2010. Most of the other renovation work, or 0.5 percentage points, will be finished in 2009 and 2010.

So far, 78% of the lease contracts which will expire between April and December 2009 were renewed. The remaining 22% are being worked on.

We are confident that we will be able to further reduce vacancies in the coming years despite the difficult economic environment. However, stabilising the vacancy rate is the most important goal for the current business year.

CONSOLIDATED INTERIM RESULTS (JANUARY TO MARCH 2009)

Net income excluding gains/losses on real estate investments¹ increased from CHF 30.0 million to CHF 33.5 million. Corresponding earnings per share amounted to CHF 0.80 or 12.7% more than in the previous year's period (CHF 0.71). For PSP Swiss Property, net income excluding gains/losses on real estate investments is the basis for cash distribution to shareholders.

Net income including net changes in fair value amounted to CHF 37.0 million (previous year's period: CHF 30.4 million). Due to the initial market valuation (according to IAS 40 revised) of the development projects (new construction health spa/hotel on the Hürlimann site in Zurich and new construction of the Businesspark Richtistrasse in Wallisellen), gains totalling CHF 4.5 million were recorded. Earnings per share including net changes in fair value amounted to CHF 0.89 (previous year's period: CHF 0.72).

Compared to the previous year's first quarter, operating income increased by CHF 7.4 million or 11.3% to CHF 73.1 million. Thereby, rental income rose significantly by CHF 4.7 million or 7.3% from CHF 63.5 million to CHF 68.2 million. This increase was mainly due to the reduction of vacancies in the previous year and the release of the provisions for contingent losses of CHF 1.4 million.

¹ See definition on page 23, note 2

REPORT OF THE BOARD OF DIRECTORS FOR THE FIRST QUARTER 2009

Compared to the previous year's period, operating expenses fell by CHF 1.5 million or 9.4% to CHF 14.1 million. Thereby, real estate maintenance and renovation expenses declined by CHF 0.5 million or 12.2% to CHF 3.6 million. In addition, general and administrative expenses decreased by CHF 0.8 million or 25.6% to CHF 2.2 million, mainly as a result of lower costs for acquisition evaluations and the release of provisions for legal cases.

As at the end of March 2009, net asset value (NAV) per share climbed to CHF 62.73, exceeding the year-end figure 2008 (CHF 61.83) by 1.5%. NAV before deferred taxes rose by 1.5% to CHF 73.10 (end of 2008: CHF 72.01).

SUBSEQUENT EVENTS

On 2 April 2009, the Annual General Meeting approved a cash payment in the form of a nominal value reduction of CHF 2.50 per share (previous year: nominal value reduction of CHF 2.40 per share). Payment is planned for the end of June 2009 and corresponds to a cash yield of 4.5%.

There were no further subsequent events.

OUTLOOK 2009

The forecast for the entire 2009 business year remains unchanged from the figures we communicated in February:

- EBITDA excluding gains/losses on real estate investments above CHF 210 million (2008: CHF 208.4 million).
- Vacancy rate at year-end below 9% (end of March 2009: 8.4%).



Günther Gose

Chairman of the
Board of Directors



Luciano Gabriel

Delegate of the Board of Directors
and Chief Executive Officer

14 May 2009

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PSP SWISS PROPERTY (CONSOLIDATED)

CONSOLIDATED INCOME STATEMENT (JANUARY TO MARCH)

OPERATING INCOME	(in CHF 1000)	1 JANUARY TO 31 MARCH 2008	1 JANUARY TO 31 MARCH 2009	NOTE
Rental income		63 548	68 215	
Net changes in fair value of real estate investments		495	4 499	1
Income from property sales (inventories)		35	0	
Expenses from sold properties (inventories)		- 33	0	1
Income from other property sales		0	4	
Income from investments in associated companies		134	- 16	
Capitalised own services		275	359	1
Other income		1 190	0	
Total operating income		65 645	73 061	
OPERATING EXPENSES				
Real estate operating expenses		- 3 723	- 3 704	
Real estate maintenance and renovation expenses		- 4 111	- 3 609	
Personnel expenses		- 4 415	- 4 268	
Fees to subcontractors		- 19	- 39	
General and administrative expenses		- 2 956	- 2 201	
Depreciation		- 345	- 281	
Total operating expenses		- 15 568	- 14 103	
Operating profit before financial expenses		50 077	58 958	
Net financial expenses		- 13 246	- 12 369	2
Operating profit before taxes		36 831	46 589	
Taxes		- 6 401	- 9 604	
Net income		30 430	36 986	
Earnings per share in CHF (basic and diluted)		0.72	0.89	5

The notes are part of these consolidated financial statements.

PSP SWISS PROPERTY (CONSOLIDATED)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (JANUARY TO MARCH)

(in CHF 1000)	1 JANUARY TO 31 MARCH 2008	1 JANUARY TO 31 MARCH 2009	NOTE
Net income	30 430	36 986	
Movement of interest rate hedging	-3 174	-6 909	
Movement of financial investments	1 093	21	
Taxes	-86	540	
Comprehensive income	28 263	30 637	

The notes are part of these consolidated financial statements.

PSP SWISS PROPERTY (CONSOLIDATED)

CONSOLIDATED BALANCE SHEET

ASSETS	(in CHF 1000)	1 JANUARY 2008	31 DECEMBER 2008	31 MARCH 2009	NOTE
Investment properties		4 773 130	4 859 007	4 865 654	1
Own-used properties		27 604	16 976	16 879	1
Sites and development properties		109 970	132 766	146 858	1
Investments in associated companies		10	89	25	
Financial investments		6 144	5 447	5 468	
Accounts receivable		10 487	12 121	11 683	
Derivative financial instruments		16 825	0	0	
Intangible assets		1 241	627	469	
Furniture, fixtures and equipment		263	328	306	
Deferred tax assets		14 393	14 146	14 150	
Total non-current assets		4 960 068	5 041 506	5 061 493	
Investment properties for sale		38 943	107 046	110 320	1
Sites and development properties for sale		51 137	32 877	34 115	1
Accounts receivable		25 102	18 558	21 577	
Derivative financial instruments		0	56	0	
Deferrals		2 087	2 078	4 197	
Tax assets		29 344	0	0	
Cash and cash equivalents		27 158	70 067	12 219	
Total current assets		173 770	230 683	182 428	
Total assets		5 133 838	5 272 189	5 243 921	
SHAREHOLDERS' EQUITY AND LIABILITIES					
Share capital		492 470	379 905	379 905	
Capital reserves		1 110 829	1 121 227	1 121 227	
Own shares		-287 705	-316 879	-335 278	
Retained earnings		1 206 195	1 430 571	1 467 557	
Fair value reserves		12 965	-27 133	-33 481	
Total shareholders' equity		2 534 754	2 587 693	2 599 930	
Debt		1 059 962	1 180 000	1 240 000	
Bonds		682 805	683 989	684 293	
Derivative financial instruments		388	27 857	34 622	
Pension liabilities		3 495	3 333	3 329	
Deferred tax liabilities		406 285	439 875	443 841	
Provisions		2 135	2 000	2 000	
Total non-current liabilities		2 155 071	2 337 054	2 408 086	
Debt		345 000	270 000	160 000	
Derivative financial instruments		1 633	3 658	4 017	
Accounts payable		28 611	21 012	25 636	
Deferrals		40 738	38 787	35 742	
Tax liabilities		24 754	12 910	9 932	
Provisions		3 277	1 075	578	
Total current liabilities		444 014	347 442	235 905	
Total shareholders' equity and liabilities		5 133 838	5 272 189	5 243 921	

The notes are part of these consolidated financial statements.

PSP SWISS PROPERTY (CONSOLIDATED)

CONSOLIDATED CASH FLOW STATEMENT (JANUARY TO MARCH)

(in CHF 1000)	1 JANUARY TO 31 MARCH 2008	1 JANUARY TO 31 MARCH 2009	NOTE
Net income	30 430	36 986	
Net changes in fair value of investment properties	- 495	- 4 499	1
Capitalised/released rent-free periods	- 292	- 172	1
Income from other property sales	0	- 4	1
Income from investments in associated companies	- 134	16	
Dividend payment from associated companies	0	48	
Capitalised own services	- 275	- 359	
Provisions expenses	- 87	- 428	
Outflow of provisions	- 583	- 69	
Changes in pension liabilities	0	- 4	
Depreciation	345	281	
Net financial expenses	13 246	12 369	
Taxes	6 401	9 604	
Change in sites and development properties for sale	- 4 170	- 1 133	
Changes in accounts receivable	7 484	- 2 990	
Changes in accounts payable	- 4 325	4 624	
Changes in deferrals (assets)	- 1 505	- 2 119	
Changes in deferrals (liabilities)	- 3 284	581	
Interest paid	- 19 710	- 16 340	
Interest received	484	278	
Taxes paid	- 6 186	- 8 081	
Cash flow from operating activities	17 341	28 590	
Purchases of investment properties	- 12 567	0	1
Capital expenditures on investment properties	- 4 904	- 9 386	1
Capital expenditures on own-used properties	- 31	0	1
Capital expenditures on sites and development properties	- 3 045	- 9 129	1
Sales of properties	0	43	1
Payout of loans	- 1 728	- 50	
Repayment of loans	340	488	
Purchases of intangible assets	- 3	0	
Purchases of furniture, fixtures and equipment	- 17	- 5	
Cash flow from investing activities	- 21 955	- 18 039	
Purchases of own shares	0	- 18 399	
Increase in financial debt	140 000	160 000	
Financial debt repayment	- 135 000	- 210 000	
Cash flow from financing activities	5 000	- 68 399	
Changes in cash and cash equivalents	386	- 57 848	
Cash and cash equivalents at 1 January	27 158	70 067	
Cash and cash equivalents at 31 March	27 544	12 219	

The notes are part of these consolidated financial statements.

PSP SWISS PROPERTY (CONSOLIDATED)

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

(in CHF 1 000)	SHARE CAPITAL	CAPITAL RESERVES
31 December 2007	492 470	1 110 829
Comprehensive income		
Total income and expenses reported in shareholders' equity	0	0
Elimination tax effect on profits on own shares in statutory accounts		
31 March 2008	492 470	1 110 829
Comprehensive income		
Total income and expenses reported in shareholders' equity	0	0
Nominal value reduction (payment to shareholders)	-112 565	10 677
Trading in own shares		- 278
Elimination tax effect on profits on own shares in statutory accounts		
31 December 2008	379 905	1 121 227
Comprehensive income		
Total income and expenses reported in shareholders' equity	0	0
Trading in own shares		
31 March 2009	379 905	1 121 227

The notes are part of these consolidated financial statements.

	OWN SHARES	RETAINED EARNINGS	FAIR VALUE RESERVES	TOTAL SHAREHOLDERS' EQUITY
	- 287 705	1 206 195	12 965	2 534 754
		30 430	- 2 167	28 263
	0	30 430	- 2 167	28 263
		- 1 160		- 1 160
	- 287 705	1 235 465	10 798	2 561 857
		193 600	- 37 931	155 669
	0	193 600	- 37 931	155 669
				- 101 888
	- 29 174			- 29 452
		1 507		1 507
	- 316 879	1 430 572	- 27 133	2 587 693
		36 986	- 6 349	30 637
	0	36 986	- 6 349	30 637
	- 18 399			- 18 399
	- 335 278	1 467 557	- 33 481	2 599 930

PSP SWISS PROPERTY (CONSOLIDATED)

NOTES TO THE CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS AS OF 31 MARCH 2009

GENERAL INFORMATION

PSP Swiss Property Ltd is a public company whose shares are traded on the Swiss Exchange (SIX).

PSP Swiss Property owns 189 office and commercial buildings as well as 7 development sites throughout Switzerland. The properties are mainly in prime locations in Zurich, Geneva, Basel, Bern and Lausanne. At the end of March 2009, PSP Swiss Property had 79 employees.

The consolidated quarterly financial statements as of 31 March 2009 are based on the quarterly accounts of the wholly-owned individual subsidiaries at 31 March 2009.

The consolidated financial statements of PSP Swiss Property as of 31 March 2009 were authorised for issue by the Board of Directors on 14 May 2009.

ACCOUNTING PRINCIPLES

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), published by the International Accounting Standards Board (IASB), and comply with Swiss law as well as with the requirements of the SIX Swiss Exchange's Listing Rules and the Additional Rules for the Listing of Real Estate Companies.

The quarterly financial statements as of 31 March 2009 have been prepared in accordance with IAS 34 (Interim Financial Reporting). The condensed quarterly reporting Q1 2009 does not include all the information and disclosure which is required for the annual report and should therefore be read together with the financial report for the 2008 business year.

The investment properties are valued semi-annually (end of June and end of December) by an external, independent real estate valuation company. A systematic value analysis is made by PSP Swiss Property internally at the end of the first and third quarter in order to identify any substantial changes in value. If this analysis results in property-specific changes in value (more than 2% compared to the total value of the investment property portfolio per quarter respectively more than CHF 5 million for individual properties), the properties involved are also valued by the external, independent valuation company at the end of a quarter. Properties newly acquired during the reporting period are valued externally at the end of the quarter. The change in fair value is recognised in the income statement.

Furthermore, the same consolidation, accounting and valuation principles have been applied for the quarterly financial statements as of 31 March 2009 as those which are described on pages 34 to 47 of the 2008 annual report of PSP Swiss Property.

During the reporting period, the following accounting standard changes, which are relevant for PSP Swiss Property, were implemented:

- IAS 1 (revised) Presentation of Financial Statements (compulsory from 1 January 2009). This revised standard prohibits the presentation of items of income and expenses (that is, «non-owner changes in equity») in the statement of shareholders' equity, requiring «non-owner changes in equity» to be presented separately from «owner changes in equity». All «non-owner changes in equity» are required to be shown in a performance statement. PSP Swiss Property has made the corresponding adjustments in the statement of shareholders' equity. In addition to the income statement, a statement of comprehensive income is now shown according to IAS 1.
- IFRS 8 Operating Segments (compulsory from 1 January 2009). This standard, which replaces IAS 14 Segment Reporting, requires a company to adopt the so-called «management approach» to reporting on the financial situation of its segments. In general, management must provide information on its approach with regard to the evaluation of the segment results and the allocation of resources to the segments. The adoption of this standard does not have a material impact on the segment information, as PSP Swiss Property has already in the past disclosed its three operating business units using the «management approach». This standard expands disclosure with regard to segment reporting.
- IAS 40 Investment Property (prospective, compulsory from 1 January 2009). This revised standard stipulates that development properties which are earmarked for later use as investment properties are now part of IAS 40. For PSP Swiss Property, which applies the fair-value model under IAS 40, this means that development properties which are earmarked for later use as investment properties are shown in the balance sheet at their fair value as early as their development stage, if the fair value can be reliably determined. PSP Swiss Property assumes that a reliable determination of the fair value according to IAS 40 is possible from the moment a concrete project with corresponding building permission is available. The change in valuation is recorded in the income statement. In the past, valuation during the development phase was at historical cost. In addition, an impairment test is carried out for such objects, if there are signs for a possible impairment.

PSP SWISS PROPERTY (CONSOLIDATED)

NOTES TO THE CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS AS OF 31 MARCH 2009

AMENDMENTS OF ACCOUNTING AND VALUATION PRINCIPLES

In connection with the application of IFRS 8 and IAS 40 revised, the following accounting and valuation principles were amended:

SEGMENT REPORTING

Segment reporting was prepared according to IFRS 8 (Segment Reporting).

According to the Group's internal reporting and organisational structure, the consolidated results are presented by segment. Presentation according to segments shall make earnings power as well as the financial situation of the Group's individual activities more transparent.

As at 31 March 2009, the Group was organised into three business units:

1. Real estate investments: This segment includes the real estate business. It comprises all properties of the Group (investment properties, investment properties earmarked for sale, sites and development properties, development properties earmarked for sale as well as properties used by the Company itself).
2. Real estate management: This segment includes all services and activities with regard to the management of the Company's real estate portfolio.
3. Holding: This segment includes the traditional corporate functions (finance, legal, investor relations/public relations, human resources and information technology).

For the management of the Company, the Group is divided into three business segments, based on the products and services offered by the segments. The Executive Board monitors the operational results down to the level of operational income before taxes separately for each business segment, in order to decide on the distribution of resources and to assess earnings power.

SITES AND DEVELOPMENT PROPERTIES

Sites and development properties are building sites, land and properties held with the intention to be developed as future investment properties. According to IAS 40, these are shown in the balance sheet at their fair values, if the fair value can be reliably determined. PSP Swiss Property assumes that a reliable determination of the fair value according to IAS 40 is possible from the moment a concrete project with corresponding building permission is available. From that moment, the changes in valuation are recorded in the income statement. Until the requirements for a reliable determination of the fair value are met, the valuation during the development phase is made at historical cost. In addition, an impairment test is carried out for such objects, if there are signs for a possible impairment.

CONSOLIDATED COMPANIES

There were no changes in the consolidated companies compared to the annual report as of 31 December 2008.

Apart from the holding company PSP Swiss Property Ltd, none of the Group companies is listed on a stock exchange.

PSP SWISS PROPERTY (CONSOLIDATED)

NOTES TO THE CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS AS OF 31 MARCH 2009

SEGMENT INFORMATION Q1 2008

	1 JANUARY TO 31 MARCH 2008				
	REAL ESTATE INVESTMENTS	REAL ESTATE MANAGEMENT	HOLDING	ELIMINATIONS	TOTAL GROUP
OPERATING INCOME	(in CHF 1000)				
Rental income	63 991			- 443	63 548
Net changes in fair value of real estate investments	495				495
Income from property sales (inventories)	34			1	35
Expenses from sold properties (inventories)	- 33				- 33
Income from other property sales	0				0
Income from investments in associated companies		134			134
Real estate management services		2 865		- 2 865	0
Capitalised own services		275			275
Other income	1 038	278	3 209	- 3 335	1 190
Total operating income	65 525	3 553	3 209	- 6 642	65 645
OPERATING EXPENSES					
Real estate operating expenses	- 6 588			2 865	- 3 723
Real estate maintenance and renovation expenses	- 4 286			175	- 4 111
Personnel expenses		- 2 072	- 2 368	25	- 4 415
Fees to subcontractors		- 19			- 19
General and administrative expenses	- 3 981	- 994	- 1 558	3 577	- 2 956
Depreciation	- 159	- 168	- 18		- 345
Total operating expenses	- 15 014	- 3 252	- 3 944	6 642	- 15 568
Operating profit before financial expenses	50 511	300	- 735		50 077
Net financial expenses	- 13 330	78	6		- 13 246
Operating profit before taxes	37 181	379	- 729		36 831
Taxes					- 6 401
Net income					30 430
REVENUE					
With third parties	64 620	28	0		64 648
With other segments	443	3 391	3 209	- 6 642	400
Total revenue	65 062	3 418	3 209	- 6 642	65 048

Revenue includes operationally billed products and services. The following positions in the income statement are not included in revenue: net changes in fair value of the properties, expenses from sold properties (inventories), income from other property sales and income from investments in associated companies.

SEGMENT INFORMATION Q1 2009

	1 JANUARY TO 31 MARCH 2009				
	REAL ESTATE INVESTMENTS	REAL ESTATE MANAGEMENT	HOLDING	ELIMINATIONS	TOTAL GROUP
OPERATING INCOME	(in CHF 1000)				
Rental income	68 661			- 445	68 215
Net changes in fair value of real estate investments	4 499				4 499
Income from property sales (inventories)	0				0
Expenses from sold properties (inventories)	0				0
Income from other property sales	3			1	4
Income from investments in associated companies		- 16			- 16
Real estate management services		3 219		- 3 219	0
Capitalised own services		359			359
Other income		233	3 212	- 3 446	0
Total operating income	73 163	3 795	3 212	- 7 109	73 061
OPERATING EXPENSES					
Real estate operating expenses	- 6 923			3 219	- 3 704
Real estate maintenance and renovation expenses	- 3 767			158	- 3 609
Personnel expenses		- 1 900	- 2 394	25	- 4 268
Fees to subcontractors		- 39			- 39
General and administrative expenses	- 4 026	- 565	- 1 316	3 707	- 2 201
Depreciation	- 101	- 163	- 17		- 281
Total operating expenses	- 14 818	- 2 668	- 3 727	7 109	- 14 103
Operating profit before financial expenses	58 345	1 128	- 514		58 958
Net financial expenses	- 12 435	59	7		- 12 369
Operating profit before taxes	45 910	1 186	- 507		46 589
Taxes					- 9 604
Net income					36 986
REVENUE					
With third parties	68 215	0	0		68 219
With other segments	445	3 811	3 212	- 7 109	359
Total revenue	68 661	3 811	3 212	- 7 109	68 578

Revenue includes operationally billed products and services. The following positions in the income statement are not included in revenue: net changes in fair value of the properties, expenses from sold properties (inventories), income from other property sales and income from investments in associated companies.

PSP SWISS PROPERTY (CONSOLIDATED)

NOTES TO THE CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS AS OF 31 MARCH 2009

SELECTED EXPLANATORY NOTES

1. REAL ESTATE INVESTMENTS

	INVESTMENT PROPERTIES	INVESTMENT PROPERTIES FOR SALE	OWN-USED PROPERTIES	SITES AND DEVELOPMENT PROPERTIES		CURRENT DEVELOP- MENT PROPERTIES FOR SALE	TOTAL REAL ESTATE INVESTMENT
				AT MARKET VALUE	AT HISTORI- CAL COST		
(in CHF 1000)	IAS 40	IFRS 5	IAS 16	IAS 40	IAS 40	IAS 2	
Carrying value at 31 December 2007	4 773 130	38 943	27 604	n.a.	109 970	51 137	5 000 785
Purchases	12 705	0	0		8 163	0	20 868
Capitalised/released rent-free periods ¹	245	0	0		0	0	245
Transfers	- 65 354	98 499	- 13 251		- 19 893	0	0
Capital expenditures	34 504	197	32		33 107	14 248	82 089
Capitalised own services	770	9	20		636	250	1 685
Capitalised interest expenses	1 046	3	5		783	555	2 392
Sales	-19 177	- 30 932	0		0	- 33 313	- 83 422
Net changes in fair value of real estate investments	121 137	327	n.a.		n.a.	n.a.	121 464
■ Net changes in fair value of properties held at 1 January 2008	117 127	327	n.a.		n.a.	n.a.	117 454
■ Net changes in fair value of properties acquired, completed and transferred during reporting period	4 010	n.a.	n.a.		n.a.	n.a.	4 010
■ Transfer gains during reporting period	0	n.a.	n.a.		n.a.	n.a.	0
Income neutral appreciation due to change of use	n.a.	n.a.	3 291		n.a.	n.a.	3 291
Depreciation	n.a.	n.a.	- 725		n.a.	n.a.	- 725
Carrying value at 31 December 2008	4 859 007	107 046	16 976	n.a.	132 766	32 877	5 148 672
Historical cost			17 105				
Accumulated depreciation			- 129				
Carrying value, net			16 976				
Purchases	0	0	0	0	0	0	0
Capitalised/released rent-free periods ¹	172	0	0	0	0	0	172
Transfers	- 3 269	3 269	0	41 101	- 41 101	0	0
Capital expenditures	9 382	4	0	7 464	1 665	1 133	19 648
Capitalised own services	137	0	0	170	19	32	359
Capitalised interest expenses	264	0	0	174	102	73	613
Sales	- 39	0	0	0	0	0	- 38
Net changes in fair value of real estate investments	0	0	n.a.	4 499	n.a.	n.a.	4 499
■ Net changes in fair value of properties held at 1 January 2009	0	0	n.a.	0	n.a.	n.a.	0
■ Net changes in fair value of properties acquired, completed and transferred during reporting period	0	n.a.	n.a.	4'499	n.a.	n.a.	4 499
■ Transfer gains during reporting period	0	n.a.	n.a.	0	n.a.	n.a.	0
Income neutral appreciation due to change of use	n.a.	n.a.	0	n.a.	n.a.	n.a.	0
Depreciation	n.a.	n.a.	- 97	n.a.	n.a.	n.a.	- 97
Carrying value at 31 March 2009	4 865 654	110 320	16 879	53 408	93 450	34 115	5 173 826
Historical cost			17 105				
Accumulated depreciation			- 226				
Carrying value, net			16 879				

¹ Straightlining of incentives given to tenants.

In the first quarter 2009, only a hobby room in the property on Brandschenkestrasse 72–78 in Zurich was sold. There were no other real estate transactions.

Due to the compulsory application of IAS 40 revised as from 1 January 2009, development properties earmarked for later use as investment properties are now shown at fair value. Accordingly, the two ongoing development properties i) new construction health spa/hotel on the Hürlimann site in Zurich and ii) new construction Businesspark Richtistrasse in Wallisellen were re-classified and valued at fair value as of 1 January 2009; this resulted in gains of CHF 4.5 million.

2. FINANCIAL EXPENSES

(in CHF 1000)	1 JANUARY TO 31 MARCH 2008	1 JANUARY TO 31 MARCH 2009
Financial income	484	278
Total financial income	484	278
Financial expenses	14 012	12 955
Capitalised interest expenses	– 578	– 613
Amortisation of issue expenses of bonds	296	304
Total financial expenses	13 729	12 647
Total net financial expenses	13 246	12 369
Overall financial expenses for financial instruments at amortised cost	14 308	13 260

Interest-bearing debt decreased to CHF 2.084 billion at the end of March 2009 (end of 2008: CHF 2.134 billion). The average interest rate was 2.49% during the reporting period January to March 2009 (previous year's period: 2.70% respectively for the whole of 2008: 2.75%). At the end of March 2009, the average interest rate stood at 2.51% (end of 2008: 2.46%).

PSP SWISS PROPERTY (CONSOLIDATED)

NOTES TO THE CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS AS OF 31 MARCH 2009

3. DEBT

From 31 December 2008 to the end of March 2009, fixed term loans totalling CHF 160 million were drawn within the framework of existing credit lines and CHF 210 million were repaid. During the same period, no bonds were issued or repaid.

As in the previous year, no debt was outstanding at 31 March 2009, which was secured by mortgages on properties, and no debt was outstanding with an amortisation obligation.

All financial key figures (financial covenants) laid down in the existing credit agreements were adhered to in the reporting period. The two most important financial covenants concern the consolidated equity ratio and the interest coverage.

At the respective balance sheet dates, the exposure of all debt with regard to changes in interest rates was as follows:

(in CHF 1000)	31 DECEMBER 2008	31 MARCH 2009
< 6 months	350 000	350 000
6 to 12 months	200 000	150 000
1 to 5 years	1 336 511	1 336 734
> 5 years	247 478	247 559
Total interest-bearing debt	2 133 989	2 084 293

At the end of March 2009, the average fixed-interest period was 3.0 years (end of 2008: 3.1 years).

4. DERIVATIVE FINANCIAL INSTRUMENTS

From 31 December 2008 to the end of March 2009, interest rate swaps with a contract volume totalling CHF 100 million matured. On the other hand, new interest rate swaps (pay fix/receive floating) with a contract volume totalling CHF 50 million were signed (due in 2014). The fixed interest basis for the existing interest rate swaps at the end of March 2009 was 1.54% to 3.13%; the variable interest rates are based on Libor plus a margin.

5. PER SHARE FIGURES

Earnings per share is calculated by dividing the reported net income by the average weighted number of shares, excluding own shares. Earnings per share excluding gains/losses on real estate investments is based on «net income excluding gains/losses on real estate investments»².

	1 JANUARY TO 31 MARCH 2008	1 JANUARY TO 31 MARCH 2009
Net income in CHF 1 000	30 430	36 986
Number of average outstanding shares	42 453 147	41 646 358
Earnings per share in CHF (basic and diluted)	0.72	0.89
Net income excl. gains/losses on real estate investments in CHF 1 000	30 044	33 495
Earnings per share excl. gains/losses on real estate investments in CHF (basic and diluted)	0.71	0.80

Equity per share changed as follows:

	AT 31 DECEMBER 2008	AT 31 MARCH 2009
Shareholders' equity in CHF 1 000	2 587 693	2 599 930
Deferred taxes in CHF 1 000	425 729	429 691
Number of issued shares	46 901 891	46 901 891
Number of own shares	5 052 533	5 458 533
Number of outstanding shares	41 849 358	41 443 358
Net asset value per share in CHF¹	61.83	62.73
Net asset value per share before deferred taxes in CHF¹	72.01	73.10

¹ Based on number of outstanding shares, before nominal value repayment.

In the first quarter 2009, 406 000 treasury shares were repurchased within the ongoing share buyback programme at an average price of CHF 45.32, totalling CHF 18.4 million, through the second trading line on the SIX Swiss Exchange.

² «Consolidated annual net income excluding gains/losses on real estate investments» corresponds to the consolidated annual net income excluding net changes in fair value of the real estate investments, realised income on sales of investment properties and all of the related taxes. Income from the sale of properties which were developed by the Company itself is, however, included in the annual net income excluding gains/losses on real estate investments.

PSP SWISS PROPERTY (CONSOLIDATED)

NOTES TO THE CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS AS OF 31 MARCH 2009

6. SUBSEQUENT EVENTS

On 2 April 2009, the Annual General Meeting approved a cash payment in the form of a nominal value reduction of CHF 2.50 per share (previous year: nominal value reduction of CHF 2.40 per share). Payment is planned for the end of June 2009 and corresponds to a cash yield of 4.5%.

There were no further subsequent events.

PSP SWISS PROPERTY (CONSOLIDATED)

REVIEW REPORT OF THE STATUTORY AUDITOR

Report on the Review of the condensed consolidated interim financial information to the Board of Directors of PSP Swiss Property Ltd, Zug

INTRODUCTION

We have reviewed the accompanying condensed consolidated interim financial information (income statement, statement of comprehensive income, balance sheet, statement of cash flows, statement of changes in equity and selected explanatory notes, pages 8 to 24) of PSP Swiss Property Ltd for the period ended 31 March 2009. The Board of Directors is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34 «Interim Financial Reporting». Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with Swiss Auditing Standard 910 and International Standard on Review Engagements 2410, «Review of Interim Financial Information Performed by the Independent Auditor of the Entity». A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Swiss Auditing Standards and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 «Interim Financial Reporting».

PricewaterhouseCoopers AG

Wanda Eriksen	Markus Schmid
Audit expert	Audit expert
Auditor in charge	

Zurich, 14 May 2009

CONTACTS AND IMPORTANT DATES

MAIN COMPANY ADDRESSES

PSP Swiss Property Ltd

Kolinplatz 2
CH-6300 Zug
Phone +41 (0)41 728 04 04
Fax +41 (0)41 728 04 09

PSP Group Services Ltd

Brandschenkestrasse 152a, P.O. Box
CH-8027 Zurich
Phone +41 (0)44 625 59 00
Fax +41 (0)44 625 58 25

AGENDA

Publication of 2009 interim results
18 August 2009

Publication of quarterly results Q3 2009
13 November 2009

Publication of 2009 results
26 February 2010

Annual General Meeting 2010
2 March 2010, Kongresshaus, Zurich

EXECUTIVE BOARD OF PSP SWISS PROPERTY

Luciano Gabriel
Chief Executive Officer

Giacomo Balzarini
Chief Financial Officer

Ludwig Reinsperger
Chief Investment Officer

SECRETARY TO THE BOARD OF DIRECTORS

Samuel Ehrhardt
Phone +41 (0)44 625 50 08
E-mail samuel.ehrhardt@psp.info

INVESTOR RELATIONS

Vasco Cecchini
Phone +41 (0)44 625 57 23
E-mail vasco.cecchini@psp.info

CUSTOMER CARE

EFFICIENT, COMPETENT AND LOCAL

FRONT UNITS (PROPERTY MANAGEMENT)

Thanks to its broad regional presence, PSP Swiss Property has detailed knowledge of the local real estate markets. The well developed branch network allows efficient management of all properties.

GENEVA

Management: Roland Zbinden

PSP Management Ltd
Rue des Bains 33, P.O. Box 268
CH-1211 Geneva 8
Phone +41 (0)22 332 25 00
Fax +41 (0)22 332 25 01

LAUSANNE

Management: Roland Zbinden a.i.

PSP Management Ltd
Rue de Sébeillon 1, P.O. Box 91
CH-1000 Lausanne 20
Phone +41 (0)21 637 78 00
Fax +41 (0)21 637 78 01

OLTEN

Management: Thomas Bracher

PSP Management Ltd
Baslerstrasse 44, P.O. Box
CH-4603 Olten
Phone +41 (0)62 929 90 00
Fax +41 (0)62 929 90 01

ZURICH

Management: André Wenzinger

PSP Management Ltd
Brandschenkestrasse 152a, P.O. Box
CH-8027 Zurich
Phone +41 (0)44 625 57 57
Fax +41 (0)44 625 50 84



PSP Swiss Property Ltd

Kolinplatz 2
CH-6300 Zug

www.psp.info
info@psp.info

IMPRINT

Concept and layout:
LST Schenker AG, Reussbühl

May 2009

Stock exchange, trading symbols

SIX Swiss Exchange: Symbol PSPN, Security number 1829415, ISIN CH0018294154
Reuters: PSPZn.S
Bloomberg: PSPN SW