

INTERIM
REPORT H1

2014

Key figures

Key financial figures	Unit	1 January to	1 April to	1 April to	1 January to	1 January to	Change ¹
		31 Dec. 2013	30 June 2013	30 June 2014	30 June 2013	30 June 2014	
Rental income	CHF 1 000	279 143	70 095	68 541	138 077	138 402	0.2 %
EPRA like-for-like change	%	1.7	0.0	- 1.0	- 0.2	0.4	
Net changes in fair value of real estate investments	CHF 1 000	128 144	80 346	9 827	95 735	9 827	
Income from property sales	CHF 1 000	13 048	1 127	4 060	1 202	6 919	
Total other income	CHF 1 000	6 088	1 059	1 053	4 487	3 480	
Net income	CHF 1 000	270 993	105 764	52 073	158 731	95 877	- 39.6 %
Net income excluding gains/losses on real estate investments ²	CHF 1 000	173 643	44 019	43 629	85 210	87 433	2.6 %
Ebitda excluding gains/losses on real estate investments	CHF 1 000	242 480	59 016	59 176	117 890	122 050	3.5 %
Ebitda margin	%	81.3	81.6	82.4	82.0	83.0	
Total assets	CHF 1 000	6 541 812			6 504 249	6 518 630	- 0.4 %
Shareholders' equity	CHF 1 000	3 839 230			3 728 541	3 766 070	- 1.9 %
Equity ratio	%	58.7			57.3	57.8	
Return on equity	%	7.2	12.4	5.5	8.6	5.0	
Interest-bearing debt	CHF 1 000	1 838 784			1 948 383	1 878 391	2.2 %
Interest-bearing debt in % of total assets	%	28.1			30.0	28.8	

Portfolio key figures

Number of properties	Number	161			165	160	
Carrying value properties	CHF 1 000	6 033 930			6 181 268	6 054 849	0.3 %
Implied yield, gross ³	%	4.6	4.6	4.5	4.6	4.5	
Implied yield, net ³	%	3.9	3.9	3.9	3.9	3.9	
Vacancy rate end of period (CHF) ^{3,4}	%	8.0			9.1	9.3	
Number of sites and development properties	Number	10			9	10	
Carrying value sites and development properties	CHF 1 000	431 647			247 034	397 315	- 8.0 %

Employees

End of period	Posts	86			87	89	
Full-time equivalents	Posts	79			80	82	

Per share figures

Earnings per share (EPS) ⁵	CHF	5.91	2.31	1.14	3.46	2.09	- 39.6 %
EPS excluding gains/losses on real estate investments ⁵	CHF	3.79	0.96	0.95	1.86	1.91	2.6 %
Distribution per share	CHF	3.25 ⁶	n.a.	n.a.	n.a.	n.a.	
Net asset value per share (NAV) ⁷	CHF	83.70			81.29	82.11	- 1.9 %
NAV per share before deduction of deferred taxes ⁷	CHF	99.25			96.52	97.76	- 1.5 %
Share price end of period	CHF	75.50			81.80	83.50	10.6 %

1 Change to previous year's period 1 January to 30 June 2013 or carrying value as of 31 December 2013 as applicable.

2 See definition „Net income excluding gains/losses on real estate investments“ on page 28, 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 2013 business year. Cash payment was made on 10 April 2014.

7 Based on number of outstanding shares.

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Interim report 2014

The interim report is available as PDF on www.psp.info.

Charts/tables

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

English translation of German original

This is an English translation of the German original (available from investor.relations@psp.info). Only the German original is legally binding.

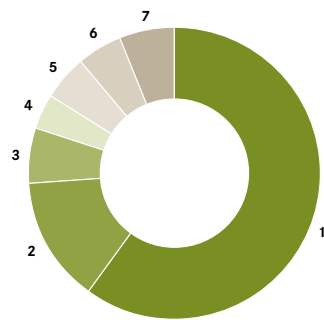
www.psp.info

Further publications and information are available on www.psp.info.



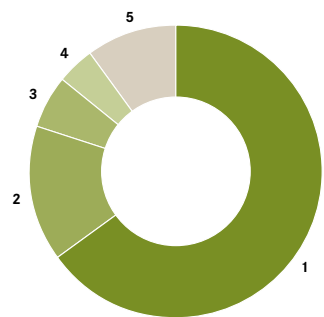
Highlights in brief

Value of portfolio by area



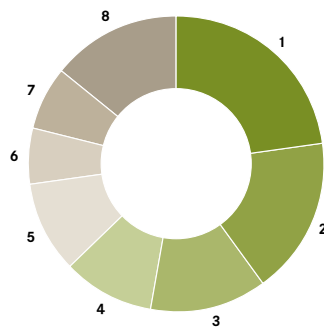
1	Zurich	60%
2	Geneva	14%
3	Basel	6%
4	Bern	4%
5	Lausanne	5%
6	Other locations	5%
7	Sites and development properties	6%

Rent by use



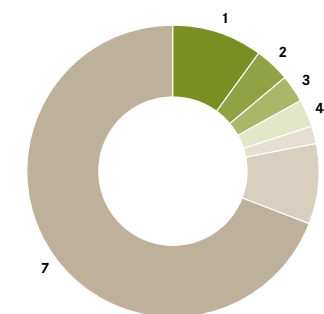
1	Office	65%
2	Retail	15%
3	Parking	6%
4	Gastronomy	4%
5	Other	10%

Rent by type of tenant



1	Retail	23%
2	Services	17%
3	Telecommunication	13%
4	Financial services	10%
5	Technology	10%
6	Government	6%
7	Gastronomy	7%
8	Other	14%

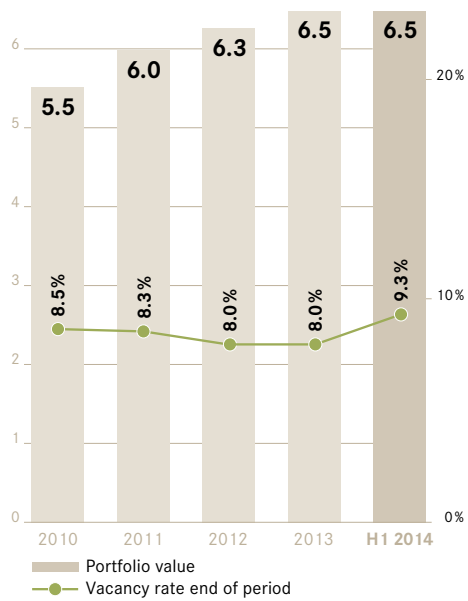
Rent by largest tenants



1	Swisscom	10%
2	Google	4%
3	JT International	3%
4	Schweizer Post	3%
5	Bär & Karrer	2%
6	Next five largest tenants	9%
7	Other	69%

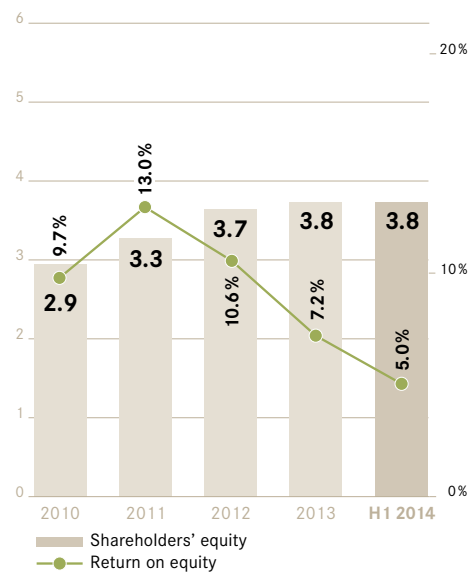
Real estate portfolio

(in CHF billion, vacancy in %)



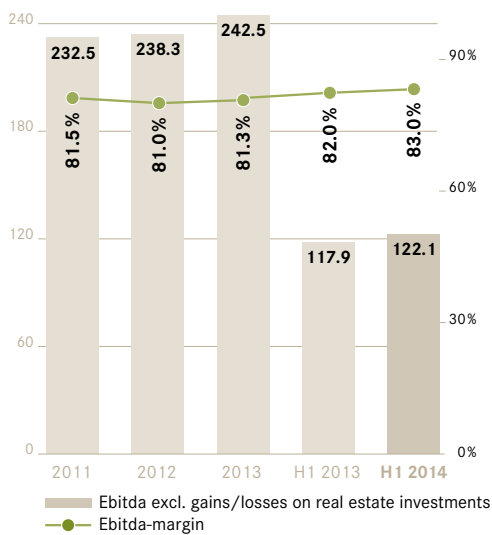
Shareholders' equity

(in CHF billion, return in %)



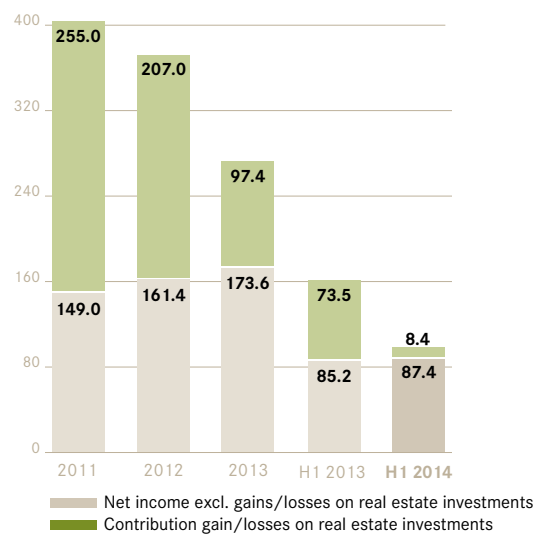
Ebitda

(in CHF million, margin in %)



Net income components

(in CHF million)



Board of Directors' statement

Ladies and Gentlemen

Switzerland's economy remains in good shape. While the country's gross domestic product rose around 2% in 2013, most forecasters predict that GDP growth will be in the same range in 2014. Growth will be driven by domestic consumption on the one hand and by foreign demand and a corresponding surge in exports on the other hand.

With regard to inflation and interest rates, there are no signs for a rise in the foreseeable future. Due to the still unresolved public debt issues in the Eurozone, the European Central Bank is expected to maintain its expansive monetary stance. By maintaining its minimum euro exchange rate policy, Switzerland's National Bank is also likely to adhere to its monetary policy. We protect ourselves against the imponderabilities of future interest rate trends by means of interest rate swaps (staggered over time) as well as issuing new bonds.

As a result, the environment for the Swiss real estate market remains positive overall, despite regulatory uncertainties and the adoption of the immigration initiative. With its resounding rejection of the 1:12 initiative (which would have capped the highest salary within a company to twelve times the lowest salary) and the minimum-wage initiative, Swiss voters clearly stated their positive attitude towards flexible labour markets and an open-market economy.

The increase in available space and additional vacancies in the commercial properties sectors will continue to dampen rental prices for a number of years. In Zurich and Geneva in particular, available office space expanded significantly in the first half of 2014. Nevertheless, if economic growth forecasts prove to be correct, rising demand will absorb the additional space sooner or later. In one of our main markets, Zurich's Central Business District (CBD), top rents declined slightly. However, first signs of stabilising vacancies can be detected – an indication that the relocation of jobs out of the city centre may be coming to an end.

Overall, the market for retail space was robust in the first half of 2014. Rents remained more or less unchanged at high levels. Potential rental increases remain limited to well frequented top locations.

Our activities with regard to new lettings and follow-up rentals were satisfactory. On average we succeeded in negotiating slightly higher rents for new leases as well as lease extensions in the first half of 2014. A major factor for this positive development is our long-term renovation and property improvement programme.

In the first half of 2014, we achieved a net income (excluding net changes in fair values) of CHF 87.4 million (first half of 2013: CHF 85.2 million). Net income (excluding net changes in fair values) is the basis for the distribution to shareholders. On 10 April 2014, a cash payment of CHF 3.25 per outstanding share was made from the capital contribution reserves (totalling CHF 149.1 million).

PSP Swiss Property is solidly financed and has a strong equity base: as at the end of June 2014, we had unused committed credit lines from various banks totalling CHF 580 million; the ratio of net debt to total assets (loan-to-value) was a low 28.8%. The independent rating agency Fitch confirmed PSP Swiss Property Ltd's „A-/stable“ rating in March 2014.

In this challenging environment, we strive to keep our portfolio as attractive and marketable as possible. Consequently, our focus remains on the renovation and improvement of selected properties. At the same time, we attach great importance to up-to-date infrastructure and ecological sustainability. This way, we continuously increase our property portfolio's quality and value.

We are confident about the second half of 2014 – with our proven, transparent business policy and a clear focus on high-class Swiss commercial properties.

Based on the assumption of an unchanged property portfolio, we expect an Ebitda (excluding gains/losses on real estate investments) of approximately CHF 235 million for 2014, which is above the previous forecast of CHF 230 million (2013: CHF 242.5 million). The decrease compared to last year is mostly due to a decline in rental income and lower income from the sale of condominiums. With regard to the vacancies, we still expect a vacancy rate of around 11% at the end of 2014 (end of June 2014: 9.3%). The main reasons for this increase are two larger vacancies, which will arise during the fourth quarter 2014 at one property in Zurich (CBD) and one property in Zurich West.



Günther Gose

Chairman of the
Board of Directors

18 August 2014



Luciano Gabriel

Delegate of the Board of Directors
and Chief Executive Officer

Report on the first half of 2014

Ladies and Gentlemen

Major operational activities

During the reporting period, the optimisation of the property portfolio as well as the further development of the sites remained at the top of our operational agenda. We also paid special attention to the proactive management of leases which run out during the coming months.

Löwenbräu site, Zurich: construction of the apartment tower „Black“ was completed in the first quarter of 2014.

Gurten site, Wabern near Bern: the apartment complex (99 freehold apartments and two studios) was completed in the second quarter of 2014. At the end of June 2014, all 99 apartments and both studios were sold; thereof, 94 apartments and both studios were transferred to their buyers in the first half of 2014. Until the end of 2014, the former brewing house („Sudhaus“) and further commercial areas on the site will be modernised. The two industrial buildings of the former bottling plant are currently in the conversion evaluation phase.

„Salmenpark“, Rheinfelden: work on the currently largest development project with an investment total of CHF 170 million (stage 1) proceeds according to plan. Construction began at the end of August 2013; completion is planned for 2016. 45% of the commercial units have already been pre-let, and marketing for the remaining approximately 3 600 m² of sales areas, approximately 4 500 m² of office space and 36 rental apartments began at the end of March 2014. At the end of June 2014, 34 of the 113 freehold apartments had already been sold.

The new constructions and conversions on the other sites progressed as planned. For further information on the projects see pages 54 to 55.

Thanks to the rolling interest rate hedging transactions, PSP Swiss Property will continue to benefit from the historically low interest rate levels in the medium term as well. At the end of June 2014, the passing average interest rate was 1.76% (end of 2013: 1.85%). The average fixed-interest period was 3.7 years (end of 2013: 3.4 years). No major committed bank loans will be due until 2018. At the end of June 2014, PSP Swiss Property had unused committed credit lines of CHF 580 million. This substantial amount allows the Company to continue to flexibly manage its capital and is an excellent basis for possible acquisitions.

With total equity of CHF 3.766 billion (end of 2013: CHF 3.839 billion) – corresponding to an equity ratio of 57.8% (end of 2013: 58.7%) – PSP Swiss Property continued to have a strong capital base at the end of June 2014. Interest-bearing debt amounted to CHF 1.878 billion, corresponding to 28.8% of total assets (end of 2013: CHF 1.839 billion respectively 28.1%).

In March 2014, the rating agency Fitch confirmed PSP Swiss Property Ltd's rating with an „A-“ and stable outlook.

Real estate portfolio

At the end of June 2014, the real estate portfolio included 160 office and commercial properties in top locations. In addition, there were five sites with development projects and five individual projects. The carrying value of the total portfolio stood at CHF 6.452 billion (end of 2013: CHF 6.466 billion).

On 30 April 2014, the investment property on Albulastrasse 57 in Zurich was sold (transfer as per 1 May 2014). During the reporting period, no investment properties were acquired.

The revaluation of the properties for the first six months of 2014 resulted in an appreciation of CHF 9.8 million. This relatively small change was due to the mutual compensation of various value drivers. Thereby, slightly higher market rents in top locations and a decline in the average weighted discount rate by 4 basis points had a positive effect – at the balance-sheet date, the portfolio's weighted average nominal discount rate was 4.87% (end of 2013: 4.91%). Longer vacancy periods before new rentals, adjustment of market rents on peripheral locations and higher renovation costs at a number of properties more or less offset the positive effects.

At the end of June 2014, three investment properties with a total value of CHF 9.3 million were earmarked for sale.

Vacancy development

At the end of June 2014, the vacancy rate stood at 9.3% (end of 2013: 8.0%).

1.4 percentage points of the 9.3% were due to ongoing renovation work on various properties. The properties in Zurich West and Wallisellen contributed 3.7 percentage points to the overall vacancy rate. The remaining properties with a carrying value of CHF 5.1 billion (i.e. the total investment portfolio excluding the objects under renovation as well as those in Zurich West and Wallisellen) made up 4.2 percentage points.

Of the lease contracts maturing in 2014 (CHF 42.1 million), 52% were renewed respectively extended at the end of June 2014.

As at year-end 2014, we expect a vacancy rate of approximately 11%. The increase compared to mid-year is mainly due to two larger vacancies, which will arise during the fourth quarter of 2014 at one property in Zurich (Central Business District) and one property in Zurich West.

Report on the first half of 2014

Consolidated interim results (January to June 2014)

In the reporting period, net income excluding gains/losses on real estate investments¹ increased to CHF 87.4 million (previous year's period: CHF 85.2 million). Corresponding earnings per share amounted to CHF 1.91 (previous year's period: CHF 1.86). For PSP Swiss Property, net income excluding gains/losses on real estate investments is the basis for the distribution to shareholders.

Net income including gains/losses on real estate investments amounted to CHF 95.9 million (previous year's period: CHF 158.7 million). The decline is mainly due to the lower appreciation of the properties compared to the year-earlier period. Earnings per share including changes in fair value amounted to CHF 2.09 (previous year's period: CHF 3.46).

With CHF 138.4 million, rental income virtually remained at the level of the previous year's period (CHF 138.1 million).

Income from the sale of freehold apartments amounted to CHF 4.9 million (previous year's period: CHF 1.2 million). In the reporting period, 94 freehold apartments and both studios on the Gurten site in Wabern near Bern as well as two freehold apartments on the Löwenbräu site in Zurich were transferred to their buyers.

The sale of one investment property resulted in a profit of CHF 2.0 million (previous year's period no sales).

Other income decreased by CHF 1.1 million to CHF 2.1 million (previous year's period: CHF 3.3 million); thereby, the contribution from VAT recovery declined by CHF 0.8 million to CHF 2.1 million (previous year's period: CHF 2.9 million).

Operating expenses decreased by CHF 0.7 million to CHF 25.5 million (previous year's period: CHF 26.2 million). With CHF 15.9 million, financial expenses hardly changed from the previous year's level (CHF 15.8 million).

At the end of June 2014, net asset value (NAV) per share was CHF 82.11 (end of 2013: CHF 83.70). NAV before deducting deferred taxes amounted to CHF 97.76 (end of 2013: CHF 99.25). It should be noted that a cash payment of CHF 3.25 per share was made at the beginning of April 2014.

Dividend payment

Following the resolution of the Annual General Meeting of 3 April 2014, a cash payment of CHF 3.25 per outstanding share totalling CHF 149.1 million was made out of the capital contribution reserves on 10 April 2014.

¹ See definition on page 28, note 2.

Resolutions of the Annual General Meeting 2014

In addition to the above-mentioned cash payment, all other proposals put to the vote of the Annual General Meeting were also approved. In particular, the proposed amendment to the Articles of Association in order to implement the ordinance against excessive compensations in listed companies [Verordnung gegen übermässige Vergütungen bei börsenkotierten Aktiengesellschaften („VegüV“)] was approved.

As of 30 June 2014, the Board of Directors was composed of the existing members Günther Gose, Luciano Gabriel (Delegate and CEO), Peter Forstmoser, Nathan Hetz, Gino Pfister, Josef Stadler and Aviram Wertheim as well as Adrian Dudle as a new additional member. Günther Gose was confirmed as Chairman of the Board of Directors. Peter Forstmoser, Nathan Hetz, Gino Pfister and Josef Stadler were elected as Members of the Compensation Committee.

Proxy Voting Services GmbH, Zurich, was elected as independent voting proxy, and PricewaterhouseCoopers AG, Zurich, was confirmed as statutory auditors for the 2014 business year.

Subsequent events

There were no material subsequent events.

Outlook 2014

Due to our well established position in the Swiss real estate market, a high-quality property portfolio and a strong capital base, we look to the future with confidence. We will, in any case, stick to our long-term, value-oriented and judicious acquisition strategy and to our conservative financing policy.

We will keep focusing on renovation and modernisation of selected properties to further enhance their marketability as well as on the development of our sites and projects.

Based on the assumption of an unchanged property portfolio, we expect an Ebitda (excluding gains/losses on real estate investments) of approximately CHF 235 million for 2014, which is above the previous forecast of CHF 230 million (2013: CHF 242.5 million). The decrease compared to last year is mostly due to a decline in rental income and lower income from the sale of condominiums.

With regard to vacancies, we still expect a rate of approximately 11 % at year-end (end of June 2014: 9.3%). The increase is mainly due to two larger vacancies, which will arise during the fourth quarter of 2014 at one property in Zurich (Central Business District) and one property in Zurich West.

The Executive Board, August 2014

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PSP Swiss Property

Consolidated statement of profit or loss and Consolidated statement of comprehensive income (April to June)

Consolidated statement of profit or loss

Operating income	(in CHF 1 000)	1 April to 30 June 2013	1 April to 30 June 2014	Note
Rental income		70 095	68 541	
Net changes in fair value of real estate investments		80 346	9 827	1
Income from property sales (inventories)		6 797	34 828	
Expenses from sold properties (inventories)		- 5 670	- 32 794	
Income from other property sales		0	2 026	
Income from investments in associated companies		- 2	- 3	
Capitalised own services		714	741	1
Other income		347	315	
Total operating income		152 627	83 480	
Operating expenses				
Real estate operating expenses		- 2 676	- 2 876	
Real estate maintenance and renovation expenses		- 3 942	- 3 366	
Personnel expenses		- 4 744	- 4 624	
Fees to subcontractors		- 12	- 11	
General and administrative expenses		- 1 890	- 1 787	
Impairment charge properties		0	- 338	
Depreciation		- 142	- 113	
Total operating expenses		- 13 407	- 13 115	
Operating profit before financial expenses		139 220	70 365	
Financial income		283	309	2
Financial expenses		- 7 960	- 7 955	2
Operating profit before taxes		131 543	62 719	
Income taxes		- 25 779	- 10 647	
Net income attributable to shareholders of PSP Swiss Property Ltd		105 764	52 073	
Earnings per share in CHF (basic and diluted)		2.31	1.14	7

Consolidated statement of comprehensive income

	(in CHF 1 000)	1 April to 30 June 2013	1 April to 30 June 2014	Note
Net income attributable to shareholders of PSP Swiss Property Ltd		105 764	52 073	
Items that may be reclassified subsequently to profit or loss:				
■ Changes in interest rate hedging		17 106	- 7 836	
■ Income taxes		- 1 340	614	
Items that will not be reclassified subsequently to profit or loss:				
■ Changes in pension schemes		1 542	- 1 639	
■ Income taxes		- 339	361	
Comprehensive income attributable to shareholders of PSP Swiss Property Ltd		122 733	43 572	

The notes are part of these condensed consolidated financial information.

PSP Swiss Property

Consolidated statement of profit or loss and Consolidated statement of comprehensive income (January to June)

Consolidated statement of profit and loss

Operating income	(in CHF 1 000)	1 January to 30 June 2013	1 January to 30 June 2014	Note
Rental income		138 077	138 402	
Net changes in fair value of real estate investments		95 735	9 827	1
Income from property sales (inventories)		7 772	80 078	
Expenses from sold properties (inventories)		- 6 570	- 75 185	
Income from other property sales		0	2 026	
Income from investments in associated companies		4	6	
Capitalised own services		1 196	1 324	1
Other income		3 287	2 149	
Total operating income		239 501	158 627	
Operating expenses				
Real estate operating expenses		- 5 159	- 5 863	
Real estate maintenance and renovation expenses		- 7 790	- 6 438	
Personnel expenses		- 9 397	- 9 367	
Fees to subcontractors		- 23	- 24	
General and administrative expenses		- 3 506	- 3 244	
Impairment charge properties		0	- 338	
Depreciation		- 285	- 227	
Total operating expenses		- 26 161	- 25 501	
Operating profit before financial expenses		213 340	133 126	
Financial income		616	839	2
Financial expenses		- 16 453	- 16 788	2
Operating profit before taxes		197 503	117 177	
Income taxes		- 38 772	- 21 299	
Net income attributable to shareholders of PSP Swiss Property Ltd		158 731	95 877	
Earnings per share in CHF (basic and diluted)		3.46	2.09	7

Consolidated statement of comprehensive income

	(in CHF 1 000)	1 January to 30 June 2013	1 January to 30 June 2014	Note
Net income attributable to shareholders of PSP Swiss Property Ltd		158 731	95 877	
Items that may be reclassified subsequently to profit or loss:				
■ Changes in interest rate hedging		25 860	- 18 890	
■ Income taxes		- 2 026	1 480	
Items that will not be reclassified subsequently to profit or loss:				
■ Changes in staff pension schemes		1 542	- 3 278	
■ Income taxes		- 339	721	
Comprehensive income attributable to shareholders of PSP Swiss Property Ltd		183 768	75 910	

The notes are part of these condensed consolidated financial information.

PSP Swiss Property

Consolidated statement of financial position

Assets	(in CHF 1 000)	1 January 2013	31 December 2013	30 June 2014	Note
Investment properties		5 942 645	6 006 810	6 030 360	1
Own-used properties		15 783	15 376	15 172	1
Sites and development properties		173 243	307 932	332 368	1
Investments in associated companies		12	17	23	
Financial investments		9	9	9	
Accounts receivable		9 757	8 114	6 801	
Derivative financial instruments		0	799	0	4
Intangible assets		56	0	0	
Tangible assets		288	323	300	
Deferred tax assets		13 015	12 122	15 680	
Total non-currents assets		6 154 808	6 351 502	6 400 713	
Investment properties for sale		9 669	11 744	9 317	1
Sites and development properties for sale		141 188	123 714	64 947	1
Accounts receivable		8 240	15 163	13 652	
Deferrals		8 748	2 274	2 021	
Cash and cash equivalents		33 603	37 414	27 979	
Total current assets		201 447	190 309	117 917	
Total assets		6 356 255	6 541 812	6 518 630	
Shareholders' equity and liabilities					
Share capital		4 587	4 587	4 587	
Capital reserves		1 031 037	884 264	735 193	
Retained earnings		2 704 821	2 975 814	3 071 691	
Fair value reserves		- 48 894	- 25 434	- 45 401	
Total shareholders' equity		3 691 551	3 839 230	3 766 070	
Debt		1 160 000	1 220 000	1 310 000	3
Bonds		498 360	368 879	568 391	3
Derivative financial instruments		46 014	22 019	39 999	4
Pension liabilities		12 927	12 559	16 004	
Deferred tax liabilities		678 961	725 171	733 805	
Total non-current liabilities		2 396 261	2 348 628	2 668 200	
Bonds		149 926	249 905	0	3
Derivative financial instruments		2 061	2 180	2 291	4
Accounts payable		45 818	38 030	26 300	
Deferrals		45 408	52 411	52 361	
Current tax liabilities		25 086	11 343	3 324	
Provisions		143	85	85	
Total current liabilities		268 443	353 954	84 361	
Total shareholders' equity and liabilities		6 356 255	6 541 812	6 518 630	

The notes are part of these condensed consolidated financial information.

Zug, 18 August 2014, on behalf of the Board of Directors: Günther Gose, Chairman, and Luciano Gabriel, Delegate and Chief Executive Officer.

PSP Swiss Property

Consolidated cash flow statement (January to June)

	1 January to 30 June 2013	1 January to 30 June 2014	Note
	(in CHF 1 000)		
Net income attributable to shareholders of PSP Swiss Property Ltd	158 731	95 877	
Net changes in fair value of real estate investments	- 95 735	- 9 827	1
Capitalised/released rent-free periods	- 1 049	473	1
Income from other property sales	0	- 2 026	
Income from investments in associated companies	- 4	- 6	
Capitalised own services	- 1 196	- 1 324	1
Provisions expenses	- 35	0	
Outflow of provisions	- 23	0	
Impairment charge properties	0	338	
Changes in pension liabilities recorded in the income statement	218	167	
Depreciation	285	227	
Net financial expenses	15 837	15 949	2
Income taxes	38 772	21 299	
Changes in sites and development properties for sale	- 12 664	63 458	
Changes in accounts receivable	- 898	1 511	
Changes in accounts payable	- 402	- 11 755	
Changes in deferrals (assets)	2 028	195	
Changes in deferrals (liabilities)	- 1 412	6 017	
Interest paid	- 27 427	- 23 503	
Interest received	616	839	
Taxes paid	- 33 076	- 22 040	
Cash flow from operating activities	42 568	135 869	
Purchases development properties	- 135	0	1
Capital expenditures on investment properties	- 16 526	- 20 095	1
Capital expenditures on sites and development properties	- 15 847	- 27 310	1
Sales of properties	0	10 586	1
Payout of loans	- 558	0	
Repayment of loans	1 243	1 313	
Purchases of tangible assets	- 98	0	
Cash flow from investing activities	- 31 920	- 35 506	
Purchases of own shares	0	0	
Sales of own shares	0	0	
Increase in financial debt	380 000	300 000	3
Financial debt repayment	- 210 000	- 210 000	3
Issue of bond	120 000	200 000	3
Issue expenses of bond	- 370	- 752	
Repayment of bond	- 150 000	- 250 000	3
Distribution to shareholders	- 146 751	- 149 046	8
Cash flow from financing activities	- 7 122	- 109 798	
Changes in cash and cash equivalents	3 526	- 9 435	
Cash and cash equivalents at 1 January	33 603	37 414	
Cash and cash equivalents at 30 June	37 129	27 979	

The notes are part of these condensed consolidated financial information.

PSP Swiss Property

Consolidated statement of shareholders' equity

	(in CHF 1 000)	Share capital	Capital reserves
31 December 2012		4 587	1 031 037
Net income attributable to shareholders of PSP Swiss Property Ltd			
Changes of interest rate hedging			
Changes in staff pension schemes			
Income taxes			
Other comprehensive income			
Comprehensive income attributable to shareholders of PSP Swiss Property Ltd		0	0
Distribution to shareholders			- 146 777
30 June 2013		4 587	884 260
Net income attributable to shareholders of PSP Swiss Property Ltd			
Changes in interest rate hedging			
Changes in staff pension schemes			
Income taxes			
Other comprehensive income			
Comprehensive income attributable to shareholders of PSP Swiss Property Ltd		0	0
Purchase of own shares			
Compensation in own shares			4
Elimination tax effect on profits on own shares in statutory accounts			
31 December 2013		4 587	884 264
Net income attributable to shareholders of PSP Swiss Property Ltd			
Changes in interest rate hedging			
Changes in staff pension schemes			
Income taxes			
Other comprehensive income			
Comprehensive income attributable to shareholders of PSP Swiss Property Ltd		0	0
Distribution to shareholders			- 149 071
Purchase of own shares			
Sales of own shares			0
Elimination tax effect on profits on own shares in statutory accounts			
30 June 2014		4 587	735 193

The notes are part of these condensed consolidated financial information.

Own shares	Retained earnings adjusted	Fair value reserves	Total shareholders' equity
0	2 704 821	- 48 894	3 691 551
	158 731		158 731
		25 860	25 860
		1 542	1 542
		- 2 365	- 2 365
		25 037	25 037
0	158 731	25 037	183 768
			- 146 777
0	2 863 551	- 23 857	3 728 541
	112 262		112 262
		- 1 185	- 1 185
		- 622	- 622
		230	230
		- 1 577	- 1 577
0	112 262	- 1 577	110 685
- 1 592			- 1 592
1 592			1 595
	0		0
0	2 975 814	- 25 434	3 839 230
	95 877		95 877
		- 18 890	- 18 890
		- 3 278	- 3 278
		2 201	2 201
		- 19 967	- 19 967
0	95 877	- 19 967	75 910
			- 149 071
0			0
0			0
	0		0
0	3 071 691	- 45 401	3 766 070

PSP Swiss Property

Notes to the consolidated interim financial statements as of 30 June 2014

General Information

PSP Swiss Property Ltd is a public company whose shares are traded on the Swiss Exchange (SIX Swiss Exchange). The registered office is located at Kolinplatz 2, 6300 Zug.

PSP Swiss Property Group owns 160 office and commercial properties as well as five development sites and five individual projects throughout Switzerland. The properties are mainly in prime locations in Zurich, Geneva, Basel, Bern and Lausanne. As of 30 June 2014, PSP Swiss Property had 89 employees, corresponding to 82 full-time equivalents (end of 2013: 86 respectively 79).

The condensed consolidated interim financial statements as of 30 June 2014 are based on the interim accounts of the controlled individual subsidiaries at 30 June 2014, which have been prepared in accordance with uniform accounting policies and valuation principles.

The condensed consolidated interim financial statements of PSP Swiss Property as of 30 June 2014 were authorised for issue by the Board of Directors on 18 August 2014.

Accounting principles

The condensed consolidated interim 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 and the Directive on Financial Reporting (DFR) of the SIX Swiss Exchange.

The condensed consolidated interim financial statements as of 30 June 2014 have been prepared in accordance with IAS 34 (Interim Financial Reporting). The condensed consolidated interim reporting for the first half of 2014 does not include all the information and disclosure, which is required for the annual report and should therefore be read together with the financial reports for the 2013 business year.

The properties are valued semi-annually (at the end of June and at the end of December) by an external, independent real estate valuation company. Properties newly acquired during the reporting period are valued externally at the end of the quarter. Thereby the change in fair value is recognised in the income statement. Investment properties respectively investment properties earmarked for sale, which are sold by the time the financial statements are drawn up, but for which the transfer of benefits and risks takes place only in a later reporting period, are basically valued at the contractually agreed sales price deducting sales costs. The corresponding change in fair value is recognised in the income statement.

The fair value definition is classified into three categories: level 1 regards instruments with price quotations in a liquid market. If there is no liquid market for a position and there are no official price quotations, the fair value is determined according to a recognised valuation method: at level 2, the valuation method is mainly based on input parameters with observable market data; at level 3, the valuation method is based on one or several input parameters without observable market data.

As per 1 January 2014, the following modified standard came into force. The new or revised requirements which are relevant for PSP Swiss Property as well as their expected impact upon implementation are as follows:

- IAS 32 revised – Financial Instruments: Presentation – Offsetting Financial Assets and Liabilities: This amendment stipulates the specific conditions which allow a net presentation of financial assets and liabilities.

Furthermore, the same consolidation, accounting and valuation principles have been applied for the interim financial statements as of 30 June 2014, as those which are described on pages 32 to 49 of the 2013 annual report of PSP Swiss Property.

The following new IFRS standards were passed by the IASB, but will only be applicable from a later period:

- IFRS 9 – Financial Instruments (2014): This standard, which has now been finalised, includes the sections Classification and Measurement, Hedge Accounting as well as Impairment of Financial Instruments.

PSP Swiss Property does not expect any major effects from the future implementation of the new requirements regarding hedge accounting. At its initial application, the new impairment model in IFRS 9 may result in a certain increase in provisions for receivables.

The new standard is applicable from 1 January 2018. PSP Swiss Property will not adopt IFRS 9 (2014) early. PSP Swiss Property has applied the section Classification and Measurement of IFRS 9 Financial Instruments (2009) early since 1 January 2009.

- IFRS – 15 Revenue Recognition: This standard combines the rules with regard to revenue recognition which were previously included in a great number of various standards and interpretations. In particular, IFRS 15 may affect the timing of revenue and gain recognition for property sales.

The new standard is applicable from 1 January 2017. PSP Swiss Property will not adopt IFRS 15 early.

Consolidated companies

There were no changes in the consolidated companies compared to the annual report as of 31 December 2013.

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

PSP Swiss Property

Notes to the consolidated interim financial statements as of 30 June 2014

Segment information first half of 2013

1 January to 30 June 2013

Operating income	(in CHF 1 000)	Real Estate Investments	Real Estate Maintenance	Holding	Subtotal	Eliminations	Total Group
Rental income		138 864			138 864	- 786	138 077
Net changes in fair value of real estate investments		95 735			95 735		95 735
Income from property sales (inventories)		7 772			7 772		7 772
Expenses from sold properties (inventories)		- 6 570			- 6 570		- 6 570
Income from investments in associated companies			4		4		4
Real estate management services			6 284		6 284	- 6 284	0
Capitalised own services			1 196		1 196		1 196
Other income		3 258	542	7 810	11 609	- 8 322	3 287
Total operating income		239 058	8 025	7 810	254 893	- 15 392	239 501
Operating expenses							
Real estate operating expenses		- 11 443			- 11 443	6 284	- 5 159
Real estate maintenance and renovation expenses		- 8 152			- 8 152	362	- 7 790
Personnel expenses			- 4 407	- 5 040	- 9 447	50	- 9 397
Fees to subcontractors			- 23		- 23		- 23
General and administrative expenses		- 8 307	- 1 726	- 2 169	- 12 202	8 696	- 3 506
Depreciation		- 203	- 38	- 44	- 285		- 285
Total operating expenses		- 28 106	- 6 194	- 7 253	- 41 553	15 392	- 26 161
Operating profit before financial expenses		210 953	1 831	557	213 340		213 340
Financial income							616
Financial expenses							- 16 453
Operating profit before taxes							197 503
Income taxes							- 38 772
Net income attributable to shareholders of PSP Swiss Property Ltd							158 731
Revenue							
With third parties		149 106			149 106		149 106
With other segments		786	7 991	7 810	16 587	- 15 392	1 196
Total revenue		149 893	7 991	7 810	165 694	- 15 392	150 302

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 participations in associated companies“.

Segment information first half of 2014

1 January to 30 June 2014

Operating income	(in CHF 1 000)	Real Estate Investments	Real Estate Maintenance	Holding	Subtotal	Eliminations	Total Group
Rental income		139 191			139 191	- 789	138 402
Net changes in fair value of real estate investments		9 827			9 827		9 827
Income from property sales (inventories)		80 078			80 078		80 078
Expenses from sold properties (inventories)		- 75 185			- 75 185		- 75 185
Income from other property sales		1 814			1 814	212	2 026
Income from investments in associated companies			6		6		6
Real estate management services			6 369		6 369	- 6 369	0
Capitalised own services			1 324		1 324		1 324
Other income		2 093	574	8 270	10 937	- 8 789	2 149
Total operating income		157 817	8 273	8 270	174 361	- 15 734	158 627

Operating expenses

Real estate operating expenses	- 12 232				- 12 232	6 369	- 5 863
Real estate maintenance and renovation expenses	- 6 806				- 6 806	368	- 6 438
Personnel expenses			- 4 530	- 4 887	- 9 417	50	- 9 367
Fees to subcontractors			- 24		- 24		- 24
General and administrative expenses	- 8 549	- 1 806	- 1 835		- 12 191	8 947	- 3 244
Impairment charge properties	- 338				- 338		- 338
Depreciation	- 203	- 23			- 227		- 227
Total operating expenses	- 28 129	- 6 383	- 6 722	- 4 887	- 41 235	15 734	- 25 501
Operating profit before financial expenses		129 688	1 890	1 548	133 126		133 126
Financial income							839
Financial expenses							- 16 788
Operating profit before taxes							117 177
Income taxes							- 21 299
Net income attributable to shareholders of PSP Swiss Property Ltd							95 877

Revenue

With third parties	220 573				220 573		220 573
With other segments	789	8 212	8 270		17 271	- 15 946	1 324
Total revenue	221 362	8 212	8 270		237 844	- 15 946	221 898

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 participations in associated companies“.

PSP Swiss Property

Notes to the consolidated interim financial statements as of 30 June 2014

Selected explanatory notes

1. Real estate investments

(in CHF 1 000)	Investment properties	Investment properties for sales	Own-used properties	Sites and development properties		Current development properties for sale	Total real estate investment
				at market value	at historical cost		
				IAS 40	IAS 40		
Carrying value at 31 December 2012	5 942 645	9 669	15 783	137 695	35 548	141 188	6 282 527
Purchases	0	0	0	135	0	0	135
Capitalised/released rent-free periods ¹	2 229	0	0	0	0	0	2 229
Transfers	- 107 683	0	0	119 501	- 20 344	8 526	0
Capital expenditures	42 596	414	0	30 428	1 152	39 520	114 110
Capitalised own services	938	50	0	638	302	863	2 791
Capitalised interest expenses	1 385	0	0	848	196	2 567	4 997
Sales	0	0	0	0	0	- 68 703	- 68 703
Net changes in fair value of real estate investments	124 700	1 610	0	1 834	n.a.	n.a.	128 144
■ Net changes in fair value of properties held at 1 January 2013	138 806	1 610	n.a.	- 591	n.a.	n.a.	139 826
■ Net changes in fair value of properties acquired/completed and transferred	- 14 106	0	n.a.	2 425	n.a.	n.a.	- 11 682
Impairment charge	n.a.	n.a.	0	n.a.	0	- 247	- 247
Depreciation	n.a.	n.a.	- 407	n.a.	n.a.	n.a.	- 407
Carrying value at 31 December 2013	6 006 810	11 744	15 376	291 078	16 854	123 714	6 465 576
Historical cost			17 512				
Accumulated depreciation			- 2 136				
Carrying value, net			15 376				
Capitalised/released rent-free periods ¹	- 473	0	0	0	0	0	- 473
Transfers	- 6 152	6 152	0	0	- 4 667	4 667	0
Capital expenditures	20 088	7	0	26 320	990	11 725	59 130
Capitalised own services	456	2	0	523	100	243	1 324
Capitalised interest expenses	468	0	0	402	76	118	1 065
Sales	0	- 8 560	0	0	0	- 75 182	- 83 743
Net changes in fair value of real estate investments	9 164	- 28	0	691	n.a.	n.a.	9 827
■ Net changes in fair value of properties held at 1 January 2014	8 672	- 28	n.a.	691	n.a.	n.a.	9 335
■ Net changes in fair value of properties acquired/completed and transferred	491	0	n.a.	0	n.a.	n.a.	491
Impairment charge	n.a.	n.a.	0	n.a.	0	- 338	- 338
Depreciation	n.a.	n.a.	- 203	n.a.	n.a.	n.a.	- 203
Carrying value at 30 June 2014	6 030 360	9 317	15 172	319 014	13 353	64 947	6 452 164
Historical cost			17 512				
Accumulated depreciation			- 2 340				
Carrying value, net			15 172				
Fire insurance value at 31 December 2013							4 330 025
Fire insurance value at 30 June 2014							4 347 627

1 Straightlining of incentives given to tenants.

In April, one property located at the Albulastrasse 57 in Zurich was sold (see also the table on Pages 56 to 57).

The revaluation of the properties for the first six months of 2014 resulted in an appreciation of CHF 9.8 million. This relatively small change was due to the mutual compensation of various value drivers. Thereby, slightly higher market rents in top locations and a decline in the average weighted discount rate by 4 basis points had a positive effect – at the balance-sheet date, the portfolio's weighted average nominal discount rate was 4.87 % (end of 2013: 4.91 %). Longer vacancy periods before new rentals, adjustment of market rents on peripheral locations and higher renovation costs at a number of properties more or less offset the positive effects.

As at mid-year 2014, payment obligations for current development and renovation work totalled CHF 13.5 million (end of 2013: CHF 15.2 million).

Note 3 on page 26 provides details on the financing. Further information in accordance with the SIX Swiss Exchange's Directive on Financial Reporting can be found on pages 42 to 57 (this information is part of the notes to the condensed consolidated interim financial statements).

2. Financial expenses

	(in CHF 1 000)	1 January to 30 June 2013	1 January to 30 June 2014
Financial income		616	839
Total financial income		616	839
Financial expenses		18 812	17 493
Capitalised interest expenses		– 2 827	– 1 065
Amortisation of issue expenses of bonds		467	359
Total financial expenses		16 453	16 788
Total net financial expenses		15 837	15 949
Overall financial expenses for financial instruments at amortised cost		19 279	17 852

Interest-bearing debt amounted to CHF 1.878 billion at the end of June 2014 (end of 2013: CHF 1.839 billion). The average interest rate was 1.83 % over the past four quarters (previous year's period: 2.11 % respectively 1.95 % for the whole of 2013). At the end of June 2014, the average interest rate stood at 1.76 % (end of 2013: 1.85 %).

PSP Swiss Property

Notes to the consolidated interim financial statements as of 30 June 2014

3. Debt

	(in CHF 1 000)	31 December 2013	30 June 2014
Long-term debt		1 220 000	1 310 000
Long-term bonds		368 879	568 391
Short-term bonds		249 905	0
Total interest-bearing debt		1 838 784	1 878 391

In the reporting period, fixed-term loans totalling CHF 300 million were drawn using existing credit lines and CHF 210 million were repaid. During the same period, a CHF 200 million 1.375% bond (all-in costs 1.44%) maturing in 2020 was issued on 4 February 2014. This bond was used for the partial refinancing of the CHF 250 million bond which matured on 1 April 2014.

As in the previous year, no debt was outstanding at the end of June 2014, which was secured by mortgages on properties, and no debt was outstanding with an amortisation obligation.

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

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

	(in CHF 1 000)	31 December 2013	30 June 2014
< 6 months		319 905	260 000
6 to 12 months		100 000	50 000
1 to 5 years		849 195	969 095
> 5 years		569 683	599 295
Total interest-bearing debt		1 838 784	1 878 391

At the end of June 2014, the average fixed-interest period was 3.7 years (end of 2013: 3.4 years).

4. Fair value hierarchy

Financial instruments, investment properties and other properties held at fair value are valued according to a three-level fair value hierarchy as described on page 20.

The following table shows the market values (fair values) of these positions recognised in the balance sheet.

Assets	(in CHF 1 000)	Level 1	Level 2	Level 3	Market value 31 December 2013
Investment properties (IAS 40 & IFRS 5)		0	0	6 309 632	6 309 632
Financial investments		0	0	9	9
Derivative financial instruments (hedging)		0	799	0	799
Total		0	799	6 309 641	6 310 440

Liabilities

Derivative financial instruments (hedging)	0	24 199	0	24 199
Total	0	24 199	0	24 199

Assets	(in CHF 1 000)	Level 1	Level 2	Level 3	Market value 30 June 2014
Investment properties (IAS 40 & IFRS 5)		0	0	6 358 691	6 358 691
Financial investments		0	0	9	9
Total		0	0	6 358 700	6 358 700

Liabilities

Derivative financial instruments (hedging)	0	42 290	0	42 290
Total	0	42 290	0	42 290

5. Derivative financial instruments

During the reporting period, one interest rate swap of CHF 50 million matured. It was replaced by an existing forward starting interest rate swap. Two further forward starting interest rate swaps totalling CHF 100 million were used to fix the interest rates of new fixed-term loans. Furthermore, three forward starting interest rate swaps totalling CHF 150 million starting in the years 2014 to 2016 were signed at very attractive conditions.

All interest rate swaps (pay fix/receive floating) fulfil the requirements for applying hedge accounting. The fixed interest rate basis for the interest rate swaps existing at the end of June 2014 was 0.25 % to 2.47 %; the variable interest rates are based on the CHF Libor.

PSP Swiss Property

Notes to the consolidated interim financial statements as of 30 June 2014

6. Share capital

In connection with a switch of REG shares, one treasury share was added to the Company portfolio and resold in the reporting period (previous year: no trade in treasury shares).

Further information on changes in equity is shown on pages 18 to 19.

7. 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 30 June 2013	1 January to 30 June 2014
Net income in CHF 1 000	158 731	95 877
Number of average outstanding shares	45 867 891	45 867 891
Earnings per share in CHF (basic and diluted)	3.46	2.09
Net income excl. gains/losses on real estate investments in CHF 1 000	85 210	87 433
Net income excl. gains/losses on real estate investments in CHF (basic and diluted)	1.86	1.91

Equity per share changed as follows:

	31 December 2013	30 June 2014
Shareholders' equity in CHF 1 000	3 839 230	3 766 070
Deferred taxes in CHF 1 000	713 048	718 125
Number of outstanding shares	45 867 891	45 867 891
Net asset value per share in CHF¹	83.70	82.11
Net asset value per share before deduction of deferred taxes in CHF¹	99.25	97.76

¹ Based on number of outstanding shares.

² „Net income excluding gains/losses on real estate investments“ corresponds to the consolidated net income excluding net changes in fair values 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 „net income excluding gains/losses on real estate investments“.

8. Payment from capital contribution reserves

Following the resolution of the Annual General Meeting of 3 April 2014, a dividend payment of CHF 3.25 per outstanding share was made out of the capital contribution reserves on 10 April 2014 (totalling CHF 149.1 million; previous year: cash payment of CHF 3.20 per share).

9. Subsequent events

There were no subsequent events.

PSP Swiss Property

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 notes, pages 14 to 29 and 42 to 57) of PSP Swiss Property Ltd for the period ended 30 June 2014. The Board of Directors is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 „Interim Financial Reporting“ and article 17 of the Directive on Financial Reporting (DFR) of the SIX Swiss Exchange. 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. 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 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 „Interim Financial Reporting“ and article 17 of the Directive on Financial Reporting (DFR) of the SIX Swiss Exchange.

PricewaterhouseCoopers Ltd

Guido Andermatt
Audit expert
Auditor in charge

Markus Schmid
Audit expert

Zurich, 18 August 2014

PSP Swiss Property

Property valuation report Wüest & Partner AG

To the Executive Board of PSP Swiss Property AG

Commission

Wüest & Partner AG (Wüest & Partner) was commissioned by the Executive Board of PSP Swiss Property AG (PSP Swiss Property) to perform a valuation, for accounting purposes, of the properties and property units held by PSP Swiss Property AG as at 30 June 2014 (reporting date). The valuation encompasses all investment properties as well as sites and development properties.

Valuation standards

Wüest & Partner hereby confirms that the valuations were performed in accordance with national and international standards and guidelines in particular with the International Valuation Standards (IVS and RICS / Red Book) and the Swiss Valuation Standards (SVS) and as well as in accordance with the requirements of the SIX Swiss Exchange.

Accounting standards

The market values determined for the investment properties conform to the concept of fair value as defined in the International Financial Reporting Standards (IFRS) on the basis of revised IAS 40 (Investment Property) and IFRS 13 (Fair Value Measurement).

Sites and development properties intended for future use as investment properties are listed in PSP Swiss Property's balance sheet in accordance with IAS 40; sites and development properties held for sale are listed in accordance with IAS 2 (Inventories).

Definition of fair value

Fair value is the price that independent market operators would receive on the valuation date if an asset was sold under normal market conditions or the price that such operators would pay on the valuation date if a liability (debt) was transferred under normal market conditions (exit price).

Transaction costs, gross fair value

An exit price is the selling price postulated in the purchase contract upon which the parties have jointly agreed. Transaction costs, which normally consist of estate agents' commission, transaction taxes and land registry and notary fees, are not taken into account when determining fair value. This means that in line with paragraph 25 IFRS 13, fair value is not adjusted by the amount of the transaction costs incurred by the purchaser in the event of a sale (gross fair value). This is in line with Swiss valuation practice.

Main market, active and most advantageous market

Valuation at fair value assumes that the hypothetical transaction involving the asset to be valued takes place on the market with the largest volume and the most business activity (main market) and that the frequency and volume of transactions are adequate for there to be sufficient price information available for the market (active market). If no such market can be identified, it will be assumed that the asset is being sold on the main market, which would maximize the assets selling price on disposal.

PSP Swiss Property

Property valuation report Wüest & Partner AG

Implementation of fair value

Highest best use

Fair value is calculated on the basis of the best possible use of a property (highest and best use). The best possible use of a property is that which maximizes its value. This assumption presupposes a use, which is technically and physically possible, legally permitted and financially realizable. As fair value is calculated on the basis of maximization of use, the best possible use may differ from the actual or planned use. In the assessment of fair value, future investment spending for the purpose of improving a property or increasing its value will be taken into account accordingly.

Materiality in relation to the highest and best use approach

The use of the highest and best use approach is based on the principle of the materiality of the possible difference in value in terms of the ratio of the value of the specific property to the total real estate assets and in terms of the possible absolute difference in value. A property's potential added value within the usual estimating tolerance of a specific valuation is regarded as immaterial in this context and is therefore disregarded.

Fair value hierarchy

Fair value is determined according to the quality and reliability of the valuation parameters, in order of diminishing quality/reliability: Level 1 market price, Level 2 modified market price and Level 3 model-based valuation. At the same time, when a property is valued on the basis of fair value, different parameters may be applied to different hierarchies. In this context, the total valuation is classed according to the lowest level of the fair value hierarchy in which the material valuation parameters are found.

Valuation level for property valuations

The value of the properties of PSP Swiss Property is determined using a model-based valuation according to Level 3 on the basis of input parameters, which cannot be directly observed on the market. Here too adjusted Level 2 input parameters are used (e.g. market rents, operating / maintenance costs, discounting / capitalization rates, proceeds of sales of residential property). Non-observable input factors are only used where relevant observable input factors are not available.

Significant input factors, influence on fair value

Market rents, vacancy levels and discount rates are defined as significant input factors. These factors are influenced to a varying degree by market developments. If the input factors change, the property's fair value also changes. For each input factor, these changes are simulated on the basis of static sensitivity analyses.

Owing to interdependence between the input factors, their effects on fair value may either offset or potentiate each other. For example, the effect of reduced market rents combined with higher vacancies and higher discount rates will have a cumulative negative impact on fair value. However, as the portfolio is diversified geographically and by properties, changes to input factors seldom exert a cumulative effect in the short term.

The economic environment may be regarded as the most important factor influencing the input factors. When negative economic sentiment exerts downward pressure on market rents, real estate vacancies usually increase. But at the same time, such market situations are usually associated with favourable (i.e. low) interest rates, which have a positive effect on discount rates. To an extent, therefore, changes to input factors offset each other. Ongoing measures to optimize the PSP Swiss Property portfolio (e.g. the conclusion or renewal of long-term rental contracts, investments in the fit-out of rental areas etc.) counter such short-term market shocks, which primarily impact on market rents and vacancy levels. As already mentioned, the individual, risk-adjusted discount rate for a property reflects the yield expectations of the respective investors/market actors; the property owner can exert only a limited influence.

Valuation procedures

The valuation procedures used are those that are appropriate under the given circumstances and for which sufficient data are available to determine fair value. At the same time, the use of relevant observable input factors is maximized, while the use of non-observable input factors is minimized. In the case of the present valuation procedure, an income-based approach is applied, using discounted cash flow valuations, which are widespread in Switzerland.

Valuation method

In valuing PSP Swiss Property's real estate holdings, Wüest & Partner applied the discounted cash flow (DCF) method, by which the market value of a property is determined as the total of all projected future (100 years) net earnings discounted to the valuation date. Net income is discounted separately for each property with due allowance for specific opportunities and threats, and adjustment in line with market conditions and risks.

Basis of valuation

Wüest & Partner is familiar with all the properties, having carried out inspections and examined the documentation provided. The properties have been analysed in detail in terms of their quality and risk profiles (attractiveness and lettability of rented premises, construction type and condition, micro- and macro-location etc.). Currently vacant premises are valued with allowance made for a reasonable marketing period.

Wüest & Partner inspects the properties at least once every three years as well as following purchase and upon completion of larger refurbishment and investment projects.

Within the review period from 1 January 2014 to 30 June 2014, Wüest & Partner visited thirty-three properties belonging to PSP Real Estate AG and nine properties belonging to PSP Properties AG.

Results

A total of 159¹ investment properties and property units as well as nine investment properties under construction were valued as at 30 June 2014 by Wüest & Partner. The fair value of all 159 investment properties is estimated as at 30 June 2014 at 6 039 677 100 Swiss Francs and of the investment properties under construction in accordance with IAS 40 at 319 014 200 Swiss Francs.

Changes during reporting period

Within the review period from 1 January 2014 to 30 June 2014 the investment property Albulastrasse 57 in Zurich was sold. No acquisition of properties as well as reclassifications from investment properties to development properties and vice versa happened during this period.

Independence and confidentiality

Wüest & Partner performed the valuation of PSP Swiss Property's real estate holdings independently and neutrally in conformity with its business policies. It was carried out solely for those purposes specified above; Wüest & Partner shall accept no liability in respect of third parties.

¹ Excluded is the property Brandschenkestrasse 152a, Zürich, which is owner-occupied.

PSP Swiss Property

Property valuation report Wüest & Partner AG

Valuation fee

The fee of the valuer's services is independent of the valuation results. The rate is based upon the numbers of the valuations performed and the lettable area of the property.

Zurich, 23 July 2014

Wüest & Partner AG

Marco Feusi

Chartered Surveyor MRICS; dipl. Architekt HTL; NDS BWI ETHZ; Partner

Peter Pickel

Chartered Surveyor MRICS; MSc Real Estate (CUREM); dipl. Bauingenieur HTL; Manager

Annex: valuation assumptions

Investment properties

The following nominal discount rates were applied to the property valuation:

Table 1: Region	Minimum discount rate in %	Maximum discount rate in %	Average discount rate (weighted average¹) in %
Zurich	4.03	6.05	4.83
Geneva	4.33	5.44	4.76
Lausanne	4.38	6.15	4.95
Basel	4.54	5.34	5.06
Bern	4.23	5.34	4.69
Other regions	4.69	6.05	5.43
All regions	4.03	6.15	4.87

¹ average of discount rates for individual valuations, weighted by market value

The following ranges for achievable long-term market rents were applied to the property valuations:

Table 2: Region	Office CHF/m² p.a.	Retail CHF/m² p.a.	Storage CHF/m² p.a.	Outdoor parking CH /p. p.mo.	Indoor parking CHF/p. p.mo.	Residential CHF/m² p.a.
Zurich	120 – 880	210 – 7 250	40 – 550	75 – 500	100 – 800	146 – 683
Geneva	280 – 830	370 – 4 450	25 – 600	130 – 450	100 – 540	250 – 350
Lausanne	150 – 400	330 – 1 100	60 – 300	70 – 300	150 – 300	130 – 444
Basel	150 – 320	90 – 3 200	35 – 425	100 – 120	150 – 260	170 – 320
Bern	200 – 340	215 – 2 000	80 – 200	100 – 180	150 – 250	240 – 353
Other regions	140 – 450	160 – 1 900	40 – 200	30 – 120	80 – 400	167 – 370
All regions	120 – 880	90 – 7 250	25 – 600	30 – 500	80 – 800	130 – 683

The following ranges for structural vacancy rates were applied to the property valuations:

Table 3: Region	Office in %	Retail in %	Storage in %	Outdoor parking in %	Indoor parking in %	Residential in %
Zurich	1.5 – 15.0	1.0 – 13.0	1.0 – 30.0	0.5 – 13.0	1.0 – 15.0	0.5 – 4.0
Geneva	3.5 – 5.0	2.5 – 4.5	2.0 – 10.0	3.0 – 8.0	3.5 – 10.0	0.5 – 1.5
Lausanne	3.0 – 9.0	2.0 – 4.0	3.0 – 10.0	3.0 – 10.0	2.0 – 15.0	1.0 – 4.0
Basel	2.0 – 5.0	2.0 – 4.0	2.0 – 30.0	1.0 – 3.0	1.0 – 10.0	2.0 – 3.0
Bern	2.0 – 4.0	1.0 – 6.0	2.0 – 10.0	1.0 – 10.0	1.0 – 4.0	1.0 – 2.5
Other regions	3.0 – 10.0	2.0 – 10.0	2.0 – 25.0	1.0 – 10.0	1.0 – 15.0	1.0 – 3.0
All regions	1.5 – 15.0	1.0 – 13.0	1.0 – 30.0	0.5 – 13.0	1.0 – 15.0	0.5 – 4.0

The investment property valuations are based on the following general assumptions:

- The rent rolls from PSP Swiss Property used in the valuation are dated 1 July 2014.
- A one-phase DCF model was adopted. The valuation period extends for 100 years from the valuation date, with an implicit residual value in the 11th period.
- Discounting is based on a risk-adjusted interest rate. Rates are determined individually for each property on the basis of appropriate benchmarks derived from arm's-length transactions. They may be broken down as follows: risk-free interest rate + property risk (immobility of capital) + premium for macro-location + premium for micro-location depending on use + premium for property quality and income risk + any other specific premiums. Nominal discount rates range between 4.03% and 6.15% depending on the property, use and location (see table 1).
- Unless otherwise stated, the valuations assume 1.0% annual inflation for income and all expenditure. Where a nominal discount rate is applied, this is adjusted accordingly.
- Credit risks posed by specific tenants are not explicitly factored into the valuation.
- Specific indexation of existing rental agreements is accounted on an individual basis. After expiry of the contracts, an indexation factor of 80% (Swiss average) and an average contract term of 5 years are assumed.
- For existing tenancies, the timing of individual payments is assumed to comply with the terms of the lease. Following lease expiry, cash flows for commercial premises are taken to be quarterly in advance, for housing monthly in advance.
- In terms of running costs, entirely separate service charge accounts are assumed, with no tenancy-related ancillary costs to be borne by the owner.
- The maintenance (repair and upkeep) costs were calculated using a building analysis tool. This tool is used to estimate the remaining lifespan of individual components based on their present condition, to model periodic refurbishments and to calculate the associated annuity. The calculated values are plausibility tested using cost benchmarks derived from Wüest & Partner surveys.

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Property valuation report Wüest & Partner AG

Sites and development properties

Wüest & Partner also determined the market values of the sites and development properties. The valuations of these projects are based on the following assumptions:

- PSP Swiss Property has divided the properties into sub-developments. For the sake of transparency, this arrangement has been adopted by Wüest & Partner in its valuations. The value of the projects or properties is taken as the sum of the individual premises or property units.
- The PSP Swiss Property strategy regarding project development/promotion (e.g. sale vs. renting), where deemed plausible by Wüest & Partner, is adopted in the valuation.
- The background data provided by PSP Swiss Property has been verified and, where appropriate, adjusted (e.g. plot ratio, lettable areas, deadlines/development process, letting/absorption).
- The valuations undergo independent earnings and cost assessment and yield analysis.
- It is assumed that construction cost certainty has been achieved through the agreement of general contracts and design-and-build contracts.
- The services provided by PSP Swiss Property as client representative and project developer are included in the construction costs.
- The valuations of property units held for sale (e.g. freehold flats and offices) make allowance for sales costs.
- Allowance is made in the construction costs for enabling works where these are known (e.g. remediation of contaminated sites, demolitions, infrastructure).
- The construction costs include the usual incidental costs, excl. construction financing. This is implicit in the DCF model.
- Allowance is made for value-relevant services previously provided by third parties or PSP Swiss Property, insofar as these are known.
- It is assumed that income from the planned commercial properties is subject to value-added tax. The posted construction costs are therefore exclusive of VAT.
- The valuations contain no latent taxes.

PSP Swiss Property

EPRA performance measures

EPRA performance measures

In accordance with EPRA's Best Practice Recommendations, PSP Swiss Property discloses the EPRA Performance measures. In summary, PSP Swiss Property's net asset value, net initial yield and vacancy rate disclosure is more conservative than the EPRA Best Practice Recommendations, as it does, for example, not consider market values of development properties held at cost or bases its calculation on effective and not market rents. With regard to the earnings per share calculation, PSP Swiss Property includes profits on sales of trading properties.

A. EPRA earnings & EPRA earnings per share (EPS)	(in CHF 1 000)	H1 2013	H1 2014
Earnings per IFRS income statement		158 731	95 877
Adjustments to calculate EPRA earnings			
Exclude:			
Changes in value of investment properties, development properties held for investment and other interests		- 95 735	- 9 827
Profits or losses on disposal of investment properties, development properties held for investment and other interests		0	- 2 026
Profits or losses on sales of trading properties including impairment charges in respect of trading properties		- 1 202	- 4 555
Tax on profits or losses on disposals		280	304
Negative goodwill/goodwill impairment		n.a.	n.a.
Changes in fair value of financial instruments and associated close-out costs		n.a.	n.a.
Acquisition costs on share deals and non-controlling joint venture interests		n.a.	n.a.
Deferred tax in respect of EPRA adjustments		22 214	2 511
Adjustments to above in respect of joint ventures		n.a.	n.a.
Minority interests in respect of the above		n.a.	n.a.
EPRA earnings		84 288	82 284
Average number of outstanding shares		45 867 891	45 867 891
EPRA EPS in CHF		1.84	1.79

B. EPRA net asset value (NAV)	(in CHF 1 000)	31 December 2013	30 June 2014
NAV per the financial statements		3 839 230	3 766 070
Effect of exercise of options, convertibles and other equity interests		n.a.	n.a.
Diluted NAV, after the exercise of options, convertibles and other equity interests		3 839 230	3 766 070
Include:			
Revaluation of investment property under construction (IPUC) (if IAS 40 cost option is used)		11 662	10 582
Revaluation of other non-current investments		n.a.	n.a.
Revaluation of tenant leases held as finance leases		n.a.	n.a.
Revaluation of trading properties		23 832	21 800
Exclude:			
Fair value of financial instruments		23 400	42 290
Deferred tax		714 863	720 726
Goodwill as result of deferred tax		n.a.	n.a.
Include/exclude:			
Adjustments to above in respect of joint venture interests		n.a.	n.a.
EPRA NAV		4 612 986	4 561 468
Number of outstanding shares		45 867 891	45 867 891
EPRA NAV per share in CHF		100.57	99.45

PSP Swiss Property

EPRA Performance-Kennzahlen

C. EPRA triple net asset value (NNNAV)	(in CHF 1 000)	31 December 2013	30 June 2014
EPRA NAV		4 612 986	4 561 468
Include:			
Fair value of financial instruments		- 23 400	- 42 290
Fair value of debt		- 11 691	- 17 919
Deferred tax		- 721 654	- 727 517
EPRA NNNAV		3 856 241	3 773 741
Number of outstanding shares		45 867 891	45 867 891
EPRA NNNAV per share in CHF		84.07	82.27

D. EPRA net yield disclosure	(in CHF 1 000)	31 December 2013	30 June 2014
Investment property - wholly owned		6 326 486	6 372 045
Less developments		- 307 932	- 332 368
Gross up completed property portfolio valuation (B)		6 018 554	6 039 677
Annualised cash passing rental income		271 585	268 635
Property outgoings		- 31 021	- 24 603
Annualised net rents (A)		240 564	244 033
Add: notional rent expiration of rent free periods or other lease incentives		4 653	4 073
Topped-up net annualised rent (C)		245 217	248 105
EPRA NIY (A/B)		4.0%	4.0%
EPRA «topped-up» NIY (C/B)		4.1%	4.1%

E. EPRA vacancy rate	(in CHF 1 000)	31 December 2013	30 June 2014
Estimated rental value of vacant space (A)		24 488	28 252
Estimated rental value of the whole portfolio (B)		327 135	327 405
EPRA vacancy rate (A/B)		7.5%	8.6%

F. EPRA cost ratio	(in CHF 1 000)	H1 2013	H1 2014
Administrative/operating expense line per IFRS income statement		25 852	25 251
Net service charge costs/fees		0	0
Management fees less actual/estimated profit element		23	24
Other operating income/recharges intended to cover overhead expenses less any related profits		0	0
Share of joint ventures expenses		0	0
Investment property depreciation		0	0
Ground rent costs		0	0
EPRA costs (including direct vacancy costs) (A)		25 875	25 274
Direct vacancy costs		1 693	1 985
EPRA costs (excluding direct vacancy costs) (B)		24 183	23 289
Gross rental income less ground rents		138 077	138 402
Gross rental income (C)		138 077	138 402
EPRA cost ratio (including direct vacancy costs) (A/C)		18.7%	18.3%
EPRA cost ratio (excluding direct vacancy costs) (B/C)		17.5%	16.8%

G. EPRA like-for-like rental change	(in CHF 1 000)	H1 2013	H1 2014
Rental income		138 077	138 402
Acquisitions		0	0
Disposals		- 201	- 187
Developments		- 4 444	- 2 348
Properties' operating expenses		- 5 161	- 5 863
Rent-free-periods		1 897	864
Other		- 122	- 261
Total EPRA like-for-like net rental income		130 047	130 607
EPRA like-for-like change, absolute		- 251	561
EPRA like-for-like change, relative		- 0.2 %	0.4 %

For further information about EPRA, go to www.epra.com.

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Real estate portfolio

Key financial figures by area

Area	in CHF 1000	Number of properties	Rental income	Operating expenses	Maintenance and renovation	Net rental income	In % of total	Potential rent ¹	In % of total
Zurich									
H1 2014		82	84 693	5 717	4 402	74 574	62.1%	184 881	59.0%
2013		83	169 177	12 033	11 244	145 900	61.5%	185 263	59.2%
Geneva									
H1 2014		16	18 836	2 477	856	15 503	12.9%	41 096	13.1%
2013		16	37 379	5 143	2 330	29 905	12.6%	40 881	13.1%
Basel									
H1 2014		13	10 306	643	266	9 396	7.8%	21 452	6.9%
2013		13	20 814	1 371	549	18 893	8.0%	21 356	6.8%
Bern									
H1 2014		12	6 215	450	394	5 371	4.5%	13 598	4.3%
2013		12	12 107	968	474	10 664	4.5%	13 543	4.3%
Lausanne									
H1 2014		15	8 257	1 255	282	6 720	5.6%	19 647	6.3%
2013		15	15 665	2 553	1 341	11 771	5.0%	19 234	6.2%
Other locations									
H1 2014		22	8 276	952	471	6 853	5.7%	20 023	6.4%
2013		22	16 062	1 540	2 509	12 013	5.1%	20 128	6.4%
Sites and development properties									
H1 2014		10	2 608	738	134	1 735	1.4%	12 402	4.0%
2013		10	9 513	1 242	331	7 939	3.3%	12 304	3.9%
Overall total portfolio									
H1 2014⁸		170	139 191	12 232	6 806	120 153	100.0%	313 099	100.0%
2013⁹		171	280 716	24 851	18 779	237 086	100.0%	312 709	100.0%

1 Annualised rental income (market rent for vacant area).

2 According to the external property appraiser.

3 Based on the market valuation by the external property appraiser.

4 Annualised rental income divided by average value of properties.

5 Annualised net rental income divided by average value of properties.

6 As per reporting date (market rent for vacant area).

7 Vacancy (CHF) in % of potential rent.

8 For 2014 six months resp. as of 30 June.

9 For 2013 twelve months resp. as of 31 December.

Market rent ²	In % of total	Net changes in fair value ³	Value of properties	In % of total	Implied yield		Vacancy in CHF ⁶	Vacancy rate (CHF) ^{6,7}	Vacancy in m ²	Vacancy rate (m ²)
					gross ⁴	net ⁵				
200 426	61.2%	1 031	3 899 086	60.4%	4.4%	3.8%	18 098	9.8%	65 020	11.8%
201 275	61.5%	73 652	3 894 748	60.2%	4.4%	3.8%	16 029	8.7%	59 608	10.7%
45 386	13.9%	- 1 143	885 654	13.7%	4.3%	3.5%	3 603	8.8%	6 527	7.4%
45 482	13.9%	28 521	884 664	13.7%	4.3%	3.5%	2 345	5.7%	4 737	5.3%
22 115	6.8%	1 421	384 755	6.0%	5.4%	4.9%	987	4.6%	3 232	4.2%
21 740	6.6%	6 896	383 202	5.9%	5.5%	5.0%	293	1.4%	1 221	1.6%
14 339	4.4%	2 772	241 315	3.7%	5.2%	4.5%	245	1.8%	1 373	3.2%
14 294	4.4%	15 264	238 219	3.7%	5.3%	4.6%	174	1.3%	1 207	2.8%
24 467	7.5%	6 512	325 755	5.0%	5.2%	4.2%	2 358	12.0%	15 854	19.0%
23 735	7.3%	21 716	315 969	4.9%	5.2%	3.9%	2 435	12.7%	15 650	19.6%
20 672	6.3%	- 1 456	318 284	4.9%	5.3%	4.3%	2 698	13.5%	10 805	12.5%
20 608	6.3%	1 601	317 128	4.9%	5.2%	3.9%	2 890	14.4%	11 920	13.7%
n.a.	n.a.	691	397 315	6.2%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
n.a.	n.a.	- 19 506	431 647	6.7%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
327 406	100.0%	9 827	6 452 164	100.0%	4.5%	3.9%	27 990	9.3%	102 811	11.0%
327 135	100.0%	128 144	6 465 576	100.0%	4.6%	3.9%	24 167	8.0%	94 343	10.1%

Real estate portfolio

Property details

Location, address	30 June 2014	Land area m ²	Office area m ²	Retail area m ²	Gastronomy area m ²	Other area m ²	Other area m ²
Zurich area							
Kilchberg, Seestr. 40, 42		3 401	2 224	0	0	806	3 030
Rüschlikon, Moosstr. 2		6 798	5 382	0	0	3 769	9 151
Urdorf, Heinrich-Stutzstr. 27/29		30 671	42 206	0	163	3 165	45 534
Wallisellen, Handelszentrum		4 131	3 999	0	0	341	4 340
Wallisellen, Richtistr. 3		5 578	7 357	0	0	0	7 357
Wallisellen, Richtistr. 5		5 197	6 497	0	0	550	7 047
Wallisellen, Richtistr. 7		4 582	8 666	0	0	549	9 215
Wallisellen, Richtistr. 9		4 080	5 245	0	624	136	6 005
Wallisellen, Richtistr. 11		4 988	6 982	0	0	382	7 364
Zürich, Alfred Escherstr. 17		275	996	0	0	0	996
Zürich, Altstetterstr. 124 / Herrligstr. 21		3 782	9 637	0	313	1 889	11 839
Zürich, Augustinergasse 25		236	277	0	314	123	714
Zürich, Bahnhofplatz 9		998	2 456	1 504	101	519	4 580
Zürich, Bahnhofstr. 28a / Waaggasse 6		763	2 390	160	419	262	3 231
Zürich, Bahnhofstr. 39		1 093	1 751	1 725	0	71	3 547
Zürich, Bahnhofstr. 66		627	0	4 868	0	0	4 868
Zürich, Bahnhofstr. 81 / Schweizergasse 2/4		355	714	1 338	0	300	2 352
Zürich, Bernerstr. Süd 167/169		3 967	10 308	0	0	1 644	11 952
Zürich, Binzing 15/17		33 878	36 545	0	0	4 654	41 199
Zürich, Bleicherweg 10 / Schanzengraben 7		1 155	4 601	242	0	0	4 843
Zürich, Bleicherweg 14		398	530	0	0	0	530
Zürich, Brandschenkestr. 70 (KH)		298	0	0	0	0	0
Zürich, Brandschenkestr. 72 (KG)		247	0	0	0	0	0
Zürich, Brandschenkestr. 80, 82, 84 (Tertianum)		7 384	0	0	0	13 072	13 072
Zürich, Brandschenkestr. 90 (DL1)		12 770	11 672	0	0	0	11 672
Zürich, Brandschenkestr. 100 (DL2)		5 139	8 627	0	0	1 147	9 774
Zürich, Brandschenkestr. 110 (DL3)		5 860	15 979	0	0	0	15 979
Zürich, Brandschenkestr. 130/132 (Markt)		3 605	966	972	629	0	2 567
Zürich, Brandschenkestr. 150 (Markt)		3 693	3 453	1 346	0	169	4 968
Zürich, Brandschenkestr. 152 (Sudhaus)		5 194	0	0	3 802	4 759	8 561
Zürich, Brandschenkestr. 152a (DL4) ⁶		583	2 626	0	0	0	2 626
Zürich, Brandschenkestr. 152b (Kesselhaus)		818	699	0	0	0	699
Zürich, Dufourstr. 56		900	2 587	292	0	0	2 879
Zürich, Flüelastr. 7		1 296	2 605	433	0	286	3 324
Zürich, Förrlibuckstr. 10		4 122	7 514	0	0	644	8 158
Zürich, Förrlibuckstr. 60/62		10 382	14 604	0	877	8 548	24 029
Zürich, Förrlibuckstr. 66		2 055	4 906	0	0	2 023	6 929
Zürich, Förrlibuckstr. 110		2 963	9 360	360	410	1 464	11 594
Zürich, Förrlibuckstr. 151 (Parkhaus)		3 495	0	0	1 737	91	1 828
Zürich, Förrlibuckstr. 178/180		3 564	8 420	0	1 080	1 381	10 881
Zürich, Förrlibuckstr. 181		1 789	4 785	0	0	273	5 058
Zürich, Freieckgasse 7		295	285	89	210	224	808
Zürich, Füsslistr. 6		907	1 245	1 066	0	672	2 983

1 As per reporting date. Annualised vacancy (CHF) in % of potential rent (market rent for vacant area).

2 Annualised net rental income divided by average value of properties.

3 Year of last overall renovation.

4 PR = PSP Real Estate Ltd

PP = PSP Properties Ltd

IS = Immobiliengesellschaft Septima AG

SI = SI 7 Place du Molard Ltd

Parking spaces	Vacancy rate (CHF) ¹	Implied yield net ²	Year of construction	Year of renovation ³	Purchase date	Owner ⁴	Ownership status ⁵	Ownership percentage
33	12.1%	4.1%	1966	2001	01.10.1999	PR	SO	100.0%
121	1.6%	5.8%	1969 89	2010	01.06.2002	PR	SO	100.0%
210	0.0%	7.8%	1976	2002 03 10 13	01.07.2004	PR	SO	100.0%
90	7.2%	9.6%	1992	2010	01.10.1999	PR	CO	23.7%
137	0.0%	5.2%	2000 01	2011	01.11.2001	PR	SO	100.0%
126	42.8%	1.8%	2003	2011	01.04.2003	PR	SO	100.0%
156	18.2%	5.9%	2003	2011	01.04.2003	PR	SO	100.0%
105	6.2%	4.2%	2010		13.06.2008	PR	SO	100.0%
123	20.5%	4.4%	2010		13.06.2008	PR	SO	100.0%
0	0.0%	4.3%	1907	2000	01.10.1999	PR	SO	100.0%
124	2.7%	3.7%	1974 75	1997 2011	01.10.1999	PR	SO	100.0%
1	0.0%	3.0%	1850	1994 2000 04	01.04.2004	PP	SO	100.0%
0	20.4%	2.1%	1933	2003 04	01.04.2004	PP	SO	100.0%
0	0.0%	3.1%	1812	2005 10	01.04.2004	PP	SO	100.0%
7	0.3%	2.5%	1911	1984 2003 13	01.01.2000	PR	SO	100.0%
0	0.0%	2.2%	1967	1995	01.07.2005	PP	SO	100.0%
0	0.0%	2.5%	1931	2001	01.04.2004	PP	SO	100.0%
144	54.0%	2.1%	1974	1992 2006	01.10.1999	PR	SO	100.0%
140	0.0%	5.8%	1992		01.04.2001	PR	SO	100.0%
17	0.0%	4.3%	1930 76	1985 2006 09	01.10.1999	PR	SO	100.0%
7	0.0%	4.1%	1857	1998 99	01.07.2005	PP	SO	100.0%
0	n.a.	0.0%	1921	2003	01.04.2004	PP	FA	15.4%
0	n.a.	0.0%	2003		01.04.2004	PP	FA	10.8%
56	0.0%	3.9%	2005		01.04.2004	PP	SO	100.0%
272	0.0%	3.9%	2003		01.04.2004	PP	SO	100.0%
0	0.0%	3.8%	2003		01.04.2004	PP	SO	100.0%
0	0.0%	3.6%	2007		01.04.2004	PP	SO	100.0%
0	0.0%	3.2%	1877 82	2004	01.04.2004	PP	SO	100.0%
0	3.6%	4.0%	1882	2004	01.04.2004	PP	SO	100.0%
0	0.0%	5.2%	1913	2012	01.04.2004	PP	SO	100.0%
0	0.0%	6.4%	2008		01.04.2004	PP	SO	100.0%
0	0.0%	4.3%	1890	2013	01.04.2004	PP	SO	100.0%
12	0.0%	4.3%	1950	1997 2006	01.10.1999	PR	SO	100.0%
65	27.4%	1.3%	1982	2007	01.10.1999	PR	SO	100.0%
85	2.2%	5.5%	1963	2002	29.06.2001	PR	SO	100.0%
312	5.4%	5.9%	1989		01.04.2001	PR	SO	100.0%
81	4.6%	6.6%	1969	1992 2003 04	01.12.2002	PR	SO	100.0%
64	20.5%	4.6%	1962	2000	01.12.2002	PR	SO	100.0%
1 137	7.2%	5.1%	1975	2000	01.12.2002	PR	SO	100.0%
101	37.3%	4.3%	1988		01.12.2002	PR	SO	100.0%
32	0.0%	5.7%	2002		01.12.2002	PR	SO	100.0%
0	0.0%	4.1%	1700	1992 2012	01.04.2004	PP	SO	100.0%
3	2.4%	2.3%	1925	1998 2005	01.04.2001	PR	SO	100.0%

5 BL = Building lease

CO = Co-ownership

FA = Freehold apartment

SO = Sole ownership

6 Own-used property.

7 See details on pages 54 to 55.

8 Current development projects designed for sale.

9 Current development projects partially designed for sale.

Real estate portfolio

Property details

Location, address	30 June 2014	Land area m ²	Office area m ²	Retail area m ²	Gas-tronomy area m ²	Other area m ²	Other area m ²
Zurich area (continuation)							
Zürich, Gartenstr. 32		694	1 714	0	0	0	1 714
Zürich, Genferstr. 23		343	915	0	0	111	1 026
Zürich, Gerbergasse 5		606	1 770	795	0	89	2 654
Zürich, Goethestr. 24		842	0	0	279	661	940
Zürich, Gutenbergstr. 1/9		1 488	7 253	856	0	943	9 052
Zürich, Hardturmstr. 131, 133, 135		6 236	16 566	1 324	0	6 781	24 671
Zürich, Hardturmstr. 161 / Förrlibuckstr. 150		8 225	29 044	1 357	131	6 738	37 270
Zürich, Hardturmstr. 169, 171, 173, 175		5 189	10 463	857	86	8 271	19 677
Zürich, Hardturmstr. 181, 183, 185		6 993	18 201	0	0	1 764	19 965
Zürich, Hottingerstr. 10 – 12		1 922	3 733	0	0	605	4 338
Zürich, In Gassen 16		331	0	0	488	610	1 098
Zürich, Konradstr. 1 / Zollstr. 6		686	283	166	190	2 251	2 890
Zürich, Kurvenstr. 17 / Beckenhofstr. 26		657	1 581	0	0	166	1 747
Zürich, Limmatquai 4		529	2 294	159	216	91	2 760
Zürich, Limmatquai 144 / Zähringerstr. 51		429	1 476	0	228	341	2 045
Zürich, Limmatstr. 250 – 254/264/266 («Red»)		4 705	7 769	0	0	760	8 529
Zürich, Limmatstr. 291		973	2 906	0	0	154	3 060
Zürich, Lintheschergasse 23		135	359	0	80	186	625
Zürich, Löwenstr. 22		250	643	198	0	115	956
Zürich, Mühlebachstr. 6		622	621	0	0	0	621
Zürich, Mühlebachstr. 32		536	1 909	0	0	217	2 126
Zürich, Obstgartenstr. 7		842	1 881	0	0	0	1 881
Zürich, Poststr. 3		390	798	710	0	178	1 686
Zürich, Schaffhauserstr. 611		2 561	2 814	586	0	194	3 594
Zürich, Seebahnstr. 89		2 455	2 994	753	0	1 120	4 867
Zürich, Seefeldstr. 5		498	605	0	307	294	1 206
Zürich, Seefeldstr. 123		2 580	6 481	1 553	0	251	8 285
Zürich, Seestr. 353		3 593	6 912	0	0	948	7 860
Zürich, Sihlamsstr. 5		354	451	0	140	359	950
Zürich, Splügenstr. 6		430	1 052	0	0	52	1 104
Zürich, Stampfenbachstr. 48 / Sumatrastr. 11		1 589	4 279	260	0	403	4 942
Zürich, Stauffacherstr. 31		400	534	0	210	861	1 605
Zürich, Theaterstr. 12		1 506	2 233	4 323	0	40	6 596
Zürich, Theaterstr. 22		324	459	0	283	237	979
Zürich, Uraniastr. 9		989	3 505	315	909	669	5 398
Zürich, Walchestr. 11, 15 / Neumühlequai 26, 28		1 074	2 973	676	102	321	4 072
Zürich, Wasserwerkstr. 10/12		1 760	6 800	0	0	1 138	7 938
Zürich, Zurlindenstr. 134		487	1 251	133	0	108	1 492
Zürich, Zweierstr. 129		597	1 802	260	0	780	2 842
Total		259 132	416 420	29 676	14 328	92 720	553 144

1 As per reporting date. Annualised vacancy (CHF) in % of potential rent (market rent for vacant area).

2 Annualised net rental income divided by average value of properties.

3 Year of last overall renovation.

4 PR = PSP Real Estate Ltd

PP = PSP Properties Ltd

IS = Immobiliengesellschaft Septima AG

SI = SI 7 Place du Molard Ltd

Parking spaces	Vacancy rate (CHF) ¹	Implied yield net ²	Year of construction	Year of renovation ³	Purchase date	Owner ⁴	Ownership status ⁵	Ownership percentage
21	0.0%	4.3%	1967	1986 2005	01.07.2005	PP	SO	100.0%
0	100.0%	-9.6%	1895	1998	01.10.1999	PR	SO	100.0%
3	10.1%	3.4%	1904	1993 2010 12	27.05.2004	PP	SO	100.0%
0	100.0%	0.2%	1874		01.04.2004	PP	SO	100.0%
14	37.2%	2.5%	1969	1986 2008	31.12.2004	PR	SO	100.0%
41	22.9%	4.4%	1982	2008	01.12.2002	PR	SO	100.0%
83	22.1%	4.7%	1975	1999	01.12.2002	PR	SO	100.0%
44	17.1%	4.9%	1952	1997 2006	01.12.2002	PR	SO	100.0%
193	38.9%	3.8%	1989		01.12.2002	PR	SO	100.0%
18	5.1%	4.0%	1914 40	1994	01.04.2001	PR	SO	100.0%
0	0.0%	3.4%	1812	1984 2007	01.04.2004	PP	SO	100.0%
7	0.7%	3.5%	1879 1982	1990	01.04.2004	PP	SO	100.0%
35	0.3%	3.7%	1971	1999 2006 07 12	01.10.1999	PR	SO	100.0%
0	0.0%	3.3%	1837	2000	01.01.2000	PR	SO	100.0%
0	0.0%	3.9%	1888	1994	01.04.2004	PP	SO	100.0%
34	7.5%	3.9%	2013		01.10.2010	PP	SO	100.0%
7	0.0%	5.6%	1985		01.04.2001	PR	SO	100.0%
3	1.6%	3.4%	1879	2001	01.04.2004	PP	SO	100.0%
4	0.0%	4.2%	1964	2003 07 11	31.12.2000	PR	SO	100.0%
7	0.0%	5.5%	1975	1993	01.10.1999	PR	FA	29.8%
21	2.3%	4.3%	1981	1999 2007	01.10.1999	PR	SO	100.0%
16	0.4%	4.6%	1958	1981 2002	01.10.1999	PR	SO	100.0%
0	0.0%	3.5%	1893	1999	01.10.1999	PR	SO	100.0%
61	18.3%	3.8%	2001 02		01.07.2005	PP	SO	100.0%
76	3.1%	4.7%	1959	2003 08	01.04.2001	PR	SO	100.0%
0	0.0%	3.6%	1840	2000	01.04.2004	PP	SO	100.0%
90	1.1%	3.8%	1972	2004	01.10.1999	PR	SO	100.0%
125	67.4%	5.4%	1981 2001	2010	01.04.2010	PR	SO	100.0%
0	0.0%	4.5%	1950	2005	01.04.2004	PP	SO	100.0%
8	0.5%	3.3%	1896	1998 2011	01.10.1999	PR	SO	100.0%
35	1.2%	4.2%	1929	1999 2001 07	01.10.1999	PR	SO	100.0%
4	0.0%	3.8%	1896	2000	01.04.2004	PP	SO	100.0%
3	0.0%	2.9%	1973	1993 2004 07	01.10.1999	PR	SO	100.0%
0	20.5%	2.8%	2013		01.04.2004	PP	SO	100.0%
2	9.0%	3.7%	1906	1992 2002	01.04.2004	PP	SO	100.0%
6	0.0%	4.2%	1919	2000 08 09	01.10.1999	PR	SO	100.0%
125	15.2%	1.7%	1981	2006	01.04.2004	PP	SO	100.0%
17	2.0%	4.3%	1972 73	2006	01.10.1999	PR	SO	100.0%
7	0.4%	2.3%	1958	2003	01.10.1999	PR	SO	100.0%
4 871	9.8%	3.8%						

5 BL = Building lease

CO = Co-ownership

FA = Freehold apartment

SO = Sole ownership

6 Own-used property.

7 See details on pages 54 to 55.

8 Current development projects designed for sale.

9 Current development projects partially designed for sale.

Real estate portfolio

Property details

Location, address	30 June 2014	Land area m ²	Office area m ²	Retail area m ²	Gastronomy area m ²	Other area m ²	Other area m ²
Geneva area							
Carouge GE, Route des Acacias 50/52		4 666	9 558	0	0	4	9 562
Carouge GE, Rue de la Gabelle 6		990	1 017	0	0	0	1 017
Genève, Cours de Rive 13, 15 / Helv. 25		882	4 405	1 164	0	107	5 676
Genève, Place du Molard 7		593	2 137	0	843	401	3 381
Genève, Rue de Berne 6, Rue Pécolat 1		926	3 410	0	0	450	3 860
Genève, Rue de la Corratierie 24/26		1 005	1 628	591	0	196	2 415
Genève, Rue de la Fontaine 5		226	1 056	173	0	77	1 306
Genève, Rue des Bains 31 – 33, 35		3 368	11 170	878	0	2	12 050
Genève, Rue du Grand-Pré 54, 56, 58		2 864	5 701	0	0	551	6 252
Genève, Rue du Marché 40		798	3 096	2 184	0	92	5 372
Genève, Rue du Mont-Blanc 12		258	1 468	174	0	0	1 642
Genève, Rue du Prince 9/11		276	2 934	798	0	418	4 150
Genève, Rue du XXXI-Décembre 8		1 062	2 318	364	134	958	3 774
Genève, Rue F. Bonivard 12 / Rue des Alpes 11		392	1 998	273	0	83	2 354
Genève, Rue Richard-Wagner 6		6 634	9 976	0	0	0	9 976
Petit-Lancy, Av. des Morgines 8/10		7 816	13 409	0	0	2 446	15 855
Total		32 756	75 281	6 599	977	5 785	88 642
Basel area							
Basel, Barfüsserplatz 10		3 655	336	0	530	311	1 177
Basel, Dornacherstr. 210		4 994	7 647	4 012	0	1 659	13 318
Basel, Falknerstr. 31 / Weisse Gasse 16		320	133	0	344	724	1 201
Basel, Freie Str. 38		299	1 055	242	0	68	1 365
Basel, Greifengasse 21		416	199	269	317	1 010	1 795
Basel, Grosspeterstr. 18, 20		8 062	12 861	0	0	666	13 527
Basel, Hochstr. 16 / Pfeffingerstr. 5		7 018	15 220	0	0	0	15 220
Basel, Kirschgartenstr. 12/14		1 376	4 951	789	137	485	6 362
Basel, Marktgasse 4		272	375	373	0	323	1 071
Basel, Marktgasse 5		330	938	273	0	102	1 313
Basel, Marktplatz 30/30A		560	2 070	0	431	298	2 799
Basel, St. Alban-Anlage 46		1 197	3 313	0	194	309	3 816
Basel, Steinentorberg 8/12		2 845	6 995	0	281	7 424	14 700
Total		31 344	56 093	5 958	2 234	13 379	77 664

1 As per reporting date. Annualised vacancy (CHF) in % of potential rent (market rent for vacant area).

2 Annualised net rental income divided by average value of properties.

3 Year of last overall renovation.

4 PR = PSP Real Estate Ltd

PP = PSP Properties Ltd

IS = Immobiliengesellschaft Septima AG

SI = SI 7 Place du Molard Ltd

Parking spaces	Vacancy rate (CHF) ¹	Implied yield net ²	Year of construction	Year of renovation ³	Purchase date	Owner ⁴	Ownership status ⁵	Ownership percentage
181	0.0%	4.7%	1965	2006 10 13	31.12.2000	PR	SO	100.0%
5	0.0%	4.5%	1987		01.01.2000	PR	SO	100.0%
64	35.0%	1.6%	1981		01.10.1999	PR	SO	100.0%
0	0.0%	2.5%	1975	2005 06	01.04.2004	SI	SO	100.0%
0	0.0%	4.6%	1895	1999	01.04.2001	PR	SO	100.0%
6	24.6%	6.0%	1825	1996	01.10.1999	PR	SO	100.0%
0	0.0%	3.1%	1920	2000 01	01.10.1999	PR	SO	100.0%
255	6.4%	3.8%	1994		01.07.2002	PR	SO	100.0%
50	23.4%	3.8%	1984	1992 2007	01.12.2005	PR	SO	100.0%
0	14.9%	2.0%	1972	2006	01.07.2002	PR	SO	100.0%
0	0.0%	4.0%	1860	2000	01.10.1999	PR	SO	100.0%
4	0.3%	3.7%	1966	2000 01 06	01.01.2000	PR	SO	100.0%
0	0.0%	4.0%	1962	1992 2001 11	01.10.1999	PR	SO	100.0%
0	31.2%	0.7%	1852	1995 2013	01.10.1999	PR	SO	100.0%
69	0.0%	3.9%	1986		01.07.2004	PR	SO	100.0%
186	0.6%	5.9%	2002 04		01.02.2004	PR	SO	100.0%
820	8.8%	3.5%						
0	9.6%	3.1%	1914	1997 2006 11	01.04.2004	PP	SO	100.0%
5	14.6%	4.8%	1969	1998 2004 06	31.12.2000	PR	SO	100.0%
0	0.0%	4.5%	1902	1998 2005 08 12	01.04.2004	PP	SO	100.0%
0	3.8%	4.4%	1896	1981 82 2005	01.07.2005	PP	SO	100.0%
0	72.8%	0.8%	1930	1984 98	01.04.2004	PP	SO	100.0%
239	1.1%	6.8%	1988		01.12.2005	PR	SO	100.0%
227	0.0%	5.7%	1986	2000	01.01.2001	PR	SO	100.0%
90	0.3%	5.2%	1978	2003 05 10	01.01.2000	PR	SO	100.0%
0	0.0%	4.6%	1910	2002 08	01.04.2004	PP	SO	100.0%
0	0.0%	4.9%	1924	1975 2002 05	01.10.1999	PR	SO	100.0%
0	0.0%	3.9%	1936	2001 06	01.04.2004	PP	SO	100.0%
53	0.0%	4.9%	1968	2000 11	01.10.1999	PR	SO	100.0%
69	0.2%	5.0%	1991		01.12.2001	PR	SO	100.0%
683	4.6%	4.9%						

5 BL = Building lease

CO = Co-ownership

FA = Freehold apartment

SO = Sole ownership

6 Own-used property.

7 See details on pages 54 to 55.

8 Current development projects designed for sale.

9 Current development projects partially designed for sale.

Real estate portfolio

Property details

Location, address	30 June 2014	Land area m ²	Office area m ²	Retail area m ²	Gastronomy area m ²	Other area m ²	Other area m ²
Bern area							
Bern, Bollwerk 15		403	1 215	433	119	160	1 927
Bern, Eigerstr. 2		3 342	4 348	112	0	222	4 682
Bern, Genfergasse 4		325	951	0	544	291	1 786
Bern, Haslerstr. 30 / Effingerstr. 47		2 585	6 061	0	0	879	6 940
Bern, Kramgasse 49		235	50	173	260	309	792
Bern, Kramgasse 78		241	178	511	0	325	1 014
Bern, Laupenstr. 10		969	1 835	0	569	212	2 616
Bern, Laupenstr. 18/18a		5 436	6 922	1 255	171	964	9 312
Bern, Seilerstr. 8		1 049	3 658	386	0	590	4 634
Bern, Spitalgasse 9		0	819	1 405	0	122	2 346
Bern, Waisenhausplatz 14		826	1 214	1 838	0	313	3 365
Bern, Zeughausgasse 26/28		629	704	395	1 755	622	3 476
Total		16 040	27 955	6 508	3 418	5 009	42 890
Lausanne area							
Lausanne, Av. de Cour 135		1 800	2 212	0	263	427	2 902
Lausanne, Avenue de Sévelin 40		3 060	1 698	0	0	5 735	7 433
Lausanne, Avenue de Sévelin 46		3 320	8 649	0	754	6 186	15 589
Lausanne, Avenue de Sévelin 54		1 288	544	0	0	2 540	3 084
Lausanne, Ch. du Rionzi 52, Depot		0	816	0	0	8 334	9 150
Lausanne, Chemin de Bossons 2		1 930	2 135	0	0	127	2 262
Lausanne, Grand Pont 1		371	0	919	0	0	919
Lausanne, Place Saint-François 5		1 070	2 326	1 636	1 561	368	5 891
Lausanne, Place Saint-François 15		5 337	8 681	1 616	0	41	10 338
Lausanne, Rue Centrale 15		486	1 525	576	0	251	2 352
Lausanne, Rue de Sébeillon 1, 3, 5		2 870	7 896	0	0	4 523	12 419
Lausanne, Rue de Sébeillon 2		5 955	747	0	0	196	943
Lausanne, Rue du Grand-Chêne 2		555	1 756	1 320	0	0	3 076
Lausanne, Rue du Pont 22		465	850	776	368	348	2 342
Lausanne, Rue Saint-Martin 7		2 087	2 869	312	755	637	4 573
Total		30 594	42 704	7 155	3 701	29 713	83 273
Other locations							
Aarau, Bahnhofstr. 18		496	1 334	739	0	43	2 116
Aarau, Bahnhofstr. 29/33		1 375	2 121	1 587	0	570	4 278
Aarau, Igelweid 1		356	296	112	0	184	592
Aigle, Route Industrielle 20, Depot		11 955	0	0	0	2 213	2 213
Biel/Bienne, Aarbergstr. 107		5 352	14 329	514	0	3 564	18 407
Biel/Bienne, Bahnhofplatz 2		4 928	6 815	3 422	0	2 779	13 016
Fribourg, Av. de Beauregard 1		1 657	3 183	0	0	112	3 295
Fribourg, Route des Arsenaux 41		4 310	8 631	337	509	1 286	10 763
Fribourg, Rue de la Banque 4 / Rte d. Alpes		269	895	540	0	99	1 534
Gwatt (Thun), Eisenbahnstr. 95		14 291	0	0	0	8 769	8 769

1 As per reporting date. Annualised vacancy (CHF) in % of potential rent (market rent for vacant area).

2 Annualised net rental income divided by average value of properties.

3 Year of last overall renovation.

4 PR = PSP Real Estate Ltd

PP = PSP Properties Ltd

IS = Immobiliengesellschaft Septima AG

SI = SI 7 Place du Molard Ltd

Parking spaces	Vacancy rate (CHF) ¹	Implied yield net ²	Year of construction	Year of renovation ³	Purchase date	Owner ⁴	Ownership status ⁵	Ownership percentage
0	0.0%	4.0%	1924	2002	01.10.1999	PR	SO	100.0%
115	7.3%	4.7%	1964	1999 2005 11	01.10.1999	PR	SO	100.0%
0	0.0%	4.0%	1899	1984 2005 06	01.04.2004	IS	SO	100.0%
6	0.0%	6.3%	1964 76	1992 95 2006 09	01.12.2005	PR	SO	100.0%
0	0.0%	3.1%	1900	2011 13	01.04.2004	IS	SO	100.0%
0	0.0%	4.3%	before 1900	1991 92	01.07.2005	PP	SO	100.0%
0	0.0%	4.1%	1965	1997 2004 11	01.07.2004	PR	SO	100.0%
7	2.1%	4.4%	1935 60	1997 2008 10 11 12	01.07.2004	PR	SO	100.0%
75	0.0%	5.0%	1971	2001	01.10.1999	PR	SO	100.0%
0	5.2%	9.6%	before 1900	2001 06	01.07.2005	PP	BL	100.0%
0	0.7%	3.5%	1950	2001	01.10.1999	PR	SO	100.0%
0	0.0%	4.8%	1900	1999	01.04.2004	IS	SO+BL	100.0%
203	1.8%	4.5%						
23	7.6%	4.6%	1973	2001 04 05	01.10.1999	PR	SO	100.0%
139	28.4%	4.9%	1992		01.12.2005	PR	SO	100.0%
4	17.1%	5.1%	1994		01.12.2005	PR	SO	100.0%
0	0.0%	7.6%	1932	1990 2002	01.12.2005	PR	SO	100.0%
14	69.7%	-1.7%	1971	1996	01.04.2004	IS	BL	100.0%
8	4.7%	7.1%	1971	1998	01.04.2001	PR	SO	100.0%
0	0.0%	4.4%	1957	2000	01.07.2005	PP	SO	100.0%
0	0.0%	3.0%	1913	1989 2004	01.10.1999	PR	SO	100.0%
63	0.0%	4.7%	1900	1998 2003 04	01.04.2001	PR	SO	100.0%
0	12.4%	3.5%	1938	1987 2013	01.01.2000	PR	SO	100.0%
61	5.8%	5.7%	1963	1998	01.12.2005	PR	SO	100.0%
221	3.7%	4.5%	1930	1998	01.12.2005	PR	SO	100.0%
0	0.0%	4.1%	1910 11	1985 2001	01.10.1999	PR	SO	100.0%
0	3.1%	4.0%	1952	2003	01.07.2005	PP	SO	100.0%
139	40.0%	2.1%	1962 63	1998 2002	31.12.2000	PR	SO	100.0%
672	12.0%	4.2%						
34	0.0%	4.7%	1968	2001 02 06	01.01.2000	PR	SO	100.0%
18	0.0%	5.4%	1971	2004 09 10	01.03.2008	PR	SO	100.0%
0	0.0%	4.3%	1945	2000	01.07.2005	PP	SO	100.0%
0	0.0%	6.1%	1985		01.04.2004	IS	SO	100.0%
63	1.1%	5.1%	1994		15.12.2005	PR	SO	100.0%
80	34.2%	3.7%	1928 62	1986 93 2011 12	01.08.2006	PR	SO	100.0%
67	15.2%	2.9%	1993		01.10.1999	PR	SO	100.0%
142	38.5%	2.8%	1997		15.12.2005	PR	SO	100.0%
3	0.7%	4.2%	1970	2001	01.01.2000	PR	SO	100.0%
0	0.0%	1.8%	1982	2012	01.10.2008	PR	SO	100.0%

5 BL = Building lease

CO = Co-ownership

FA = Freehold apartment

SO = Sole ownership

6 Own-used property.

7 See details on pages 54 to 55.

8 Current development projects designed for sale.

9 Current development projects partially designed for sale.

Real estate portfolio

Property details

Location, address	30 June 2014	Land area m ²	Office area m ²	Retail area m ²	Gastronomy area m ²	Other area m ²	Other area m ²
Other locations (continuation)							
Interlaken, Bahnhofstr. 23		419	0	353	0	0	353
Locarno, Via Respini 7/9		0	0	0	0	4 916	4 916
Lugano, Via Pessina 16		356	565	623	0	265	1 453
Luzern, Maihofstr. 1		930	2 262	334	0	599	3 195
Olten, Baslerstr. 44		657	2 063	405	0	596	3 064
Rheinfelden, Bahnhofstr. 21		11 473	1 279	0	161	2 208	3 648
Solothurn, Gurzelgasse 6		0	475	507	0	44	1 026
Uster, Bankstr. 11		960	0	207	201	557	965
Winterthur, Marktgasse 74		351	0	658	0	530	1 188
Winterthur, Untertor 34		146	440	0	95	220	755
Zug, Kolinplatz 2		285	796	119	0	180	1 095
Zurzach, Auf Rainen, Land		6 996	n.a.	n.a.	n.a.	n.a.	n.a.
Total		67 562	45 484	10 457	966	29 734	86 641

Sites and development properties⁷

Basel, Grosspeterstr. 18, 20, Projekt «Grosspeter Tower»		3 978	n.a.	n.a.	n.a.	n.a.	n.a.
Genf/Cologny, Port Noir, Projekt «Genève Plage»		0	n.a.	n.a.	n.a.	n.a.	n.a.
Lugano, Via Bosia 5, Areal «Paradiso» ⁸		11 117	n.a.	n.a.	n.a.	n.a.	n.a.
Rheinfelden, «Salmenpark» ⁹		53 765	n.a.	n.a.	n.a.	n.a.	n.a.
Wabern bei Bern, Gurtenareal		68 707	n.a.	n.a.	n.a.	n.a.	n.a.
Wädenswil, Areal Wädenswil		19 354	n.a.	n.a.	n.a.	n.a.	n.a.
Zürich, Bahnhofstr. 10 / Börsenstr. 18, Projekt		344	n.a.	n.a.	n.a.	n.a.	n.a.
Zürich, Limmatstr., Löwenbräu-Areal		920	n.a.	n.a.	n.a.	n.a.	n.a.
Zürich, Löwenstr. 16, Projekt		206	n.a.	n.a.	n.a.	n.a.	n.a.
Zürich, Projekt «Bahnhofquai/-platz»		3 379	n.a.	n.a.	n.a.	n.a.	n.a.
Total		161 770	n.a.	n.a.	n.a.	n.a.	n.a.

Overall total portfolio	599 198	663 937	66 353	25 624	176 340	932 254
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1 As per reporting date. Annualised vacancy (CHF) in % of potential rent (market rent for vacant area).

2 Annualised net rental income divided by average value of properties.

3 Year of last overall renovation.

4 PR = PSP Real Estate Ltd

PP = PSP Properties Ltd

IS = Immobiliengesellschaft Septima AG

SI = SI 7 Place du Molard Ltd

Parking spaces	Vacancy rate (CHF) ¹	Implied yield net ²	Year of construction	Year of renovation ³	Purchase date	Owner ⁴	Ownership status ⁵	Ownership percentage
0	0.0%	4.8%	1908	2003	01.07.2005	PP	SO	100.0%
0	0.0%	3.8%	2013		30.01.2012	PP	BL	100.0%
0	11.9%	3.7%	1900	1980	01.07.2005	PP	SO	100.0%
44	0.0%	5.4%	1989	2010	01.10.1999	PR	SO	100.0%
21	0.0%	5.1%	1964	1993 95 2009 11	01.01.2000	PR	SO	100.0%
48	0.0%	5.0%	1934	2001	01.04.2004	PP	SO	100.0%
0	6.5%	3.1%	1962	2001	01.07.2005	PP	BL	100.0%
11	0.0%	4.7%	1928	1996	01.04.2004	PP	SO	100.0%
0	0.0%	6.7%	1595	2002 03	01.07.2005	PP	SO	100.0%
0	46.6%	6.4%	1879	1996	01.04.2004	PP	SO	100.0%
1	0.0%	4.6%	1491	1925 70 2004 09	01.10.1999	PR	SO	100.0%
n.a.	n.a.	n.a.	n.a.		01.04.2004	PP	SO	100.0%
532	13.5%	4.3%						
n.a.	n.a.	n.a.	n.a.		01.12.2005	PR	SO	100.0%
n.a.	n.a.	n.a.	n.a.		07.05.2013	PR	BL	100.0%
n.a.	n.a.	n.a.	n.a.		01.04.2004	PP	SO	100.0%
n.a.	n.a.	n.a.	n.a.		01.01.2004	PP	SO	100.0%
n.a.	n.a.	n.a.	n.a.		01.04.2004	IS	SO	100.0%
n.a.	n.a.	n.a.	n.a.		01.04.2004	PP	SO	100.0%
n.a.	n.a.	n.a.	n.a.		01.10.1999	PR	SO	100.0%
n.a.	n.a.	n.a.	n.a.		01.10.2010	PP	FA	100.0%
n.a.	n.a.	n.a.	n.a.		01.04.2004	PP	SO	100.0%
n.a.	n.a.	n.a.	n.a.		01.01.2004	PP	SO	100.0%
n.a.	n.a.	n.a.						
7 781	9.3%	3.9%						

5 BL = Building lease

CO = Co-ownership

FA = Freehold apartment

SO = Sole ownership

6 Own-used property.

7 See details on pages 54 to 55.

8 Current development projects designed for sale.

9 Current development projects partially designed for sale.

Real estate portfolio

Additional information development projects

Gurten site

Wabern near Bern

Project description:

Restoration and conversion of existing buildings with mixed use (office, trade and commerce).

State of project: in construction

Planned investment sum: approx. CHF 23 million

Completion:

Q4 2014

„Salmenpark“

Rheinfelden

Project description:

Project with mixed use (residential, office, trade and commerce). Overall project with approx. 59 000 m² usable floor space and CHF 240 million investment sum.

State of project: in construction (stage 1)

Project with approx. 32 000 m² usable floor space (thereof 113 freehold apartments)
Planned investment sum: approx. CHF 170 million
Sale: 34 apartments
Letting level: 45 %

Completion:

2016

Project „Genève Plage“

Geneva/Cologne, Port Noir

Project description:

New wellness/spa construction.

State of project: in construction

Planned investment sum: approx. CHF 30 million
Letting level: 100 %

Completion:

End of 2015

Project „Löwenstrasse“

Zurich, Löwenstrasse 16

Project description:

New building with mixed use (office and retail space).

State of project: in construction

Planned investment sum: approx. CHF 7 million
Letting level: 0 %

Completion:

End of 2014

Project „Bahnhofquai/Bahnhofplatz“

Zurich, Bahnhofplatz 1 and 2, Bahnhofquai 9, 11, 15, Waisenhausstrasse 2/4, Bahnhofquai 7

Project description:

Total renovation (in particular of the infrastructure and technical installations) in several stages. Overall planned investment sum: approx. CHF 76 million.

State of project: in construction (stage 1)

Properties on Bahnhofplatz 1 and Bahnhofquai 9, 11, 15
Planned investment sum: approx. CHF 33 million
Letting: n.a..

Completion:

2015

Project „Bahnhofstrasse/Börsenstrasse“

Zurich, Bahnhofstr. 10/Börsenstr. 18

Project description:

Comprehensive renovation, in particular of the technical installations.

State of project: in construction

Planned investment sum: approx. CHF 15 million
Letting: n.a.

Completion:

Summer 2015

Project „Grosspeter Tower“

Basel, Grosspeterstrasse 18, 20

Project description:

New tower (Zero emission) building with mixed use (hotel, office and sales/gastronomy space).
Project with approx. 18 000 m² usable floor space
Construction start: n.a.

State of project: in planning

Planned investment sum: approx. CHF 100 million
Letting: n.a.

Completion:

n.a.

„Paradiso“ site

Lugano, Via Bosia 5

Project description:

Project with freehold apartments, office and retail space.
Project with 65 freehold apartments (11 200 m²) as well as office space (1 400 m²) and retail space (750 m²)
Construction start: n.a.

State of project: in planning

Planned investment sum: approx. CHF 65 million
Sale: n.a.

Completion:

n.a.

Real estate portfolio

Property sales in the first half of 2014

Location, address	Land area m ²	Office area m ²	Retail area m ²
Zürich, Albulastr. 57	1 266	2 126	0

Expiry of lease contracts as at 30 June 2014

	Market adjustment option by PSP Swiss Property	Legal termination option by tenant
Contracts not limited in time, but subject to notice	7 %	8 %
2014	7 %	7 %
2015	8 %	9 %
2016	17 %	21 %
2017	14 %	15 %
2018	15 %	10 %
2019	9 %	9 %
2020	2 %	2 %
2021	3 %	2 %
2022	3 %	2 %
2023	2 %	4 %
2024+	13 %	11 %
Total	100 %	100 %

Gastronomy area m ²	Other area m ²	Total rentable area m ²	Parking spaces	Purchase date	Selling date
0	596	2 722	51	31.12.2000	30.04.2014

Tenant structure

	31 December 2013	30 June 2014
Swisscom	10 %	10 %
Google	4 %	4 %
JT International	3 %	3 %
Schweizer Post	2 %	3 %
Bär&Karrer	2 %	2 %
Next five largest tenants	8 %	9 %
Other	71 %	69 %
Total	100 %	100 %

The rental income is fully recognised by the segment „Real estate investments“.

Contacts and important dates

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Agenda

Publication of quarterly results Q3 2014
14 November 2014

Publication of 2014 results
27 February 2015

Annual General Meeting 2015
1 April 2015, Kongresshaus, Zurich

Publication of quarterly results Q1 2015
12 May 2015

Executive Board of PSP Swiss Property

Luciano Gabriel

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Giacomo Balzarini

Chief Financial Officer

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Chief Investment Officer

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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.

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Masthead

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Bloomberg: PSPN SW