

HALF-YEAR
REPORT H1

2016

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. 2015	30 June 2015	30 June 2016	30 June 2015	30 June 2016	
Rental income	CHF 1 000	275 063	68 751	68 952	136 926	138 353	1.0%
EPRA like-for-like change	%	0.2	1.6	- 2.3	0.6	- 0.6	
Net changes in fair value of real estate investments	CHF 1 000	33 791	13 085	- 31 755	13 085	- 31 755	
Income from property sales (freehold apartments)	CHF 1 000	3 259	15	1 867	15	10 520	
Income from property sales (portfolio)	CHF 1 000	1 374	0	1 075	0	1 075	
Total other income	CHF 1 000	4 588	854	2 383	1 527	2 952	
Net income	CHF 1 000	187 726	56 592	18 053	88 227	64 953	- 26.4%
Net income excluding gains/losses on real estate investments ²	CHF 1 000	161 287	40 556	42 067	78 721	88 967	13.0%
Ebitda excluding gains/losses on real estate investments	CHF 1 000	232 690	58 156	59 402	113 964	124 398	9.2%
Ebitda margin	%	82.0	83.5	80.9	82.3	81.8	
Total assets	CHF 1 000	6 791 923			6 741 118	6 805 159	0.2%
Shareholders' equity	CHF 1 000	3 870 473			3 766 229	3 780 337	- 2.3%
Equity ratio	%	57.0			55.9	55.6	
Return on equity	%	4.9	5.3	1.9	4.6	3.4	
Interest-bearing debt	CHF 1 000	1 969 035			2 048 741	2 063 904	4.8%
Interest-bearing debt in % of total assets	%	29.0			30.4	30.3	

Portfolio key figures

Number of properties	Number	163			161	163	
Carrying value properties	CHF 1 000	6 223 006			6 121 627	6 306 324	1.3%
Implied yield, gross ³	%	4.4	4.4	4.3	4.4	4.3	
Implied yield, net ³	%	3.7	3.9	3.6	3.9	3.7	
Vacancy rate end of period (CHF) ^{3,4}	%	8.5			8.9	9.1	
Number of sites and development properties	Number	8			10	8	
Carrying value sites and development properties	CHF 1 000	501 371			557 262	430 551	- 14.1%

Employees

End of period	Posts	87			88	87	
Full-time equivalents	Posts	81			82	82	

Per share figures

Earnings per share (EPS) ⁵	CHF	4.09	1.09	0.39	1.92	1.42	- 26.4%
EPS excluding gains/losses on real estate investments ⁵	CHF	3.52	0.88	0.92	1.72	1.94	13.0%
Distribution per share	CHF	3.30 ⁶	n.a.	n.a.	n.a.	n.a.	
Net asset value per share (NAV) ⁷	CHF	84.38			82.11	82.42	- 2.3%
NAV per share before deduction of deferred taxes ⁷	CHF	100.83			98.18	98.90	- 1.9%
Share price end of period	CHF	88.00			80.00	94.50	7.4%

1 Change to previous year's period 1 January to 30 June 2015 or carrying value as of 31 December 2015 as applicable.

2 See definition "Net income excluding gains/losses on real estate investments" on page 30, 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 2015 business year. Cash payment was made on 6 April 2016.

7 Based on number of outstanding shares.

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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.

Only the German original is legally binding (see www.psp.info).

Sustainability

For environmental reasons, there is no printed version of this half-year report.

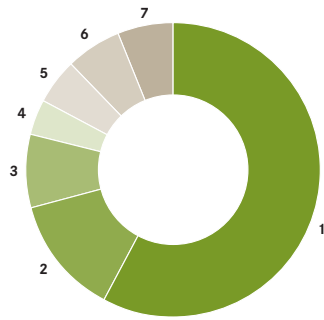
The half-year report is, however, available on www.psp.info/reports.

www.psp.info

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

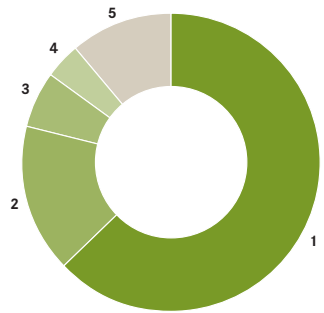
Highlights in brief

Portfolio value by area



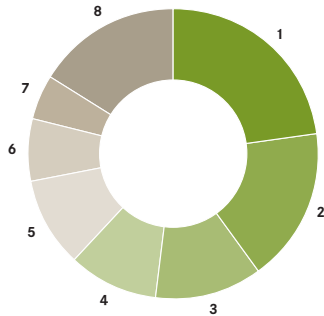
1	Zurich	58 %
2	Geneva	13 %
3	Basel	8 %
4	Bern	4 %
5	Lausanne	5 %
6	Other locations	6 %
7	Sites and development properties	6 %

Rent by use



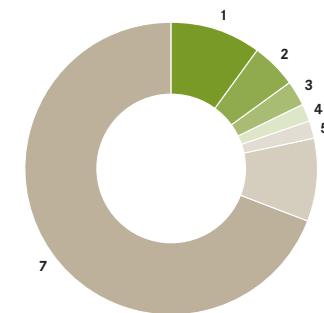
1	Office	63 %
2	Retail	16 %
3	Parking	6 %
4	Gastronomy	4 %
5	Other	11 %

Rent by type of tenant



1	Retail	23 %
2	Services	17 %
3	Telecommunication	12 %
4	Technology	10 %
5	Financial services	10 %
6	Gastronomy	7 %
7	Government	5 %
8	Other	16 %

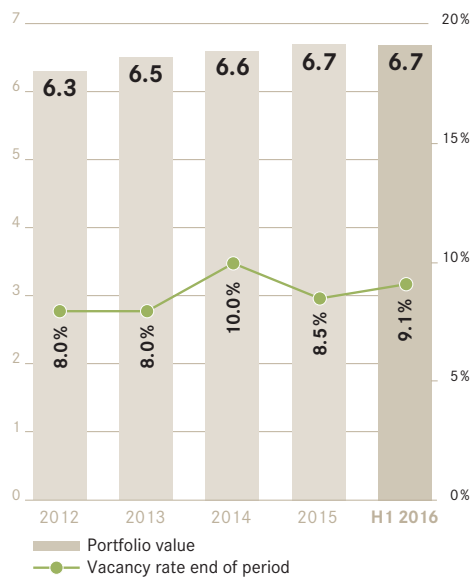
Rent by largest tenants



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

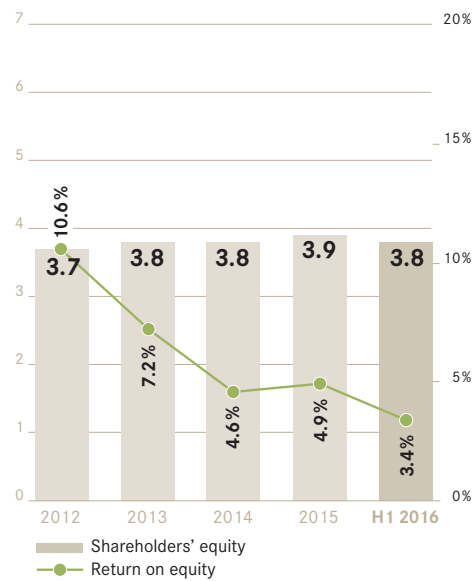
Real estate portfolio

(in CHF billion, vacancy in %)



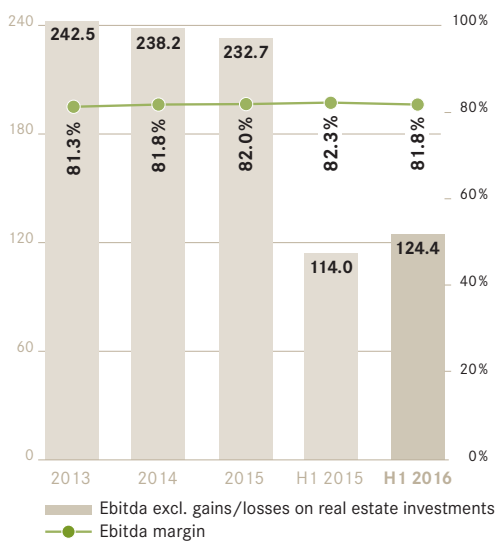
Shareholders' equity

(in CHF billion, return in %)



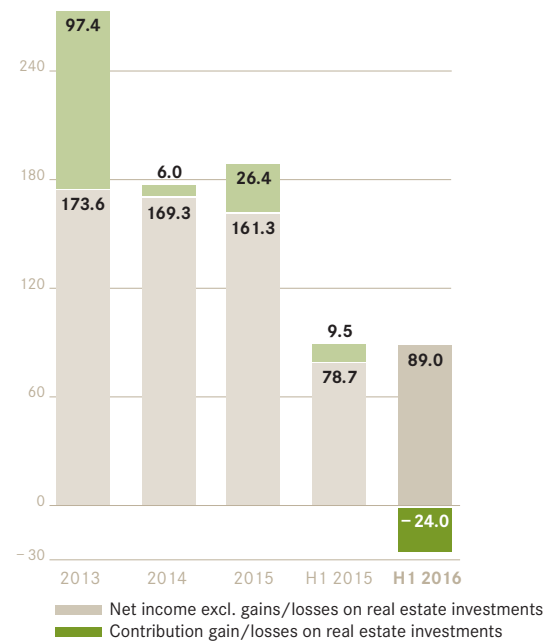
Ebitda

(in CHF million, margin in %)



Net income components

(in CHF million)



Board of Directors' statement

Dear Readers

Business development

During the reporting period, letting activities, the optimisation of the property portfolio as well as further work on our projects and development sites were 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. Our activities with regard to new lettings and follow-up rentals were good in the first half of 2016, despite the fact that the rental market has become more challenging. New leases as well as lease extensions required downward adjustments to market conditions in some cases.

Businesswise, we are within expectations: in the reporting period, we generated a net income (excluding changes in fair value) of CHF 89.0 million (H1 2015: CHF 78.7 million). This increase resulted mainly from the sale of freehold apartments at the "Salmenpark" in Rheinfelden. PSP Swiss Property is solidly financed and has a strong equity base: at the end of June 2016, total equity amounted to CHF 3.780 billion (end of 2015: CHF 3.870 billion) – corresponding to an equity ratio of 55.6% (end of 2015: 57.0%). In this regard, it is worth mentioning that we paid out CHF 151.3 million to our shareholders in April. In March, the rating agency Fitch confirmed PSP Swiss Property Ltd's rating with an "A-" and stable outlook.

In June 2016, we sold the investment property located at Av. de Beauregard 1 in Fribourg. After the balance sheet date respectively on 29 July 2016, we purchased an office and commercial property located at Hardturmstrasse 101, 103, 105 / Förrli-buckstrasse 30 in Zurich. This acquisition strengthens our position in Zurich West and provides us with additional strategic options.

The current site developments and conversion projects progressed as planned. We are satisfied with our apartment sales at the "Salmenpark" project in Rheinfelden. As communicated previously, we will complete the first stage with an investment total of approximately CHF 180 million by the end of 2016. This will include office and commercial space, a nursing and care home as well as rental and freehold apartments. The revised building application for stage two with an investment total of approximately CHF 70 million will presumably be submitted by the end of 2016. This stage includes the development of 100 condominiums for sale, including an underground garage.

Economic and political environment

On 23 June 2016, the voters in Great Britain voted for Brexit – a decision with far-reaching economic and political consequences. The resulting economic uncertainty will affect the whole of Europe including Switzerland for a long time to come. This will come on top of the challenges arising from the unresolved government debt problems in many European countries and the expansionary monetary policy of the European Central Bank ECB. In the short run, the economy is likely to suffer a setback, especially in Great Britain, but to a lesser extent in other European countries as well. It is impossible, however, to predict the medium- and long-term consequences. To which extent Brexit might entail a shift of jobs abroad as expected by many observers, remains unclear. Other locations such as Frankfurt, Dublin, Luxemburg or Paris, but Zurich and Geneva as well, might benefit from such relocations.

While most forecasts for Switzerland's real GDP growth in 2016 were lowered slightly after the Brexit vote, they are still around 1%. The current negative inflation rates are unlikely to rise and the negative respectively very low interest rates will probably remain with us for some time to come. Consequently, refinancing costs are expected to remain favourable.

One "homemade" problem, however, remains on the domestic commercial property market: despite the rejection by the parliament at the end of 2014, the Federal Council insists on revising the so-called Lex Koller, which rules the purchase of properties in Switzerland by foreigners. Apparently, in the legislative consultation process, which is now planned to begin in December 2016, Lex Koller is back on the Agenda. We will of course play an active role trying to prevent any restrictions.

Property market Switzerland

We assume that, in the short run, the Brexit vote will have only a limited impact on Switzerland's property market despite the expected economic slowdown in Europe.

Office market

In Switzerland overall, the supply of office space fell by approximately 2% from the beginning of 2015 to the first quarter of 2016. A further decrease in new constructions is becoming apparent. Consequently, as usual in a normal property cycle, oversupply should largely diminish "automatically".

The investors' demand, mainly from Swiss institutionals, for high-class commercial properties in sought-after locations remains high. The few traded properties are bought at increasingly compressed net yields. This holds true particularly for the Central Business Districts (CBDs) of Zurich and Geneva.

Overall, office rents are likely to decline slightly in 2016. This trend will not only impact peripheral locations, but to a certain extent also central places. In the economically strong Zurich city centre, pressure on rents is only moderate. Vacancy rates in Zurich's CBD, one of our main markets, have been stable for quite some time. However, vacancies are absorbed more slowly than in recent years.

Retail market

The retail market suffers from exchange-rate induced shopping tourism abroad and the growing online shopping. Rents in this sector are likely to decline overall in 2016.

In this market environment, central locations ("high street retail") prove to be particularly robust. We expect rents in these well frequented and prestigious locations, where many of our properties are located, to remain at current levels.

Market outlook

Overall, the prospects for offices and retail space are much better for objects in central locations or with good transportation links to the major cities than for buildings in outlying districts or smaller towns. Properties in peripheral regions with insufficient public transportation connections and objects with limited utilisation options will find it increasingly difficult to find buyers (and tenants). In this challenging environment, landlords that offer state-of-the-art new buildings or comprehensively renovated properties in good locations have a competitive advantage. Therefore, we will continue to renovate and reposition existing buildings or replace them with new ones.

Despite all the uncertainties, investments in commercial properties remain attractive investment alternatives for pension funds and other institutional investors in particular, but for private investors as well. They offer steady and long-term rental income and relatively stable value.

Business forecast

We are confident about the second half of 2016. We will continue to concentrate on the renovation and modernisation of selected properties. At the same time, we attach great importance to up-to-date infrastructure and ecological sustainability.

For the 2016 business year, we now expect an ebitda (excluding gains/losses on real estate investments) in excess of CHF 240 million (previous forecast: approximately CHF 240 million; 2015: CHF 232.7 million).

With regard to the vacancies at year-end 2016, we now expect an improved vacancy rate of around 10 % (previous forecast: around 11 %; end of June 2016: 9.1 %).



Günther Gose

Chairman of the
Board of Directors

18 August 2016



Luciano Gabriel

Delegate of the Board of Directors
and Chief Executive Officer

Report on the first half of 2016

Dear Readers

Real estate portfolio

At the end of June 2016, the real estate portfolio included 163 office and commercial properties in top locations. In addition, there were five development sites and three individual projects. The carrying value of the total portfolio stood at CHF 6.737 billion (end of 2015: CHF 6.724 billion).

The revaluation of the properties resulted in an overall depreciation of CHF 31.8 million (thereof CHF 23.1 million related to the investment portfolio and CHF 8.7 million regarding the project developments). The expected higher rental income due to completed renovations and a decline in the average weighted discount rate by 10 basis points (mid-2016, the portfolio's weighted average nominal discount rate was 4.47 % (end of 2015: 4.57 %)) had a positive effect on the valuations; however, these drivers were not enough to compensate the depreciations due to expected longer downtime between lettings, partially lower market rents as well as higher renovation outlays at a number of properties.

During the reporting period, we sold the investment property located at Av. de Beau regard 1 in Fribourg; we did not purchase any investment properties.

Vacancy development

At the end of June 2016, the vacancy rate stood at 9.1% (end of 2015: 8.5%). 1.0 percentage points of these 9.1% were due to ongoing renovation work on various properties. The properties in Zurich West and Wallisellen (carrying value CHF 0.7 billion) contributed 2.8 percentage points to the overall vacancy rate. The remaining properties with a carrying value of CHF 5.5 billion (i.e. the total investment portfolio excluding the objects under renovation as well as those in Zurich West and Wallisellen) made up 5.3 percentage points.

Of the lease contracts maturing in 2016 (CHF 53.8 million), 66% were renewed respectively extended at the end of June. As at year-end 2016, we expect a vacancy rate of around 10%.

Development projects and sites

The current site developments and conversion projects progressed as planned. For information on the projects see pages 58 to 59.

Capital management

With total equity of CHF 3.780 billion (end of 2015: CHF 3.870 billion) – corresponding to an equity ratio of 55.6% (end of 2015: 57.0%) – PSP Swiss Property had a strong capital base at the end of June 2016. Interest-bearing debt amounted to CHF 2.064 billion, corresponding to 30.3% of total assets (end of 2015: CHF 1.969 billion respectively 29.0%).

In mid-March 2016, we were able to settle the last open case relating to the negative CHF Libor with the remaining counterparty. Consequently, there are no more pending cases in this matter.

During the first half of 2016, two bonds were issued: a first one on 16 February 2016 with a volume of CHF 225 million and a coupon of 0.500% maturing in 2024, a second one on 29 April 2016 with a volume of CHF 100 million and a coupon of 0.375% maturing in 2026.

At the end of June 2016, the passing average interest rate was 1.47% (end of 2015: 1.53%). The average fixed-interest period was 4.5 years (end of 2015: 3.4 years).

No major committed bank loans will be due until 2019. At the end of June 2016, we had unused committed credit lines totalling CHF 630 million. This substantial amount allows us to continue to flexibly manage our capital and is the basis for possible acquisitions.

In March 2016, the rating agency Fitch confirmed PSP Swiss Property Ltd's rating with an "A-" and stable outlook.

Dividend payment

Based on a resolution of the annual General Meeting on 31 March 2016, a cash payment of CHF 3.30 per outstanding share (thereof CHF 1.80 from the capital contribution reserves and CHF 1.50 as ordinary dividend; totalling CHF 151.3 million) was made on 6 April 2016.

Resolutions of the annual General Meeting 2016

In addition to the above-mentioned cash payment, all other proposals put to the vote of the annual General Meeting were also approved.

All members of the Board of Directors (except Gino Pfister, who did not stand for re-election) were re-elected for a term of one year. Corinne Denzler was elected as a new member. Günther Gose was re-elected as Chairman of the Board of Directors for a term of one year.

The Compensation Committee consists of Peter Forstmoser, Chair (current), Nathan Hetz (current) and Josef Stadler (current) as well as Adrian Dudle (new). All members of the Board of Directors (except Luciano Gabriel) belong to the Audit Committee chaired by Günther Gose.

Proxy Voting Services GmbH, Zurich, was re-elected as independent voting proxy, and PricewaterhouseCoopers AG, Zurich, was confirmed as statutory auditor for the 2016 business year.

Consolidated half-year results (January to June 2016)

In the first half of 2016, we generated a net income excluding gains/losses on real estate investments¹ of CHF 89.0 million (H1 2015: CHF 78.7 million). This result is in line with our expectations. The main reasons for this increase were higher rental income, which was up by CHF 1.4 million, income of CHF 10.5 million from the sale of 56 freehold apartments at the “Salmenpark” project in Rheinfelden (H1 2015: no income from apartment sales) as well as income from VAT recovery, which was up by CHF 1.7 million. Corresponding earnings per share (excluding gains/losses on real estate investments) amounted to CHF 1.94 (H1 2015: CHF 1.72).

Net income (including gains/losses on real estate investments) was CHF 65.0 million (H1 2015: CHF 88.2 million). Lower net income was caused by the revaluation of the properties which resulted in an overall depreciation of CHF 31.8 million. Corresponding earnings per share (including gains/losses on real estate investments) amounted to CHF 1.42 (H1 2015: CHF 1.92).

Operating expenses increased by CHF 3.0 million to CHF 28.8 million (H1 2015: CHF 25.7 million). The termination of the employment contract with a former member of the Executive Board charged the reporting period with CHF 0.6 million. In addition, it should be considered that positive effects in the amount of CHF 2.3 million occurred in the respective period of the previous year (adjusted pension obligations, IAS 19, and property tax refunds). Financial expenses decreased by CHF 1.7 million to CHF 13.3 million (H1 2015: CHF 15.0 million).

At the end of June 2016, net asset value (NAV) per share was CHF 82.42 (end of 2015: CHF 84.38); the mentioned dividend payout of CHF 3.30 per share must be pointed out in this regard. NAV before deducting deferred taxes amounted to CHF 98.90 (end of 2015: CHF 100.83).

¹ See definition on page 30, note 2.

Subsequent events

We purchased an office and commercial property located at Hardturmstrasse 101, 103, 105 / Förrlibuckstrasse 30 in Zurich on 29 July 2016.

There were no further material subsequent events.

Outlook 2016

Due to the continuing low interest rates, demand for well-located commercial properties remains strong and the acquisition market highly competitive. When evaluating possible acquisition targets, we continue to pursue our conservative acquisition strategy.

On an operational level, we will, as in the past, concentrate on our letting activities, the renovation and modernisation of selected properties as well as the further development of our sites and projects.

For the 2016 business year, we now expect an ebitda (excluding gains/losses on real estate investments) in excess of CHF 240 million (previous forecast: approximately CHF 240 million; 2015: CHF 232.7 million).

With regard to the vacancies at year-end 2016, we now expect an improved vacancy rate of around 10% (previous forecast: around 11%; end of June 2016: 9.1%).

The Executive Board, August 2016

Financial statements

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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 2015	1 April to 30 June 2016	Note
Rental income		68 751	68 952	
Net changes in fair value of real estate investments		13 085	- 31 755	4
Income from property sales (inventories)		80	16 819	
Expenses from sold properties (inventories)		- 65	- 14 952	
Income from other property sales		0	1 075	
Income from investments in associated companies		- 3	- 3	
Capitalised own services		791	545	4
Other income		66	1 841	
Total operating income		82 705	42 522	
Operating expenses				
Real estate operating expenses		- 2 296	- 3 082	
Real estate maintenance and renovation expenses		- 3 714	- 4 441	
Personnel expenses		- 3 587	- 4 527	
Fees to subcontractors		- 13	- 12	
General and administrative expenses		- 1 855	- 1 802	
Impairment charge properties		- 874	- 913	4
Depreciation		- 176	- 181	
Total operating expenses		- 12 515	- 14 959	
Operating profit before financial expenses		70 191	27 563	
Financial income		474	40	5
Financial expenses		- 8 169	- 7 040	5
Operating profit before taxes		62 495	20 563	
Income taxes		- 12 433	- 2 510	
Net income attributable to shareholders of PSP Swiss Property Ltd		50 062	18 053	
Earnings per share in CHF (basic and diluted)		1.09	0.39	10

Consolidated statement of comprehensive income

Net income attributable to shareholders of PSP Swiss Property Ltd	(in CHF 1 000)	1 April to 30 June 2015	1 April to 30 June 2016	Note
Net income attributable to shareholders of PSP Swiss Property Ltd		50 062	18 053	
Items that may be reclassified subsequently to profit or loss:				
■ Changes in interest rate hedging		3 538	2 380	
■ Income taxes		- 277	- 186	
Items that will not be reclassified subsequently to profit or loss:				
■ Changes in pension schemes		4 190	- 1 141	
■ Income taxes		- 922	251	
Comprehensive income attributable to shareholders of PSP Swiss Property Ltd		56 592	19 356	

The notes are part of these condensed consolidated financial information.

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

Consolidated statement of profit or loss

Operating income	(in CHF 1 000)	1 January to 30 June 2015	1 January to 30 June 2016	Note
Rental income		136 926	138 353	
Net changes in fair value of real estate investments		13 085	- 31 755	4
Income from property sales (inventories)		80	50 490	
Expenses from sold properties (inventories)		- 65	- 39 969	
Income from other property sales		0	1 075	
Income from investments in associated companies		7	- 2	
Capitalised own services		1 404	1 082	4
Other income		117	1 872	
Total operating income		151 553	121 146	
Operating expenses				
Real estate operating expenses		- 5 186	- 5 888	
Real estate maintenance and renovation expenses		- 7 147	- 7 113	
Personnel expenses		- 8 384	- 10 705	
Fees to subcontractors		- 22	- 25	
General and administrative expenses		- 3 764	- 3 762	
Impairment charge properties		- 874	- 913	4
Depreciation		- 353	- 362	
Total operating expenses		- 25 731	- 28 768	
Operating profit before financial expenses		125 822	92 378	
Financial income		602	71	5
Financial expenses		- 15 587	- 13 374	5
Operating profit before taxes		110 837	79 076	
Income taxes		- 22 610	- 14 123	
Net income attributable to shareholders of PSP Swiss Property Ltd		88 227	64 953	
Earnings per share in CHF (basic and diluted)		1.92	1.42	10

Consolidated statement of comprehensive income

Net income attributable to shareholders of PSP Swiss Property Ltd	(in CHF 1 000)	1 January to 30 June 2015	1 January to 30 June 2016	Note
Net income attributable to shareholders of PSP Swiss Property Ltd		88 227	64 953	
Items that may be reclassified subsequently to profit or loss:				
■ Changes in interest rate hedging		- 14 567	- 511	
■ Income taxes		1 141	40	
Items that will not be reclassified subsequently to profit or loss:				
■ Changes in pension schemes		- 344	- 4 166	
■ Income taxes		76	917	
Comprehensive income attributable to shareholders of PSP Swiss Property Ltd		74 533	61 232	

The notes are part of these condensed consolidated financial information.

Consolidated statement of financial position

Assets	(in CHF 1 000)	1 January 2015	31 December 2015	30 June 2016	Note
Cash and cash equivalents		32 256	29 353	27 821	
Accounts receivable		17 229	20 995	14 181	
Deferrals		3 331	2 531	2 405	
Current tax assets		645	0	0	
Sites and development properties for sales		76 248	73 669	76 924	4
Investment properties for sale		9 332	0	0	4
Total current assets		139 041	126 548	121 331	
Tangible assets		280	356	346	
Derivative financial instruments		0	2 052	10 060	6/7
Accounts receivable		5 453	3 208	2 765	
Financial investments		9	9	9	
Investments in associated companies		35	45	43	
Sites and development properties		370 661	427 701	353 627	4
Own-used properties		36 764	36 159	35 826	4
Investment properties		6 115 040	6 186 848	6 270 498	4
Deferred tax assets		17 383	8 997	10 654	
Total non-current assets		6 545 624	6 665 374	6 683 827	
Total assets		6 684 665	6 791 923	6 805 159	
Liabilities and Shareholders' equity					
Accounts payable		27 416	36 263	27 711	
Deferrals		60 921	55 649	64 116	
Current tax liabilities		11 933	14 198	6 381	
Bonds		0	249 951	0	
Derivative financial instruments		2 798	1 010	295	6/7
Total current liabilities		103 068	357 070	98 502	
Debt		1 360 000	1 300 000	1 320 000	8
Bonds		568 669	419 084	743 904	8
Derivative financial instruments		51 058	64 107	73 340	6/7
Pension liabilities		17 646	17 707	22 204	
Deferred tax liabilities		743 428	763 482	766 872	
Total non-current liabilities		2 740 801	2 564 380	2 926 319	
Share capital		4 587	4 587	4 587	
Capital reserves		735 189	586 079	503 512	
Retained earnings		3 151 160	3 338 889	3 335 040	
Revaluation reserves		- 50 141	- 59 082	- 62 802	
Total shareholders' equity		3 840 795	3 870 473	3 780 337	
Total liabilities and shareholders' equity		6 684 665	6 791 923	6 805 159	

The notes are part of these condensed consolidated financial information.

Zug, 18 August 2016, on behalf of the Board of Directors: Günther Gose, Chairman, and Luciano Gabriel, Delegate and Chief Executive Officer.

Consolidated cash flow statement (January to June)

	1 January to 30 June 2015	1 January to 30 June 2016	Note
	(in CHF 1 000)		
Net income attributable to shareholders of PSP Swiss Property Ltd	88 227	64 953	
Net changes in fair value of real estate investments	- 13 085	31 755	4
Capitalised/released rent-free periods	394	- 1 132	4
Income from other property sales	0	- 1 075	
Income from investments in associated companies	- 7	2	
Capitalised own services	- 1 404	- 1 082	4
Impairment charge properties	874	913	
Changes in pension liabilities recorded in the income statement	- 902	331	
Depreciation	353	362	
Net financial expenses	14 985	13 303	5
Income taxes	22 610	14 123	
Changes in sites and development properties for sale	- 7 269	3 267	
Changes in accounts receivable	6 536	3 884	
Changes in accounts payable	8 787	- 8 574	
Changes in deferrals (assets)	- 99	126	
Changes in deferrals (liabilities)	- 11 947	14 532	
Interest paid	- 23 915	- 17 782	
Interest received	601	71	
Dividends received	1	0	
Taxes paid	- 19 486	- 19 250	
Cash flow from operating activities	65 254	98 725	
Capital expenditures on investment properties	- 9 690	- 10 450	4
Capital expenditures on sites and development properties	- 39 267	- 45 865	4
Sales of properties	0	12 271	4
Payments of loans	0	- 350	
Repayment of loans	1 118	793	
Purchases of tangible assets	- 15	- 19	
Cash flow from investing activities	- 47 853	- 43 621	
Purchases of own shares	- 219	- 172	
Sales of own shares	187	168	
Increase in financial debt	530 000	160 000	8
Financial debt repayment	- 510 000	- 140 000	8
Issue of bonds	100 190	326 160	8
Issue expenses of bonds	- 410	- 1 449	
Repayment of bond	0	- 250 000	8
Distribution to shareholders	- 149 045	- 151 342	11
Cash flow from financing activities	- 29 296	- 56 635	
Changes in cash and cash equivalents	- 11 895	- 1 531	
Cash and cash equivalents at 1 January	32 256	29 353	
Cash and cash equivalents at 30 June	20 361	27 821	

The notes are part of these condensed consolidated financial information.

Consolidated statement of shareholders' equity

	(in CHF 1 000)	Share capital	Capital reserves
31 December 2014		4 587	735 189
Net income attributable to shareholders of PSP Swiss Property Ltd			
Changes of interest rate hedging			
Changes in 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			
Compensation in own shares			- 31
Elimination tax effect on profits on own shares in statutory accounts			
30 June 2015		4 587	586 087
Net income attributable to shareholders of PSP Swiss Property Ltd			
Changes in interest rate hedging			
Changes in pension schemes			
Income taxes			
Other comprehensive income			
Comprehensive income attributable to shareholders of PSP Swiss Property Ltd			
		0	0
Purchase of own shares			
Sale of own shares			0
Compensation in own shares			- 9
Elimination tax effect on profits on own shares in statutory accounts			
31 December 2015		4 587	586 079
Net income attributable to shareholders of PSP Swiss Property Ltd			
Changes in interest rate hedging			
Changes in pension schemes			
Income taxes			
Other comprehensive income			
Comprehensive income attributable to shareholders of PSP Swiss Property Ltd			
		0	0
Distribution to shareholders			- 82 562
Purchase of own shares			
Compensation in own shares			- 4
Elimination tax effect on profits on own shares in statutory accounts			
30 June 2016		4 587	503 513

The notes are part of these condensed consolidated financial information.

Own shares	Retained earnings	Revaluation reserves	Total shareholders' equity
0	3 151 160	- 50 141	3 840 795
	88 227		88 227
		- 14 567	- 14 567
		- 344	- 344
		1 217	1 217
		- 13 694	- 13 694
0	88 227	- 13 694	74 533
			- 149 071
- 219			- 219
219			187
	2		2
0	3 239 390	- 63 835	3 766 229
	99 499		99 499
		5 359	5 359
		- 238	- 238
		- 367	- 367
		4 754	4 754
0	99 499	4 754	104 253
- 1 249			- 1 249
2			2
1 248			1 239
	0		0
0	3 338 889	- 59 082	3 870 473
	64 953		64 953
		- 511	- 511
		- 4 166	- 4 166
		957	957
		- 3 720	- 3 720
0	64 953	- 3 720	61 232
	- 68 802		- 151 364
- 172			- 172
172			168
	0		0
0	3 335 040	- 62 802	3 780 337

Notes to the consolidated interim financial statements as of 30 June 2016

1 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 163 office and commercial properties as well as five development sites and three individual projects throughout Switzerland. The properties are mainly in prime locations in Zurich, Geneva, Basel, Bern and Lausanne. As of 30 June 2016, PSP Swiss Property had 87 employees, corresponding to 82 full-time equivalents (end of 2015: 87 respectively 81).

The condensed consolidated interim financial statements as of 30 June 2016 are based on the interim accounts of the controlled individual subsidiaries, which have been prepared in accordance with uniform accounting policies and valuation principles. They were authorised for issue by the Board of Directors on 18 August 2016.

2 Summary of significant accounting policies

2.1 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 2016 have been prepared in accordance with IAS 34 (Interim Financial Reporting). They do 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 2015 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. 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.

Furthermore, the same consolidation, accounting and valuation principles have been applied for the interim financial statements as of 31 December 2015, as those which are described on pages 36 to 45 of the 2015 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): The comprehensive standard, which has now been finalised, includes the sections Classification and Measurement, Hedge Accounting as well as Impairment of Financial Instruments; it must be applied from 1 January 2018. PSP Swiss Property has adopted the section Classification and Measurement (2009) early since 1 January 2009 and the section Hedge Accounting (2013) since 1 January 2015; however, the Company will not adopt the section Impairment (2014) early.

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

- IFRS 15 Revenue Recognition: This new 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 income realisation for property sales.

The new standard is applicable from 1 January 2018. PSP Swiss Property will not adopt IFRS 15 early.

- IFRS 16 Leases: This standard establishes new accounting rules for rental agreements. In future, tenants will have to account for rights of use from lease contracts. Accounting of rental income by the landlord, however, remains unchanged.

PSP Swiss Property does not expect any major effects from the future implementation of IFRS 16, because from today's perspective, only a small number of leasehold contracts will fall within its scope.

The new standard will be applicable from 1 January 2019. PSP Swiss Property will not adopt IFRS 16 early.

2.2 Consolidated companies

There were no changes in the consolidated companies compared to the annual report as of 31 December 2015. Apart from the holding company PSP Swiss Property Ltd, none of the Group companies is listed on a stock exchange.

3 Segment reporting

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 H1 2015

1 January to 30 June 2015

Operating income	(in CHF 1 000)	Real Estate Investments	Real Estate Maintenance	Holding	Subtotal	Eliminations	Total Group
Rental income		137 603			137 603	- 677	136 926
Net changes in fair value of real estate investments		13 085			13 085		13 085
Income from property sales (inventories)		80			80		80
Expenses from sold properties (inventories)		- 65			- 65		- 65
Income from investments in associated companies			7		7		7
Real estate management services			6 523		6 523	- 6 523	0
Capitalised own services			1 404		1 404		1 404
Other income		77	554	8 269	8 900	- 8 783	117
Total operating income		150 780	8 487	8 269	167 536	- 15 983	151 553
Operating expenses							
Real estate operating expenses		- 11 709			- 11 709	6 523	- 5 186
Real estate maintenance and renovation expenses		- 7 511			- 7 511	364	- 7 147
Personnel expenses			- 4 307	- 4 127	- 8 434	50	- 8 384
Fees to subcontractors			- 22		- 22		- 22
General and administrative expenses		- 8 727	- 1 798	- 2 285	- 12 810	9 046	- 3 764
Impairment charge properties		- 874			- 874		- 874
Depreciation		- 335	- 18		- 353		- 353
Total operating expenses		- 29 156	- 6 146	- 6 412	- 41 714	15 983	- 25 731
Operating profit before financial expenses		121 624	2 341	1 857	125 822		125 822
Financial income							602
Financial expenses							- 15 587
Operating profit before taxes							110 837
Income taxes							- 22 610
Net income attributable to shareholders of PSP Swiss Property Ltd							88 227
Revenue							
With third parties		137 083	0	0	137 083		137 083
With other segments		677	8 440	8 269	17 386	- 15 983	1 404
Total revenue		137 760	8 440	8 269	154 469	- 15 983	138 487

Segment information H1 2016

1 January to 30 June 2016

Operating income	(in CHF 1 000)	Real Estate Investments	Real Estate Maintenance	Holding	Subtotal	Eliminations	Total Group
Rental income		139 051			139 051	- 698	138 353
Net changes in fair value of real estate investments		- 31 755			- 31 755		- 31 755
Income from property sales (inventories)		50 490			50 490		50 490
Expenses from sold properties (inventories)		- 39 971			- 39 971	1	- 39 969
Income from other property sales		822			822	253	1 075
Income from investments in associated companies			- 2		- 2		- 2
Real estate management services			6 611		6 611	- 6 611	0
Capitalised own services			1 082		1 082		1 082
Other income		1 841	595	8 652	11 089	- 9 217	1 872
Total operating income		120 479	8 287	8 652	137 417	- 16 271	121 146

Operating expenses

Real estate operating expenses	- 12 507				- 12 507	6 619	- 5 888
Real estate maintenance and renovation expenses	- 7 520				- 7 520	407	- 7 113
Personnel expenses			- 4 805	- 5 949	- 10 755	50	- 10 705
Fees to subcontractors			- 25		- 25		- 25
General and administrative expenses	- 9 273	- 1 755	- 1 930		- 12 958	9 196	- 3 762
Impairment charge properties	- 913				- 913		- 913
Depreciation	- 333	- 29			- 362		- 362
Total operating expenses	- 30 545	- 6 615	- 7 879		- 45 039	16 271	- 28 768

Operating profit before financial expenses	89 933	1 672	773		92 378		92 378
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Financial income							71
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Financial expenses							- 13 374
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Operating profit before taxes							79 076
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Income taxes							- 14 123
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Net income attributable to shareholders of PSP Swiss Property Ltd							64 953
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Revenue

With third parties	190 684	0	0	190 684			190 684
With other segments	698	8 258	8 652	17 608	- 16 526		1 082
Total revenue	191 382	8 258	8 652	208 292	- 16 526		191 766

4 Real estate investments

(in CHF 1 000)	Investment			Sites and development properties		Current development	Total real estate investment
	properties	properties for sales	properties	at market value	at historical cost	properties for sale	
	IAS 40	IFRS 5	IAS 16	IAS 40	IAS 40	IAS 2	
Carrying value at 31 December 2014	6 115 040	9 332	36 764	364 815	5 846	76 248	6 608 044
Purchases	6 679	0	0	0	0	0	6 679
Capitalised/released rent-free periods ¹	- 383	0	0	0	0	0	- 383
Transfers	36 584	- 9 192	0	- 27 393	0	0	0
Capital expenditures	21 899	33	63	97 702	1 001	17 566	138 265
Capitalised own services	710	11	1	1 657	10	588	2 977
Capitalised interest expenses	770	0	0	2 482	68	576	3 896
Sales	- 46 914	0	0	0	0	- 20 434	- 67 348
Net changes in fair value of real estate investments	52 462	- 184	n.a.	- 18 487	n.a.	n.a.	33 791
■ Net changes in fair value of properties held at 1 January 2015	42 627	0	n.a.	- 12 432	n.a.	n.a.	30 195
■ Net changes in fair value of properties acquired, completed, transferred and sold	9 835	- 184	n.a.	- 6 055	n.a.	n.a.	3 595
Impairment charge	n.a.	n.a.	0	n.a.	0	- 874	- 874
Depreciation	n.a.	n.a.	- 669	n.a.	n.a.	n.a.	- 669
Carrying value at 31 December 2015	6 186 848	0	36 159	420 777	6 924	73 669	6 724 377
Historical cost			36 884				
Accumulated depreciation			- 725				
Carrying value, net			36 159				
Capitalised/released rent-free periods ¹	1 132	0	0	0	0	0	1 132
Transfers	105 462	0	0	- 105 462	- 7 266	7 266	0
Capital expenditures	10 450	0	0	45 565	300	36 691	93 006
Capitalised own services	486	0	0	473	22	102	1 082
Capitalised interest expenses	365	0	0	980	20	66	1 431
Sales	- 11 196	0	0	0	0	- 39 958	- 51 154
Net changes in fair value of real estate investments	- 23 049	0	n.a.	- 8 705	n.a.	n.a.	- 31 755
■ Net changes in fair value of properties held at 1 January 2016	- 25 853	0	n.a.	- 8 705	n.a.	n.a.	- 34 558
■ Net changes in fair value of properties acquired, completed, transferred and sold	2 803	0	n.a.	0	n.a.	n.a.	2 803
Impairment charge	n.a.	n.a.	0	n.a.	0	- 913	- 913
Depreciation	n.a.	n.a.	- 333	n.a.	n.a.	n.a.	- 333
Carrying value at 30 June 2016	6 270 498	0	35 826	353 627	0	76 924	6 736 875
Historical cost			36 884				
Accumulated depreciation			- 1 058				
Carrying value, net			35 826				

¹ Straightlining of incentives given to tenants.

In June 2016, a property located at Av. de Beauregard 1 in Fribourg was sold (see also the table on pages 60 to 61).

The revaluation of the properties resulted in an overall depreciation of CHF 31.8 million (thereof CHF 23.1 million related to the investment portfolio and CHF 8.7 million regarding the project developments). The expected higher rental income due to completed renovations and a decline in the average weighted discount rate by 10 basis points (mid-2016, the portfolio's weighted average nominal discount rate was 4.47 % (end of 2015: 4.57 %)) had a positive effect on the valuations; however, these drivers were not enough to compensate the depreciations due to expected longer downtime between lettings, partially lower market rents as well as higher renovation outlays at a number of properties.

As at the end of June 2016, payment obligations for current development and renovation work totalled CHF 79.0 million (end of 2015: CHF 85.6 million).

5 Financial expenses

	(in CHF 1 000)	1 January to 30 June 2015	1 January to 30 June 2016
Financial income		601	71
Income from financial investments		1	0
Total financial income		602	71
Financial expenses		17 029	14 647
Capitalised interest expenses		- 1 734	- 1 431
Amortisation of issue expenses of bonds		292	158
Total financial expenses		15 587	13 374
Total net financial expenses		14 985	13 303
Overall financial expenses for financial instruments at amortised cost		17 321	14 805

Interest-bearing debt amounted to CHF 2.064 billion at the end of June 2016 (end of 2015: CHF 1.969 billion). Over the past four quarters the average interest rate was 1.55 % (previous year's period: 1.72 % respectively 1.70 % for the financial year 2015). At the end of June 2016, the average interest rate stood at 1.47 % (end of 2015: 1.53 %).

6 Fair value hierarchy

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

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

Assets	(in CHF 1 000)	Level 1	Level 2	Level 3	Market value 31 December 2015
Investment properties (IAS 40 & IFRS 5)		0	0	6 607 625	6 607 625
Financial investments		0	0	9	9
Derivative financial instruments (hedging)		0	2 052	0	2 052
Total		0	2 052	6 607 634	6 609 686

Liabilities

Derivative financial instruments (hedging)	0	65 117	0	65 117
Total	0	65 117	0	65 117

Assets	(in CHF 1 000)	Level 1	Level 2	Level 3	Market value 30 June 2016
Investment properties (IAS 40 & IFRS 5)		0	0	6 624 125	6 624 125
Financial investments		0	0	9	9
Derivative financial instruments (hedging)		0	10 060	0	10 060
Total		0	10 060	6 624 134	6 634 194

Liabilities

Derivative financial instruments (hedging)	0	73 635	0	73 635
Total	0	73 635	0	73 635

During the reporting period, no positions were transferred in between the fair value levels (previous year: none).

7 Derivative financial instruments

The fair value of derivative financial instruments (interest rate swaps) is calculated as the present value of future cash flows. The fair value is based on counterparties' valuations. These valuations are checked by PSP Swiss Property with regard to their plausibility by means of Bloomberg valuations. The fair value of derivative financial instruments corresponds to their carrying value.

During the reporting period, no interest rate swaps matured. Three already existing forward starting payer swaps have started. Furthermore, new receiver swaps to the amount of CHF 450 million maturing in the years 2016 to 2021 were signed.

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 2016 was -0.9325% to 2.4700% ; the variable interest rates are based on the CHF Libor.

As in the previous year, the cash flow hedges were effective in the reporting period.

8 Debt

	(in CHF 1 000)	31 December 2015	30 June 2016
Short-term bonds		249 951	0
Long-term debt		1 300 000	1 320 000
Long-term bonds		419 084	743 904
Total interest-bearing debt		1 969 035	2 063 904

In the reporting period, fixed-term loans totalling CHF 160 million were drawn using existing credit lines and CHF 140 million were repaid. During the same period, two bonds were issued: a first one on 16 February 2016 with a volume of CHF 225 million and a coupon of 0.500 % (all-in-costs 0.500 %) maturing in 2024; a second one on 29 April 2016 with a volume of CHF 100 million and a coupon of 0.375 % (all-in-costs 0.405 %) maturing in 2026.

Due to the interest rate situation, previously floating rate loans to the amount of CHF 450 million were converted to fixed interest rate loans with fixed maturities until 2019 respectively 2020. By means of receiver swaps to the same amount, the loan positions were immediately converted to synthetic, floating rate positions.

As in the previous year, no debt was outstanding at the end of June 2016, 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 2015	30 June 2016
< 6 months		349 951	120 000
6 to 12 months		50 000	0
1 to 5 years		1 219 285	1 419 378
> 5 years		349 799	524 526
Total interest-bearing debt		1 969 035	2 063 904

At the end of June 2016, the average fixed-interest period was 4.5 years (end of 2015: 3.4 years).

9 Share capital

During the reporting period, a total of 1 997 own shares were purchased at an average price of CHF 86.18 per share totalling CHF 0.2 million and 1 997 own shares were sold at an average price of CHF 84.25 per share totalling CHF 0.2 million (previous year's period: 2 264 own shares purchased at an average price of CHF 96.61 and 2 264 own shares sold at an average price of CHF 82.89).

Further information on changes in equity is shown on pages 20 to 21.

10 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 April to 30 June 2015	1 April to 30 June 2016	1 January to 30 June 2015	1 January to 30 June 2016
Net income in CHF 1 000	50 062	18 053	88 227	64 953
Net changes in fair value of real estate investments in CHF 1 000	- 13 085	31 755	- 13 085	31 755
Impairment charge properties in CHF 1 000	874	725	874	725
Income from investment property sales in CHF 1 000	0	- 822	0	- 822
Attributable deferred taxes in CHF 1 000	2 704	- 7 643	2 704	- 7 643
Net income excl. gains/losses on real estate investments in CHF 1 000	40 556	42 067	78 721	88 967
Number of average outstanding shares	45 867 891	45 867 891	45 867 891	45 867 891
Earnings per shares in CHF (basic and diluted)	1.09	0.39	1.92	1.42
Earnings per shares excl. gains/losses on real estate investments in CHF (basic and diluted)	0.88	0.92	1.72	1.94

Equity per share changed as follows:

	31 December 2015	30 June 2016
Shareholders' equity in CHF 1 000	3 870 473	3 780 337
Deferred taxes in CHF 1 000	754 485	756 218
Number of outstanding shares	45 867 891	45 867 891
Net asset value per share in CHF¹	84.38	82.42
Net asset value per share before deduction of deferred taxes in CHF¹	100.83	98.90

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 value of the real estate investments, realised income on sales of investment properties, impairment on the Wädenswil site 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".

11 Dividend payment

Based on a resolution of the annual General Meeting on 31 March 2016, a cash payment of CHF 3.30 per outstanding share (totalling CHF 151.3 million) was made on 6 April 2016. The distribution comprised a dividend paid from retained earnings (totalling CHF 68.8 million) and a payment out of the capital contribution reserves of CHF 1.80 per share (totalling CHF 82.6 million; previous year: Payment from capital contribution reserves of CHF 3.25 per share, totalling CHF 149.1 million).

12 Subsequent events

On 29 July 2016, a commercial property located at Hardturmstrasse 101, 103, 105 / Förrlibuckstrasse 30 in Zurich was acquired.

There were no further material subsequent events.

Review report

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

Introduction

We have reviewed the condensed consolidated interim financial statements (income statement, statement of comprehensive income, balance sheet, cash flow statement, statement of changes in equity and notes, pages 16 to 31 and 46 to 61) of PSP Swiss Property Ltd for the period from 1 January to 30 June 2016. The Board of Directors is responsible for the preparation and presentation of this condensed consolidated interim financial statements 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 interim consolidated financial statements based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements have not been 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 2016

Property valuation report

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 as at 30 June 2016 (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 were sold under normal market conditions or the price that such operators would pay on the valuation date if a liability (debt) were 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.

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 2016 to 30 June 2016, Wüest & Partner visited 18 properties belonging to PSP Real Estate AG, 13 properties belonging to PSP Properties AG as well as one property belonging to Immobilien-gesellschaft Septima AG.

Results

A total of 162¹ investment properties and property units as well as seven investment properties under construction were valued as at 30 June 2016 by Wüest & Partner. The fair value of all 162 investment properties is estimated as at 30 June 2016 at 6 270 498 003 Swiss Francs and of the investment properties under construction in accordance with IAS 40 at 353 627 000 Swiss Francs.

Changes during reporting period

Within the review period from 1 January 2016 to 30 June 2016 the property Avenue de Beauregard 1, Fribourg was sold. During the same period a reclassification from the development property Salmencenter/Quellenhaus Baslerstrasse 2-16, Rheinfelden to investment properties was held. No reclassifications from investment properties to development properties 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 Seestrasse 353, Zurich, which is owner-occupied.

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, 20 July 2016
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; Director

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 average ¹) in %
Zurich	3.32	6.25	4.33
Geneva	4.13	5.85	4.69
Lausanne	3.93	5.70	4.57
Basel	4.08	4.84	4.54
Bern	3.78	5.34	4.30
Other regions	4.13	6.15	5.15
All regions	3.32	6.25	4.47

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/m ² p.a.	Retail CHF/m ² p.a.	Storage CHF/m ² p.a.	Outdoor parking CHF/p. p.mo.	Indoor parking CHF/p. p.mo.	Residential CHF/m ² p.a.
Zurich	120 – 800	150 – 6 600	40 – 500	35 – 670	100 – 700	146 – 683
Geneva	240 – 800	300 – 4 750	25 – 600	120 – 450	100 – 540	268 – 350
Lausanne	150 – 390	310 – 1 100	80 – 450	70 – 300	150 – 300	130 – 444
Basel	150 – 330	95 – 3 200	60 – 700	120 – 250	200 – 350	170 – 340
Bern	195 – 340	180 – 1 375	80 – 200	100 – 180	190 – 250	219 – 353
Other regions	140 – 360	180 – 1 850	50 – 360	25 – 120	80 – 400	167 – 370
All regions	120 – 800	95 – 6 600	25 – 700	25 – 670	80 – 700	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	3.0 – 20.0	1.0 – 15.0	1.0 – 30.0	0.5 – 20.0	1.0 – 25.0	1.0 – 5.0
Geneva	3.5 – 7.0	2.5 – 5.0	2.0 – 11.0	3.0 – 8.0	3.5 – 10.0	0.5 – 1.5
Lausanne	3.0 – 9.0	2.0 – 4.5	2.0 – 20.0	3.0 – 10.0	2.0 – 15.0	1.0 – 4.0
Basel	3.0 – 6.0	2.0 – 4.0	2.0 – 30.0	1.0 – 3.0	1.0 – 6.0	2.0 – 5.0
Bern	3.0 – 6.5	2.0 – 10.0	2.0 – 10.0	1.0 – 10.0	1.0 – 12.0	1.0 – 2.0
Other regions	3.0 – 15.0	2.0 – 12.0	2.5 – 30.0	1.0 – 10.0	1.0 – 15.0	1.0 – 4.0
All regions	3.0 – 20.0	1.0 – 15.0	1.0 – 30.0	0.5 – 20.0	1.0 – 25.0	0.5 – 5.0

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 2016.
- 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 3.32% and 6.25% 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 for 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.

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.

EPRA reporting

In accordance with EPRA's Best Practices Recommendations, PSP Swiss Property discloses the EPRA performance measures. PricewaterhouseCoopers Ltd has verified these performance measures. The corresponding opinion can be found on pages 42 to 43.

Summary table EPRA performance measures	Unit	H1 2015 / 31 Dec 2015	H1 2016 / 30 Jun 2016
A. EPRA earnings per share (EPS)	CHF	1.72	1.76
B. EPRA NAV per share	CHF	103.05	100.86
C. EPRA triple net asset value per share (NNNAV)	CHF	84.77	82.33
D. EPRA net initial yield	%	3.7	3.7
EPRA "topped-up" net initial yield	%	3.8	3.8
E. EPRA vacancy rate	%	8.1	8.8
F. EPRA cost ratio (including direct vacancy costs)	%	18.5	20.5
EPRA cost ratio (excluding direct vacancy costs)	%	16.8	18.8
G. EPRA like-for-like rental change	%	0.6	- 0.6
H. EPRA cap ex	CHF 1 000	50 444	57 384

The details for the calculation of the key figures are shown in the following tables:

A. EPRA earnings & EPRA earnings per share (EPS)	(in CHF 1 000)	H1 2015	H1 2016
Earnings per IFRS income statement		88 227	64 953
Adjustments to calculate EPRA earnings			
Exclude:			
Changes in value of investment properties, development properties held for investment and other interests		- 13 085	31 755
Profits or losses on disposal of investment properties, development properties held for investment and other interests		0	- 1 075
Profits or losses on sales of trading properties including impairment charges in respect of trading properties		859	- 9 607
Tax on profits or losses on disposals		- 230	2 158
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		2 935	- 7 658
Adjustments to above in respect of joint ventures		n.a.	n.a.
Non-controlling interests in respect of the above		n.a.	n.a.
EPRA earnings		78 707	80 526
Average number of outstanding shares		45 867 891	45 867 891
EPRA EPS in CHF		1.72	1.76

B. EPRA net asset value (NAV)	(in CHF 1 000)	31 December 2015	30 June 2016
NAV per the financial statements		3 870 473	3 780 337
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		3 870 473	3 780 337
Include:			
Revaluation of investment property under construction (IPUC) (if IAS 40 cost option is used)		8 256	0
Revaluation of own-used properties		91	104
Revaluation of tenant leases held as finance leases		n.a.	n.a.
Revaluation of trading properties		27 403	21 880
Exclude:			
Fair value of financial instruments		63 064	63 575
Deferred tax		757 540	760 273
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		4 726 827	4 626 169
Number of outstanding shares		45 867 891	45 867 891
EPRA NAV per share in CHF		103.05	100.86

C. EPRA triple net asset value (NNNAV)	(in CHF 1 000)	31 December 2015	30 June 2016
EPRA NAV		4 726 827	4 626 169
Include:			
Fair value of financial instruments		- 63 064	- 63 575
Fair value of debt		- 12 866	- 24 433
Deferred tax		- 762 563	- 762 066
EPRA NNNAV		3 888 334	3 776 094
Number of outstanding shares		45 867 891	45 867 891
EPRA NNNAV per share in CHF		84.77	82.33

D. EPRA net yield	(in CHF 1 000)	31 December 2015	30 June 2016
Investment property – wholly owned		6 614 549	6 624 125
Less developments		- 427 701	- 353 627
Gross up completed property portfolio valuation (B)		6 186 848	6 270 498
Annualised cash passing rental income		272 538	272 850
Property outgoings		- 41 992	- 41 927
Annualised net rents (A)		230 546	230 923
Add: notional rent expiration of rent free periods or other lease incentives		2 881	4 788
Topped-up net annualised rent (C)		233 427	235 711
EPRA NIY (A/B)		3.7 %	3.7 %
EPRA “topped-up” NIY (C/B)		3.8 %	3.8 %

Lease incentives include rent free periods for one up to six months and step up rents.

E. EPRA vacancy rate	(in CHF 1 000)	31 December 2015	30 June 2016
Estimated rental value of vacant space (A)		25 588	27 690
Estimated rental value of the whole portfolio (B)		317 165	315 865
EPRA vacancy rate (A/B)		8.1 %	8.8 %

F. EPRA cost ratio	(in CHF 1 000)	H1 2015	H1 2016
Administrative/operating expense line per IFRS income statement		25 356	28 381
Net service charge costs/fees		0	0
Management fees less actual/estimated profit element		22	25
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)		25 379	28 405
Direct vacancy costs		2 347	2 403
EPRA costs (excluding direct vacancy costs) (B)		23 031	26 002
Gross rental income less ground rents		136 926	138 353
Gross rental income (C)		136 926	138 353
EPRA cost ratio (including direct vacancy costs) (A/C)		18.5 %	20.5 %
EPRA cost ratio (excluding direct vacancy costs) (B/C)		16.8 %	18.8 %
Capitalised operating costs		1 155	980

Capitalised own services arising from the development of own projects are valued at production costs.

G. EPRA like-for-like rental change	(in CHF 1 000)	H1 2015	H1 2016
Rental income		136 926	138 353
Acquisitions		0	- 186
Disposals		- 1 465	- 240
Developments		- 1 953	- 5 572
Properties' operating expenses		- 5 186	- 5 888
Rent-Free-Periods		895	1 641
Other		185	539
Total EPRA like-for-like net rental income		129 401	128 647
EPRA like-for-like change, absolute		764	- 754
EPRA like-for-like change, relative		0.6 %	- 0.6 %
EPRA like-for-like change by areas			
Zurich		- 1.8 %	0.7 %
Geneva		7.2 %	- 10.2 %
Basel		0.1 %	5.9 %
Bern		- 1.5 %	- 4.9 %
Lausanne		10.9 %	0.0 %
Other locations		1.9 %	- 0.1 %

H. EPRA cap ex	(in CHF 1 000)	H1 2015	H1 2016
Acquisitions		0	0
Development (ground-up/green field/brown field)		39 267	45 865
Like-for-like portfolio		9 690	10 155
Capitalised interests		1 487	1 364
Capital expenditure		50 444	57 384

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

Independent Assurance Report on the EPRA Performance Measures

To the Management of PSP Swiss Property AG, Zug

We have been engaged to perform assurance procedures to provide reasonable assurance whether the EPRA Performance Measures for the period ended 30 June 2016 prepared by PSP Swiss Property AG (pages 39 – 41) have been prepared in accordance with the EPRA Financial Reporting Best Practice Recommendations.

The EPRA Performance Measures were prepared by the Management of PSP Swiss Property AG based on the corresponding Best Practice Recommendations of the European Public Real Estate Association (EPRA) as published in December 2014.

Management's responsibility

The Management of the company is responsible for preparing of the EPRA Performance Measures in accordance with the EPRA Financial Best Practice Recommendations. This responsibility includes the design, implementation and maintenance of the internal control system related to the preparation of the EPRA Performance Measures that are free from material misstatement, whether due to fraud or error. Furthermore, the Management is responsible for the interpretation of the Financial Reporting Best Practice Recommendations.

Auditor's responsibility

Our responsibility is to perform an assurance engagement and to express an opinion on the EPRA Performance Measures. We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE 3000) (revised) "Assurance engagements other than audits or reviews of historical financial information". Those standards require that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance whether the EPRA Performance Measures were prepared, in all material aspects, in accordance with the EPRA Financial Reporting Best Practice Recommendations.

In accordance with International Standard on Quality Control 1, PricewaterhouseCoopers AG maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Based on risk and materiality considerations, we performed our procedures to obtain sufficient and appropriate assurance evidence. The procedures selected depend on the assurance practitioner's judgement.

We performed the following procedures, among others:

- Interview with persons responsible for the preparation of the ERPRA Performance Measures
- Audit of the EPRA Performance Measures regarding completeness and correctness of the deduction from the underlying IFRS numbers according to the audited consolidated financial statements of PSP Swiss Property as per 30 June 2016 or if applicable other internal source data

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

In our opinion, the EPRA Performance Measures prepared by PSP Swiss Property AG for the period ended 30 June 2016, have been derived, prepared and presented in all material respects, in accordance with the EPRA Financial Reporting Best Practice Recommendations as published in December 2014.

PricewaterhouseCoopers Ltd

Guido Andermatt

Markus Schmid

Zurich, 18 August 2016

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Key financial figures by area

Area	in CHF 1000, 30 June	Number of properties	Rental income	Operating expenses	Mainte- nance and reno- vation	Net rental income	In % of total	Potential rent ¹	In % of total
Zurich									
H1 2016		83	80 344	5 540	4 084	70 721	59.4%	178 336	54.9%
2015		83	160 540	11 729	8 831	139 980	59.3%	178 283	55.3%
Geneva									
H1 2016		17	18 250	2 545	1 316	14 390	12.1%	42 250	13.0%
2015		17	37 713	3 827	1 572	32 313	13.7%	42 781	13.3%
Basel									
H1 2016		14	12 799	706	566	11 527	9.7%	26 150	8.1%
2015		14	24 595	1 540	1 640	21 415	9.1%	26 036	8.1%
Bern									
H1 2016		12	5 681	472	359	4 850	4.1%	13 607	4.2%
2015		12	12 027	1 004	892	10 131	4.3%	13 697	4.2%
Lausanne									
H1 2016		15	9 090	1 140	378	7 571	6.4%	20 120	6.2%
2015		15	17 859	2 389	1 346	14 124	6.0%	20 032	6.2%
Other locations									
H1 2016		22	9 722	1 118	627	7 977	6.7%	24 959	7.7%
2015		22	17 397	2 029	702	14 665	6.2%	20 274	6.3%
Sites and development properties									
H1 2016		8	3 166	987	190	1 989	1.7%	n.a. ⁸	5.9%
2015		8	6 287	2 435	424	3 428	1.5%	n.a. ⁹	6.7%
Overall total portfolio									
H1 2016¹⁰		171	139 051	12 507	7 520	119 025	100.0%	305 422	100.0%
2015¹¹		171	276 419	24 954	15 409	236 056	100.0%	301 104	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 Annualised rent of potential rent amounts to TCHF 19 128 in 2016.

9 Annualised rent of potential rent amounts to TCHF 21 465 in 2015.

10 For 2016 six months resp. as of 30 June.

11 For 2015 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				
182 637	57.8 %	- 11 140	3 884 720	57.7 %	4.1 %	3.6 %	16 065	9.0 %	58 182	11.4 %
187 549	59.1 %	28 298	3 891 057	57.9 %	4.1 %	3.6 %	16 136	9.1 %	55 421	10.9 %
46 222	14.6 %	- 28 963	881 247	13.1 %	4.1 %	3.2 %	4 279	10.1 %	7 578	8.3 %
46 937	14.8 %	- 9 739	906 844	13.5 %	4.2 %	3.6 %	3 912	9.1 %	6 752	7.4 %
26 189	8.3 %	11 358	527 171	7.8 %	4.9 %	4.4 %	543	2.1 %	2 853	3.1 %
26 253	8.3 %	32 261	514 815	7.7 %	5.0 %	4.3 %	602	2.3 %	2 850	3.1 %
12 197	3.9 %	- 152	252 141	3.7 %	4.5 %	3.9 %	839	6.2 %	2 788	6.5 %
12 396	3.9 %	5 180	251 951	3.7 %	4.9 %	4.1 %	725	5.3 %	2 409	5.6 %
23 768	7.5 %	7 587	356 308	5.3 %	5.2 %	4.3 %	1 718	8.5 %	6 242	7.7 %
23 894	7.5 %	7 637	347 457	5.2 %	5.2 %	4.1 %	1 886	9.4 %	7 158	8.8 %
24 852	7.9 %	- 1 740	404 737	6.0 %	4.7 %	4.0 %	4 340	17.4 %	19 360	18.2 %
20 137	6.3 %	- 5 281	310 882	4.6 %	5.5 %	4.7 %	2 423	12.0 %	11 128	12.8 %
n.a.	n.a.	- 8 705	430 551	6.4 %	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
n.a.	n.a.	- 24 565	501 371	7.5 %	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
315 865	100.0 %	- 31 755	6 736 875	100.0 %	4.3 %	3.7 %	27 784	9.1 %	97 003	10.5 %
317 165	100.0 %	33 791	6 724 377	100.0 %	4.4 %	3.7 %	25 685	8.5 %	85 718	9.5 %

Property details

Location, address	30 June 2016	Land area m ²	Office area m ²	Retail area m ²	Gastronomy area m ²	Other area m ²	Total rentable area m ²
Zurich area							
Kilchberg, Seestr. 40, 42		3 401	2 190	0	0	839	3 029
Rüschlikon, Moosstr. 2		6 798	5 589	0	0	3 560	9 149
Urdorf, Heinrich Stutz-Str. 23/25		3 788	988	0	0	2 960	3 948
Urdorf, Heinrich Stutz-Str. 27/29		30 671	43 467	0	195	3 150	46 812
Wallisellen, Handelszentrum		4 131	4 028	0	0	313	4 341
Wallisellen, Richtistr. 3		5 578	7 357	0	0	0	7 357
Wallisellen, Richtistr. 5		5 197	6 494	0	0	525	7 019
Wallisellen, Richtistr. 7		4 582	8 672	0	0	543	9 215
Wallisellen, Richtistr. 9		4 080	5 245	0	624	126	5 995
Wallisellen, Richtistr. 11		4 988	6 988	0	0	382	7 370
Zürich, Alfred Escherstr. 17		275	996	0	0	0	996
Zürich, Augustinergasse 25		236	277	0	314	123	714
Zürich, Bahnhofplatz 9		998	2 481	2 007	0	0	4 488
Zürich, Bahnhofstr. 10 / Börsenstr. 18		344	646	844	0	0	1 490
Zürich, Bahnhofstr. 28a / Waaggasse 6		763	1 819	731	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	10 309	0	0	1 644	11 953
Zürich, Binzing 15/17		33 878	35 930	0	0	4 657	40 587
Zürich, Bleicherweg 10 / Schanzengraben 7		1 155	3 394	241	0	376	4 011
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	1 020	1 043	641	0	2 704
Zürich, Brandschenkestr. 150 (Markt)		3 693	3 558	1 246	0	169	4 973
Zürich, Brandschenkestr. 152 (Sudhaus)		5 194	0	0	3 802	4 759	8 561
Zürich, Brandschenkestr. 152a (DL4)		583	2 448	0	0	0	2 448
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	2 604	433	0	197	3 234
Zürich, Förrlibuckstr. 10		4 122	7 485	0	0	711	8 196
Zürich, Förrlibuckstr. 60/62		10 382	13 760	0	877	9 787	24 424
Zürich, Förrlibuckstr. 66		2 055	5 129	0	0	2 105	7 234
Zürich, Förrlibuckstr. 110		2 963	9 375	360	371	1 401	11 507
Zürich, Förrlibuckstr. 151 (Parkhaus)		3 495	0	0	1 737	91	1 828
Zürich, Förrlibuckstr. 178/180		3 564	8 326	0	1 102	1 462	10 890
Zürich, Förrlibuckstr. 181		1 789	4 813	0	0	175	4 988
Zürich, Freieckgasse 7		295	285	89	210	224	808
Zürich, Füsslistr. 6		907	1 245	1 093	0	658	2 996

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 AG

PP = PSP Properties AG

IS = Immobiliengesellschaft Septima AG

SI = SI 7 Place du Molard AG

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	25.8%	3.6 %	1966	2001	01.10.1999	PR	SO	100.0%
121	0.0%	6.2%	1969 89	2010	01.06.2002	PR	SO	100.0%
59	0.3%	5.3%	1967	1989	01.11.2015	PR	SO	100.0%
210	0.4%	6.7%	1976	2002 03 10 13	01.07.2004	PR	SO	100.0%
90	8.7%	4.2%	1992	2010	01.10.1999	PR	CO	23.7%
137	0.0%	5.9%	2000 01	2011	01.11.2001	PR	SO	100.0%
126	41.8%	3.2%	2003	2011	01.04.2003	PR	SO	100.0%
156	16.3%	4.8%	2003	2011	01.04.2003	PR	SO	100.0%
105	6.1%	4.5%	2010		13.06.2008	PR	SO	100.0%
123	19.3%	4.6%	2010		13.06.2008	PR	SO	100.0%
0	0.0%	4.5%	1907	2000	01.10.1999	PR	SO	100.0%
1	0.0%	2.6%	1850	1994 2000 04	01.04.2004	PP	SO	100.0%
0	0.0%	3.4%	1933	2003 04 14	01.04.2004	PP	SO	100.0%
0	0.0%	2.2%	1885	1984 2015	01.10.1999	PR	SO	100.0%
0	0.0%	2.9%	1812	2005 10	01.04.2004	PP	SO	100.0%
7	0.2%	2.3%	1911	1984 2003 13	01.01.2000	PR	SO	100.0%
0	0.0%	2.3%	1967	1995 2014	01.07.2005	PP	SO	100.0%
0	0.0%	2.3%	1931	2001	01.04.2004	PP	SO	100.0%
144	47.1%	3.3%	1974	1992 2006	01.10.1999	PR	SO	100.0%
140	0.0%	5.7%	1992		01.04.2001	PR	SO	100.0%
17	64.9%	0.9%	1930 76	1985 2006 09	01.10.1999	PR	SO	100.0%
7	0.0%	4.0%	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	0.3%	3.6%	2005		01.04.2004	PP	SO	100.0%
272	0.0%	3.8%	2003		01.04.2004	PP	SO	100.0%
0	0.0%	4.1%	2003		01.04.2004	PP	SO	100.0%
0	0.0%	3.9%	2007		01.04.2004	PP	SO	100.0%
0	14.5%	3.7%	1877 82	2004	01.04.2004	PP	SO	100.0%
0	0.0%	4.3%	1882	2004	01.04.2004	PP	SO	100.0%
0	0.0%	4.8%	1913	2012	01.04.2004	PP	SO	100.0%
0	0.0%	4.1%	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%	3.9%	1950	1997 2006	01.10.1999	PR	SO	100.0%
65	13.2%	5.0%	1982	2007	01.10.1999	PR	SO	100.0%
85	3.9%	5.0%	1963	2002	29.06.2001	PR	SO	100.0%
312	12.2%	5.6%	1989		01.04.2001	PR	SO	100.0%
81	4.2%	6.1%	1969	1992 2003 04	01.12.2002	PR	SO	100.0%
64	23.8%	5.1%	1962	2000	01.12.2002	PR	SO	100.0%
1 137	7.2%	3.2%	1975	2000	01.12.2002	PR	SO	100.0%
101	43.2%	5.8%	1988		01.12.2002	PR	SO	100.0%
39	0.6%	4.9%	2002		01.12.2002	PR	SO	100.0%
0	0.0%	3.5%	1700	1992 2012	01.04.2004	PP	SO	100.0%
3	0.5%	2.8%	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 58 to 59.

8 Current development project designed for sale.

Location, address	30 June 2016	Land area m ²	Office area m ²	Retail area m ²	Gastronomy area m ²	Other area m ²	Total rentable area m ²
Zurich area (continuation)							
Zürich, Gartenstr. 32		694	1 648	0	0	59	1 707
Zürich, Genferstr. 23		343	908	0	0	111	1 019
Zürich, Gerbergasse 5		606	1 863	795	0	12	2 670
Zürich, Goethestr. 24		842	613	0	116	91	820
Zürich, Gutenbergstr. 1/9		1 488	7 233	815	0	1 005	9 053
Zürich, Hardturmstr. 131, 133, 135		6 236	17 163	1 323	0	6 103	24 589
Zürich, Hardturmstr. 169, 171, 173, 175		5 189	10 929	857	86	7 524	19 396
Zürich, Hardturmstr. 181, 183, 185		6 993	17 747	0	0	2 021	19 768
Zürich, Hottingerstr. 10 – 12		1 922	3 573	0	0	662	4 235
Zürich, In Gassen 16		331	0	0	488	607	1 095
Zürich, Konradstr. 1 / Zollstr. 6		686	283	166	190	2 250	2 889
Zürich, Kurvenstr. 17 / Beckenhofstr. 26		657	1 580	0	0	167	1 747
Zürich, Limmatquai 4		529	2 371	159	216	91	2 837
Zürich, Limmatquai 144 / Zähringerstr. 51		429	1 475	0	243	367	2 085
Zürich, Limmatstr. 250 – 254 / 264 / 266 («Red»)		4 705	7 808	0	283	710	8 801
Zürich, Limmatstr. 291		973	2 908	0	0	154	3 062
Zürich, Lintheschergasse 23		135	359	0	80	186	625
Zürich, Löwenstr. 16		206	468	150	0	198	816
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	1 883	0	0	0	1 883
Zürich, Poststr. 3		390	812	710	0	178	1 700
Zürich, Schaffhauserstr. 611		1 981	2 796	656	0	152	3 604
Zürich, Seebahnstr. 89		2 455	2 987	739	0	1 119	4 845
Zürich, Seefeldstr. 5		498	604	0	307	294	1 205
Zürich, Seefeldstr. 123		2 580	6 481	1 562	0	254	8 297
Zürich, Seestr. 353 ⁶		3 593	7 136	0	0	570	7 706
Zürich, Sihlramtsstr. 5		354	450	0	140	359	949
Zürich, Splügenstr. 6		430	1 052	0	0	52	1 104
Zürich, Stampfenbachstr. 48 / Sumatrastr. 11		1 589	3 973	260	0	742	4 975
Zürich, Stauffacherstr. 31		400	534	0	210	863	1 607
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	3 494	313	909	669	5 385
Zürich, Walchestr. 11, 15 / Neumühlequai 26, 28		1 074	2 973	676	102	321	4 072
Zürich, Wasserwerkstr. 10, 12 / Stampfenbachstr. 109		1 760	6 455	0	0	1 638	8 093
Zürich, Zurlindenstr. 134		487	1 251	133	0	108	1 492
Zürich, Zweierstr. 129		597	1 760	260	0	834	2 854
Total		250 883	378 912	30 405	13 945	86 869	510 131

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 AG
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SI = SI 7 Place du Molard AG

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	29.5%	3.4%	1967	1986 2005	01.07.2005	PP	SO	100.0%
0	83.6%	-0.6%	1895	1998 2014	01.10.1999	PR	SO	100.0%
3	0.3%	3.5%	1904	1993 2010 12	27.05.2004	PP	SO	100.0%
0	0.0%	3.5%	1874	2014	01.04.2004	PP	SO	100.0%
14	28.7%	3.3%	1969	1986 2008	31.12.2004	PR	SO	100.0%
41	2.1%	4.0%	1982	2008	01.12.2002	PR	SO	100.0%
44	16.8%	4.0%	1952	1997 2006	01.12.2002	PR	SO	100.0%
193	37.1%	6.2%	1989		01.12.2002	PR	SO	100.0%
18	37.4%	2.8%	1914 40	1994	01.04.2001	PR	SO	100.0%
0	0.0%	3.0%	1812	1984 2007	01.04.2004	PP	SO	100.0%
7	1.1%	3.0%	1879 1982	1990	01.04.2004	PP	SO	100.0%
35	1.0%	4.6%	1971	1999 2006 07 12	01.10.1999	PR	SO	100.0%
0	0.0%	3.0%	1837	2000	01.01.2000	PR	SO	100.0%
0	0.0%	3.4%	1888	1994	01.04.2004	PP	SO	100.0%
33	3.4%	3.6%	2013		01.10.2010	PP	SO	100.0%
7	38.1%	-1.4%	1985		01.04.2001	PR	SO	100.0%
0	0.0%	3.5%	1879	2001	01.04.2004	PP	SO	100.0%
1	36.7%	1.5%	2015		01.04.2004	PP	SO	100.0%
4	1.1%	3.9%	1964	2003 07 11	31.12.2000	PR	SO	100.0%
7	0.0%	5.3%	1975	1993	01.10.1999	PR	FA	29.8%
21	1.5%	3.9%	1981	1999 2007	01.10.1999	PR	SO	100.0%
16	1.1%	4.5%	1958	1981 2002	01.10.1999	PR	SO	100.0%
0	6.5%	2.8%	1893	1999	01.10.1999	PR	SO	100.0%
61	33.6%	1.1%	2001 02		01.07.2005	PP	SO	100.0%
77	2.5%	3.6%	1959	2003 08	01.04.2001	PR	SO	100.0%
0	0.0%	3.5%	1840	2000	01.04.2004	PP	SO	100.0%
90	0.9%	3.6%	1972	2004	01.10.1999	PR	SO	100.0%
125	29.2%	4.1%	1981 2001	2010	01.04.2010	PR	SO	100.0%
0	0.0%	4.1%	1950	2005	01.04.2004	PP	SO	100.0%
8	0.0%	4.0%	1896	1998 2011	01.10.1999	PR	SO	100.0%
35	22.7%	3.2%	1929	1999 2001 07	01.10.1999	PR	SO	100.0%
4	0.0%	3.6%	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	0.0%	3.3%	2013		01.04.2004	PP	SO	100.0%
2	5.0%	3.1%	1906	1992 2002	01.04.2004	PP	SO	100.0%
6	0.0%	4.1%	1919	2000 08 09	01.10.1999	PR	SO	100.0%
125	37.5%	2.5%	1981	2006	01.04.2004	PP	SO	100.0%
17	2.0%	3.6%	1972 73	2006	01.10.1999	PR	SO	100.0%
7	1.2%	3.9%	1958	2003	01.10.1999	PR	SO	100.0%
4 728	9.0%	3.6%						

5 BL = Building lease
CO = Co-ownership
FA = Freehold apartment
SO = Sole ownership

6 Own-used property.
7 See details on pages 58 to 59.
8 Current development project designed for sale.

Location, address	30 June 2016	Land area m ²	Office area m ²	Retail area m ²	Gas-tronomy area m ²	Other area m ²	Total rentable area m ²
Geneva area							
Carouge GE, Route des Acacias 50/52		4 666	9 557	0	0	31	9 588
Carouge GE, Rue de la Gabelle 6		990	1 017	0	0	0	1 017
Cologny, Port Noir Hammam & Bain Genève Plage		0	0	0	0	2 829	2 829
Genève, Cours de Rive 13, 15 / Helv. 25		882	4 515	1 164	0	39	5 718
Genève, Place du Molard 7		593	2 136	0	843	408	3 387
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	1 612	606	0	196	2 414
Genève, Rue de la Fontaine 5		226	1 056	173	0	77	1 306
Genève, Rue des Bains 31bis, 33, 35		3 368	10 628	1 056	0	372	12 056
Genève, Rue du Grand-Pré 54, 56, 58		2 864	5 749	0	0	521	6 270
Genève, Rue du Marché 40		798	3 070	2 184	0	120	5 374
Genève, Rue du Mont-Blanc 12		258	1 468	174	0	0	1 642
Genève, Rue du Prince 9/11		276	2 934	796	0	418	4 148
Genève, Rue du XXXI-Décembre 8		1 062	2 312	366	134	958	3 770
Genève, Rue F. Bonivard 12 / Rue des Alpes 11		392	2 017	272	0	77	2 366
Genève, Rue Richard-Wagner 6		6 634	9 976	0	0	0	9 976
Petit-Lancy, Av. des Morgines 8/10		7 777	13 409	0	0	2 447	15 856
Total		32 717	74 866	6 791	977	8 943	91 577
Basel area							
Basel, Barfüsserplatz 10		3 655	336	0	530	311	1 177
Basel, Dornacherstr. 210		4 994	10 137	2 742	0	1 713	14 592
Basel, Falknerstr. 31 / Weisse Gasse 16		320	133	0	344	724	1 201
Basel, Freie Str. 38		299	345	952	0	77	1 374
Basel, Greifengasse 21		416	199	878	0	847	1 924
Basel, Grosspeterstr. 18, 20		8 062	13 196	0	0	628	13 824
Basel, Hochstr. 16 / Pfeffingerstr. 5		7 018	15 393	0	0	0	15 393
Basel, Kirschgartenstr. 12/14		1 376	4 956	844	137	428	6 365
Basel, Marktgasse 4		272	375	373	0	323	1 071
Basel, Marktgasse 5		330	973	273	0	116	1 362
Basel, Marktplatz 30/30A		560	2 070	0	431	298	2 799
Basel, Peter Merian-Str. 88/90		3 900	12 641	0	0	177	12 818
Basel, St. Alban-Anlage 46		1 197	3 271	0	198	336	3 805
Basel, Steinentorberg 8/12		2 845	6 999	0	281	7 424	14 704
Total		35 244	71 024	6 062	1 921	13 402	92 409

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 AG

PP = PSP Properties AG

IS = Immobiliengesellschaft Septima AG

SI = SI 7 Place du Molard AG

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%	4.1%	1965	2006 10 13	31.12.2000	PR	SO	100.0%
5	0.0%	4.6%	1987		01.01.2000	PR	SO	100.0%
0	0.0%	3.0%	2015		07.05.2013	PR	BL	100.0%
64	19.0%	1.9%	1981		01.10.1999	PR	SO	100.0%
0	7.3%	2.1%	1975	2005 06	01.04.2004	SI	SO	100.0%
0	0.0%	1.7%	1895	1999	01.04.2001	PR	SO	100.0%
6	20.2%	2.3%	1825	1996 2014 15	01.10.1999	PR	SO	100.0%
0	0.0%	3.0%	1920	2000 01	01.10.1999	PR	SO	100.0%
255	22.4%	2.9%	1994		01.07.2002	PR	SO	100.0%
51	16.6%	3.9%	1984	1992 2007	01.12.2005	PR	SO	100.0%
0	26.4%	1.8%	1972	2006	01.07.2002	PR	SO	100.0%
0	0.0%	3.6%	1860	2000	01.10.1999	PR	SO	100.0%
4	7.4%	3.3%	1966	2000 01 06	01.01.2000	PR	SO	100.0%
0	0.0%	4.1%	1962	1992 2001 11	01.10.1999	PR	SO	100.0%
0	7.1%	3.0%	1852	1995 2013 14	01.10.1999	PR	SO	100.0%
69	0.0%	3.6%	1986		01.07.2004	PR	SO	100.0%
186	0.5%	7.6%	2002 04		01.02.2004	PR	SO	100.0%
821	10.1%	3.2%						
0	0.0%	3.2%	1914	1997 2006 11	01.04.2004	PP	SO	100.0%
5	14.8%	3.8%	1969	1998 2004 06 15	31.12.2000	PR	SO	100.0%
0	5.5%	3.6%	1902	1998 2005 08 12	01.04.2004	PP	SO	100.0%
0	3.8%	3.9%	1896	1981 82 2005	01.07.2005	PP	SO	100.0%
0	0.0%	3.8%	1930	1984 98 2015	01.04.2004	PP	SO	100.0%
100	1.7%	6.2%	1988		01.12.2005	PR	SO	100.0%
227	0.0%	4.8%	1986	2000	01.01.2001	PR	SO	100.0%
90	0.1%	4.8%	1978	2003 05 10	01.01.2000	PR	SO	100.0%
0	0.0%	4.0%	1910	2002 08	01.04.2004	PP	SO	100.0%
0	0.0%	4.2%	1924	1975 2002 05	01.10.1999	PR	SO	100.0%
0	0.0%	3.4%	1936	2001 06	01.04.2004	PP	SO	100.0%
108	0.2%	4.7%	2000		01.09.2014	PR	FA	100.0%
53	0.0%	4.6%	1968	2000 11	01.10.1999	PR	SO	100.0%
69	0.0%	4.4%	1991		01.12.2001	PR	SO	100.0%
652	2.1%	4.4%						

5 BL = Building lease
CO = Co-ownership
FA = Freehold apartment
SO = Sole ownership

6 Own-used property.

7 See details on pages 58 to 59.

8 Current development project designed for sale.

Location, address	30 June 2016	Land area m ²	Office area m ²	Retail area m ²	Gastronomy area m ²	Other area m ²	Total rentable area m ²
Bern area							
Bern, Bollwerk 15		403	1 215	435	119	162	1 931
Bern, Eigerstr. 2		3 342	4 341	240	0	106	4 687
Bern, Genfergasse 4		325	952	0	544	291	1 787
Bern, Haslerstr. 30 / Effingerstr. 47		2 585	6 104	0	0	879	6 983
Bern, Kramgasse 49		235	50	173	260	310	793
Bern, Kramgasse 78		241	178	510	0	325	1 013
Bern, Laupenstr. 10		969	1 835	0	571	247	2 653
Bern, Laupenstr. 18/18a		5 436	7 053	1 386	0	959	9 398
Bern, Seilerstr. 8a		1 049	3 643	386	0	572	4 601
Bern, Spitalgasse 9		0	830	1 405	0	111	2 346
Bern, Waisenhausplatz 14		826	1 234	1 838	0	354	3 426
Bern, Zeughausgasse 26/28		629	679	395	1 755	622	3 451
Total		16 040	28 114	6 768	3 249	4 938	43 069
Lausanne area							
Lausanne, Av. de Cour 135		1 800	2 212	0	263	448	2 923
Lausanne, Av. de Sévelin 40		3 060	1 698	0	0	4 966	6 664
Lausanne, Av. de Sévelin 46		3 320	9 283	0	754	5 214	15 251
Lausanne, Av. de Sévelin 54		1 288	544	0	0	2 466	3 010
Lausanne, Ch. de Bossons 2		1 930	2 135	0	0	127	2 262
Lausanne, Ch. du Rionzi 52, Depot		0	3 407	0	0	5 662	9 069
Lausanne, Grand Pont 1		371	0	1 069	0	0	1 069
Lausanne, Place Saint-François 5		1 070	2 326	1 633	1 561	368	5 888
Lausanne, Place Saint-François 15		5 337	8 717	1 710	0	14	10 441
Lausanne, Rue Centrale 15		486	1 262	576	0	468	2 306
Lausanne, Rue de Sébeillon 1, 3, 5		2 870	7 896	0	0	4 522	12 418
Lausanne, Rue de Sébeillon 2		5 955	0	0	0	0	0
Lausanne, Rue du Grand-Chêne 2		555	1 756	1 320	0	0	3 076
Lausanne, Rue du Pont 22		465	854	801	368	349	2 372
Lausanne, Rue Saint-Martin 7		2 087	2 887	328	763	640	4 618
Total		30 594	44 977	7 437	3 709	25 244	81 367
Other locations							
Aarau, Bahnhofstr. 18		496	1 335	671	0	86	2 092
Aarau, Bahnhofstr. 29/33		1 375	2 114	1 573	0	574	4 261
Aarau, Igelweid 1		356	268	104	0	184	556
Aigle, Route Industrielle 20, Depot		11 955	0	0	0	2 213	2 213
Biel/Bienne, Aarbergstr. 107		5 352	14 329	516	0	3 562	18 407
Biel/Bienne, Bahnhofplatz 2		4 928	6 848	3 419	0	2 799	13 066
Fribourg, Route des Arsenaux 41		4 310	8 685	337	509	1 342	10 873
Fribourg, Rue de la Banque 4 / Rte d. Alpes		269	882	545	0	104	1 531
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 AG
PP = PSP Properties AG
IS = Immobiliengesellschaft Septima AG
SI = SI 7 Place du Molard AG

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	10.2%	2.4%	1964	1999 2005 11	01.10.1999	PR	SO	100.0%
0	0.0%	3.0%	1899	1984 2005 06	01.04.2004	IS	SO	100.0%
6	9.0%	5.4%	1964 76	1992 95 2006 09	01.12.2005	PR	SO	100.0%
0	0.0%	4.3%	1900	2011 13	01.04.2004	IS	SO	100.0%
0	0.0%	3.5%	before 1900	1991 92	01.07.2005	PP	SO	100.0%
0	41.4%	2.5%	1965	1997 2004 11	01.07.2004	PR	SO	100.0%
7	4.7%	4.0%	1935 60	1997 2009 12	01.07.2004	PR	SO	100.0%
58	8.3%	4.0%	1971	2001	01.10.1999	PR	SO	100.0%
0	0.0%	9.9%	before 1900	2001 06	01.07.2005	PP	BL	100.0%
0	0.7%	3.4%	1950	2001	01.10.1999	PR	SO	100.0%
0	0.0%	4.7%	1900	1999	01.04.2004	IS	SO BL	100.0%
186	6.2%	3.9%						
23	1.1%	3.5%	1973	2001 04 05	01.10.1999	PR	SO	100.0%
146	20.0%	5.1%	1992		01.12.2005	PR	SO	100.0%
10	0.3%	6.9%	1994		01.12.2005	PR	SO	100.0%
0	0.0%	7.0%	1932	1990 2002	01.12.2005	PR	SO	100.0%
8	4.8%	6.4%	1971	1998	01.04.2001	PR	SO	100.0%
63	0.0%	5.0%	1971	1996 2014	01.04.2004	IS	BL	100.0%
0	0.0%	4.8%	1957	2000	01.07.2005	PP	SO	100.0%
0	4.0%	2.7%	1913	1989 2004	01.10.1999	PR	SO	100.0%
61	0.0%	4.4%	1900	1998 2003 04	01.04.2001	PR	SO	100.0%
0	3.8%	3.7%	1938	1987 2013	01.01.2000	PR	SO	100.0%
61	5.7%	6.3%	1963	1998	01.12.2005	PR	SO	100.0%
221	11.5%	2.9%	1930	1998	01.12.2005	PR	SO	100.0%
0	0.2%	3.5%	1910 11	1985 2001	01.10.1999	PR	SO	100.0%
0	9.7%	3.3%	1952	2003	01.07.2005	PP	SO	100.0%
139	79.1%	0.3%	1962 63	1998 2002	31.12.2000	PR	SO	100.0%
732	8.5%	4.3%						
29	0.0%	4.3%	1968	2001 02 06	01.01.2000	PR	SO	100.0%
18	0.0%	4.7%	1971	2004 09 10	01.03.2008	PR	SO	100.0%
0	0.0%	4.2%	1945	2000	01.07.2005	PP	SO	100.0%
0	0.0%	6.6%	1985		01.04.2004	IS	SO	100.0%
63	1.1%	5.9%	1994		15.12.2005	PR	SO	100.0%
80	29.2%	3.9%	1928 62	1986 93 2012	01.08.2006	PR	SO	100.0%
142	44.5%	2.7%	1997		15.12.2005	PR	SO	100.0%
3	0.0%	2.1%	1970	2001	01.01.2000	PR	SO	100.0%
0	0.0%	8.1%	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 58 to 59.

8 Current development project designed for sale.

Location, address	30 June 2016	Land area m ²	Office area m ²	Retail area m ²	Gastronomy area m ²	Other area m ²	Total rentable 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	328	0	596	3 186
Olten, Baslerstr. 44		657	2 063	401	0	596	3 060
Rheinfelden, Bahnhofstr. 21		11 473	1 272	0	161	2 208	3 641
Rheinfelden, Salmencenter / Quellenhaus Baslerstr. 2 – 16		34 241	4 421	5 902	0	12 863	23 186
Solothurn, Gurzelngasse 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	404	0	92	220	716
Zug, Kolinplatz 2		285	792	119	0	180	1 091
Zurzach, Auf Rainen, Land		6 996	0	0	0	0	0
Total		100 146	46 715	16 263	963	42 608	106 549
Sites and development properties⁷							
Basel, Grosspeterstr. 18, 20, Projekt «Grosspeter Tower»		3 978	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» ⁸		19 188	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, Hardturmstr. 161 / Förrlibuckstr. 150, Projekt		8 225	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, Projekt «Bahnhofquai/-platz»		3 379	n.a.	n.a.	n.a.	n.a.	n.a.
Total		134 868	n.a.	n.a.	n.a.	n.a.	n.a.
Overall total portfolio		600 492	644 608	73 726	24 764	182 004	925 102

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 AG
PP = PSP Properties AG
IS = Immobiliengesellschaft Septima AG
SI = SI 7 Place du Molard AG

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%	5.7%	1908	2003	01.07.2005	PP	SO	100.0%
0	0.0%	2.6%	2013		30.01.2012	PP	BL	100.0%
0	10.9%	4.3%	1900	1980	01.07.2005	PP	SO	100.0%
44	0.0%	5.3%	1989	2010	01.10.1999	PR	SO	100.0%
21	0.0%	4.9%	1964	1993 95 2009 11	01.01.2000	PR	SO	100.0%
48	10.5%	4.2%	1934	2001	01.04.2004	PP	SO	100.0%
586	36.0%	3.0%	2016		01.01.2004	PP	SO	100.0%
0	1.3%	2.9%	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%	3.9%	1595	2002 03 14	01.07.2005	PP	SO	100.0%
0	8.8%	3.4%	1879	1996 2014	01.04.2004	PP	SO	100.0%
1	0.0%	4.3%	1491	1925 70 2004 09	01.10.1999	PR	SO	100.0%
0	n.a.	n.a.	n.a.		01.04.2004	PP	SO	100.0%
1 046	17.4%	4.0%						
n.a.	n.a.	n.a.	n.a.		01.12.2005	PR	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.		01.01.2004	PP	SO FA	100.0%
n.a.	n.a.	n.a.	n.a.		01.04.2004	IS	SO FA	100.0%
n.a.	n.a.	n.a.	n.a.		01.04.2004	PP	SO FA	100.0%
n.a.	n.a.	n.a.	n.a.		01.12.2002	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.		01.01.2004	PP	SO	100.0%
n.a.	n.a.	n.a.						
8 165	9.1%	3.7%						

5 BL = Building lease
CO = Co-ownership
FA = Freehold apartment
SO = Sole ownership

6 Own-used property.
7 See details on pages 58 to 59.
8 Current development project designed for sale.

Additional information development projects

“Salmenpark” Rheinfelden

Project description: Project with mixed use (residential, office, trade and commerce). Overall project with approx. 59 000 m ² usable floor space and CHF 250 million investment sum.	State of project: in construction (stage 1) Project with approx. 32 000 m ² usable floor space (thereof 113 freehold apartments and 36 apartments for rent) Planned investment sum: approx. CHF 180 million (thereof CHF 172.0 mio. spent) Sale: 80 apartments Letting level: 65 % of the commercial area and 23 apartments for rent	Completion: End of 2016
	State of project: in planning (stage 2) Project with approx. 27 000 m ² usable floor space resp. 100 residential units Planned investment sum: approx. CHF 70 million	Completion: tbd

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 three stages. Overall planned investment sum: approx. CHF 80 million.	State of project: in construction (stage 1) Properties at Bahnhofplatz 1 and Bahnhofquai 9, 11, 15 Planned investment sum: approx. CHF 35 million (thereof CHF 6.0 mio. spent) Letting: n.a.	Completion: tbd
	State of project: in construction (stage 2) Properties at Waisenhausstrasse 2/4 and Bahnhofquai 7 Planned investment sum: approx. CHF 33 million (thereof CHF 2.6 mio. spent) Letting: n.a.	Completion: tbd
	State of project: construction not yet started (stage 3) Property at Bahnhofplatz 2 Planned investment sum: approx. CHF 12 million Letting: n.a.	Completion: tbd

Project “Grosspeter Tower”

Basel, Grosspeterstrasse 18, 20

Project description: New tower (Zero emission) building with mixed use (hotel and office space). Project with approx. 18 000 m ² usable floor space	State of project: in construction Planned investment sum: approx. CHF 110 million (thereof CHF 53.4 mio. spent) Letting: 30% (Hotel)	Completion: Q1 2017
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Project “Hardturmstrasse / Förrlibuckstrasse”

Zurich, Hardturmstrasse 161 / Förrlibuckstrasse 150

Project description:

Comprehensive renovation, in particular of the structure and technical installations.

State of project: in construction

Planned investment sum: approx. CHF 50 million
(thereof CHF 21.0 mio. spent)
Letting: n.a.

Completion:

2017

“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:

tbd

Property sales in H1 2016

Location, address	Land area m ²	Office area m ²	Retail area m ²
Fribourg, Av. de Beauregard 1	1 657	3 134	0

Expiry of lease contracts as at 30 June 2016

	Market adjustment option by PSP Swiss Property	Legal termination option by tenant
Contracts not limited in time, but subject to notice	7%	7%
2016	12%	13%
2017	13%	14%
2018	10%	10%
2019	9%	10%
2020	9%	9%
2021	11%	9%
2022	5%	4%
2023	3%	5%
2024	1%	0%
2025	11%	11%
2026+	10%	8%
Total	100%	100%

Gastronomy area m ²	Other area m ²	Total rentable area m ²	Parking spaces	Purchase date	Selling date
0	137	3 271	67	01.10.1999	13.06.2016

Tenant structure

	31 December 2015	30 June 2016
Swisscom	10%	10%
Google	5%	5%
Schweizer Post	3%	3%
JT International	3%	2%
Roche	2%	2%
Next five largest tenants	9%	9%
Other	68%	69%
Total	100%	100%

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

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Agenda

Publication Q1 – Q3 2016
11 November 2016

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Annual General Meeting 2017
5 April 2017, Kongresshaus, Zurich

Publication Q1 2017
12 May 2017

Executive Board of PSP Swiss Property

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Giacomo Balzarini

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Adrian Murer

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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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