

QUARTERLY
REPORT Q1–Q3

2016

Key figures

Key financial figures	Unit	1 January to	1 July to	1 July to	1 January to	1 January to	Change ¹
		31 Dec. 2015	30 Sept. 2015	30 Sept. 2016	30 Sept. 2015	30 Sept. 2016	
Rental income	CHF 1 000	275 063	69 352	69 358	206 278	207 711	0.7%
EPRA like-for-like change	%	0.2	0.3	- 3.3	0.5	- 1.4	
Net changes in fair value of real estate investments	CHF 1 000	33 791	0	- 6 653	13 085	- 38 407	
Income from property sales (freehold apartments)	CHF 1 000	3 259	2 180	2 588	2 195	13 108	
Income from property sales (portfolio)	CHF 1 000	1 374	1 374	0	1 374	1 075	
Total other income	CHF 1 000	4 588	2 133	2 422	3 660	5 374	
Net income	CHF 1 000	187 726	44 173	37 819	132 400	102 772	- 22.4%
Net income excluding gains/losses on real estate investments ²	CHF 1 000	161 287	43 856	43 065	122 577	132 032	7.7%
Ebitda excluding gains/losses on real estate investments	CHF 1 000	232 690	61 932	60 220	175 896	184 618	5.0%
Ebitda margin	%	82.0	83.0	81.0	82.5	81.5	
Total assets	CHF 1 000	6 791 923			6 731 802	6 943 844	2.2%
Shareholders' equity	CHF 1 000	3 870 473			3 810 905	3 825 298	- 1.2%
Equity ratio	%	57.0			56.6	55.1	
Return on equity	%	4.9	4.7	4.0	4.6	3.6	
Interest-bearing debt	CHF 1 000	1 969 035			1 978 888	2 178 438	10.6%
Interest-bearing debt in % of total assets	%	29.0			29.4	31.4	

Portfolio key figures

Number of properties	Number	163			161	161	
Carrying value properties	CHF 1 000	6 223 006			6 145 451	6 249 941	0.4%
Implied yield, gross ³	%	4.4	4.4	4.2	4.4	4.3	
Implied yield, net ³	%	3.7	3.8	3.6	3.8	3.7	
Vacancy rate end of period (CHF) ^{3,4}	%	8.5			9.0	9.4	
Number of sites and development properties	Number	8			9	10	
Carrying value sites and development properties	CHF 1 000	501 371			519 496	633 704	26.4%

Employees

End of period	Posts	87			87	90	
Full-time equivalents	Posts	81			81	82	

Per share figures

Earnings per share (EPS) ⁵	CHF	4.09	0.96	0.82	2.89	2.24	- 22.4%
EPS excluding gains/losses on real estate investments ⁵	CHF	3.52	0.96	0.94	2.67	2.88	7.7%
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			83.08	83.40	- 1.2%
NAV per share before deduction of deferred taxes ⁷	CHF	100.83			99.23	99.97	- 0.9%
Share price end of period	CHF	88.00			80.10	92.50	5.1%

1 Change to previous year's period 1 January to 30 September 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 quarterly report.

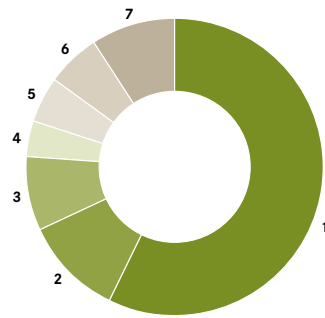
The quarterly report is, however, available on www.psp.info/reports.

www.psp.info

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

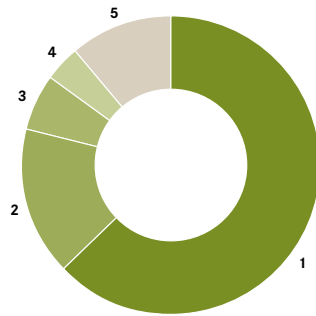
Highlights in brief

Portfolio value by area



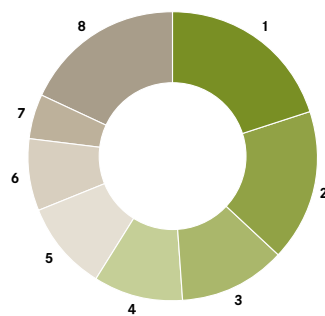
1	Zurich	58 %
2	Geneva	11 %
3	Basel	8 %
4	Bern	4 %
5	Lausanne	5 %
6	Other locations	6 %
7	Sites and development properties	9 %

Rent by use



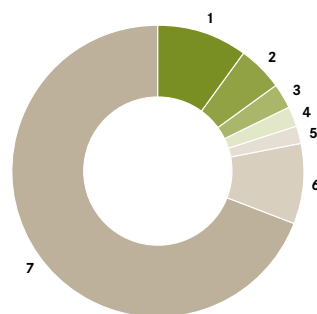
1	Office	63 %
2	Retail	16 %
3	Parking	6 %
4	Gastronomy	4 %
5	Other	11 %

Rent by type of tenant



1	Retail	20 %
2	Services	17 %
3	Telecommunication	12 %
4	Technology	10 %
5	Financial services	10 %
6	Gastronomy	8 %
7	Government	5 %
8	Other	18 %

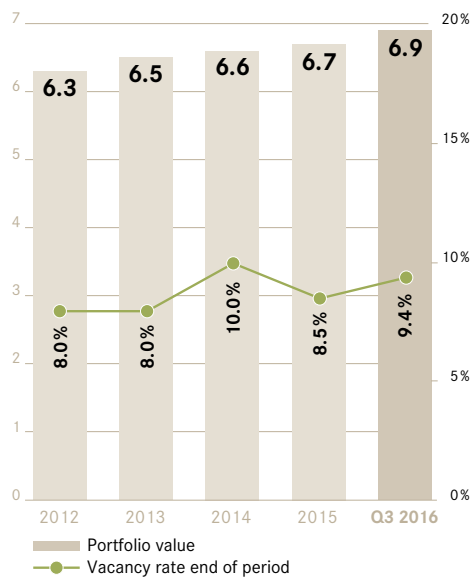
Rent by largest tenants



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

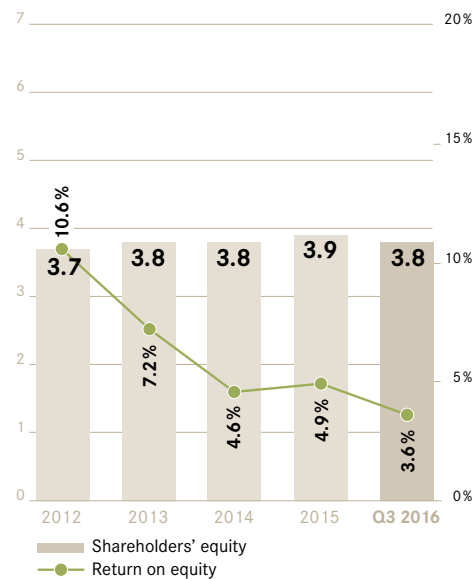
Real estate portfolio

(in CHF billion, vacancy in %)



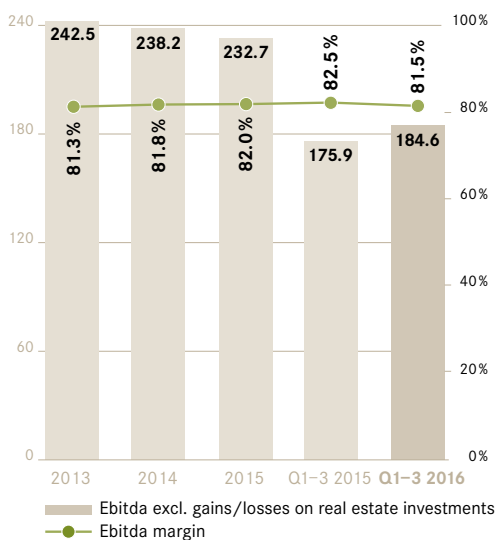
Shareholders' equity

(in CHF billion, return in %)



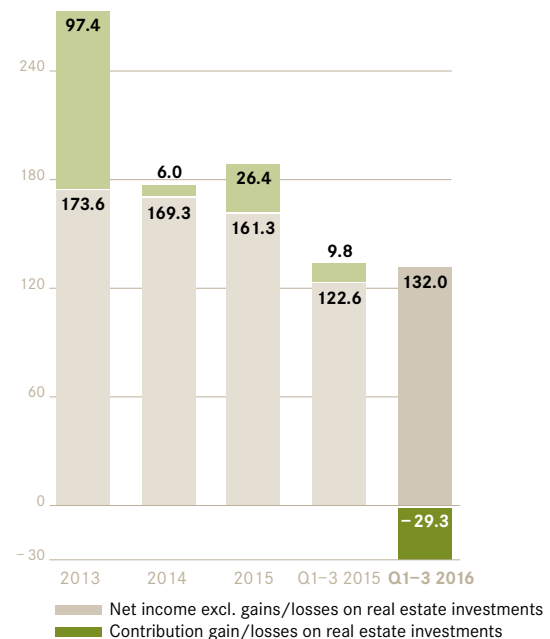
Ebitda

(in CHF million, margin in %)



Net income components

(in CHF million)



Board of Directors' statement

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. The rental market is challenging. Nevertheless, we are content with our new letting and follow-up rental activities. In some cases, we adjusted our rental conditions for new leases and lease extensions to the weaker market environment.

Businesswise, we are within expectations: in the reporting period, we generated a net income (excluding changes in fair value) of CHF 132.0 million (previous year's period: CHF 122.6 million). This increase resulted mainly from the sale of freehold apartments at the "Salmenpark" project in Rheinfelden and at the "Black" condominium tower on the Löwenbräu site in Zurich.

In June 2016, we sold the investment property located at Avenue de Beauregard 1 in Fribourg. In July 2016, we purchased an office and commercial property located at Hardturmstrasse 101, 103, 105 / Förllibuckstrasse 30 in Zurich.

The current site developments and conversion projects progressed as planned. We are pleased with the sale of freehold apartments at the "Salmenpark" project in Rheinfelden. 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. We will presumably submit the revised building application for stage two with an investment total of approximately CHF 70 million by the end of 2016. This stage includes 100 residential units for sale.

We decided to comprehensively renovate the property located at Rue du Marché 40 in Geneva. Approximately CHF 15 million will be invested until 2018. This property has been reclassified as "development property" as per the end of September 2016.

The two buildings located at Förrlibuckstrasse 178/180 and Hardturmstrasse 181, 183, 185 (project "Orion") in Zurich West have also been reclassified as "development properties". These two buildings will be demolished and replaced by a new one in line with today's requirements with regard to flexibility of use and sustainability. We plan to submit the building application for this office and commercial property at end of 2016. Construction is scheduled for 2018 to 2020. The investment total will amount to approximately CHF 120 million.

On the "Paradiso" site in Lugano, construction start for a residential building with 65 freehold apartments as well as offices and retail space is scheduled for Q1 2017. From today's perspective, the investment total will amount to approximately CHF 65 million. We intend to sell all units after their completion.

PSP Swiss Property is solidly financed and has a strong equity base: at the end of September 2016, total equity amounted to CHF 3.825 billion (end of 2015: CHF 3.870 billion). This corresponds to an equity ratio of 55.1% (end of 2015: 57.0%). In this regard, a dividend payment of CHF 151.3 million in April 2016 should be taken into account.

Economic and political environment

While most forecasts for Switzerland's real GDP growth in 2016 and 2017 were lowered slightly after the Brexit vote, they are still just above 1%. The current negative inflation rate is expected to rise only marginally in 2017, while the negative respectively very low interest rates are unlikely to increase substantially in the foreseeable future. Consequently, refinancing costs are expected to remain favourable.

One "homemade" problem 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, the Lex Koller is back on the Agenda. We will of course play an active role trying to prevent any restrictions.

Property market Switzerland

Despite the fact that the forecasts for Switzerland's economy are promising for the current and the coming year, the property market will remain a challenge. The rental of office and other commercial space, in particular, will not be easy.

Office market

In Switzerland overall, the supply of office space is greater than demand in many places. However, new constructions are likely to decline slightly overall – except in certain hot spots such as Zurich North. All in all, as usual in a normal property cycle, oversupply should largely diminish “automatically” over time. In the economically strong Zurich city centre there is moderate pressure on rents. Vacancies are being absorbed slightly better than in the past. As a consequence, supplied space is diminishing a bit.

With regard to investments, demand for commercial properties in prime locations, especially in the CBDs of Zurich and Geneva, remains high, mainly from Swiss institutional investors. Buyers of the few objects that are on the market, are willing to accept modest net yields.

Retail market

Rents remain under pressure in the retail sector due to the exchange-rate-induced shopping tourism abroad and the growing online shopping. This is not likely to change any time soon. In this market environment, central locations (“high street retail”) prove to be particularly robust.

Market outlook

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. In general, properties in peripheral regions with insufficient public transportation connections and objects with limited utilisation options find it more difficult to find buyers (and tenants). In this challenging environment, landlords that offer state-of-the-art new buildings or comprehensively renovated and upgraded 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 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 expect an ebitda (excluding changes in fair value) in excess of CHF 240 million (2015: CHF 232.7 million).

With regard to the vacancies at year-end 2016, we now expect an improved rate of around 9.5 % (previous forecast: around 10 %; end of September 2016: 9.4 %).



Günther Gose

Chairman of the
Board of Directors



Luciano Gabriel

Delegate of the Board of Directors
and Chief Executive Officer

10 November 2016

Business trends Q1 – Q3 2016

Dear Readers

Real estate portfolio

At the end of September 2016, the real estate portfolio included 161 office and commercial properties in top locations. In addition, there were five development sites and five individual projects. The carrying value of the total portfolio stood at CHF 6.884 billion (end of 2015: CHF 6.724 billion).

On 13 June 2016, we sold the investment property located at Avenue de Beauregard 1 in Fribourg. On 29 July 2016, we purchased an office and commercial property located at Hardturmstrasse 101, 103, 105 / Förrlibuckstrasse 30 in Zurich.

Vacancy development

At the end of September 2016, the vacancy rate stood at 11.4% (end of June 2016: 9.1%). This figure included the properties on Förrlibuckstrasse 178 / 180 / Hardturmstrasse 181, 183, 185 (project "Orion") in Zurich West as well as the property at Rue du Marché 40 in Geneva, which we reclassified as "development properties" at the end of September 2016. Excluding these three properties, the vacancy rate with regard to the relevant investment portfolio was 9.4%.

1.1 percentage points of these 9.4% were due to ongoing renovation work on various properties. The properties in Zurich West and Wallisellen (carrying value CHF 0.7 billion) contributed 1.8 percentage points to the overall vacancy rate. The remaining properties with a carrying value of CHF 5.4 billion (i.e. the total investment portfolio excluding the objects under renovation as well as those in Zurich West and Wallisellen) made up 6.5 percentage points.

Of the lease contracts maturing in 2016 (CHF 53.8 million), 76% were renewed respectively extended at the end of September. As at year-end 2016, we expect a vacancy rate of around 9.5%.

Development projects and sites

The current site developments and conversion projects progressed as planned. For information on the projects see pages 46 to 47.

On 28 October 2016, within the time stipulated, PSP Swiss Property, respectively PSP Properties AG (“Properties”), submitted its statement of defence regarding the complaint filed by Steiner AG against Properties and Löwenbräu-Kunst AG (“LKAG”) with the Commercial Court of the Canton of Zurich on 24 February 2016, and demanded that the action be dismissed in full. In its action in connection with the Löwenbräu construction project in Zurich West, Steiner AG asserted claims totalling CHF 58.5 million, whereof CHF 18.3 million relate to LKAG, respectively the “Kunstteil” of LKAG, which, however, are also asserted against Properties in the event that the claim against LKAG should be dismissed. PSP Swiss Property disputes the claims of Steiner AG as unfounded and unsubstantiated. No provisions have been built for this litigation by PSP Swiss Property.

Capital management

With total equity of CHF 3.825 billion (end of 2015: CHF 3.870 billion) – corresponding to an equity ratio of 55.1 % (end of 2015: 57.0 %) – PSP Swiss Property had a strong capital base at the end of September 2016. Interest-bearing debt amounted to CHF 2.178 billion, corresponding to 31.4 % 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 reporting period, we issued three bonds to refinance financial liabilities: a first one on 16 February 2016 with a volume of CHF 225 million and an interest coupon of 0.500 % maturing in 2024, a second one on 29 April 2016 with a volume of CHF 100 million and an interest coupon of 0.375 % maturing in 2026, and a third one on 1 September 2016 with a volume of CHF 125 million and an interest coupon of 0.000 % maturing in 2023.

At the end of September 2016, the passing average interest rate was 1.33 % (end of 2015: 1.53 %). The average fixed-interest period was 4.4 years (end of 2015: 3.4 years).

No major committed bank loans will be due until 2019. As at the end of September 2016, we had unused committed credit lines totalling CHF 650 million.

PSP Swiss Property is rated by two international rating agencies. In March 2016, Fitch confirmed the Senior Unsecured Rating A- (outlook stable). On 10 November 2016, Moody's assigned an A3 Issuer Rating (outlook stable).

Consolidated quarterly results (January to September 2016)

During the reporting period, we generated a net income excluding gains/losses on real estate investments¹ of CHF 132.0 million (previous year's period: CHF 122.6 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, and income of CHF 10.9 million from the sale of 71 freehold apartments at the "Salmenpark" project in Rheinfelden and three condominiums at the "Black" tower on the Löwenbräu site in Zurich (previous year's period: CHF 2.2 million). Additionally, income from capitalised own services and VAT recovery overall was up by CHF 1.7 million to CHF 5.4 million (previous year's period: CHF 3.6 million). Corresponding earnings per share (excluding gains/losses on real estate investments) amounted to CHF 2.88 (previous year's period: CHF 2.67).

Net income (including gains/losses on real estate investments) was CHF 102.8 million (previous year's period: CHF 132.4 million). The decline was caused by the regular semi-annual revaluation of the properties as per mid-year 2016, which resulted in an overall depreciation of CHF 31.8 million. In addition, there was a negative market value adjustment of CHF 6.7 million as at the end of September, resulting from the initial valuation of the newly purchased property at Hardturmstrasse 101, 103, 105 / Förrlibuckstrasse 30 in Zurich. Corresponding earnings per share (including gains/losses on real estate investments) amounted to CHF 2.24 (previous year's period: CHF 2.89).

Operating expenses increased by CHF 4.5 million to CHF 43.1 million (previous year's period: CHF 38.6 million). The termination of the employment contract of one former member of the Executive Board affected the results in the reporting period with a CHF 0.7 million charge. In addition, there were positive effects totalling CHF 2.3 million in the previous year's period (adjusted pension obligations, IAS 19 as well as property tax refunds). Financial expenses decreased by CHF 1.8 million to CHF 20.3 million (previous year's period: CHF 22.1 million).

At the end of September 2016, net asset value (NAV) per share was CHF 83.40 (end of 2015: CHF 84.38); thereby, the dividend payout of CHF 3.30 per share made on 6 April 2016 should be taken into account. NAV before deducting deferred taxes amounted to CHF 99.97 (end of 2015: CHF 100.83).

Subsequent events

There were no material subsequent events.

¹ See definition on page 30, note 2.

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 expect an ebitda (excluding gains/losses on real estate investments) in excess of CHF 240 million (2015: CHF 232.7 million).

With regard to the vacancies at year-end 2016, we now expect an improved rate of around 9.5% (previous forecast: around 10%; end of September 2016: 9.4%).

The Executive Board, November 2016

Financial statements

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Consolidated statement of profit or loss and consolidated statement of comprehensive income (July to September)

Consolidated statement of profit or loss

Operating income	(in CHF 1 000)	1 July to 30 September 2015	1 July to 30 September 2016	Note
Rental income		69 352	69 358	
Net changes in fair value of real estate investments		0	- 6 653	4
Income from property sales (inventories)		9 275	21 893	
Expenses from sold properties (inventories)		- 7 095	- 19 305	
Income from other property sales		1 374	0	
Income from investments in associated companies		6	12	
Capitalised own services		712	1 974	4
Other income		1 415	436	
Total operating income		75 039	67 715	
Operating expenses				
Real estate operating expenses		- 2 934	- 3 201	
Real estate maintenance and renovation expenses		- 3 238	- 4 228	
Personnel expenses		- 4 587	- 4 698	
Fees to subcontractors		- 13	- 12	
General and administrative expenses		- 1 929	- 2 009	
Depreciation		- 182	- 182	
Total operating expenses		- 12 882	- 14 330	
Operating profit (Ebit)		62 157	53 384	
Financial income		60	33	5
Financial expenses		- 7 200	- 7 016	5
Profit before income taxes		55 016	46 401	
Income taxes		- 10 842	- 8 582	
Net income attributable to shareholders of PSP Swiss Property Ltd		44 173	37 819	
Earnings per share in CHF (basic and diluted)		0.96	0.82	10

Consolidated statement of comprehensive income

Net income attributable to shareholders of PSP Swiss Property Ltd	(in CHF 1 000)	1 July to 30 September 2015	1 July to 30 September 2016	Note
Net income attributable to shareholders of PSP Swiss Property Ltd		44 173	37 819	
Items that may be reclassified subsequently to profit or loss:				
■ Changes in interest rate hedging		1 101	7 660	
■ Income taxes		- 86	- 593	
Items that will not be reclassified subsequently to profit or loss:				
■ Changes in pension schemes		- 656	96	
■ Income taxes		144	- 21	
Comprehensive income attributable to shareholders of PSP Swiss Property Ltd		44 676	44 961	

The notes are part of these condensed consolidated financial information.

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

Consolidated statement of profit or loss

Operating income	(in CHF 1 000)	1 January to 30 September 2015	1 January to 30 September 2016	Note
Rental income		206 278	207 711	
Net changes in fair value of real estate investments		13 085	- 38 407	4
Income from property sales (inventories)		9 355	72 383	
Expenses from sold properties (inventories)		- 7 160	- 59 275	
Income from other property sales		1 374	1 075	
Income from investments in associated companies		14	10	
Capitalised own services		2 115	3 056	4
Other income		1 531	2 308	
Total operating income		226 592	188 861	
Operating expenses				
Real estate operating expenses		- 8 120	- 9 089	
Real estate maintenance and renovation expenses		- 10 385	- 11 341	
Personnel expenses		- 12 971	- 15 402	
Fees to subcontractors		- 35	- 37	
General and administrative expenses		- 5 693	- 5 772	
Impairment charge properties		- 874	- 913	4
Depreciation		- 535	- 544	
Total operating expenses		- 38 614	- 43 098	
Operating profit (Ebit)		187 978	145 763	
Financial income		662	104	5
Financial expenses		- 22 788	- 20 390	5
Profit before income taxes		165 853	125 477	
Income taxes		- 33 452	- 22 706	
Net income attributable to shareholders of PSP Swiss Property Ltd		132 400	102 772	
Earnings per share in CHF (basic and diluted)		2.89	2.24	10

Consolidated statement of comprehensive income

Net income attributable to shareholders of PSP Swiss Property Ltd	(in CHF 1 000)	1 January to 30 September 2015	1 January to 30 September 2016	Note
Net income attributable to shareholders of PSP Swiss Property Ltd		132 400	102 772	
Items that may be reclassified subsequently to profit or loss:				
■ Changes in interest rate hedging		- 13 466	7 149	
■ Income taxes		1 055	- 553	
Items that will not be reclassified subsequently to profit or loss:				
■ Changes in pension schemes		- 1 000	- 4 070	
■ Income taxes		220	895	
Comprehensive income attributable to shareholders of PSP Swiss Property Ltd		119 209	106 193	

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 September 2016	Note
Cash and cash equivalents		32 256	29 353	32 183	
Accounts receivable		17 229	20 995	8 601	
Deferrals		3 331	2 531	1 646	
Current tax assets		645	0	0	
Sites and development properties for sales		76 248	73 669	62 749	4
Investment properties for sale		9 332	0	0	4
Total current assets		139 041	126 548	105 180	
Tangible assets		280	356	340	
Derivative financial instruments		0	2 052	5 150	6/7
Accounts receivable		5 453	3 208	2 535	
Financial investments		9	9	9	
Investments in associated companies		35	45	55	
Sites and development properties		370 661	427 701	570 954	4
Own-used properties		36 764	36 159	35 660	4
Investment properties		6 115 040	6 186 848	6 214 281	4
Deferred tax assets		17 383	8 997	9 680	
Total non-current assets		6 545 624	6 665 374	6 838 665	
Total assets		6 684 665	6 791 923	6 943 844	
Liabilities and shareholders' equity					
Accounts payable		27 416	36 263	26 984	
Deferrals		60 921	55 649	57 602	
Current tax liabilities		11 933	14 198	2 339	
Bonds		0	249 951	0	
Derivative financial instruments		2 798	1 010	3 963	6/7
Total current liabilities		103 068	357 070	90 888	
Debt		1 360 000	1 300 000	1 310 000	8
Bonds		568 669	419 084	868 438	8
Derivative financial instruments		51 058	64 107	57 102	6/7
Pension liabilities		17 646	17 707	22 256	
Deferred tax liabilities		743 428	763 482	769 863	
Total non-current liabilities		2 740 801	2 564 380	3 027 658	
Share capital		4 587	4 587	4 587	
Capital reserves		735 189	586 079	503 512	
Retained earnings		3 151 160	3 338 889	3 372 859	
Revaluations reserves		- 50 141	- 59 082	- 55 660	
Total shareholders' equity		3 840 795	3 870 473	3 825 298	
Total liabilities and shareholders' equity		6 684 665	6 791 923	6 943 844	

The notes are part of these condensed consolidated financial information.

Zug, 10 November 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 September)

	1 January to (in CHF 1 000) 30 September 2015	1 January to 30 September 2016	Note
Net income attributable to shareholders of PSP Swiss Property Ltd	132 400	102 772	
Net changes in fair value of real estate investments	- 13 085	38 407	4
Capitalised/released rent-free periods	157	- 945	4
Income from other property sales	- 1 374	- 1 075	
Income from investments in associated companies	- 14	- 10	
Capitalised own services	- 2 115	- 3 056	4
Impairment charge properties	874	913	4
Changes in pension liabilities recorded in the income statement	- 727	479	
Depreciation	535	544	
Net financial expenses	22 126	20 286	5
Income taxes	33 452	22 706	
Changes in sites and development properties for sale	- 4 849	17 530	
Changes in accounts receivable	4 732	9 466	
Changes in accounts payable	10 909	- 9 301	
Changes in deferrals (assets)	721	885	
Changes in deferrals (liabilities)	- 8 262	7 975	
Interest paid	- 29 639	- 25 314	
Interest received	660	103	
Dividends received	1	1	
Taxes paid	- 16 834	- 28 525	
Cash flow from operating activities	129 671	153 842	
Purchases of investment properties	0	- 145 203	4
Capital expenditures on investment properties	- 16 038	- 13 853	4
Capital expenditures on sites and development properties	- 66 508	- 62 698	4
Sales of properties	48 288	12 271	
Payments of loans	0	- 465	
Repayments of loans	1 559	1 137	
Purchases of tangible assets	- 122	- 29	
Cash flow from investing activities	- 32 822	- 208 839	
Purchases of own shares	- 220	- 172	
Sales of own shares	189	168	
Increase in financial debt	600 000	300 000	8
Financial debt repayment	- 650 000	- 290 000	8
Issue of bonds	100 190	451 160	8
Issue expenses of bonds	- 410	- 1 986	
Repayment of bonds	0	- 250 000	8
Distribution to shareholders	- 149 045	- 151 342	11
Cash flow from financing activities	- 99 296	57 828	
Changes in cash and cash equivalents	- 2 447	2 831	
Cash and cash equivalents at 1 January	32 256	29 353	
Cash and cash equivalents at 30 September	29 809	32 183	

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 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			- 149 071
Purchase of own shares			
Sale of own shares			0
Compensation in own shares			- 31
Elimination tax effect on profits on own shares in statutory accounts			
30 September 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			
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 September 2016		4 587	503 512

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
	132 400		132 400
		- 13 466	- 13 466
		- 1 000	- 1 000
		1 275	1 275
		- 13 191	- 13 191
0	132 400	- 13 191	119 209
			- 149 071
- 220			- 220
2			2
219			187
	2		2
0	3 283 563	- 63 332	3 810 905
	55 326		55 326
		4 258	4 258
		418	418
		- 426	- 426
		4 251	4 251
0	55 326	4 251	59 576
- 1 248			- 1 248
1 248			1 239
	0		0
0	3 338 889	- 59 082	3 870 473
	102 772		102 772
		7 149	7 149
		- 4 070	- 4 070
		342	342
		3 422	3 422
0	102 772	3 422	106 193
	- 68 802		- 151 364
- 172			- 172
172			168
	0		0
0	3 372 859	- 55 660	3 825 298

Notes to the consolidated interim financial statements as of 30 September 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 161 office and commercial properties as well as five development sites and five individual projects throughout Switzerland. The properties are mainly in prime locations in Zurich, Geneva, Basel, Bern and Lausanne. As of 30 September 2016, PSP Swiss Property had 90 employees, corresponding to 82 full-time equivalents (end of 2015: 87 respectively 81).

The condensed consolidated interim financial statements as of 30 September 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 10 November 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 September 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 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 Q1 – Q3 2015

1 January to 30 September 2015							
Operating income	(in CHF 1 000)	Real Estate Investments	Real Estate Maintenance	Holding	Subtotal	Eliminations	Total Group
Rental income		207 294			207 294	- 1 015	206 278
Net changes in fair value of real estate investments		13 085			13 085		13 085
Income from property sales (inventories)		9 355			9 355		9 355
Expenses from sold properties (inventories)		- 7 160			- 7 160		- 7 160
Income from other property sales		407			407	967	1 374
Income from investments in associated companies			14		14		14
Real estate management services			9 933		9 933	- 9 933	0
Capitalised own services			2 115		2 115		2 115
Other income		1 492	827	13 394	15 713	- 14 182	1 531
Total operating income		224 472	12 889	13 394	250 755	- 24 163	226 592
Operating expenses							
Real estate operating expenses		- 18 053			- 18 053	9 933	- 8 120
Real estate maintenance and renovation expenses		- 10 948			- 10 948	563	- 10 385
Personnel expenses			- 6 502	- 6 545	- 13 046	75	- 12 971
Fees to subcontractors			- 35		- 35		- 35
General and administrative expenses		- 13 210	- 2 842	- 3 234	- 19 286	13 592	- 5 693
Impairment charge properties		- 874			- 874		- 874
Depreciation		- 503	- 32		- 535		- 535
Total operating expenses		- 43 587	- 9 412	- 9 778	- 62 777	24 163	- 38 614
Operating profit (Ebit)		180 885	3 477	3 616	187 978		187 978
Financial income							662
Financial expenses							- 22 788
Profit before income taxes							165 853
Income taxes							- 33 452
Net income attributable to shareholders of PSP Swiss Property Ltd							132 400
Revenue							
With third parties		217 125	0	0	217 125		217 125
With other segments		1 015	12 836	13 394	27 245	- 25 130	2 115
Total revenue		218 141	12 836	13 394	244 370	- 25 130	219 241

Segment information Q1 – Q3 2016

1 January to 30 September 2016

Operating income	(in CHF 1 000)	Real Estate Investments	Real Estate Maintenance	Holding	Subtotal	Eliminations	Total Group
Rental income		208 778			208 778	- 1 067	207 711
Net changes in fair value of real estate investments		- 38 407			- 38 407		- 38 407
Income from property sales (inventories)		72 383			72 383		72 383
Expenses from sold properties (inventories)		- 59 277			- 59 277	2	- 59 275
Income from other property sales		822			822	253	1 075
Income from investments in associated companies			10		10		10
Real estate management services			10 067		10 067	- 10 067	0
Capitalised own services			1 606	1 450	3 056		3 056
Other income		2 277	928	12 869	16 075	- 13 768	2 308
Total operating income		186 576	12 611	14 320	213 507	- 24 646	188 861

Operating expenses

Real estate operating expenses	- 19 164				- 19 164	10 075	- 9 089
Real estate maintenance and renovation expenses	- 12 006				- 12 006	665	- 11 341
Personnel expenses			- 7 166	- 8 311	- 15 477	75	- 15 402
Fees to subcontractors			- 37		- 37		- 37
General and administrative expenses	- 13 904		- 2 879	- 2 820	- 19 603	13 832	- 5 772
Impairment charge properties	- 913				- 913		- 913
Depreciation	- 499		- 45		- 544		- 544
Total operating expenses	- 46 486		- 10 127	- 11 131	- 67 744	24 646	- 43 098

Operating profit (Ebit)

Operating profit (Ebit)	140 090	2 484	3 189	145 763			145 763
Financial income							104
Financial expenses							- 20 390
Profit before income taxes							125 477
Income taxes							- 22 706
Net income attributable to shareholders of PSP Swiss Property Ltd							102 772

Revenue

With third parties	282 371	0	0	282 371			282 371
With other segments	1 067	12 571	14 319	27 957	- 24 901		3 056
Total revenue	283 438	12 571	14 319	310 328	- 24 901		285 427

4 Real estate investments

(in CHF 1 000)	Investment properties	Investment properties for sale	Own-used properties	Sites and development properties		Current develop- ment properties for sale	Total real estate investment
				at market value	at historical cost		
				IAS 40	IFRS 5		
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				
Purchases	145 203	0	0	0	0	0	145 203
Capitalised/released rent-free periods ¹	945	0	0	0	0	0	945
Transfers	- 94 402	0	0	94 402	- 7 266	7 266	0
Capital expenditures	13 853	0	0	62 398	300	41 732	118 283
Capitalised own services	2 198	0	0	688	22	147	3 056
Capitalised interest expenses	535	0	0	1 395	20	110	2 060
Sales	- 11 196	0	0	0	0	- 59 263	- 70 459
Net changes in fair value of real estate investments	- 29 702	0	n.a.	- 8 705	n.a.	n.a.	- 38 407
■ 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	- 3 849	0	n.a.	0	n.a.	n.a.	- 3 849
Impairment charge	n.a.	n.a.	0	n.a.	0	- 913	- 913
Depreciation	n.a.	n.a.	- 499	n.a.	n.a.	n.a.	- 499
Carrying value at 30 September 2016	6 214 281	0	35 660	570 954	0	62 749	6 883 644
Historical cost			36 884				
Accumulated depreciation			- 1 224				
Carrying value, net			35 660				

1 Straightlining of incentives given to tenants.

In June 2016, a property located at Avenue de Beauregard 1 in Fribourg was sold. In July 2016, a property located at Hardturmstrasse 101, 103, 105 / Förrlibuckstrasse 30 in Zurich was purchased (see also the table on pages 46 to 47).

The revaluation of the properties resulted in an overall depreciation of CHF 38.4 million for the reporting period (thereof CHF 29.7 million related to the investment portfolio and CHF 8.7 million regarding the project developments) compared to an appreciation of CHF 33.8 million in the reporting year 2015. 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 did not compensate the depreciations due to longer vacancy periods before new rentals, partially lower market rents as well as higher renovation spending at a number of properties. The first-time valuation of the newly acquired property at Hardturmstrasse 101, 103, 105 / Förrlibuckstrasse 30 in Zurich during Q3 2016 resulted in a depreciation of CHF 6.7 million (Q3 2015: CHF 0 million).

The internal value analysis as at the end of Q3 2016 did not give any indications of further changes in values on the portfolio level or for individual properties, which would have passed the thresholds as defined in the chapter "Accounting principles".

As at the end of September 2016, payment obligations for current development and renovation work totalled CHF 66.5 million (end of 2015: CHF 85.6 million).

5 Financial expenses

	1 January to (in CHF 1 000) 30 September 2015	1 January to 30 September 2016
Financial income	660	103
Income from financial investments	1	1
Total financial income	662	104
Financial expenses	25 104	22 220
Capitalised interest expenses	- 2 755	- 2 060
Amortisation of issue expenses of bonds	439	229
Total financial expenses	22 788	20 390
Total net financial expenses	22 126	20 286
Overall financial expenses for financial instruments at amortised cost	25 543	22 449

Interest-bearing debt amounted to CHF 2.178 billion at the end of September 2016 (end of 2015: CHF 1.969 billion). Over the past four quarters the average interest rate was 1.50 % (previous year's period: 1.71 % respectively 1.70 % for the financial year 2015). At the end of September 2016, the average interest rate stood at 1.33 % (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 September 2016
Investment properties (IAS 40 & IFRS 5)		0	0	6 785 235	6 785 235
Financial investments		0	0	9	9
Derivative financial instruments (hedging)		0	5 150	0	5 150
Total		0	5 150	6 785 244	6 790 394

Liabilities

Derivative financial instruments (hedging)	0	61 064	0	61 064
Total	0	61 064	0	61 064

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, one interest rate payer swap and one interest rate receiver swap 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 September 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 September 2016
Short-term bonds		249 951	0
Long-term debt		1 300 000	1 310 000
Long-term bonds		419 084	868 438
Total interest-bearing debt		1 969 035	2 178 438

In the reporting period, fixed-term loans totalling CHF 300 million were drawn using existing credit lines and CHF 290 million were repaid. During the same period, three 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 and a third one on 1 September 2016 with a volume of CHF 125 million and a coupon of 0.000 % (all-in-costs 0.062 %) maturing in 2023.

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 September 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 September 2016
< 6 months		349 951	110 000
6 to 12 months		50 000	0
1 to 5 years		1 219 285	1 419 425
> 5 years		349 799	649 013
Total interest-bearing debt		1 969 035	2 178 438

At the end of September 2016, the average fixed-interest period was 4.4 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 July to 30 September 2015	1 July to 30 September 2016	1 January to 30 September 2015	1 January to 30 September 2016
Net income in CHF 1 000	44 173	37 819	132 400	102 772
Net changes in fair value of real estate investments in CHF 1 000	0	6 653	- 13 085	38 407
Impairment charge properties in CHF 1 000	0	0	874	725
Income from investment property sales in CHF 1 000	- 407	0	- 407	- 822
Attributable deferred taxes in CHF 1 000	90	- 1 407	2 794	- 9 050
Net income excl. gains/losses on real estate investments in CHF 1 000	43 856	43 065	122 577	132 032
Number of average outstanding shares	45 867 891	45 867 891	45 867 891	45 867 891
Earnings per share in CHF (basic and diluted)	0.96	0.82	2.89	2.24
Earnings per share excl. gains/losses on real estate investments in CHF (basic and diluted)	0.96	0.94	2.67	2.88

Equity per share changed as follows:

	31 December 2015	30 September 2016
Shareholders' equity in CHF 1 000	3 870 473	3 825 298
Deferred taxes in CHF 1 000	754 485	760 182
Number of outstanding shares	45 867 891	45 867 891
Net asset value per share in CHF¹	84.38	83.40
Net asset value per share before deduction of deferred taxes in CHF¹	100.83	99.97

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

There were no 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 34 to 49) of PSP Swiss Property Ltd for the period from 1 January to 30 September 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 AG

Guido Andermatt
Audit expert
Auditor in charge

Philipp Gnädinger
Audit expert

Zürich, 10 November 2016

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Key financial figures by area

Area	in CHF 1 000	Number of properties	Rental income	Operating expenses	Maintenance and renovation	Net rental income	In % of total	Potential rent ¹	In % of total
Zurich									
9M 2016		82	118 404	7 866	6 716	103 822	58.5%	176 467	53.8%
2015		83	160 540	11 729	8 831	139 980	59.3%	178 283	55.3%
Geneva									
9M 2016		16	23 947	3 332	1 224	19 391	10.9%	34 420	10.5%
2015		17	37 713	3 827	1 572	32 313	13.7%	42 781	13.3%
Basel									
9M 2016		14	19 165	1 169	997	16 999	9.6%	26 093	8.0%
2015		14	24 595	1 540	1 640	21 415	9.1%	26 036	8.1%
Bern									
9M 2016		12	8 683	723	397	7 563	4.3%	13 668	4.2%
2015		12	12 027	1 004	892	10 131	4.3%	13 697	4.2%
Lausanne									
9M 2016		15	13 463	1 775	1 555	10 133	5.7%	20 288	6.2%
2015		15	17 859	2 389	1 346	14 124	6.0%	20 032	6.2%
Other locations									
9M 2016		22	14 538	1 661	679	12 198	6.9%	25 157	7.7%
2015		22	17 397	2 029	702	14 665	6.2%	20 274	6.3%
Sites and development properties									
9M 2016		10	10 577	2 638	438	7 502	4.2%	n.a. ⁸	9.7%
2015		8	6 287	2 435	424	3 428	1.5%	n.a. ⁹	6.7%
Sites and development properties									
9M 2016¹⁰		171	208 778	19 164	12 006	177 608	100.0%	296 093	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 (as per reporting date, annualised).

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 31 907 in 2016.

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

10 For 2016 nine months resp. as of 30 September.

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				
181 655	59.0%	- 17 793	3 962 970	57.6%	4.1%	3.6%	12 875	7.3%	44 288	8.8%
187 549	59.1%	28 298	3 891 057	57.9%	4.1%	3.6%	16 136	9.1%	55 421	10.9%
39 405	12.8%	- 28 963	744 528	10.8%	4.3%	3.4%	7 437	21.6%	19 049	22.5%
46 937	14.8%	- 9 739	906 844	13.5%	4.2%	3.6%	3 912	9.1%	6 752	7.4%
26 189	8.5%	11 358	527 742	7.7%	4.9%	4.3%	501	1.9%	2 279	2.5%
26 253	8.3%	32 261	514 815	7.7%	5.0%	4.3%	602	2.3%	2 850	3.1%
12 197	4.0%	- 152	251 915	3.7%	4.6%	4.0%	756	5.5%	2 422	5.6%
12 396	3.9%	5 180	251 951	3.7%	4.9%	4.1%	725	5.3%	2 409	5.6%
23 768	7.7%	7 587	357 715	5.2%	5.1%	3.8%	2 094	10.3%	7 938	9.8%
23 894	7.5%	7 637	347 457	5.2%	5.2%	4.1%	1 886	9.4%	7 158	8.8%
24 852	8.1%	- 1 740	405 071	5.9%	4.8%	4.0%	4 230	16.8%	19 047	17.9%
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	633 704	9.2%	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.
308 066	100.0%	- 38 407	6 883 644	100.0%	4.3%	3.7%	27 894	9.4%	95 023	10.4%
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 September 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	3 147	46 809
Wallisellen, Handelszentrum		4 131	4 015	0	0	326	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	5 401	0	468	126	5 995
Wallisellen, Richtistr. 11		4 988	6 988	0	0	382	7 370
Zürich, Alfred Escher-Str. 17		275	996	0	0	0	996
Zürich, Augustinergasse 25		236	277	0	314	123	714
Zürich, Bahnhofplatz 9		998	2 481	2 032	0	0	4 513
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	10 287	0	0	1 644	11 931
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	7 557	0	0	625	8 182
Zürich, Förrlibuckstr. 60/62		10 382	14 797	0	877	8 539	24 213
Zürich, Förrlibuckstr. 66		2 055	5 122	0	0	2 105	7 227
Zürich, Förrlibuckstr. 110		2 963	9 370	360	371	1 401	11 502
Zürich, Förrlibuckstr. 151 (Parkhaus)		3 495	0	0	1 737	91	1 828
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	25.2%	3.2%	1966	2001	01.10.1999	PR	SO	100.0%
121	0.0%	6.1%	1969 89	2010	01.06.2002	PR	SO	100.0%
59	0.3%	5.4%	1967	1989	01.11.2015	PR	SO	100.0%
210	0.6%	6.7%	1976	2002 03 10 13	01.07.2004	PR	SO	100.0%
90	5.8%	4.4%	1992	2010	01.10.1999	PR	CO	23.7%
137	0.0%	5.7%	2000 01	2011	01.11.2001	PR	SO	100.0%
127	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	7.0%	4.3%	2010		13.06.2008	PR	SO	100.0%
123	19.3%	4.6%	2010		13.06.2008	PR	SO	100.0%
0	0.0%	4.4%	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%	2.4%	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%	2.5%	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	43.5%	3.5%	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%	1.0%	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	0.0%	3.7%	2005		01.04.2004	PP	SO	100.0%
272	0.0%	3.7%	2003		01.04.2004	PP	SO	100.0%
0	0.0%	4.0%	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%	4.7%	1913	2012	01.04.2004	PP	SO	100.0%
0	0.0%	4.3%	2008		01.04.2004	PP	SO	100.0%
0	0.0%	3.5%	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	9.1%	4.3%	1982	2007	01.10.1999	PR	SO	100.0%
85	2.1%	5.0%	1963	2002	29.06.2001	PR	SO	100.0%
312	5.3%	5.4%	1989		01.04.2001	PR	SO	100.0%
81	3.2%	6.0%	1969	1992 2003 04	01.12.2002	PR	SO	100.0%
64	23.0%	5.0%	1962	2000	01.12.2002	PR	SO	100.0%
1 137	3.2%	3.2%	1975	2000	01.12.2002	PR	SO	100.0%
39	0.6%	4.6%	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%	2.7%	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 46 to 47.

8 Current development projects designed for sale.

9 Purchase during reporting period.

Location, address	30 September 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	930	0	0	88	1 018
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. 101, 103, 105 / Förllibuckstr. 30 ⁹		7 567	18 687	4 043	0	1 378	24 108
Zürich, Hardturmstr. 131, 133, 135		6 236	17 258	1 323	0	5 790	24 371
Zürich, Hardturmstr. 169, 171, 173, 175		5 189	10 933	857	86	7 520	19 396
Zürich, Hottingerstr. 10 – 12		1 922	3 572	0	0	661	4 233
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	2 370	159	216	91	2 836
Zürich, Limmatquai 144 / Zähringerstr. 51		429	1 474	0	243	367	2 084
Zürich, Limmatstr. 250 – 254/264/266 («Red»)		4 705	7 808	0	283	710	8 801
Zürich, Limmatstr. 291		973	2 811	0	0	154	2 965
Zürich, Lintheschergasse 23		135	359	0	80	186	625
Zürich, Löwenstr. 16		206	468	166	0	182	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	2 795	656	0	152	3 603
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, Sihlamsstr. 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	1 640	8 095
Zürich, Zurlindenstr. 134		487	1 224	133	0	134	1 491
Zürich, Zweierstr. 129		597	1 759	260	0	834	2 853
Total		247 893	372 736	34 489	12 687	83 111	503 023

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
21	28.9%	3.3%	1967	1986 2005	01.07.2005	PP	SO	100.0%
0	62.1%	-0.3%	1895	1998 2014	01.10.1999	PR	SO	100.0%
3	15.4%	3.4%	1904	1993 2010 12	27.05.2004	PP	SO	100.0%
0	0.0%	3.4%	1874	2014	01.04.2004	PP	SO	100.0%
14	28.7%	3.3%	1969	1986 2008	31.12.2004	PR	SO	100.0%
236	5.3%	4.0%	1992	2009 13	29.07.2016	PR	SO	100.0%
41	3.4%	4.3%	1982	2008	01.12.2002	PR	SO	100.0%
44	17.4%	4.0%	1952	1997 2006	01.12.2002	PR	SO	100.0%
18	37.4%	2.3%	1914 40	1994	01.04.2001	PR	SO	100.0%
0	6.5%	2.9%	1812	1984 2007	01.04.2004	PP	SO	100.0%
7	1.4%	3.0%	1879 1982	1990	01.04.2004	PP	SO	100.0%
35	1.3%	4.5%	1971	1999 2006 07 12	01.10.1999	PR	SO	100.0%
0	0.0%	2.9%	1837	2000	01.01.2000	PR	SO	100.0%
0	0.0%	3.4%	1888	1994	01.04.2004	PP	SO	100.0%
33	2.9%	3.6%	2013		01.10.2010	PP	SO	100.0%
7	39.0%	0.8%	1985		01.04.2001	PR	SO	100.0%
0	0.0%	3.4%	1879	2001	01.04.2004	PP	SO	100.0%
1	20.6%	1.6%	2015		01.04.2004	PP	SO	100.0%
4	0.0%	3.8%	1964	2003 07 11	31.12.2000	PR	SO	100.0%
7	0.0%	4.3%	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%	2.7%	1893	1999	01.10.1999	PR	SO	100.0%
61	33.1%	-2.3%	2001 02		01.07.2005	PP	SO	100.0%
77	1.9%	4.1%	1959	2003 08	01.04.2001	PR	SO	100.0%
0	0.0%	3.6%	1840	2000	01.04.2004	PP	SO	100.0%
90	0.8%	3.4%	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%	3.9%	1950	2005	01.04.2004	PP	SO	100.0%
8	0.0%	3.9%	1896	1998 2011	01.10.1999	PR	SO	100.0%
35	21.1%	3.1%	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%	3.2%	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	39.5%	2.1%	1981	2006	01.04.2004	PP	SO	100.0%
17	5.5%	3.5%	1972 73	2006	01.10.1999	PR	SO	100.0%
7	1.2%	3.7%	1958	2003	01.10.1999	PR	SO	100.0%
4 671	7.3%	3.6%						

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

6 Own-used property.
7 See details on pages 46 to 47.
8 Current development projects designed for sale.
9 Purchase during reporting period.

Location, address	30 September 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
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	1 583	606	0	231	2 420
Genève, Rue de la Fontaine 5		226	1 059	173	0	77	1 309
Genève, Rue des Bains 31bis, 33, 35		3 368	10 745	1 055	0	255	12 055
Genève, Rue du Grand-Pré 54, 56, 58		2 864	5 691	0	0	577	6 268
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	8 839	0	0	5 303	14 142
Total		31 919	67 259	4 606	977	11 653	84 495
Basel area							
Basel, Barfüsserplatz 10		3 655	336	0	530	311	1 177
Basel, Dornacherstr. 210		4 994	10 114	2 761	0	1 713	14 588
Basel, Falknerstr. 31 / Weisse Gasse 16		320	133	0	344	724	1 201
Basel, Freie Str. 38		299	350	952	0	77	1 379
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	787	137	485	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	12 696	0	0	122	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	71 061	6 024	1 921	13 404	92 410

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%	2.9%	2015		07.05.2013	PR	BL	100.0%
64	24.2%	2.0%	1981		01.10.1999	PR	SO	100.0%
0	7.3%	2.0%	1975	2005 06	01.04.2004	SI	SO	100.0%
0	0.0%	4.0%	1895	1999	01.04.2001	PR	SO	100.0%
6	36.8%	1.6%	1825	1996 2014 15	01.10.1999	PR	SO	100.0%
0	0.0%	2.8%	1920	2000 01	01.10.1999	PR	SO	100.0%
255	16.7%	2.9%	1994		01.07.2002	PR	SO	100.0%
51	18.3%	3.5%	1984	1992 2007	01.12.2005	PR	SO	100.0%
0	0.0%	3.6%	1860	2000	01.10.1999	PR	SO	100.0%
4	7.4%	3.2%	1966	2000 01 06	01.01.2000	PR	SO	100.0%
0	0.0%	4.0%	1962	1992 2001 11	01.10.1999	PR	SO	100.0%
0	7.0%	2.8%	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	98.0%	6.9%	2002 04		01.02.2004	PR	SO	100.0%
821	21.6%	3.4%						
0	0.0%	3.2%	1914	1997 2006 11	01.04.2004	PP	SO	100.0%
5	11.9%	3.8%	1969	1998 2004 06 15	31.12.2000	PR	SO	100.0%
0	0.0%	3.6%	1902	1998 2005 08 12	01.04.2004	PP	SO	100.0%
0	3.8%	3.8%	1896	1981 82 2005	01.07.2005	PP	SO	100.0%
0	0.0%	3.7%	1930	1984 98 2015	01.04.2004	PP	SO	100.0%
100	3.3%	6.2%	1988		01.12.2005	PR	SO	100.0%
227	0.0%	4.5%	1986	2000	01.01.2001	PR	SO	100.0%
90	0.3%	4.7%	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	0.0%	4.5%	2000		01.09.2014	PR	FA	100.0%
53	0.0%	4.6%	1968	2000 11	01.10.1999	PR	SO	100.0%
69	0.6%	4.3%	1991		01.12.2001	PR	SO	100.0%
652	1.9%	4.3%						

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

6 Own-used property.

7 See details on pages 46 to 47.

8 Current development projects designed for sale.

9 Purchase during reporting period.

Location, address	30 September 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	3 645	386	0	572	4 603
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	28 116	6 768	3 249	4 938	43 071
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	9 822	0	684	4 661	15 167
Lausanne, Av. de Sévelin 54		1 288	544	0	0	2 466	3 010
Lausanne, Ch. des 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	2 335	1 633	1 561	366	5 895
Lausanne, Place Saint-François 15		5 337	8 717	1 710	0	36	10 463
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	1 325	330	295	400	2 350
Lausanne, Rue Saint-Martin 7		2 087	2 926	328	763	640	4 657
Total		30 594	46 035	6 966	3 566	24 762	81 329
Other locations							
Aarau, Bahnhofstr. 18		496	1 335	671	0	86	2 092
Aarau, Bahnhofstr. 29/33		1 375	2 063	1 570	0	625	4 258
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	3 559	18 404
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	474	0	180	1 536
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%	3.9%	1924	2002	01.10.1999	PR	SO	100.0%
115	4.4%	3.0%	1964	1999 2005 11	01.10.1999	PR	SO	100.0%
0	0.0%	3.1%	1899	1984 2005 06	01.04.2004	IS	SO	100.0%
6	9.0%	5.5%	1964 76	1992 95 2006 09	01.12.2005	PR	SO	100.0%
0	0.0%	4.0%	1900	2011 13	01.04.2004	IS	SO	100.0%
0	0.0%	3.7%	before 1900	1991 92	01.07.2005	PP	SO	100.0%
0	41.4%	2.8%	1965	1997 2004 11	01.07.2004	PR	SO	100.0%
7	4.3%	4.0%	1935 60	1997 2009 12	01.07.2004	PR	SO	100.0%
58	8.3%	4.5%	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	0.6%	3.5%	1950	2001	01.10.1999	PR	SO	100.0%
0	0.0%	4.8%	1900	1999	01.04.2004	IS	SO BL	100.0%
186	5.5%	4.0%						
23	0.8%	- 2.1%	1973	2001 04 05	01.10.1999	PR	SO	100.0%
146	20.8%	5.1%	1992		01.12.2005	PR	SO	100.0%
10	0.3%	6.1%	1994		01.12.2005	PR	SO	100.0%
0	0.0%	7.1%	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	0.0%	2.4%	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%	4.8%	1963	1998	01.12.2005	PR	SO	100.0%
221	10.0%	2.7%	n.a.		01.12.2005	PR	SO	100.0%
0	10.6%	3.5%	1910 11	1985 2001	01.10.1999	PR	SO	100.0%
0	7.2%	3.3%	1952	2003	01.07.2005	PP	SO	100.0%
139	99.8%	- 0.7%	1962 63	1998 2002	31.12.2000	PR	SO	100.0%
732	10.3%	3.8%						
29	0.0%	4.7%	1968	2001 02 06	01.01.2000	PR	SO	100.0%
18	0.0%	4.5%	1971	2004 09 10	01.03.2008	PR	SO	100.0%
0	0.0%	4.3%	1945	2000	01.07.2005	PP	SO	100.0%
0	0.0%	6.8%	1985		01.04.2004	IS	SO	100.0%
63	1.2%	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	43.8%	2.9%	1997		15.12.2005	PR	SO	100.0%
3	16.8%	2.8%	1970	2001	01.01.2000	PR	SO	100.0%
0	0.0%	8.0%	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 46 to 47.

8 Current development projects designed for sale.

9 Purchase during reporting period.

Location, address	30 September 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	544	1 202
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	46 664	16 189	963	42 746	106 562
Sites and development properties⁷							
Basel, Grosspeterstr. 18, 20, Projekt «Grosspeter Tower»		3 978	n.a.	n.a.	n.a.	n.a.	n.a.
Genève, Rue du Marché 40, Projekt		798	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»		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 «Black»		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.
Zürich, Projekt «Orion»		10 557	n.a.	n.a.	n.a.	n.a.	n.a.
Total		146 223	n.a.	n.a.	n.a.	n.a.	n.a.
Overall total portfolio		608 059	631 871	75 042	23 363	180 614	910 890

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%	5.8%	1908	2003	01.07.2005	PP	SO	100.0%
0	0.0%	2.0%	2013		30.01.2012	PP	BL	100.0%
0	10.9%	4.2%	1900	1980	01.07.2005	PP	SO	100.0%
44	0.0%	5.4%	1989	2010	01.10.1999	PR	SO	100.0%
21	1.4%	4.8%	1964	1993 95 2009 11	01.01.2000	PR	SO	100.0%
48	0.0%	4.4%	1934	2001	01.04.2004	PP	SO	100.0%
586	33.5%	3.1%	2016		01.01.2004	PP	SO	100.0%
0	1.3%	2.8%	1962	2001	01.07.2005	PP	BL	100.0%
11	0.0%	4.6%	1928	1996	01.04.2004	PP	SO	100.0%
0	7.0%	3.8%	1595	2002 03 14	01.07.2005	PP	SO	100.0%
0	8.0%	3.6%	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	16.8%	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.		01.07.2002	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	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.	n.a.		01.12.2002	PR	SO	100.0%
n.a.	n.a.	n.a.						
8 108	9.4%	3.7%						

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

6 Own-used property.
7 See details on pages 46 to 47.
8 Current development projects designed for sale.
9 Purchase during reporting period.

Additional information development projects

“Salmenpark” Rheinfelden

Project description: Project with mixed use (residential, office, trade and commerce). Overall project with approx. 43 000 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 176.0 mio. spent) Sale level: 84 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. 11 000 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 6.1 mio. spent) Letting level: n.a.	Completion: tbd
	State of project: in review (stage 2) Properties at Waisenhausstrasse 2/4 and Bahnhofquai 7 Planned investment sum: approx. CHF 33 million (thereof CHF 2.7 mio. spent) Letting level: n.a.	Completion: tbd
	State of project: in review (stage 3) Property at Bahnhofplatz 2 Planned investment sum: approx. CHF 12 million Letting level: 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 total approx. 18 000 m ² usable floor space.	State of project: in construction Planned investment sum: approx. CHF 110 million (thereof CHF 64.5 mio. spent) Letting level: 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 24.1 mio. spent) Letting level: n.a.	Completion: 2018
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Project “Rue du Marché”

Geneva, Rue du Marché 40

Project description: Total renovation	State of project: in construction Planned investment sum: approx. CHF 15 million (thereof CHF 1.0 mio. spent) Letting level: n.a.	Completion: 2018
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“Paradiso” site

Lugano, Via Bosia 5

Project description: Project with freehold apartments, office and retail space. Project with 65 freehold apartments (11 200 m ²) as well as office space (1 400 m ²) and retail space (750 m ²)	State of project: in planning Construction start: Q1 2017 Planned investment sum: approx. CHF 65 million Sale level: n.a.	Completion: 2019
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Project “Orion”

Zurich, Förrlibuckstrasse 178/180, Hardturmstrasse 181, 183, 185

Project description: Demolition and new construction	State of project: in planning Construction start: 2018 Planned investment sum: approx. CHF 120 million Letting level: n.a.	Completion: 2020
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Property purchases Q1 – Q3 2016

Location, address	Land area m ²	Office area m ²	Retail area m ²
Zürich, Hardturmstr. 101, 103, 105 / Förrlibuckstr. 30	7 567	18 687	4 043

Property sales Q1 – Q3 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 September 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	6%	6%
2017	10%	11%
2018	10%	11%
2019	9%	11%
2020	9%	8%
2021	12%	11%
2022	9%	9%
2023	4%	5%
2024	1%	1%
2025	11%	11%
2026+	12%	9%
Total	100%	100%

Gastronomy area m ²	Other area m ²	Total rentable area m ²	Parking spaces	Selling date
0	1 378	24 108	236	29.07.2016

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 September 2016
Swisscom	10%	10%
Google	5%	5%
Schweizer Post	3%	3%
JT International	3%	n.a.
Roche	2%	2%
Bär & Karrer	n.a.	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 FY 2016

7 March 2017

Annual General Meeting 2017

5 April 2017, Kongresshaus, Zurich

Publication Q1 2017

12 May 2017

Publication H1 2017

18 August 2017

Publication Q1 – Q3 2017

14 November 2017

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

Publisher: PSP Swiss Property Ltd, Zug
Concept, layout: LST Schenker AG, Lucerne
Translation: Norbert Bernhard, Schaffhausen

November 2016



PSP Swiss Property Ltd
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Stock exchange, trading symbol

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

