

Press Release
for immediate publication

27 February 2009

PSP Swiss Property Ltd
Kolinplatz 2
CH-6300 Zug

Phone +41 41 728 04 04
Fax +41 41 728 04 09
info@psp.info
www.psp.info

Annual results as per 31 December 2008

PSP Swiss Property – Income and vacancy rate better than expected. Strong equity base and intact access to debt capital. Proposal for a higher distribution to shareholders. The Company is moderately positive for 2009.

In 2008, PSP Swiss Property has further increased its earnings compared to the previous year: net income excluding revaluation gains rose by 3.3% to CHF 124.5 million – corresponding to an improvement of earnings per share by 5.8% to CHF 2.94. The Board of Directors proposes a cash distribution of CHF 2.50 per share, 10 cents or 4.2% more than last year. Again, this payment will be in the form of a nominal value reduction. The vacancy rate was further reduced substantially to 8.3% (end of 2007: 10.6%).

Real estate portfolio

During 2008, PSP Swiss Property purchased one property in the centre of Aarau for CHF 12.6 million and a development project with building permit in Wallisellen for CHF 8.2 million. During the third quarter 2008, the new office building „DL 4” on the Hürlimann site in Zurich was completed and occupied by PSP Swiss Property itself. During the second half of 2008, 4 non-strategic buildings were sold for CHF 58.7 million; overall, the sales price exceeded the fair value as at the end of June 2008 by 17.1%. As at the end of 2008, the carrying value of the 191 properties and 7 sites amounted to CHF 5.149 billion (end of 2007: CHF 5.001 billion).

The revaluation of the investment properties resulted in an appreciation of CHF 121.5 million. The majority of this appreciation was the result of the successful vacancy reduction as well as of new leases at higher rents.

Vacancy

As per year-end 2008, the vacancy was lowered by another 2.3 percentage points to 8.3% (end of 2007: 10.6%). Instrumental for this success were the improved quality of the space offered

and the further strengthening of rental activities initiated in 2007. Despite the difficult economic environment, PSP Swiss Property expects to be able to lower vacancies in the next years. For 2009, a basically sideward movement of the vacancy rate is foreseen.

Solid capital structure

With an equity ratio of 49.1% (end of 2007: 49.4%) and a financial leverage of 40.5% (end of 2007: 40.7%), the capital structure continues to be strong. During the reporting period, average borrowing costs were 2.75% (2007: 2.73%); the remaining weighted average term to maturity of all financial liabilities was 3.1 years (end of 2007: 3.7 years). 74.2% of all financial liabilities had fixed interest rates for over one year (end of 2007: 83.0%). PSP Swiss Property considers its financial situation as very solid and adequate.

Proposal for a nominal value reduction

The Board of Directors proposes a cash payment in the form of a nominal value reduction of CHF 2.50 per share (previous year: CHF 2.40) to the Annual General Meeting on 2 April 2009. Compared to net income excluding gains/losses on real estate investments (CHF 2.94), this amount corresponds to a payout ratio of 85.0%; in relation to yesterday's PSP-share closing price of CHF 43.75 this corresponds to a payout yield of 5.7%.

Changes in the Board of Directors

The Annual General Meeting of 2 April 2009 is proposed to reduce the term of office of the Members of the Board of Directors from 3 years to 1 year, and that with immediate effect and termination of the running terms of office as per 2 April 2009. All current Members of the Board of Directors, with the exception of Max Zollinger, are proposed for re-election for a 1-year term each. In addition, the Board of Directors proposes the election of Josef Stadler and Aviram Wertheim, also for a 1-year term of office each.

Josef Stadler and Aviram Wertheim (Chairman of Alony Hetz Properties & Investment Ltd) have many years of experience in the financial and real estate sector; they shall support PSP's Board of Directors in strategic respectively investor and real estate topics.

Given these changes, the Board of Directors will be increased from 5 to 6 Members and, as from 2 April 2009, will consist of: Günther Gose (Chairman), Luciano Gabriel (Delegate and CEO), Nathan Hetz (Member), Gino Pfister (Member), Josef Stadler (Member), Aviram Wertheim (Member).

Outlook 2009

Despite the difficult economic environment, PSP Swiss Property is rather positive about the medium- and long-term future. This is due to its market position, its strong capital base and its

high-quality real estate portfolio. In the current year, the evaluation of acquisition opportunities as well as the stabilisation of vacancies will be at the top of the agenda.

Based on an unchanged property portfolio, a further increase in the EBITDA excluding gains/losses on real estate investments is expected and shall exceed CHF 210 million (2008: CHF 208.4 million). By the end of 2009, the vacancy rate is expected to be below 9%.

Further information

PSP Swiss Property

Giacomo Balzarini, CFO

Phone +41 (0)44 625 59 59

Mobile +41 (0)79 562 20 72

Vasco Cecchini, IRO

Phone +41 (0)44 625 57 23

Mobile +41 (0)79 650 84 32

2008 Annual Report and presentation

Both documents can be downloaded as PDF from www.psp.info.

Agenda

Annual General Meeting 2009	2 April 2009
Publication of quarterly results Q1 2009	15 May 2009
Publication of six-month interim results 2009	18 August 2009
Publication of quarterly results Q3 2009	13 November 2009

PSP Swiss Property – leading Swiss real estate company

PSP Swiss Property owns office and commercial properties valued at CHF 5.1 billion in prime locations in Switzerland's main economic areas; its market capitalisation amounts to CHF 2.1 billion. The approximately 80 employees are based in Geneva, Lausanne, Olten, Zug and Zurich.

Since March 2000, PSP Swiss Property is listed on the SIX Swiss Exchange (symbol: PSPN, security number: 1829415, ISIN CH0018294154).

Key figures

Key financial figures	Unit	2007	2008	Change %¹
Rental income	CHF 1 000	247 354	256 397	3.7
Net changes in fair value of real estate investments	CHF 1 000	218 543	121 464	
Income from property sales	CHF 1 000	3 350	13 860	
Income from investments in associated companies	CHF 1 000	114	184	
Other income	CHF 1 000	2 185	3 263	
Net income from continuing operations	CHF 1 000	284 849	224 030	- 21.4
Net income from discontinued operations ²	CHF 1 000	6 326	0	
Total net income	CHF 1 000	291 175	224 030	- 23.1
Total net income excl. gains/losses on real estate inv.	CHF 1 000	120 556	124 529	3.3
EBITDA excl. gains/losses on real estate investments	CHF 1 000	193 942	208 422	7.5
EBITDA margin	%	75.5	78.1	
Total assets	CHF 1 000	5 133 838	5 272 189	2.7
Shareholders' equity	CHF 1 000	2 534 754	2 587 693	2.1
Equity ratio	%	49.4	49.1	
Return on equity	%	11.5	8.7	
Interest-bearing debt	CHF 1 000	2 087 767	2 133 989	2.2
Interest-bearing debt in % of total assets	%	40.7	40.5	

Portfolio key figures

Number of properties	Number	194	191	
Carrying value properties	CHF 1 000	4 839 678	4 983 029	3.0
Implied yield, gross ³	%	5.2	5.2	
Implied yield, net ³	%	4.3	4.3	
Vacancy rate end of period (CHF) ³	%	10.6	8.3	
Number of sites and development properties	Number	6	7	
Carrying value sites and development properties	CHF 1 000	161 107	165 643	2.8

Employees

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

Per share figures

Earnings per share (EPS) ^{4, 5}	CHF	6.71	5.29	- 21.2
EPS excl. gains/losses on real estate investments ^{4, 5}	CHF	2.78	2.94	5.8
Nominal value reduction per share	CHF	2.40	2.50 ⁶	4.2
Net asset value per share (NAV) ⁷	CHF	59.71	61.83	3.6
NAV share before deferred taxes ⁷	CHF	68.94	72.01	4.5
Share price end of period	CHF	57.20	52.70	- 7.9

1 Change to previous year's period 2007 or carrying value as of 31 December 2007 as applicable.

2 As of 1 July 2007, the "property management for third parties" business unit was sold.

This unit was treated in accordance with IFRS 5 (Discontinued Operations).

3 For properties.

4 Sum of continuing and discontinued operations.

5 Based on average number of outstanding shares.

6 Proposal to the Annual General Meeting on 2 April 2009.

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