

Press Release

for immediate publication

13 November 2009

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Quarterly results as per 30 September 2009

PSP Swiss Property – Strong operating results and a solid capital structure underpin the Company’s strong market positioning.

For the reporting period January to September 2009, PSP Swiss Property has improved its results considerably compared to last year’s first nine months. Net income excluding changes in fair value increased by 9.7% to CHF 103.2 million (previous year’s period: CHF 94.1 million). Corresponding earnings per share excluding changes in fair value increased by 11.3% to CHF 2.47 (previous year’s period: CHF 2.22). As at the end of September 2009, NAV per share amounted to CHF 63.33, 2.4% higher than as at the end of 2008 (CHF 61.83). It should be noted that during this period a nominal value repayment of CHF 2.50 per share was made (June 2009). NAV before deducting deferred tax liabilities grew by 2.7% to CHF 73.92 (end of 2008: CHF 72.01).

Real estate portfolio

As at the end of September 2009, the real estate portfolio of PSP Swiss Property included 182 office and commercial properties in prime locations as well as seven attractive development sites with a carrying value of CHF 5.192 billion (end of 2008: CHF 5.149 billion). In the first nine months of the year, several acquisition opportunities were evaluated, but no purchases were made. After two investment properties in Schaffhausen and St. Gallen had been sold in the first half of 2009 in the context of optimising the portfolio, additional five properties were sold in the third quarter of 2009. Furthermore, the sale of a building in Rapperswil has been negotiated but closed only after the balance-sheet date. Net sales revenue from these eight investment properties totalled CHF 133.1 million, exceeding the last estimate of Wüest & Partner by 11.7%.

The ongoing site developments progressed as planned. The following developments are worth mentioning: i) Hürlimann site, Zurich: approx. 700 m² office space is being developed in the former heating room of the brewery („Kesselhaus“). The building application was submitted in July 2009 and the permit is expected in the fourth quarter of 2009. The conversion of the “Kesselhaus” is scheduled for 2011. The total investment for this project amounts to about CHF 4.3 million (excluding land and infrastructure). ii) Wädenswil site: marketing of the eighteen

freehold apartments of the apartment complex „Refugium“ started in June 2009 and construction began in October 2009. The investment for this building project amounts to approx. CHF 13 million.

Positive vacancy development

By year-end 2009, the vacancy rate is expected to be approx. 8%. As at the end of September 2009, the vacancy rate was 9.2% (end of 2008: 8.3%), whereof 2.3%-points relate to renovation work on several properties: 0.7%-points relate to the property on Bleicherweg 10 in Zurich which is again fully let after completion of the renovation work (as per 1 December 2009). 0.5%-points relate to the property on Route des Acacias 52 in Carouge, which is also fully let after renovation (as per 1 July 2010). 0.7%-points relate to the renovation of the property on Aarbergstrasse 94 in Biel, which will be completed in 2010.

Strong operating results

Rental income grew by 4.1% to CHF 200.3 million. This increase of CHF 7.8 million was a result of the reduction of vacancies in the previous year, higher rents and two special effects occurred in the first half of 2009 (the release of accounts receivable provisions of CHF 1.3 million that are no longer required, the settlement of a balance-sheet position of CHF 1.1 million after final negotiations of a lease agreement). Operating expenses fell by 2.3% to CHF 41.1 million. This decrease was mainly due to lower real estate operating expenses and lower general and administrative expenses.

Positive earnings development and lower expenses resulted in an increase of EBITDA excluding gains/losses on real estate investments by 6.4% to CHF 168.1 million (previous year's period: CHF 157.9 million). Consequently, the EBITDA margin improved to 80.6% (previous year's period: 79.4%).

Ongoing solid capital structure

With a loan-to-value of 38.6% (end of 2008: 40.5%), the capital structure remains very solid. Currently, the amount of unused credit lines is CHF 540 million and no credit lines are due to be refinanced for the years 2009 and 2010. During the first nine months of 2009, the average interest rate was 2.52% (first half of 2008: 2.77%). As at the end of September 2009, the average fixed-interest period was 3.0 years (end of 2008: 3.1 years).

Outlook 2009

The forecast for the entire business year 2009 remains unchanged from the figures PSP Swiss Property communicated in August 2009 (publication of the 2009 interim results) and takes the reduced net rental income of approx. CHF 2.1 million due to the property sales into account:

- EBITDA excluding gains/losses on real estate investments: approx. CHF 215 million (2008: CHF 208.4 million).
- Vacancy rate at year-end 2009: approx. 8% (June 2009: 9%).

These results would be a new record in the history of PSP Swiss Property.

Further information

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Quarterly report Q3 2009 and presentation

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

http://www.psp.info/en/Investor_Relations/Reporting/Reports/Reports_2009

http://www.psp.info/en/Investor_Relations/Reporting/Financial_Presentations/Presentations_2009

Agenda

Publication of 2009 annual results	26 February 2010
Annual General Meeting 2010	30 March 2010
Publication of quarterly results Q1 2010	11 May 2010
Publication of 2010 interim results	17 August 2010
Publication of quarterly results Q3 2010	12 November 2010

PSP Swiss Property – leading Swiss real estate company

PSP Swiss Property owns office and commercial properties valued at CHF 5.2 billion in prime locations in Switzerland's main economic areas; its market capitalisation amounts to CHF 2.7 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 financial figures

Key financial figures	Unit	2008	Q1-3 2008	Q1-3 2009	Change % ¹
Rental income	CHF 1 000	256 397	192 444	200 285	4.1
Net changes in fair value of real estate investments	CHF 1 000	121 464	72 430	66 901	
Income from property sales	CHF 1 000	13 860	3 645	11 000	
Income from investments in associated companies	CHF 1 000	184	150	- 19	
Other income	CHF 1 000	3 263	2 638	5 992	
Net income	CHF 1 000	224 030	150 187	162 910	8.5
Net income excl. gains/losses on real estate investments ²	CHF 1 000	124 529	94 129	103 214	9.7
EBITDA excl gains/losses on real estate investments	CHF 1 000	208 422	157 929	168 090	6.4
EBITDA margin	%	78.1	79.4	80.6	
Total assets	CHF 1 000	5 272 189	5 214 765	5 278 434	0.1
Shareholders' equity	CHF 1 000	2 587 693	2 575 565	2 671 241	3.2
Equity ratio	%	49.1	49.4	50.6	
Return on equity	%	8.7	7.8	8.3	
Interest-bearing debt	CHF 1 000	2 133 989	2 133 693	2 034 902	- 4.6
Interest-bearing debt in % of total assets	%	40.5	40.9	38.6	

Portfolio key figures

Number of properties	Number	191	195	182	
Carrying value properties	CHF 1 000	4 983 029	4 967 303	4 994 861	0.2
Implied yield, gross ³	%	5.2	5.2	5.3	
Implied yield, net ³	%	4.3	4.4	4.5	
Vacancy rate end of period (CHF) ^{3, 4}	%	8.3	10.4	9.2	
Number of sites and development properties	Number	7	7	7	
Carrying value sites and developments properties	CHF 1 000	165 643	167 609	197 425	19.2

Employees

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

Per share figures

Earnings per share (EPS) ⁵	CHF	5.29	3.54	3.90	10.2
EPS excluding gains/losses on real estate investments ⁵	CHF	2.94	2.22	2.47	11.3
Nominal value reduction per share	CHF	2.50 ⁶	n.a.	n.a.	
Net asset value per share (NAV) ⁷	CHF	61.83	60.67	63.33	2.4
NAV per share before deferred taxes ⁷	CHF	72.01	70.47	73.92	2.7
Share price end of period	CHF	52.70	64.85	60.00	13.9

1 Change to previous year's period 1 January to 30 September 2008 or carrying value as of 31 December 2008, as applicable.

2 "Consolidated 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 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.

3 For properties.

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

5 Based on average number of outstanding shares.

6 For the 2008 business year. Cash payment was made on 19 June 2009.

7 Based on number of outstanding shares.