

**Press Release**

for immediate publication

11 May 2010

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

## **Quarterly results as per 31 March 2010**

### **PSP Swiss Property – Stable earnings and efficient cost management. Increased EBITDA forecast to CHF 215 million for the 2010 business year.**

During the reporting period January to March 2010, the results, also due to non-recurring items, increased considerably compared to last year's first quarter: net income excluding changes in fair value increased by 23.8% to CHF 41.5 million (first quarter 2009: CHF 33.5 million). At the end of March 2010, NAV per share amounted to CHF 65.96, 1.6% higher than at year-end 2009 (CHF 64.95). NAV before deducting deferred tax liabilities grew by 1.4% to CHF 76.88 (end of 2009: CHF 75.79).

#### **Real estate portfolio**

At the end of March 2010, the real estate portfolio included 177 office and commercial properties in prime locations as well as 8 attractive development sites with a total carrying value of CHF 5.229 billion (end of 2009: CHF 5.216 billion). During the reporting period, two small properties from the investment portfolio (in Grolley and Solothurn) were sold for a total consideration of CHF 4.7 million.

Work on the development sites progressed as planned. The development on the Gurten site near Bern is worth mentioning: the building application for this project (conversion of existing properties and construction of new buildings) was submitted at the end of February 2010. Of the total usable floor space of approximately 31 000 m<sup>2</sup>, about half is allocated to freehold apartments and the other half to commercial use and services. Construction is scheduled to begin in mid-2011; this means that the project will be completed towards the end of 2013. The investment sum amounts to approximately CHF 93 million (excl. land and infrastructure).

#### **Stable vacancy rate**

At the end of March 2010, the vacancy rate stood at 7.7% (end of 2009: 7.5%). Thereof, 1.6 percentage points were due to ongoing renovation work on various properties. The portfolio in

Zurich West with a carrying value of CHF 0.6 billion contributes 3.7 percentage points to the overall vacancy rate. The core investment portfolio (i.e. excluding the properties under renovation and the portfolio in Zurich West) with a carrying value of CHF 4.3 billion has a vacancy rate of just 2.9%.

### **Quarterly results Q1 2010**

Net income excluding changes in fair value increased by CHF 8.0 million to CHF 41.5 million. Corresponding earnings per share amounted to CHF 0.98 or 22.5% more than in the previous year's period (CHF 0.80).

The considerable increase compared to the previous year's period was mainly due to the following non-recurring items: i) "net income from discontinued operations" of CHF 4.9 million (after taxes) in connection with the sale of the "Property management for third parties" business in mid-2007. In the reporting period, the final amount of the second and final earn-out payment has been set. All in all, the total compensation from the sale of this business unit amounts to CHF 18.3 million (CHF 8.0 million in the reporting year 2007, CHF 4.0 million in the reporting year 2009 and CHF 6.3 million in the reporting year 2010) and ii) "other income" of CHF 3.7 million in connection with the voluntary VAT-opting-in of a larger rental contract.

### **Solid capital structure, low interest expenses**

With a loan-to-value of 36.6% (end of 2009: 37.2%), the capital structure remains very solid. Currently, the amount of unused credit lines is CHF 690 million. No bank loans are due in 2010 until 2012. In the reporting period, the average interest rate was 2.55% (first quarter 2009: 2.49% resp. 2.54% for the whole 2009 business year). At the end of March 2010, the average interest rate stood at 2.59% (end of 2009: 2.63%) and the average fixed-interest period was 3.2 years (end of 2009: 3.0 years).

### **Outlook 2010**

PSP Swiss Property increases the EBITDA forecast from "over CHF 210 million" to "approximately CHF 215 million" for the entire 2010 business year. The improvement reflects the higher-than-expected final performance-related income from the sale of the "Property management for third parties" business.

The vacancy rate of approximately 8% for the year-end is being confirmed. The completion of the Businesspark Richtstrasse in Wallisellen at mid-2010 might contribute an additional 1.2 percentage points.

**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

**Quarterly report Q1 2010 and presentation**

Both documents can be downloaded as PDF from [www.psp.info](http://www.psp.info).

[http://www.psp.info/en/Investor\\_Relations/Reporting/Reports/Reports\\_2010](http://www.psp.info/en/Investor_Relations/Reporting/Reports/Reports_2010)

[http://www.psp.info/en/Investor\\_Relations/Reporting/Financial\\_Presentations/Presentations\\_2010](http://www.psp.info/en/Investor_Relations/Reporting/Financial_Presentations/Presentations_2010)

**Agenda**

Publication of 2010 interim results	17 August 2010
Publication of quarterly results Q3 2010	12 November 2010
Annual General Meeting 2011	1 April 2011

**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 2.8 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	2009	Q1 2009	Q1 2010	Change % <sup>1</sup>
Rental income	CHF 1 000	264 559	68 215	64 813	- 5.0
Net changes in fair value of real estate investments	CHF 1 000	112 370	4 499	0	
Income from property sales	CHF 1 000	12 471	4	964	
Income from investments in associated companies	CHF 1 000	- 13	- 16	- 4	
Total other income	CHF 1 000	6 541	359	4 296	
Net income from continuing operations	CHF 1 000	228 076	36 986	37 216	0.6
Net income from discontinued operations	CHF 1 000	3 138	0	4 904	
Total net income	CHF 1 000	231 214	36 986	42 120	13.9
Total net income excl. gains/losses on real estate investments <sup>2</sup>	CHF 1 000	136 495	33 495	41 453	23.8
EBITDA excl. gains/losses on real estate investments	CHF 1 000	221 113	54 738	63 869	16.7
EBITDA margin	%	79.5	79.8	84.6	
Total assets	CHF 1 000	5 304 607	5 243 921	5 315 299	0.2
Shareholders' equity	CHF 1 000	2 741 394	2 599 930	2 784 104	1.6
Equity ratio	%	51.7	49.6	52.4	
Return on equity	%	8.7	5.7	6.1	
Interest-bearing debt	CHF 1 000	1 975 206	2 084 293	1 945 518	- 1.5
Interest-bearing debt in % of total assets	%	37.2	39.7	36.6	

### Portfoliokennzahlen

Number of properties	Number	179	189	177	
Carrying value properties	CHF 1 000	4 997 237	4 992 853	4 997 211	0.0
Implied yield, gross <sup>3</sup>	%	5.2	5.5	5.2	
Implied yield, net <sup>3</sup>	%	4.4	4.7	4.5	
Vacancy rate end of period (CHF) <sup>3, 4</sup>	%	7.5	8.4	7.7	
Number of sites and development properties	Number	8	7	8	
Carrying value sites and development properties	CHF 1 000	218 405	180 973	231 724	6.1

### Employees

End of period	Posts	80	79	81	
Equal full-time employees	Posts	76	76	77	

### Per share figures

Earnings per share (EPS) <sup>5, 6</sup>	CHF	5.53	0.89	1.00	12.4
EPS excl. gains/losses on real estate investments <sup>5, 6</sup>	CHF	3.26	0.80	0.98	22.5
Nominal value reduction per share	CHF	2.70 <sup>7</sup>	n.a.	n.a.	
Net asset value per share (NAV) <sup>9</sup>	CHF	64.95	62.73	65.96	1.6
NAV share before deducting deferred taxes <sup>9</sup>	CHF	75.79	73.10	76.88	1.4
Share price end of period	CHF	58.50	48.00	67.70	15.7

1 Change to previous year's period 1 January to 31 March 2009 or carrying value as of 31 December 2009 as applicable.

2 "Consolidated net income excluding gains/losses on real estate investments" corresponds to the consolidated net income excluding net changes in fair values of the real estate investments, realised income on investment property sales 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 Sum of continuing and discontinued operations.

6 Based on average number of outstanding shares.

7 For the 2009 business year. Cash payment planned for end of June 2010.

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