

Press Release

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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

Half-year results as per 30 June 2010

PSP Swiss Property – Solid half-year results 2010, EBITDA forecast of CHF 215 million for the 2010 business year confirmed.

During the reporting period January to June 2010, the results increased compared to last year's first six month: net income excluding changes in fair value increased by 9.4% to CHF 74.9 million (first half of 2009: CHF 68.4 million). At the end of June 2010, net asset value (NAV) per share was CHF 64.72 (end of 2009: CHF 64.95), despite the nominal value repayment of CHF 2.70 per share at the end of June 2010. NAV before deferred taxes amounted to CHF 75.95 (end of 2009: CHF 75.79).

Real estate portfolio

At the end of June 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 5.335 billion (end of 2009: CHF 5.216 billion). During the reporting period, a property in Zurich was bought for CHF 45.1 million and four small assets from the investment portfolio were sold for a total consideration of CHF 13.0 million, 23.1% above the last valuation.

The revaluation gain of the properties as at the end of June 2010 amounted to CHF 47.6 million. This appreciation was mainly driven by new leases at higher rents, slightly higher market rents for retail surfaces (both comments relate to the center of Zurich) as well as the valuation gain on the property bought.

Work on the development sites progressed as planned. The following developments are worth mentioning: i) Gurten site, Wabern near Bern: the building application for this project (conversion of existing properties and construction of new buildings) was submitted at the end of February 2010. Construction is scheduled to begin in mid-2011; this means that the project should be completed by the end of 2013. ii) Löwenbräu site, Zurich: following the placement of the general contractor order, the final preparations for the dismantling and the construction start are now underway. The whole project will be realised stepwise by 2013. The first expansions and conversions are likely to be completed in 2011. The marketing of the freehold apartments

began in the second quarter of 2010 and is off to an excellent start.

Vacancy rate

At the end of June 2010, the vacancy rate stood at 8.2% (end of 2009: 7.5%). Thereof, 1.8 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 3.8 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 4.4 billion has a vacancy rate of just 3.2%.

Half-year results 2010

Net income excluding changes in fair value increased by CHF 6.4 million to CHF 74.9 million. Corresponding earnings per share amounted to CHF 1.77 or 7.3% more than in the previous year's period (CHF 1.65).

The improved results compared to the previous year's period was mainly driven by the following factors: income from discontinued operations, income from the voluntary VAT opting-in of a larger rental contract, lower operating expenses thanks to strict cost management as well as lower interest expenses.

As forecasted, rental income declined by CHF 4.7 million to CHF 130.3 million due to the properties sold in 2009.

Solid capital structure, low interest expenses

With a loan-to-value of 38.3% (end of 2009: 37.2%), the capital structure remains very solid. In April 2010, a CHF 250 million bond was issued with a coupon of 1.875% respectively all-in cost of 2.03%. In addition, we were able to conclude interest rate hedging transactions during the first half of 2010, which will allow PSP Swiss Property to continue benefiting from the historically low interest rate levels in the medium term. No bank loans will be due until 2013; bonds totalling CHF 290 million will mature in 2012. As per mid-year, PSP Swiss Property had unused credit lines of CHF 555 million. This substantial amount allows the Company to continue to flexibly manage its capital and is an excellent basis for acquisitions.

In the reporting period, the average interest rate was 2.58% (first half of 2009: 2.48% resp. 2.54% for the whole 2009 business year). At the end of June 2010, the average fixed-interest period was 3.6 years (end of 2009: 3.0 years).

Outlook 2010

PSP Swiss Property confirms the EBITDA forecast of approximately CHF 215 million for the entire 2010 business year.

The vacancy rate will be approximately 9% at year-end; this figure includes 1.2 percentage points from the Businesspark Richtstrasse in Wallisellen, which will be completed during the second half of 2010.

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

2010 Interim report and presentation

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

http://www.psp.info/en/Investor_Relations/Reporting/Reports/Reports_2010

http://www.psp.info/en/Investor_Relations/Reporting/Financial_Presentations/Presentations_2010

Agenda

Publication of quarterly results Q3 2010	12 November 2010
Publication of 2010 annual results	25 February 2011
Annual General Meeting 2011	1 April 2011
Publication of quarterly results Q1 2011	11 May 2011
Publication of 2011 interim results	16 August 2011
Publication of quarterly results Q3 2011	11 November 2011

PSP Swiss Property – leading Swiss real estate company

PSP Swiss Property owns office and commercial properties valued at CHF 5.3 billion in prime locations in Switzerland's main economic areas; its market capitalisation amounts to CHF 3.1 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	2009	H1 2009	H1 2010	Change % ¹
Rental income	CHF 1 000	264 559	135 008	130 300	- 3.5
Net changes in fair value of real estate investments	CHF 1 000	112 370	62 501	47 552	
Income from property sales	CHF 1 000	12 471	6 820	2 433	
Income from investments in associated companies	CHF 1 000	- 13	0	- 17	
Total other income	CHF 1 000	6 541	880	5 236	
Net income from continuing operations	CHF 1 000	228 076	121 658	108 021	- 11.2
Net income from discontinued operations	CHF 1 000	3 138	0	4 904	
Total net income	CHF 1 000	231 214	121 658	112 925	- 7.2
Total net income excl. gains/losses on real estate investments ²	CHF 1 000	136 495	68 424	74 865	9.4
EBITDA excl. gains/losses on real estate investments	CHF 1 000	221 113	109 829	117 729	7.2
EBITDA margin	%	79.5	80.3	82.9	
Total assets	CHF 1 000	5 304 607	5 313 656	5 409 242	2.0
Shareholders' equity	CHF 1 000	2 741 394	2 584 980	2 731 769	- 0.4
Equity ratio	%	51.7	48.6	50.5	
Return on equity	%	8.7	9.4	8.3	
Interest-bearing debt	CHF 1 000	1 975 206	2 164 597	2 069 444	4.8
Interest-bearing debt in % of total assets	%	37.2	40.7	38.3	

Portfolio key figures

Number of properties	Number	179	187	177	
Carrying value properties	CHF 1 000	4 997 237	5 035 629	5 091 802	1.9
Implied yield, gross ³	%	5.2	5.4	5.2	
Implied yield, net ³	%	4.4	4.6	4.5	
Vacancy rate end of period (CHF) ^{3, 4}	%	7.5	9.0	8.2	
Number of sites and development properties	Number	8	7	8	
Carrying value sites and development properties	CHF 1 000	218 405	191 221	243 187	11.3

Employees

End of period	Posts	80	82	79	
Equal full-time employees	Posts	76	79	75	

Per share figures

Earnings per share (EPS) ^{5, 6}	CHF	5.53	2.93	2.68	- 8.5
EPS excl. gains/losses on real estate investments ^{5, 6}	CHF	3.26	1.65	1.77	7.3
Nominal value reduction per share	CHF	2.70 ⁷	n.a.	n.a.	
Net asset value per share (NAV) ⁸	CHF	64.95	62.37	64.72	- 0.4
NAV share before deducting deferred taxes ⁸	CHF	75.79	73.13	75.95	0.2
Share price end of period	CHF	58.50	51.90	64.65	10.5

1 Change to previous year's period 1 January to 30 June 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 was made on 23 June 2010.

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