



SWISS PRIME SITE
Immobilien

**SWISS PRIME SITE
IMMOBILIEN**
**COMPANY PRESENTATION
ZURICH, MARCH 2019**



1 Organisation: group and core business

2 Success story

3 Vision, mission, corporate values and strengths

4 Key figures

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6 Business model

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Clear organization and strong leadership

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Executive Board

CEO René Zahnd | CFO Markus Meier | Peter Lehmann | Oliver Hofmann | Luca Stäger | Franco Savastano

Group Companies



CEO
Peter Lehmann



CEO
Oliver Hofmann

TERTIANUM

CEO
Luca Stäger

Jelmoli

CEO
Franco Savastano



CEO
Anastasius Tschopp

Segments

Immobilien

Services

Experience and expertise in executive management



Peter Lehmann ^{1, 2}

CEO Swiss Prime Site Immobilien AG

Executive Board Swiss Prime Site Immobilien AG



CFO

Markus Meier ^{1, 2}



**Head Portfolio
Management**

Karin Voigt ²



**Head
Acquisitions & Sales**

Marcel Schaad ²



**Head
Development**

Urs Baumann ²



**Head
Construction**

Gianni Basso ²



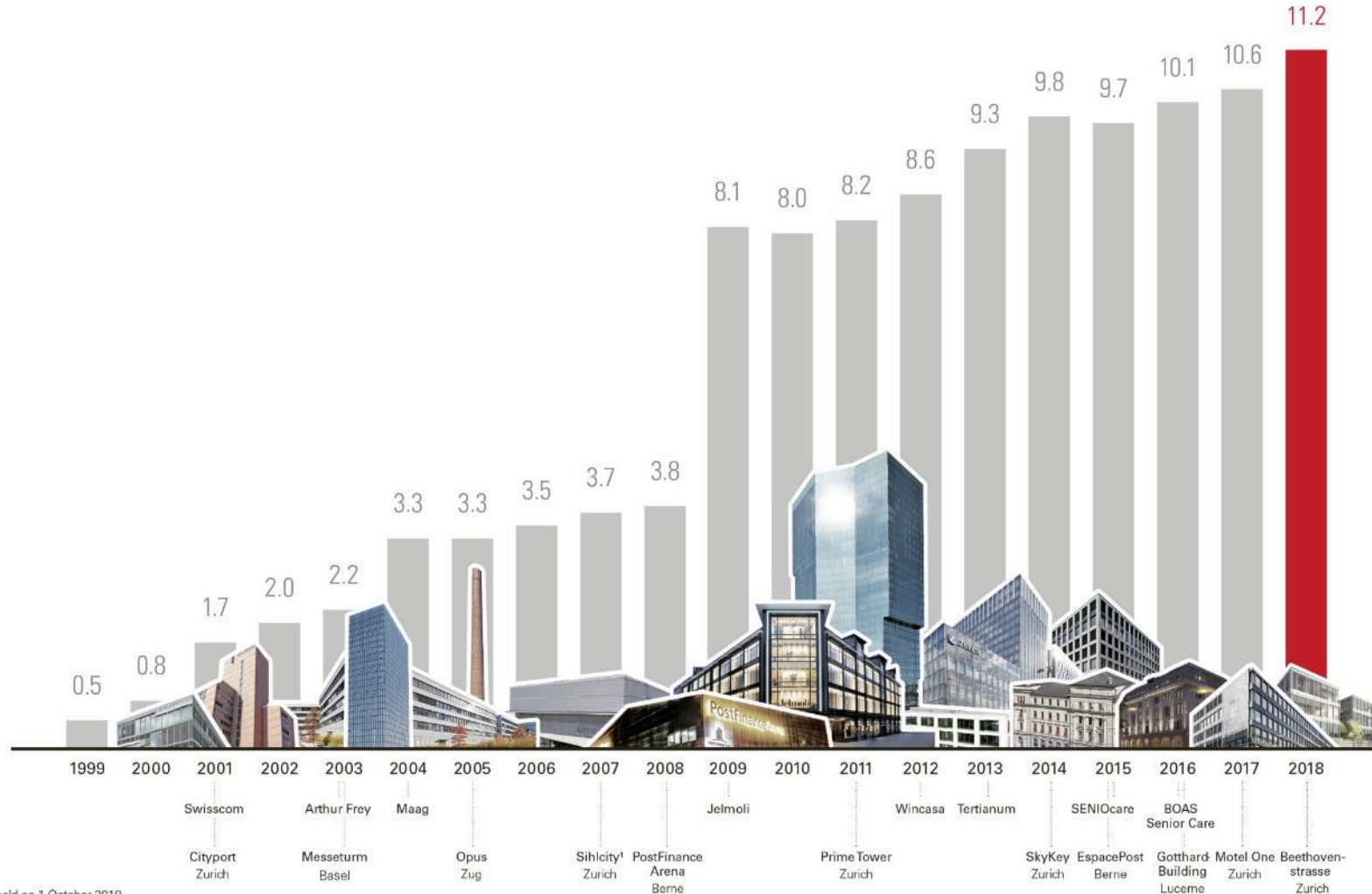
**Head
Region West**

Jean Megow ²

¹ Member of the Executive Board of Swiss Prime Site AG

² Member of the Executive Board of Swiss Prime Site Immobilien AG

Impressive portfolio growth since 1999 (fair value)



¹ sold on 1 October 2018

Milestones

- Acquisition of Maag Holding with the Maag site in Zurich West in 2004
- Acquisition of Jelmoli property portfolio doubles value of property portfolio in 2009
- Strategic acquisitions of Wincasa (2012) and Tertianum (2013)
- Significant in-house developments: Prime Tower and SkyKey Zurich, EspacePost Bern as well as conversions such as Motel One Basel and Zurich



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**WE CREATE
LIVING SPACES**

Creation of added value and living spaces

Vision

As the leading real estate company in Switzerland, we create more value and develop sustainable habitats – innovatively and passionately.

Mission

- **We set standards for real estate investments and investments in real estate-related business fields, with which we create sustainable added value for our stakeholder groups.**
- **We invest in and actively manage first-class properties, real estate projects, property sites, products and services.**
- **We are the partner of choice for any stakeholder groups in our business fields.**
- **We are committed to sustainability and assume responsibility for our actions, our environment and our society.**

Corporate values

- 1. Respect**
We treat everybody with respect; in our view, the focal point is on the individual person.
- 2. Ambition**
We set high targets for ourselves; our ambition is to constantly achieve improvement.
- 3. Innovation**
We live for innovation; our future is built on the ability to achieve further development.
- 4. Responsibility**
We actively assume and stand by our responsibilities; we are role models.
- 5. Integrity**
Integrity is the focal point of our activities.

As a prime investor and developer, we create more value



Know-how

Swiss Prime Site Immobilien has the necessary know-how to turn properties and locations into valuable locations and living spaces.



Foresight

We focus our attention on the big picture and let ourselves be guided by a long and sustainable investment horizon.



Market access

The 190 quality properties currently comprise Swiss real estate in prime locations and of stable value. We have strong market access.



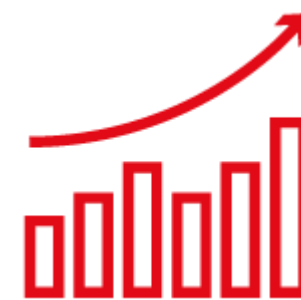
Customer focus

Our success is based on our proximity to our customers. Together with them, we develop spaces and concepts that meet their needs.



Innovation

Our claim is to be the leader in our industry. We achieve this by giving new technologies and processes room for development.



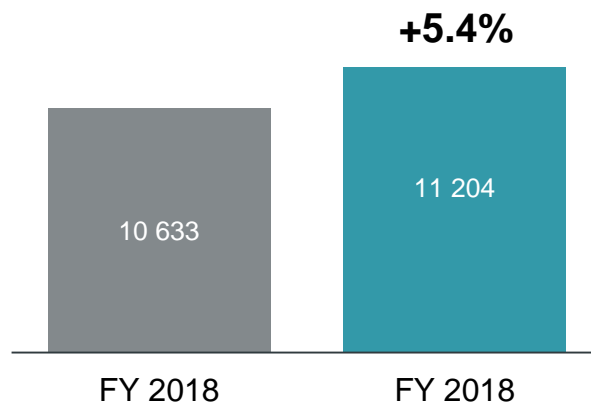
Potential

Within our portfolio as well as the real estate market, we currently see a lot of potential that we want to realise.

Successful financial year 2018

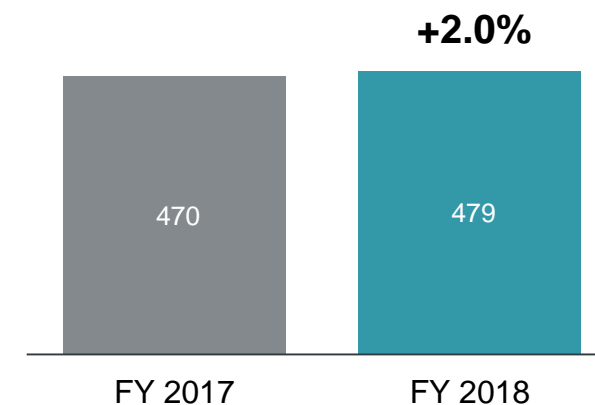
PROPERTY PORTFOLIO in CHF m

11 204



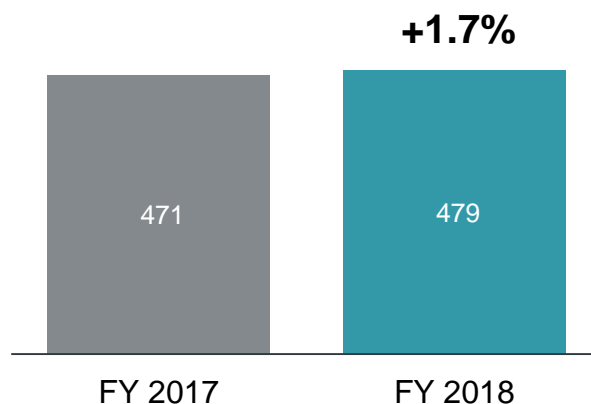
RENTAL INCOME in CHF m

479



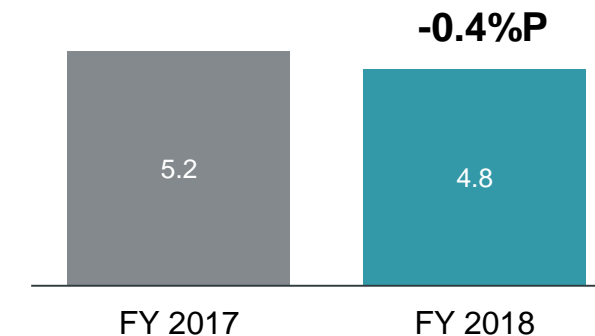
EBIT in CHF m

479

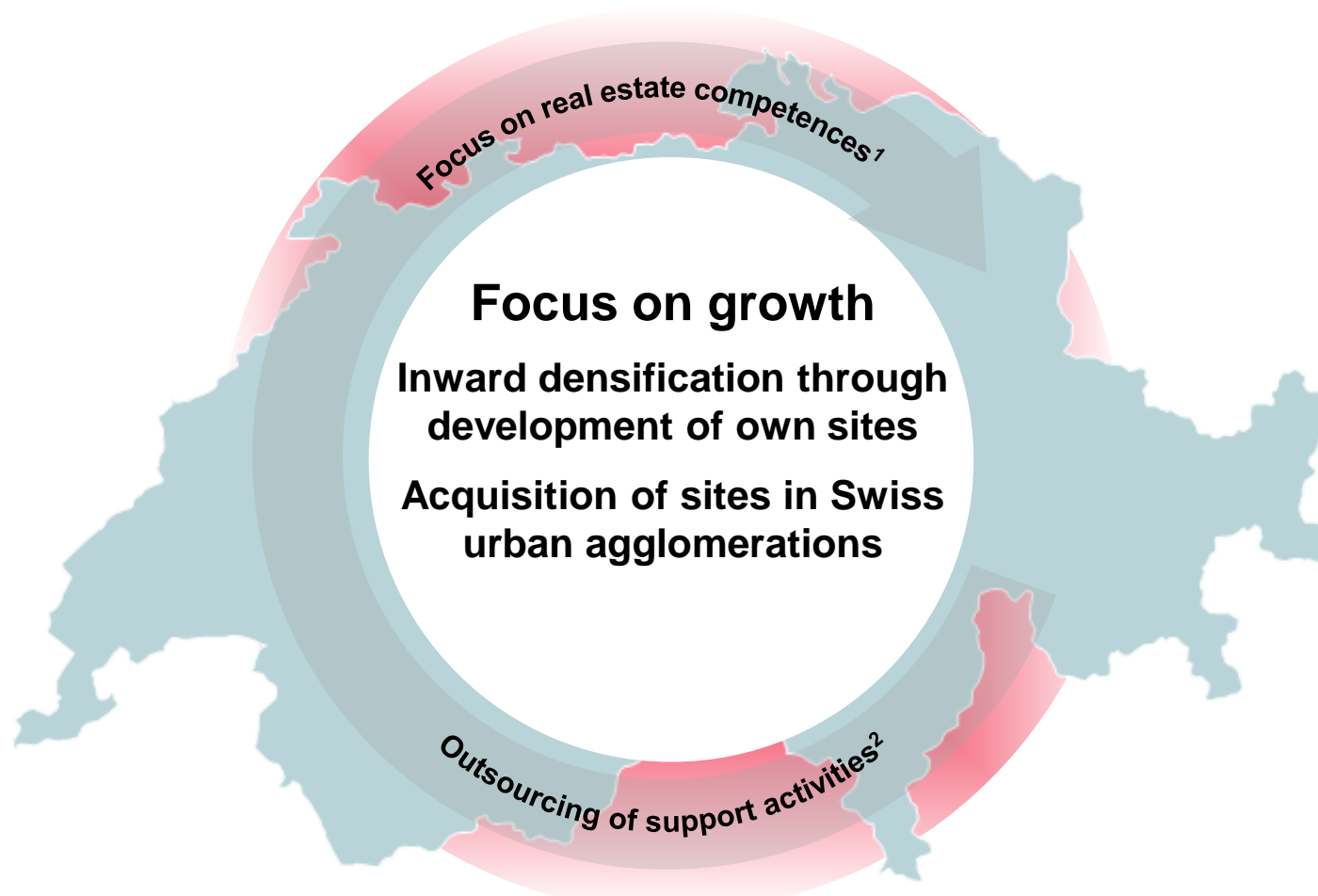


VACANCY RATE in %

4.8



Densification and corporate size as strategic strenghts



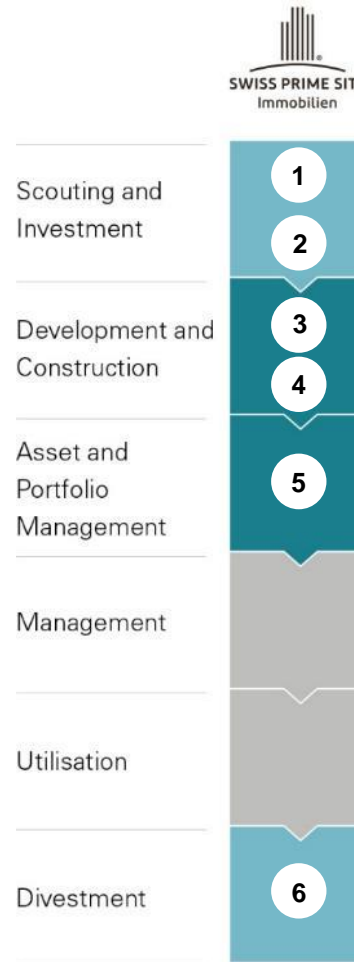
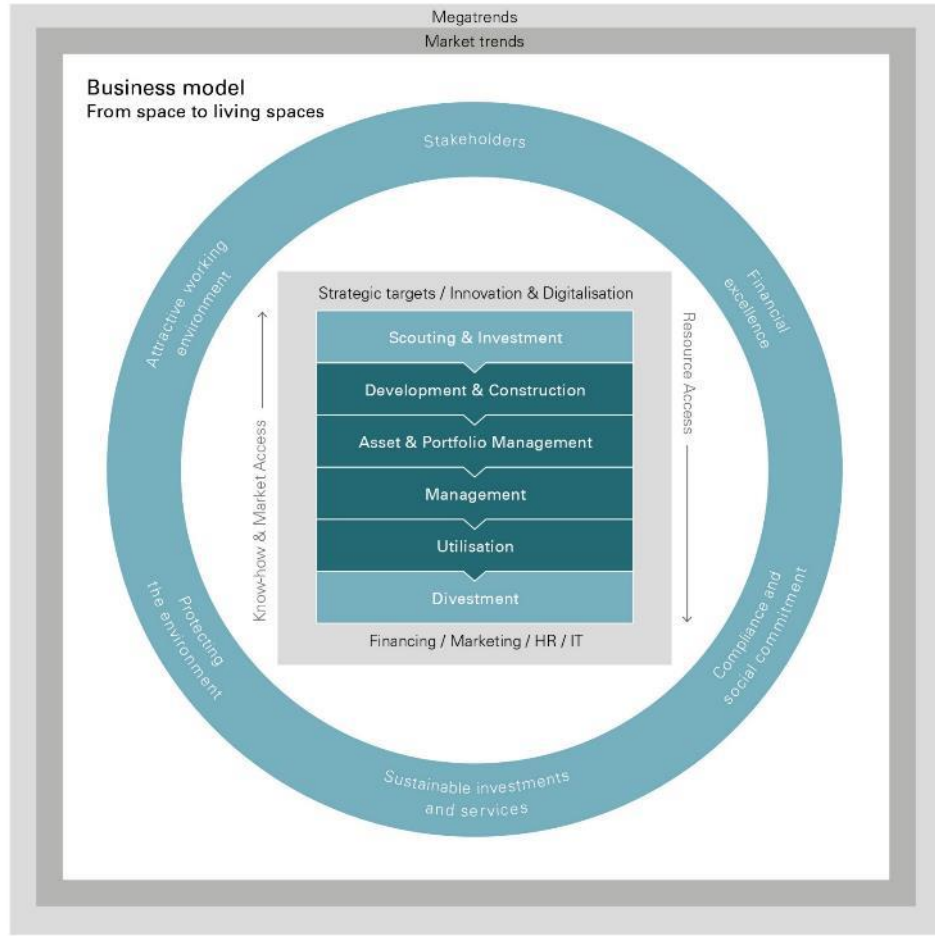
¹ portfolio management, asset management, sales and acquisitions, development, construction (management), transaction management, market knowledge

² construction (realisation), facility management, property management, construction supervising, property valuation

Strategic pillars

- Investments in innovative development projects
- Acquisition and sale of single properties or portfolios
- Realisation of capital gains through the sale of development projects
- Modernisation, repositioning and refurbishment of existing properties
- Active, value-generating portfolio and asset management

Value creation along the business model



- 1
 - Research (trends, market development etc.)
 - Scouting of properties and sites

- 2
 - Sites, projects, buildings
 - Strategic properties
 - Feasibility and yield calculations
 - Transactions

- 3
 - Evaluation of projects (with A&S)
 - Market and need analysis / real estate marketing
 - Concept and sustainable project development
 - Sourcing of users (tenants)
 - Construction procedure / product innovation
 - Redevelopments / densification

- 4
 - Strategic control
 - Project organisation
 - Control of construction supervision
 - Assurance of quality, time and cost

- 5
 - Strategic portfolio and asset management
 - Real estate marketing
 - Vacancy rate management
 - Securing rental income
 - Modernisation

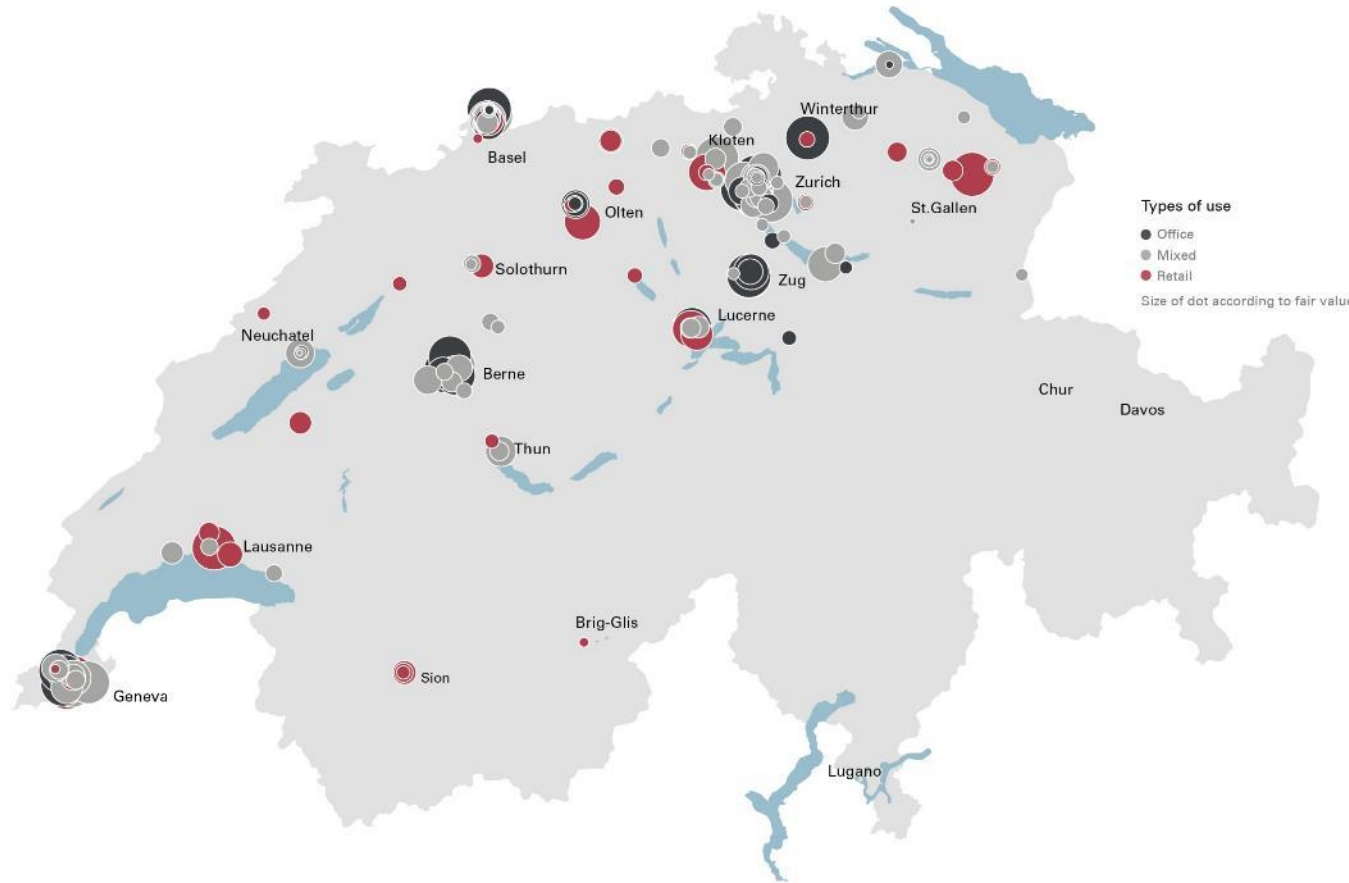
- 6
 - Sale of developed projects
 - Sale of selected properties
 - Sale of turnkey ready property projects



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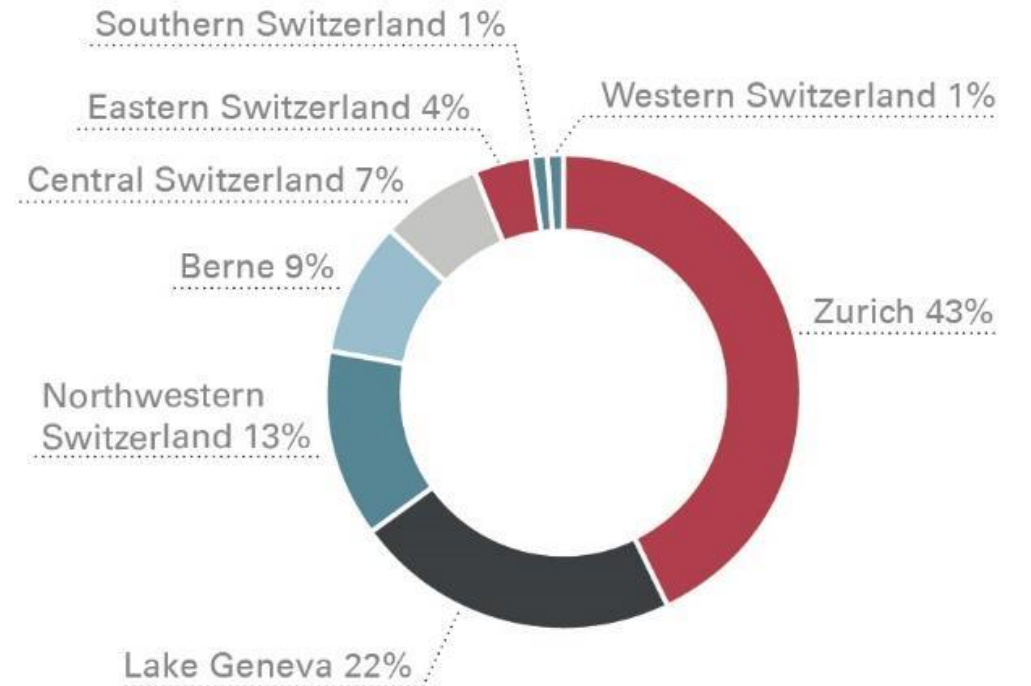
**WE SHAPE THE
FUTURE**

Balanced portfolio by region



Portfolio split by region

Basis: fair value as at 31.12.2018

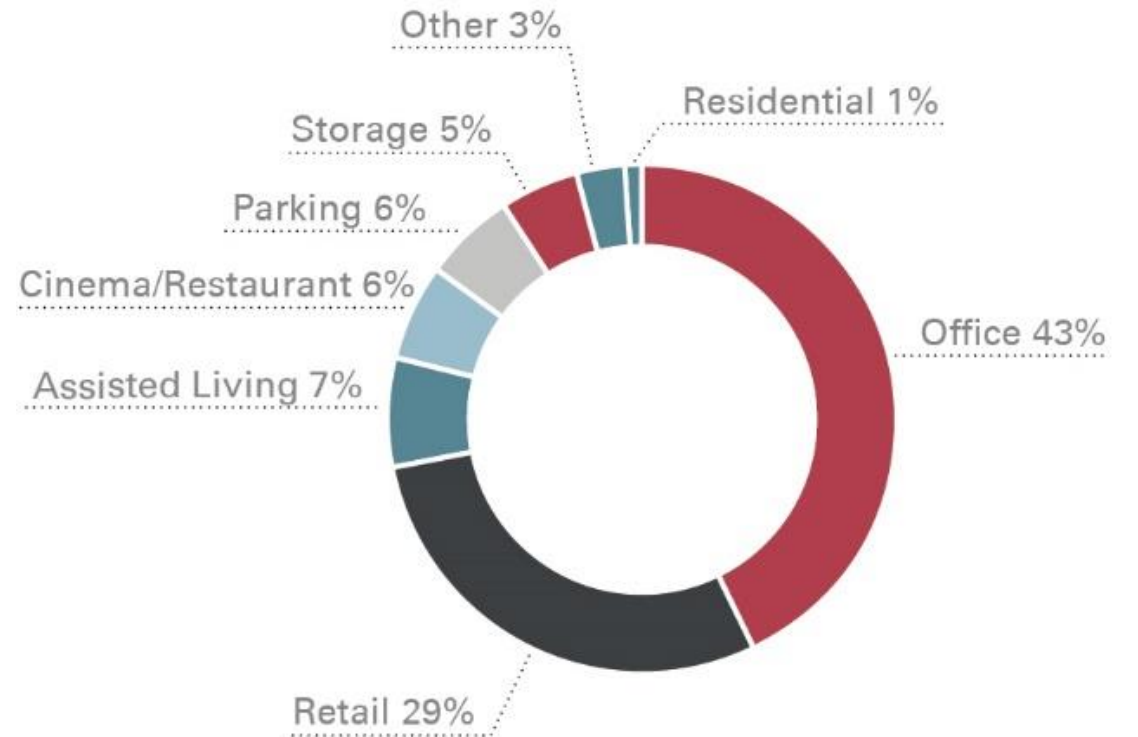


Focus on commercial real estate



Portfolio split by type of use

Basis: net rental income as at 31.12.2018



Good growth of core real estate business

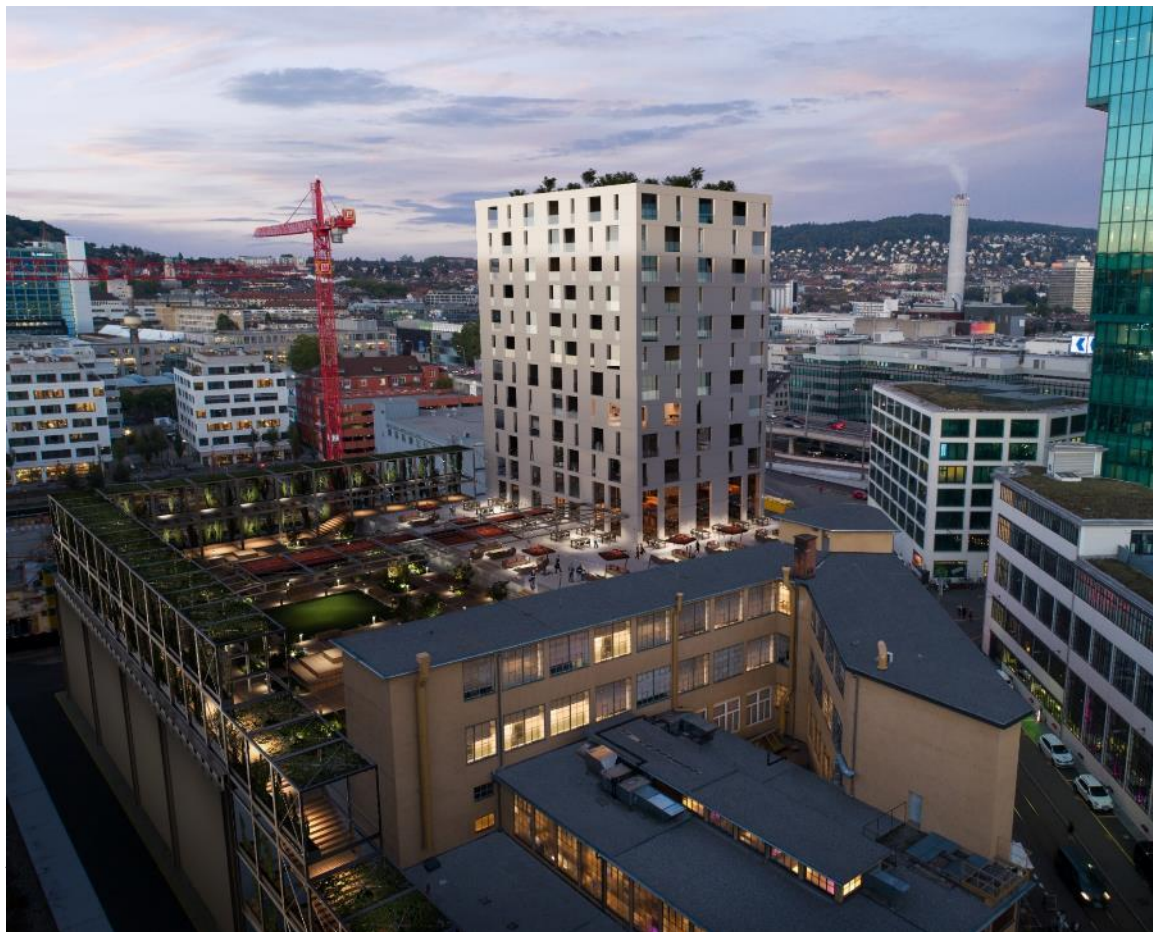


Image: Maag site project, Zurich

Highlights Swiss Prime Site Immobilien

- **New/renewed leases:** Total 190 000 m² or 12% of entire portfolio (including reduction in vacancies)
- **Acquisitions (portfolio):** Iseli site in Regensdorf (January 2018) and office building at Beethovenstrasse 33 in Zurich with rental income of CHF 5.2 million p.a.
- **Acquisitions (project development):** Site in Monthey for Tertianum project (completion 2021) and «West-Log» project in Zurich-Altstetten (completion 2020) with expected annual rental income of CHF 4.6 million
- **Asset swap:** Swapped 24% share in «Sihlcity» for three fully occupied office buildings in Zurich (Giesshübelstrasse, Müllerstrasse) and Worblaufen
- **Divestments:** Disposal of «Weltpost Park» residential project in Berne and other property sales

Attractive acquisitions (1|2 – portfolio)

Beethovenstrasse 33
Zurich City



Iseli site
Regensdorf



Attractive acquisitions (2|2 – projects)



Asset swap (1|2)



Cornerstones real estate swap

- **Rationale:** Increase the proportion of sole ownership properties and reduce the proportion of retail properties in the portfolio to less than 30%
- **Divestment:** 24.2% co-ownership in the Sihlcity Urban Entertainment Centre
- **Acquisition:** Three fully occupied properties with exceptional site quality as at 1 October 2018:
 - 1) Zurich Giesshübelstr. 15 (2 800 m²)
 - 2) Zurich Müllerstr. 16/20 (13 700 m²)
 - 3) Worblaufen (37 200 m²), now sole ownership (prior to asset swap 49% co-ownership)

Asset swap (2|2)

Müllerstrasse 16/20
Zurich



Giesshübelstrasse 15
Zurich



Swisscom Head Office
Worblaufen



Attractive divestments of projects and investment properties



Weltpost Park
Berne



Bahnhofplatz 9

Bahnhofplatz 9
Berne



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**WE CREATE
LOCATIONS**

Example: «MFO building» Zurich-Oerlikon on the move



Highlights

Emotion: Threatening demolition of the historic building due to track extension

Success factors: Engagement and vision (ABB – SBB – City of Zurich – Swiss Prime Site)

Result: Spectacular relocation of the MFO building on 22 and 23 May 2012 under great public and media interest

Example: Maag site, Zurich



Highlights

- Convincing overall concept attracts renowned tenants
- Value: CHF >850 m
- Site area: 24 360 m²
- Usable space: 75 631 m²
- First-class, innovative architecture makes the Prime Tower a landmark
- Realisation of the potential leads to a significant increase in value

Example: Tonhalle Maag as concert and event hall



Source: Tonhalle Maag (photo: Hannes Henz)

Highlights

- Interim venue for the Tonhalle Orchestra Zurich from 2017 to 2020 and event hall for further events
- Installations: Nordic timber construction, air supply via 2.5 million holes in parquet flooring
- Investments Tonhalle: approx. CHF 10 m
- Floor space: 946 m²
- Seatings: 1 224
- Opening: 27 september 2017 after seven months of construction

Example: Medienpark, Zurich | IT complex becomes news HQ



Flurpark, Zurich | before redevelopment

2005: Acquisition of property (construction: 1979), UBS as tenant until 2012

Challenges

Marketability / demolition, redevelopment vs. modernisation / reserves / structure / flexibility / life time



Medienpark, Zürich | completion 2015

Redevelopment with Minergie standard; anchor tenant Ringier Axel Springer Schweiz AG

Realisation	2013 – 2015
Value	CHF >140 m
Usable space	24 139 m ²

Example: conversion of office space into design hotel



Motel One, Basel | opening summer 2016

Intense redevelopment of former office property into design hotel in the city of Basel

Realisation	2015 – 2016
Value	CHF 71 m
Usable space	8 200 m ²



Motel One, Zurich | opening summer 2017

Intense redevelopment of protected office property into largest city hotel in Zurich

Realisation	2015 – 2017
Value	CHF 180 m
Usable space	17 164 m ²



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«Industry 4.0» requirements for development (1/2)

Parametric design

- IT based project development: defined parameters, linked areas/volumes with costs and revenues

Integrated project delivery

- IPD: Holistic development approach, focused on owner interests. All participants focus on defined goals.

BIM

- Define the owner- and operation-side requirements for BIM.

Augmented und virtual reality

- Project development support by means of 3D visualization of different variants; integration into competitive processes

3D commercialisation

- Early marketing of developments by means of tangible space and material concepts. Testing market acceptance.

«Industry 4.0» requirements for development (2/2)



Sustainable investments and services

- Playing it safe
- Sustainability along the supply chain
- Gentle treatment of the environment
- Resource-friendly operation
- Systematic energy saving
- Building on safe ground

Positive results of project developments



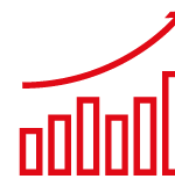
INDEPENDENCE

Independence from the transaction market



RENTAL INCOME

Leverage of additional potential for rental income



REVALUATION GAINS

Projects with above-average yields



INNOVATION

Use of the latest technology (e.g. BIM)



CAPITAL GAINS

Additional profits from disposals



SYNERGIES

Leveraging of synergies within the Group



SUSTAINABILITY

Active influence on sustainability issues

Total 15 projects | Investment volume of CHF ~1.7 billion (incl. land)

2 projects

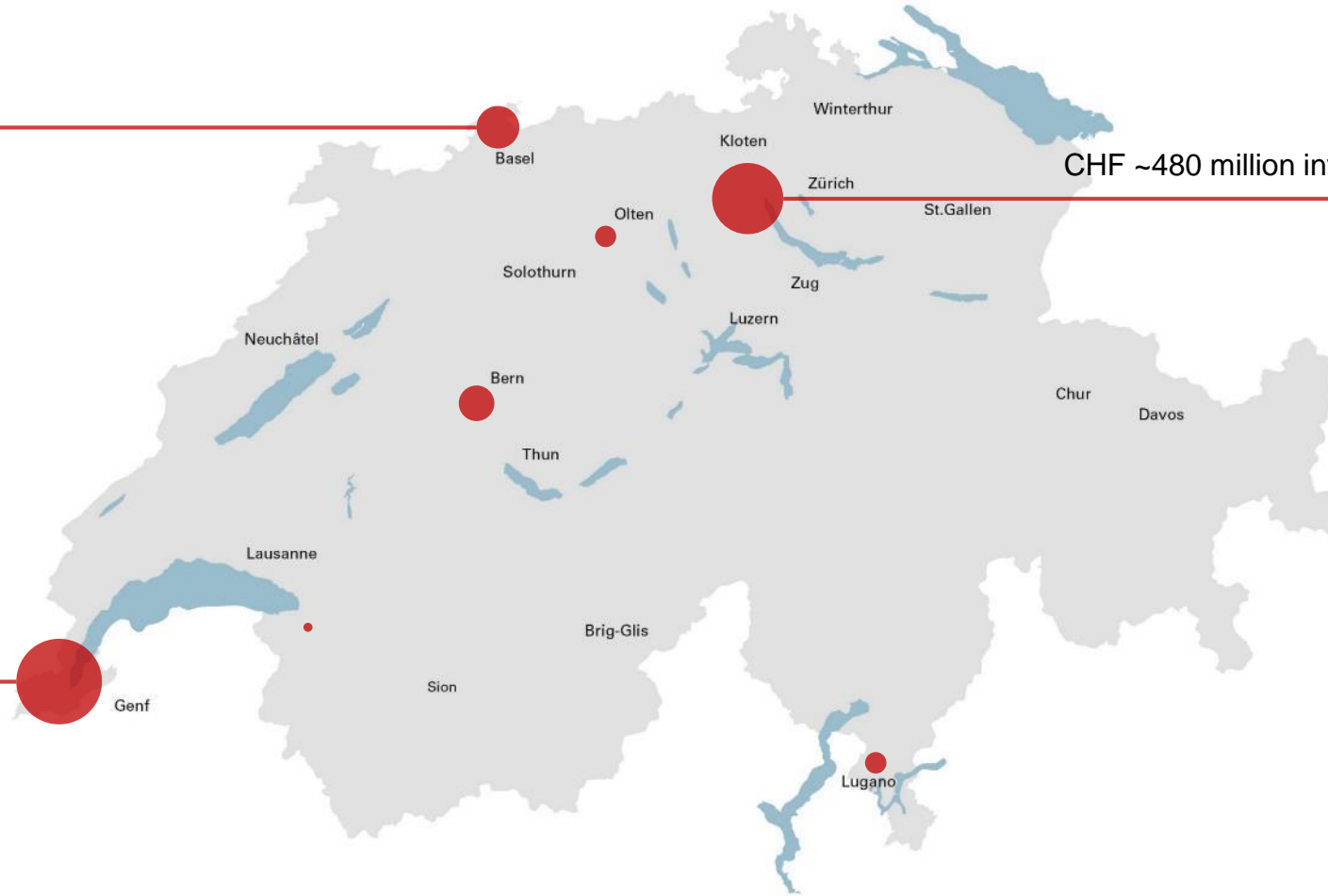
CHF ~200 million investment volume

6 projects

CHF ~480 million investment volume

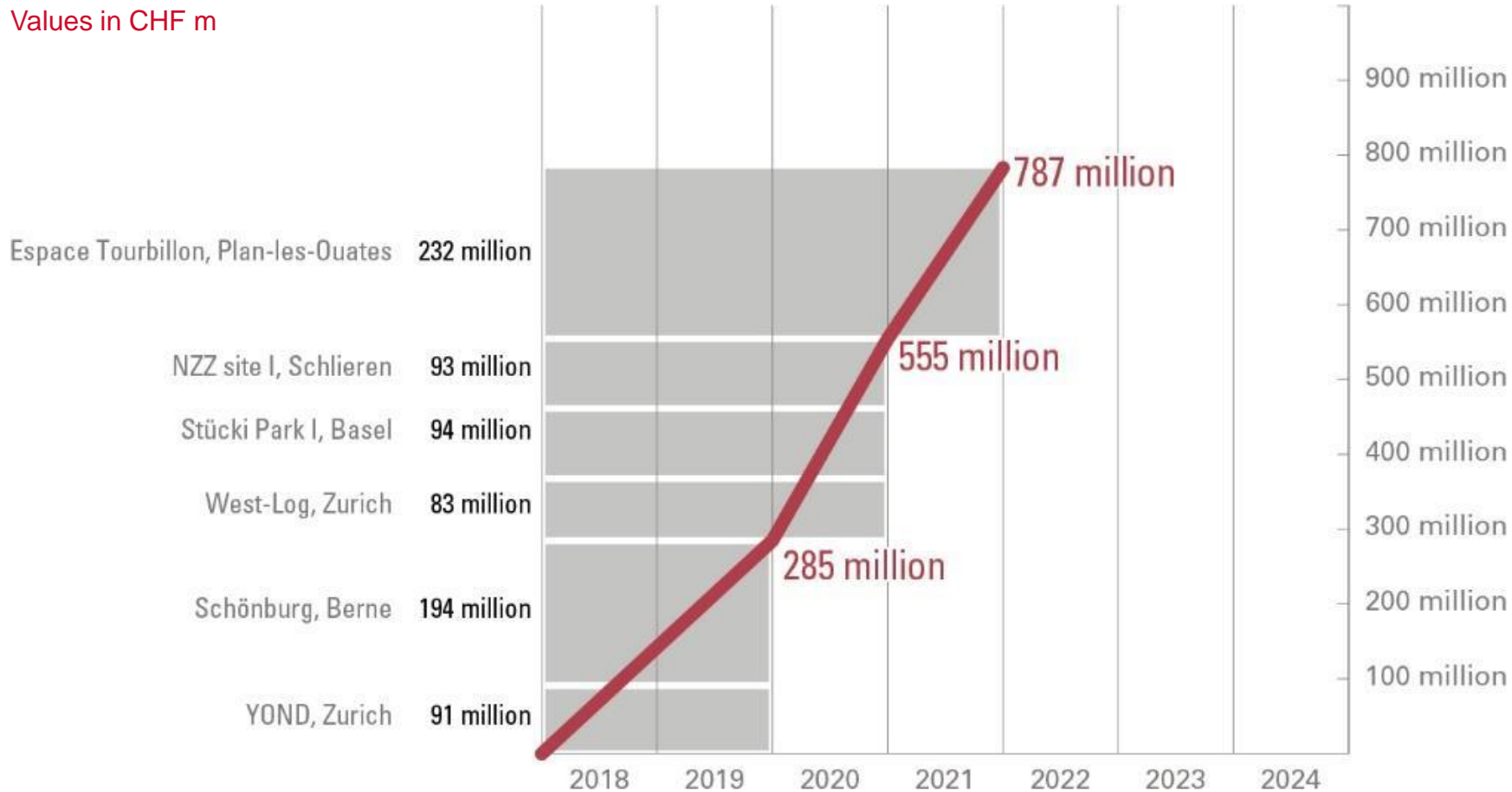
3 projects

CHF ~670 million investment volume



Properties under construction (1|3)

Values in CHF m



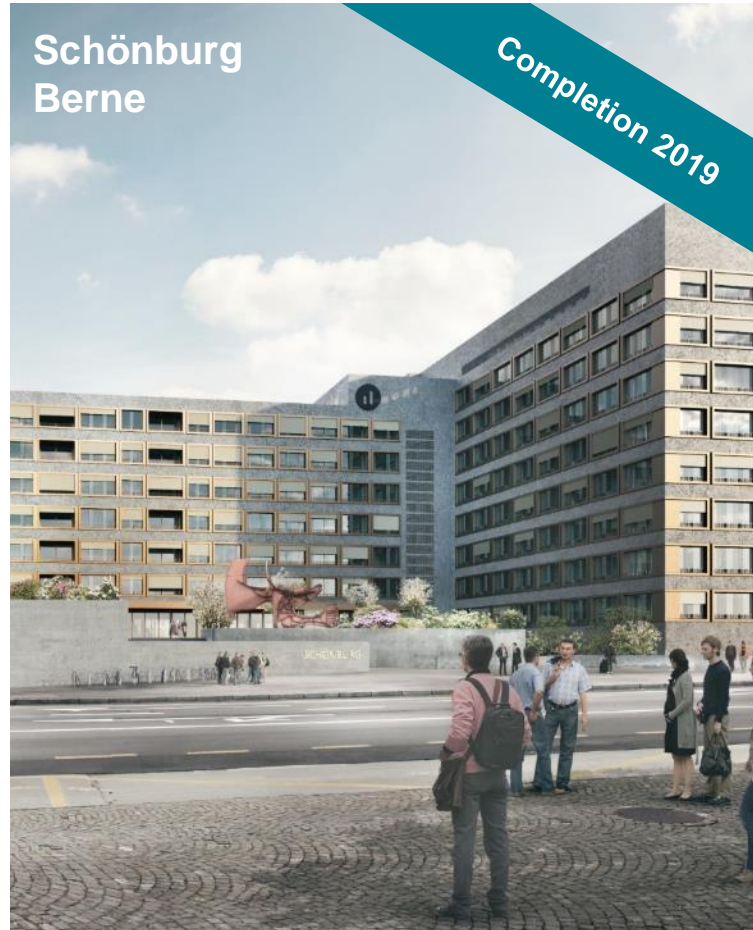
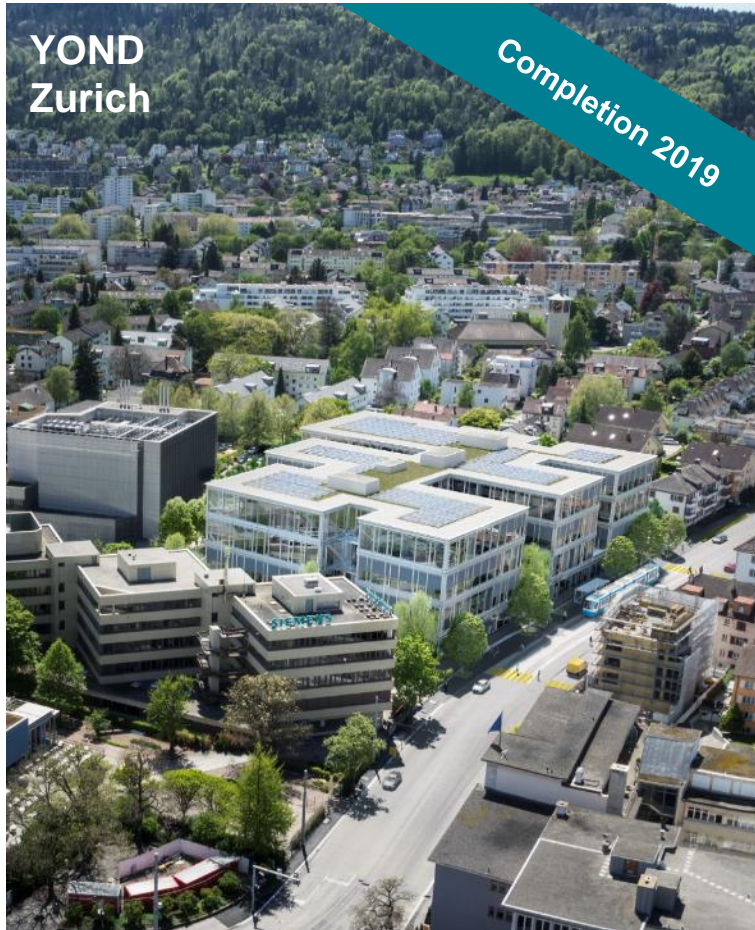
Pipeline: CHF 2.0 billion

**Under construction:
CHF ~800 million**

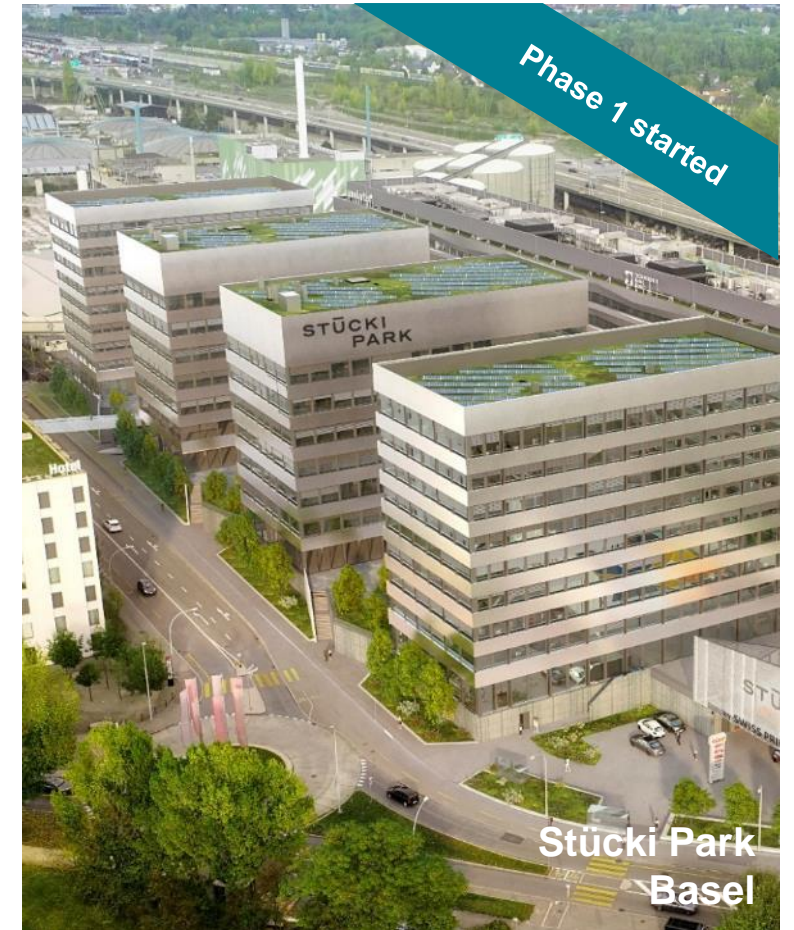
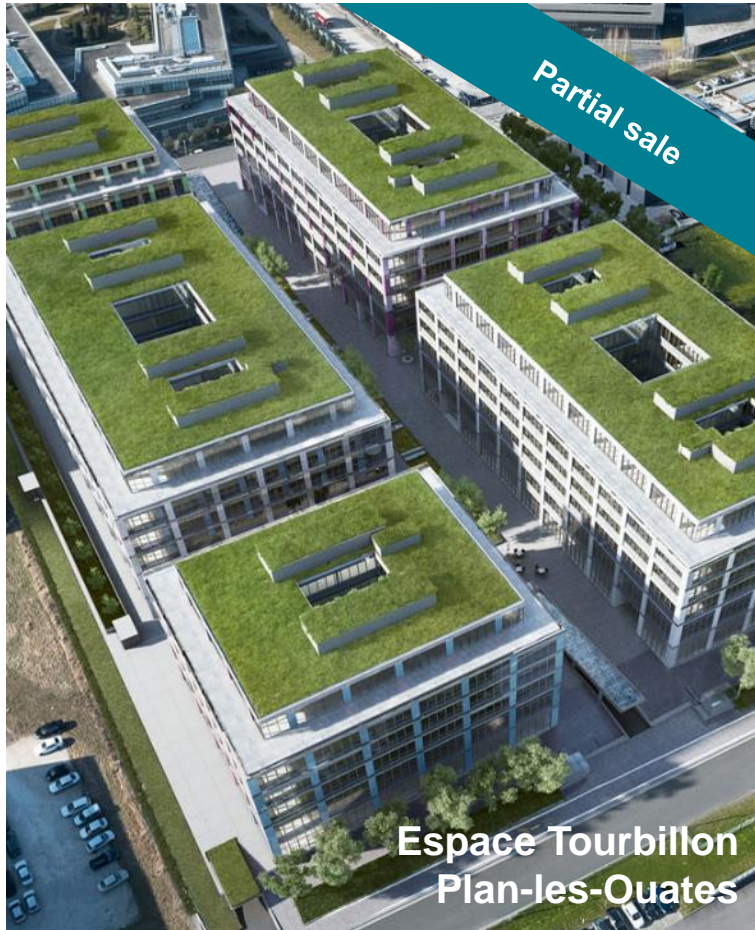
**In development:
CHF ~900 million**

Reserves: CHF >300 million

Properties under construction (2|3)

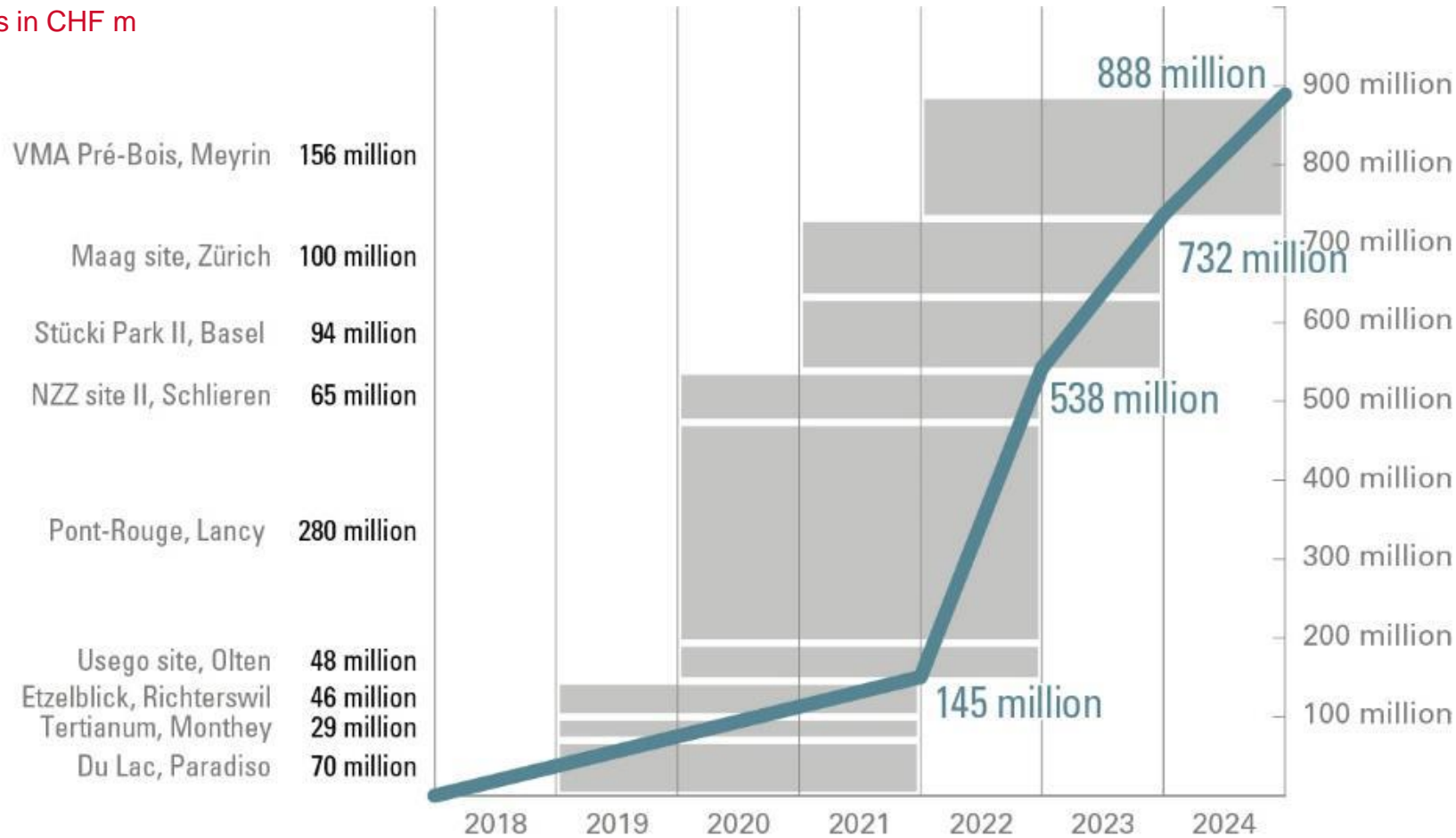


Properties under construction (3|3)



Projects in planning (1|5)

Values in CHF m



Pipeline: CHF 2.0 billion

Under construction:
CHF ~800 million

**In development:
CHF ~900 million**

Reserves: CHF >300 million

Projects in planning (2|5) – Tertianum Olten



Highlights

- **Project:** Assisted living and modern workspaces for life sciences companies; phase 1: Residential care centre for Tertianum
- **Success factors:** Emergent former industrial site in Olten is growing dynamically (e.g. medtech company Sensile Medical is tenant)
- **Investment volume:** CHF 48 million*, completion 2022
- **Yield:** >4% (on cost)

* including land

Projects in planning (3|5) – Tertianum Lugano-Paradiso



Highlights

- **Project:** Exclusive residence with apartments and nursing beds for the elderly
- **Success factors:** Prime lakeside location near Lugano; expansion of the existing Tertianum network in the canton of Ticino (Italian-speaking Switzerland)
- **Investment volume:** CHF 70 million*, completion 2021
- **Yield:** >4% (on cost)

* including land

Projects in planning (4|5) – Alto Pont-Rouge, Lancy

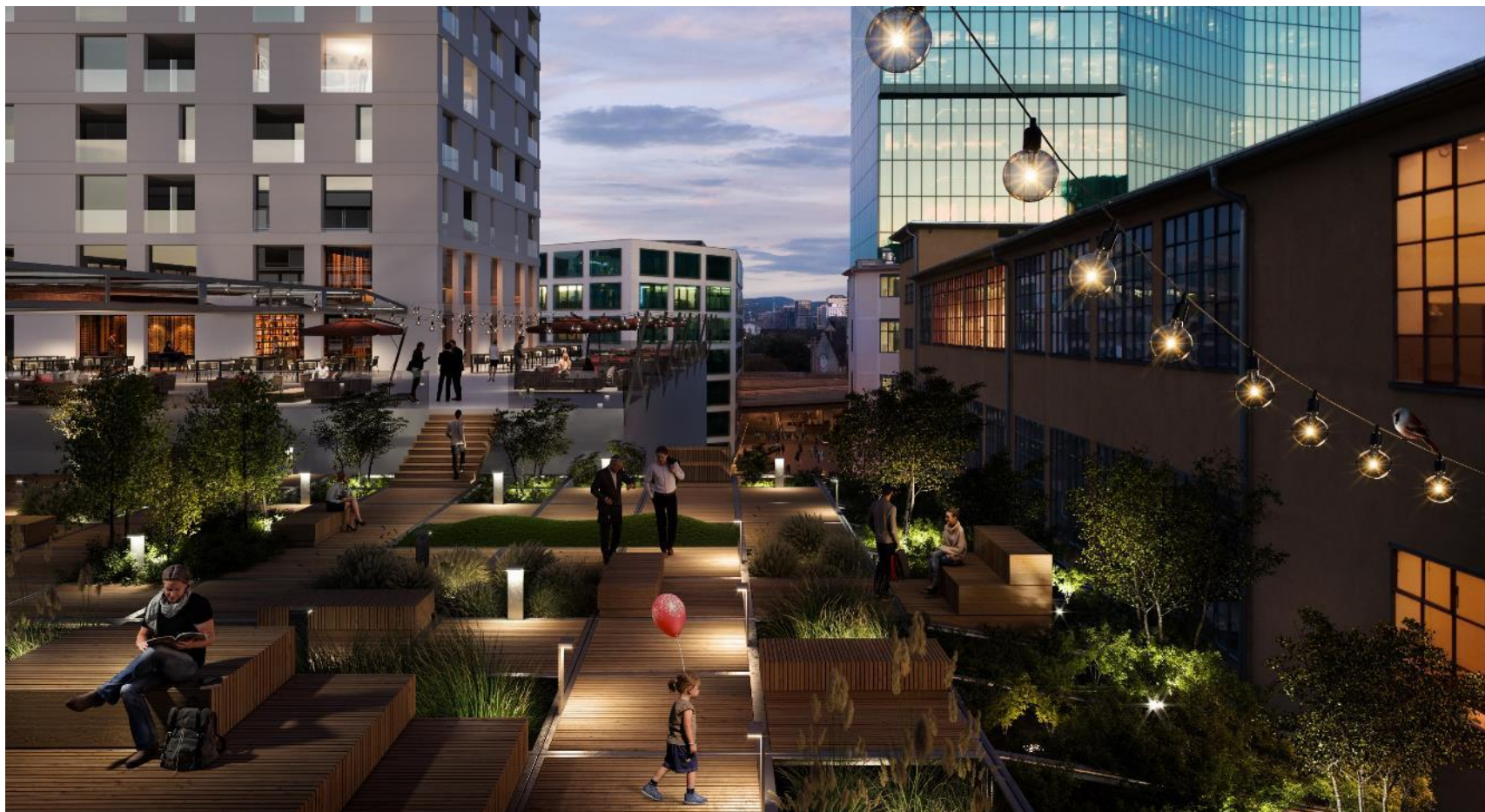


Highlights

- **Project:** Modern office building with approx. 35 000 m² gross space in the Praille-Acacias-Vernets (PAV) development zone in Geneva
- **Success factors:** Attractive pricing; direct link to the CEVA railway station at Lancy-Pont-Rouge
- **Investment volume:** CHF 280 million*, completion 2022
- **Yield:** >4% (on cost)

* including land

Projects in planning (5|5) – Maag site, Zurich



Highlights

- **Project:** Further densification of the Maag site with a new residential project
- **Success factors:** Popular city centre location with excellent links to public and private transport
- **Investment volume:** CHF 100 million*, completion 2023
- **Yield:** >5% (on cost)

* including land



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Assisted living (1/2): growth through project developments



Etzelgut, Zurich | opening november 2017

Replacement of a nursing home with a total of 47 rooms, including a dementia department with 6 rooms

Tenant:	Tertianum
Completion:	November 2017
Value:	CHF 31 m



Senior residence Du Lac, Paradiso-Lugano | in planning

Construction of the exclusive Tertianum senior residence "Du Lac" with a comprehensive range of services

Tenant:	Tertianum
Completion:	2021
Investment volume ¹ :	CHF 70 m

¹ including land

Assisted living (2/2): growth through project developments



Etzelblick, Richterswil | in planning

Residential and care centre with around 60 beds, in addition assisted living and other forms of living are offered

Tenant:	Tertianum
Completion:	2021
Investment volume ¹ :	CHF 50 m



Tertianum residential & care centre, Monthey | in planning

Residential and care centre with around 50 nursing beds and 30 to 40 apartments.

Tenant:	Tertianum
Completion:	2021
Investment volume ¹ :	CHF 30 m

¹ including land

Contact



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