

SWISS PRIME SITE

**CAPITAL MARKETS
DAY 2018**
GENEVA, 24 OCTOBER 2018



SWISS PRIME SITE

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Introduction | Project development at Swiss Prime Site

2

Development pipeline | Geneva projects

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One more thing...

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Annex | Site Visit

Guidance 2018 confirmed

Top line

Increase in operating income

Profitability

Growth in EBIT before revaluations (includes income from real estate development)

Vacancy rate management

Vacancy rate expected to stabilise at less than 5% by end of 2018

Portfolio

Growth through project realisations and additional purchases

Dividend policy

Confirmation of the distribution policy to shareholders

Overall portfolio update 2nd half 2018



Highlights

- **Acquisition:** Fully-let office property Beethovenstrasse 33 in Zurich with rental income of CHF ~3.9 million p.a.
- **Letting success:** Total 133 000 m² let in the first 9 months. Halter as anchor tenant in Schlieren and successful letting start of Schönburg flats in Bern.
- **Retail I:** Reduction of the retail quota within the portfolio to ~30%
- **Retail II:** Former OVS locations expected to be re-let with better conditions (>5%)
- **Laying of the foundation stone:** Stücki Park Basel and West-Log Zurich-Altstetten

Strategic swap: purchase of office properties & sale of «Sihlcity» stake



Zurich: Müllerstrasse (left) & Giesshübelstrasse (right)

- **Value as at 30 June 2018:** CHF 139 million, **Yield:** 5.7%
- **Tenants:** Swisscom (Müllerstrasse), SportClinic et al. (Giesshübelstrasse)

Bern: Swisscom HQ in Worblaufen (new 100% ownership)

- **Value as at 30 June 2018:** CHF 163 million, **Yield:** 4.6%
- **Tenant:** Swisscom

Two capital increases with total proceeds of CHF ~550 m completed

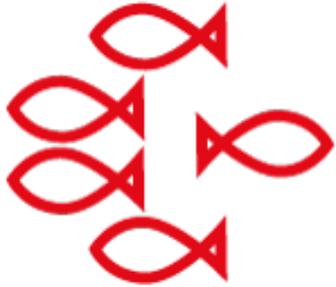
Issuer	SWISS PRIME SITE	
Transaction	Discounted rights issue (16:1) with offer price of CHF 74	Capital increase for Swiss pension funds with offer price of CHF 1 105.64
Gross proceeds and use	CHF 331 million in order to support the execution of the growth strategy through the realisation of the attractive development project pipeline	CHF 221 million in order to purchase existing properties, finance development projects and repay debt financing
Settlement	28 September 2018	28 September 2018



SWISS PRIME SITE

**WE SHAPE THE
FUTURE**

Reasons for project development (1/2)



INDEPENDENCE

Independence from transaction market



RENTAL INCOME

Exploiting additional rental income



CAPITAL GAINS

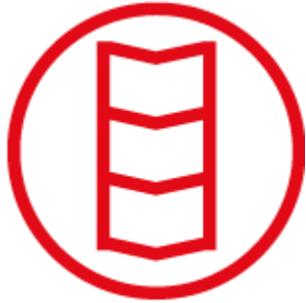
Additional gains from sales



REVALUATION GAINS

Projects generating above-average net yield

Reasons for project development (2/2)



SYNERGIES

**Leveraging synergies
throughout the group**



INNOVATION

**Using cutting edge
technologies (e.g. BIM)**

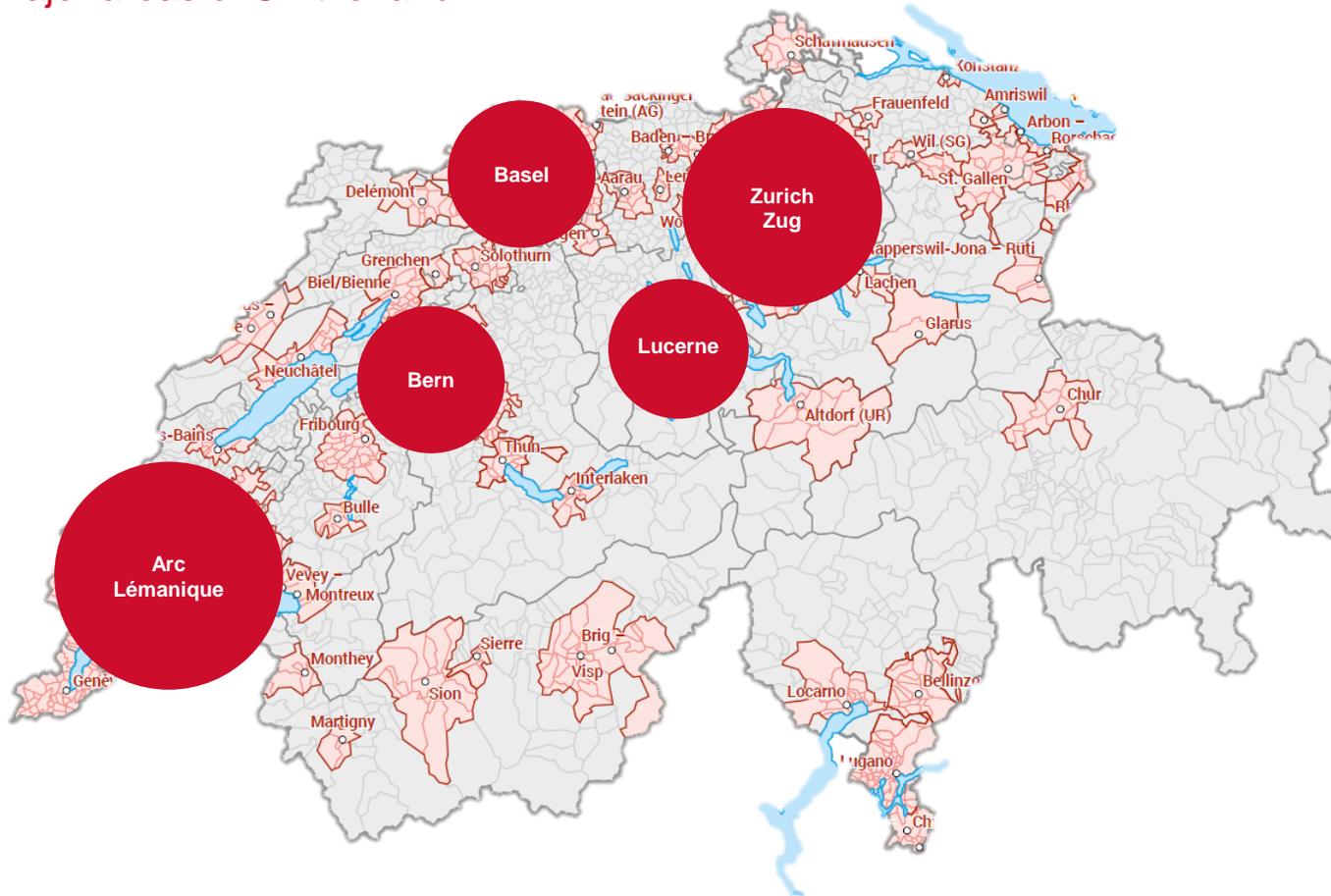


SUSTAINABILITY

**Actively influencing
sustainable development**

Land: prime locations are scarce assets in Switzerland

Major areas of Switzerland

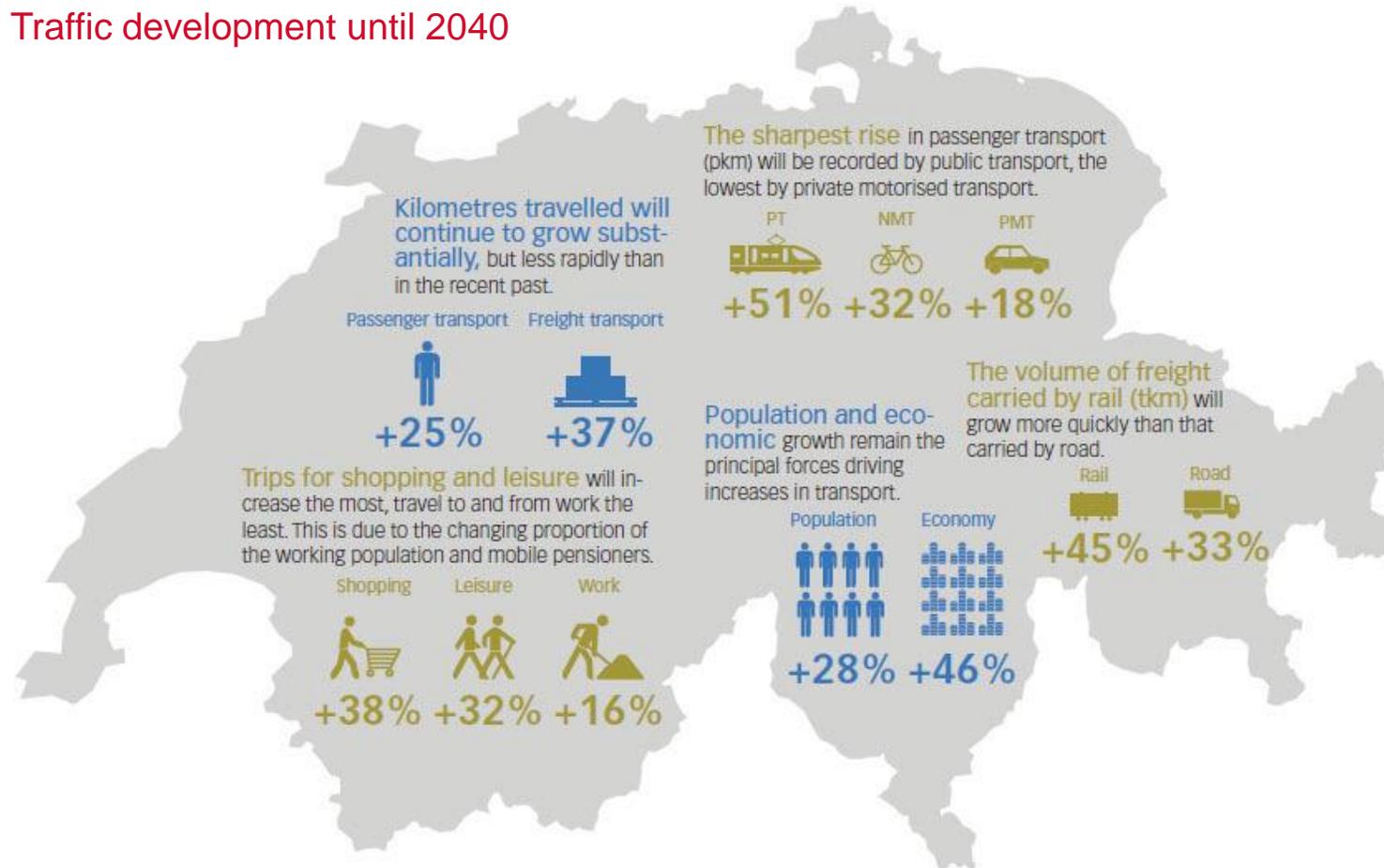


Comments

- Swiss Cantons to implement new Federal Spatial Planning Act (SPA 1) latest by 2019
- Excellent locations protect from uncertain market situations and general economic downturn
- Focus on state-of-the-art properties and high location quality increase demand from established companies as well as start-ups

Mobility: expansion offers potential

Traffic development until 2040



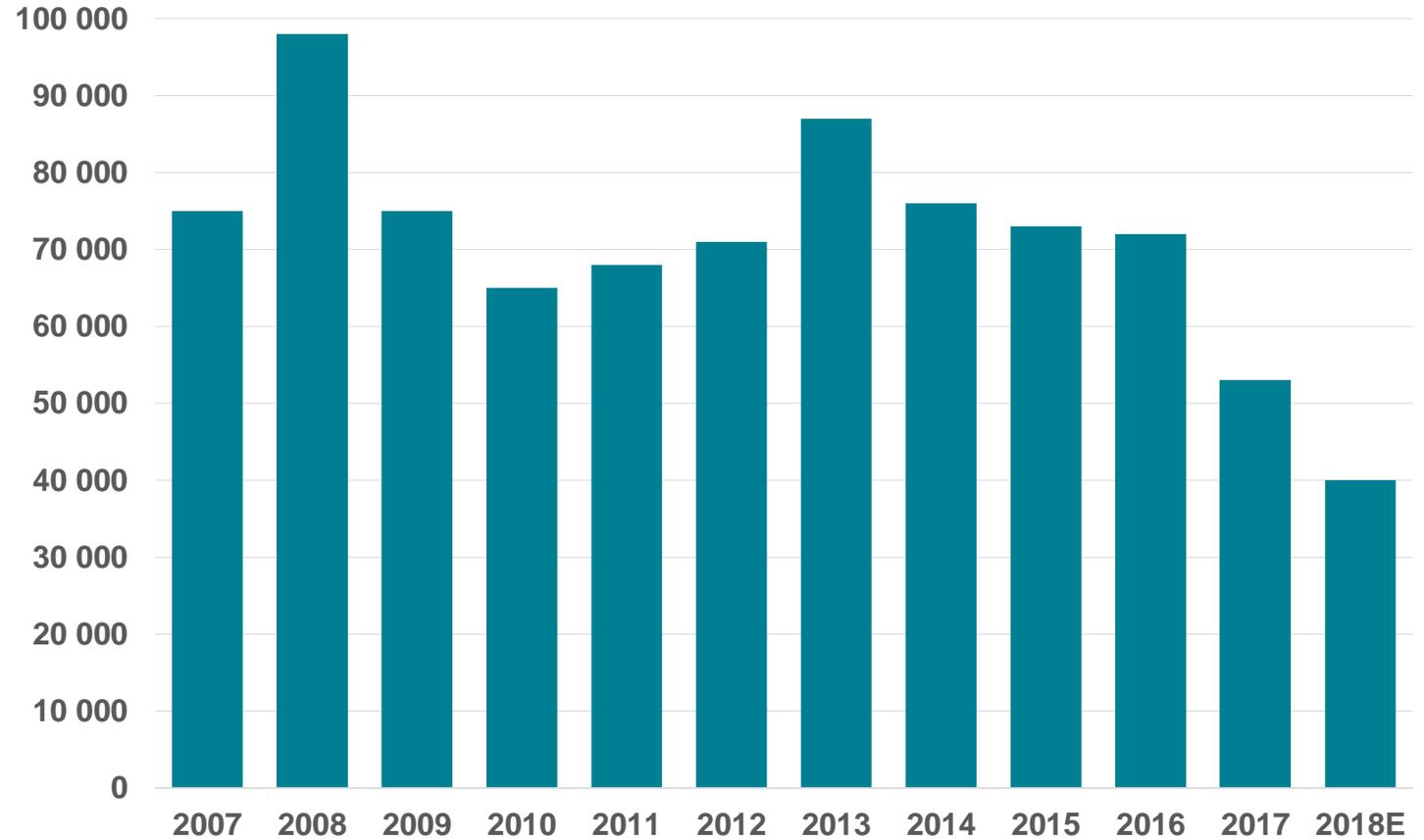
Source: Federal Department of the Environment, Transport, Energy and Communications (DETEC)

Comments

- Strong increase in traffic volume expected in Switzerland until 2040
- An increase of 51% is forecasted for the passenger transport sector
- The biggest driver of traffic development is population growth and economic growth
- Planned development and expansion of major transport axes in Switzerland

Migration: important driver for the real estate industry

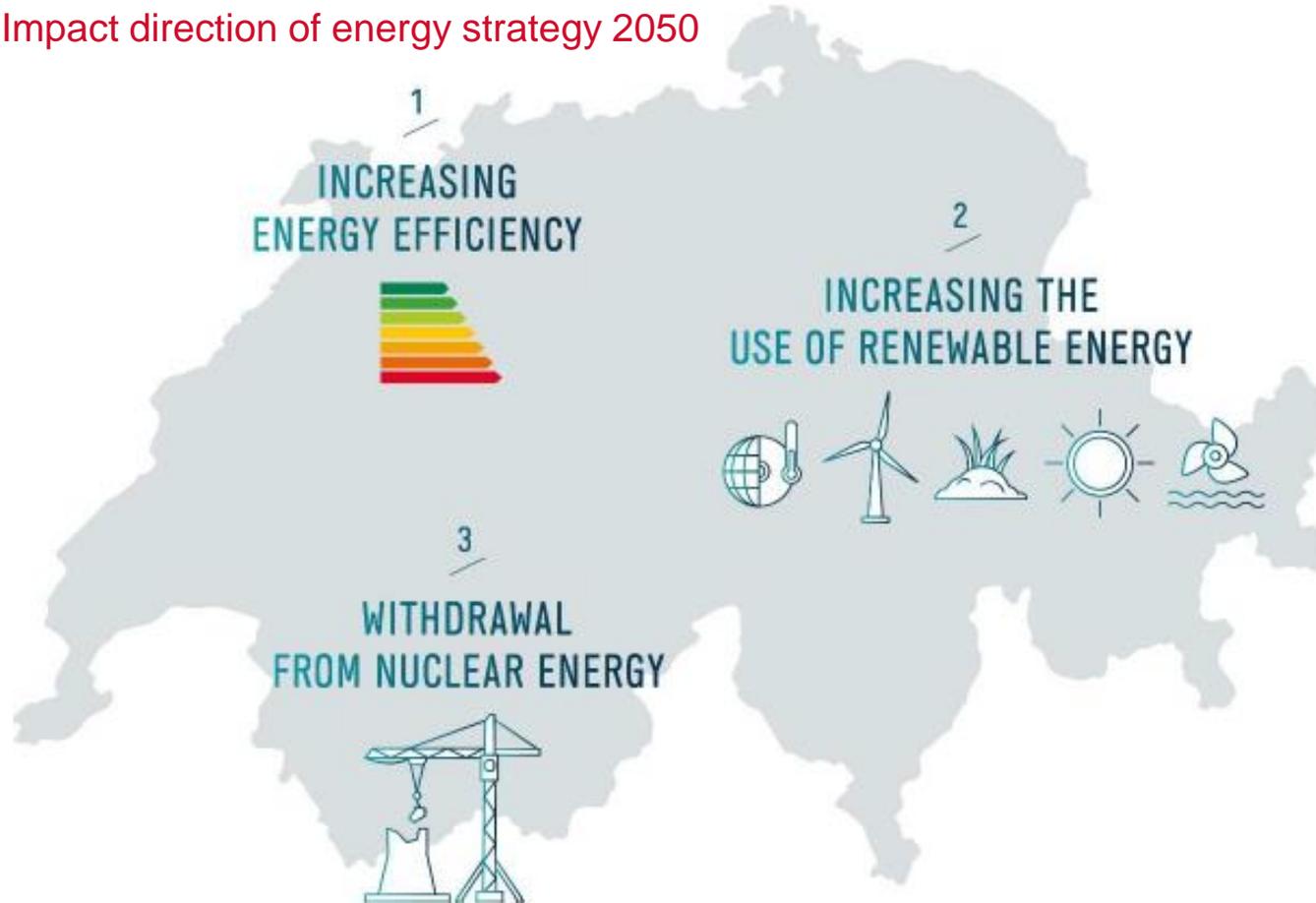
Net migration in Switzerland 2007 to 2018E



Source: OFS

Energy: Swiss Federal Council with new strategy for 2050

Impact direction of energy strategy 2050



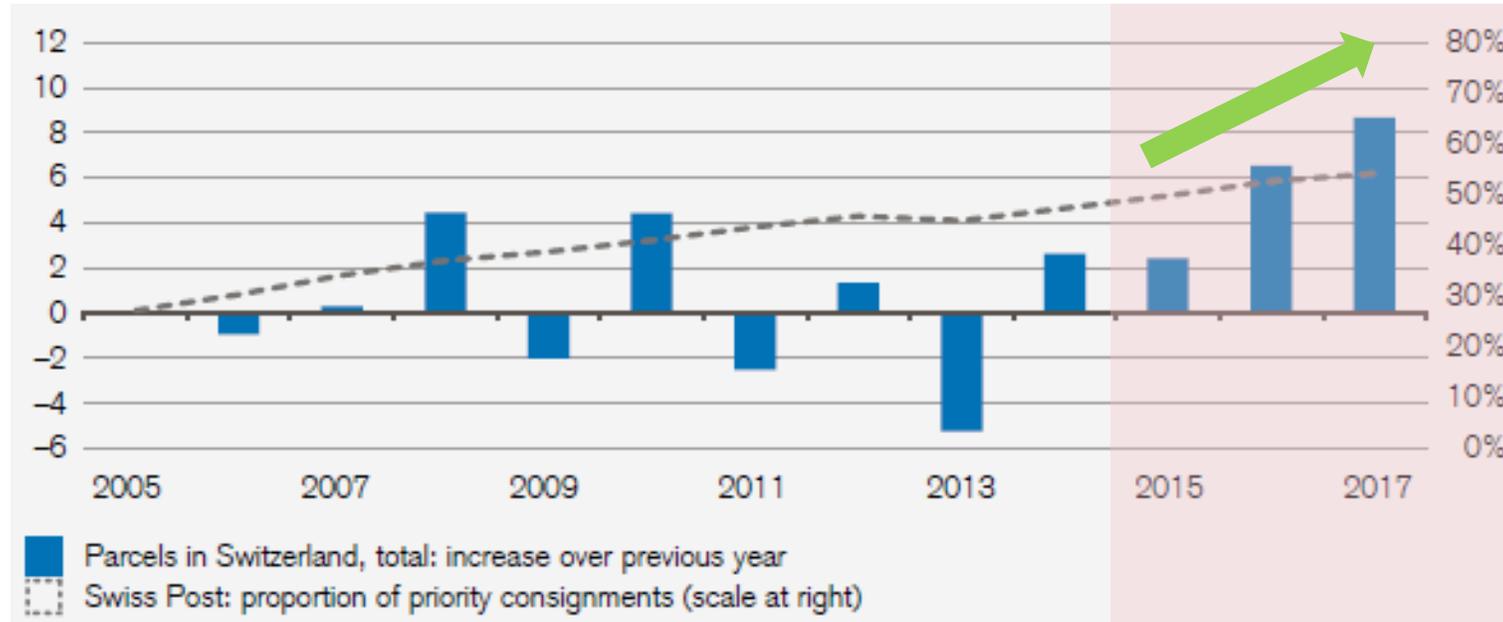
Source: Federal Department of the Environment, Transport, Energy and Communications (DETEC)

Comments

- Saving energy and increasing efficiency
 - buildings
 - mobility
 - industry
 - devices
- Expansion of renewable energies
 - support
 - improvement of legal conditions
- Nuclear phase-out
 - no new general licences
 - gradual exit

Technology: change in transportation due to e-commerce

Change in the number of parcels in millions compared to previous year (estimate)



Comments

- Digitalisation brings fundamental changes to the transport industry
- Drone, fully automatic goods transport, robots etc. with great potential
- Digital commerce has the greatest influence on logistics requirements
- Expectation for logistics demand in Germany in 2021: +77%
- Switzerland: Increase in parcels transported by around 20% since 2013

Source: Credit Suisse

Attractive projects for city logistics within our portfolio

West-Log | Zurich (Altstetten)



Espace Tourbillon | Geneva (Plan-les-Ouates)



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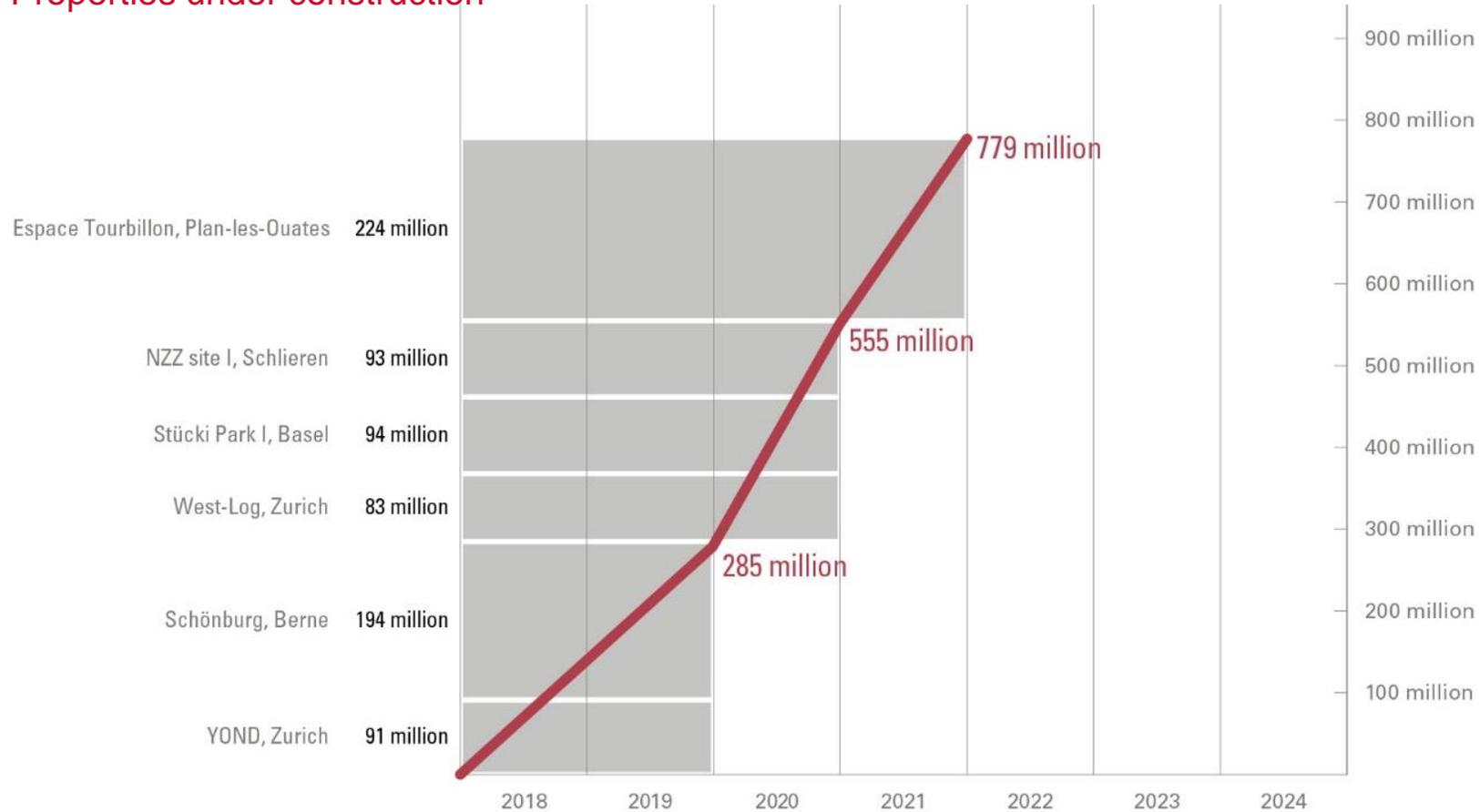
One more thing...

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Annex | Site Visit

Six properties under construction

Properties under construction



Pipeline: CHF 2.0 billion

**Under construction:
CHF ~800 million**

**In development:
CHF ~900 million**

Reserves: CHF >300 million

Constructions (1/6): «Espace Tourbillon» – two sold & one pre-let



* incl. land

Highlights

- **Project:** Multifunctional industrial and commercial park with efficient logistics, total 95 000 m² usable space (incl. already sold buildings)
- **Success factors:** Tailor-made areas for 4 000 new workplaces
- **Partial sale and letting:** two buildings sold to Wilsdorf foundation, one pre-let
- **Investment volume:** CHF 224 million* (excl. sold buildings), completion 2021
- **Net yield:** 6.4% (on cost)

Constructions (2/6): NZZ Print site – Zühlke & Halter as anchor tenants



* incl. land

Highlights

- **Project:** Will create a centre for research, enterprise and the transfer of knowledge
- **Success factors:** Zühlke and Halter Group are both strong anchor tenants and ideal partners for this site (current letting status: ~75%)
- **Investment volume:** CHF 93 million* (phase 1), completion 2020
- **Net yield:** 5.1% (on cost)

Constructions (3/6): «Stücki Park» – cluster for pharma-/bio- & medtech



Highlights

- **Project:** Creates a new centre for 1 700 workplaces
- **Success factors:** Meets need for laboratory and office spaces from new and existing tenants such as Lonza, Medartis, Technology Park Basel; synergies from other uses (innovation, health, wellness, shopping)
- **Investment volume:** CHF 94 million* (phase 1), completion 2020
- **Net yield:** 5.9% (on cost)

* incl. land

Constructions (4/6): «West-Log» – urban logistic hub for EM (Rexel)



Highlights

- **Project:** Urban logistic property at the city border
- **Success factors:** Located right by the railway station and tramline; the site is also ideally connected for logistic and private traffic thanks to the nearby motorway. Elektro-Material AG (Rexel Group) as anchor tenant (85% of rental space)
- **Investment volume:** CHF 83 million*, completion 2020
- **Yield:** 3.6% (on cost)

* incl. land

Constructions (5/6): «Schönburg» – urban living in Bern



Highlights

- **Project:** Comprehensive project to generate significant added value for the city, the district and residents of Schönburg
- **Success factors:** Budget design hotel «Prizeotel» and food retailer/fitness operator «Coop» as anchor tenants. In addition 142 urban city flats (~70% pre-let/reserved).
- **Investment volume:** CHF 194 million*, completion 2019
- **Net yield:** 3.2% (on cost)

* incl. land

Constructions (6/6): «YOND» – flexible office & service space in Zurich



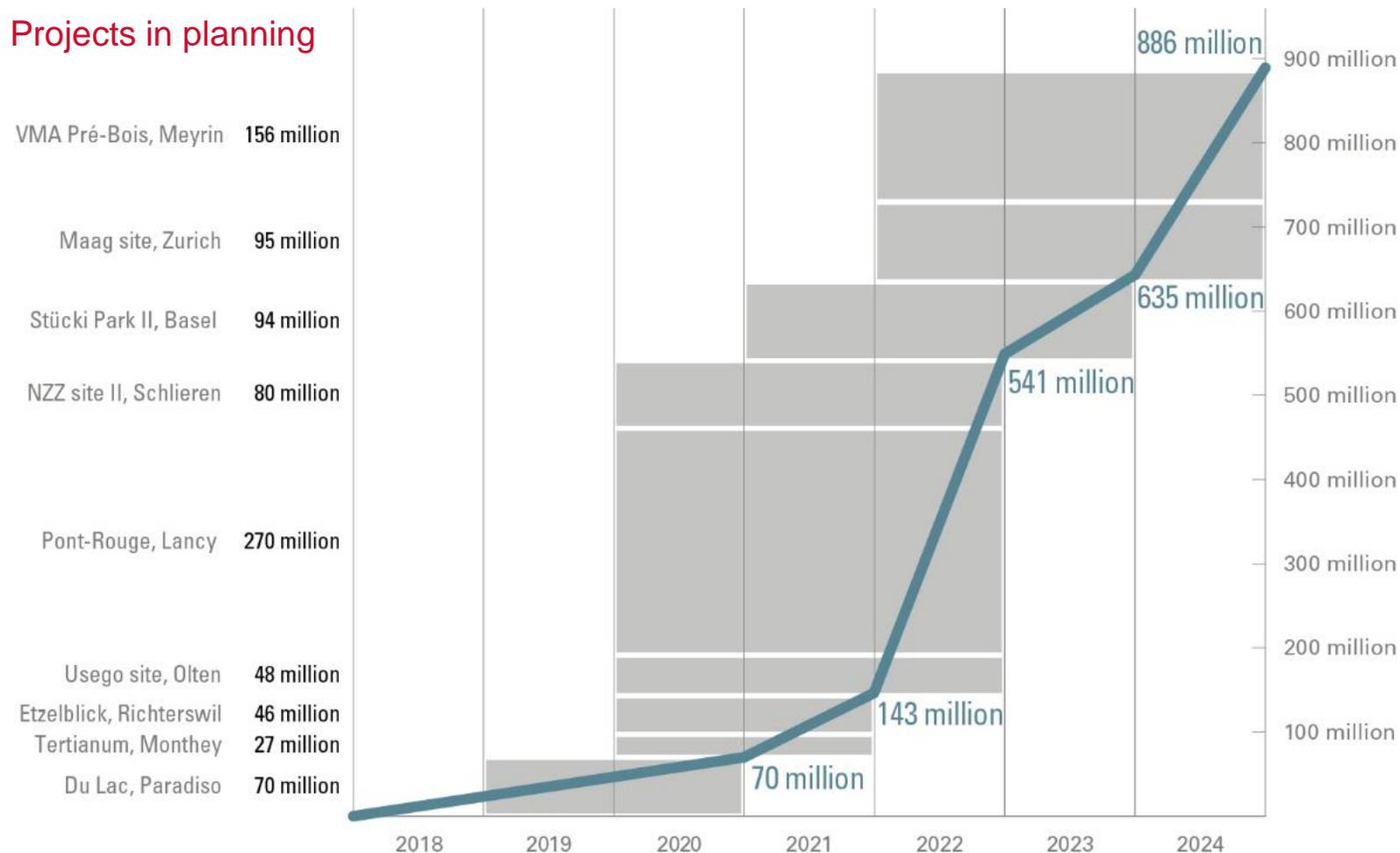
Highlights

- **Project:** Rapidly available, flexible spaces for small, medium and large service providers and traders
- **Success factors:** Innovative real estate project, planned and developed based on lean principles with a focus on flexibility and simplicity
- **Investment volume:** CHF 91 million*, completion 2019
- **Net yield:** 5.5% (on cost)

* incl. land

Nine projects in planning

Projects in planning



Pipeline: CHF 2.0 billion

Under construction:
CHF ~800 million

**In development:
CHF ~900 million**

Reserves: CHF >300 million

Developments (1/9): Tertianum residence Du Lac, Lugano-Paradiso



Highlights

- **Project:** Exclusive Tertianum residence with senior living and care beds
- **Success factors:** Prime lake front location close to Lugano, expansion of the existing Tertianum network in the Canton of Ticino (italian-speaking part of Switzerland)
- **Investment volume:** CHF 70 million*, completion 2021
- **Net yield:** >4% (on cost)

* incl. land

Developments (2/9): Tertianum living & care centre, Monthey



* incl. land

Highlights

- **Project:** Senior living and geriatric care beds for Tertianum
- **Success factors:** New construction in an attractive inner-city location; expansion of the Tertianum network in the Canton of Valais (french-speaking part of Switzerland)
- **Investment volume:** CHF 27 million*, completion 2021
- **Net yield:** >4% (on cost)

Developments (3/9): Etzelblick, Richterswil



Highlights

- **Project:** Senior living and care beds for the community of Richterswil
- **Success factors:** Successful Public Private Partnership («PPP») project with the community of Richterswil, Tertianum and Swiss Prime Site Immobilien
- **Investment volume:** CHF 46 million*, completion 2021
- **Net yield:** >4% (on cost)

* incl. land

Developments (4/9): Usego site, Olten



* incl. land

Highlights

- **Project:** Senior living and modern work spaces for life science companies; senior living and care centre for Tertianum in phase 1
- **Success factors:** The up-and-coming former industrial site of the city of Olten is growing very dynamically (e.g. medtech company Sensile Medical as tenant)
- **Investment volume:** CHF 48 million*, completion 2022
- **Net yield:** >4% (on cost)

Developments (5/9): Alto Pont-Rouge, Lancy



* incl. land

Highlights

- **Project:** Modern office building with approx. 35 000 m² gross area in Geneva's Praille-Acacias-Vernets (PAV) development zone
- **Success factors:** Attractive price offering («factor 4»), directly connected with the CEVA railway station Lancy-Pont-Rouge
- **Investment volume:** CHF 270 million*, completion 2022
- **Net yield:** >4% (on cost)

Developments (6/9): NZZ Print site – «low tech/high effect» project



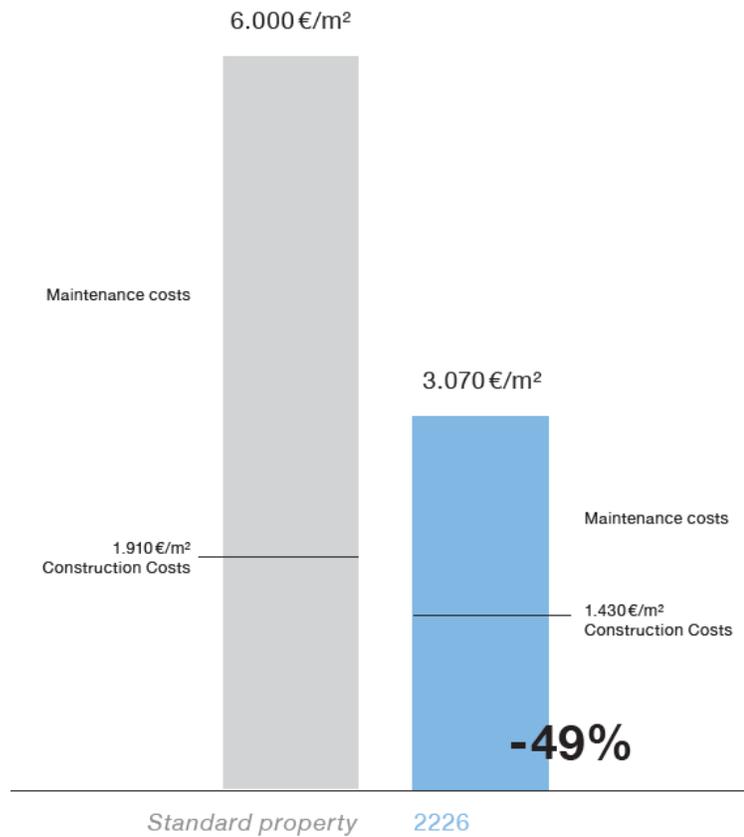
* incl. land

Highlights

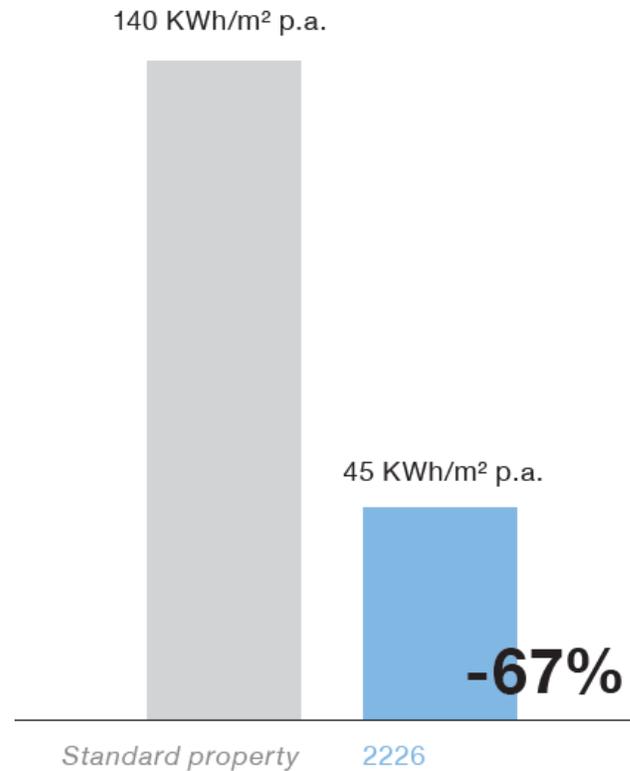
- **Project «2226»:**
Densification of the existing site through a building with high comfort for residents (without heating, cooling and ventilation, however, with stable temperature of 22-26° and optimal humidity)
- **Success factors:** Urban location next to the Schlieren railway station
- **Investment volume:** CHF 80 million* (phase 2), completion 2022
- **Net yield:** ~5% (on cost)

Developments (6/9): NZZ Print site – «low tech/high effect» project

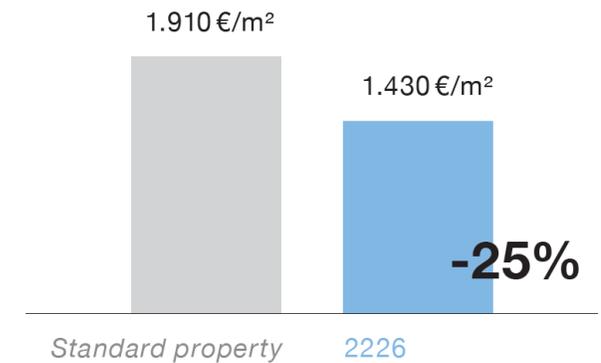
Life Cycle Costs (LCC)



Energy Consumption



Construction Costs



Source: Baumschlager Eberle Architekten

Developments (7/9): «Stücki Park» – cluster for pharma-/bio-/medtech

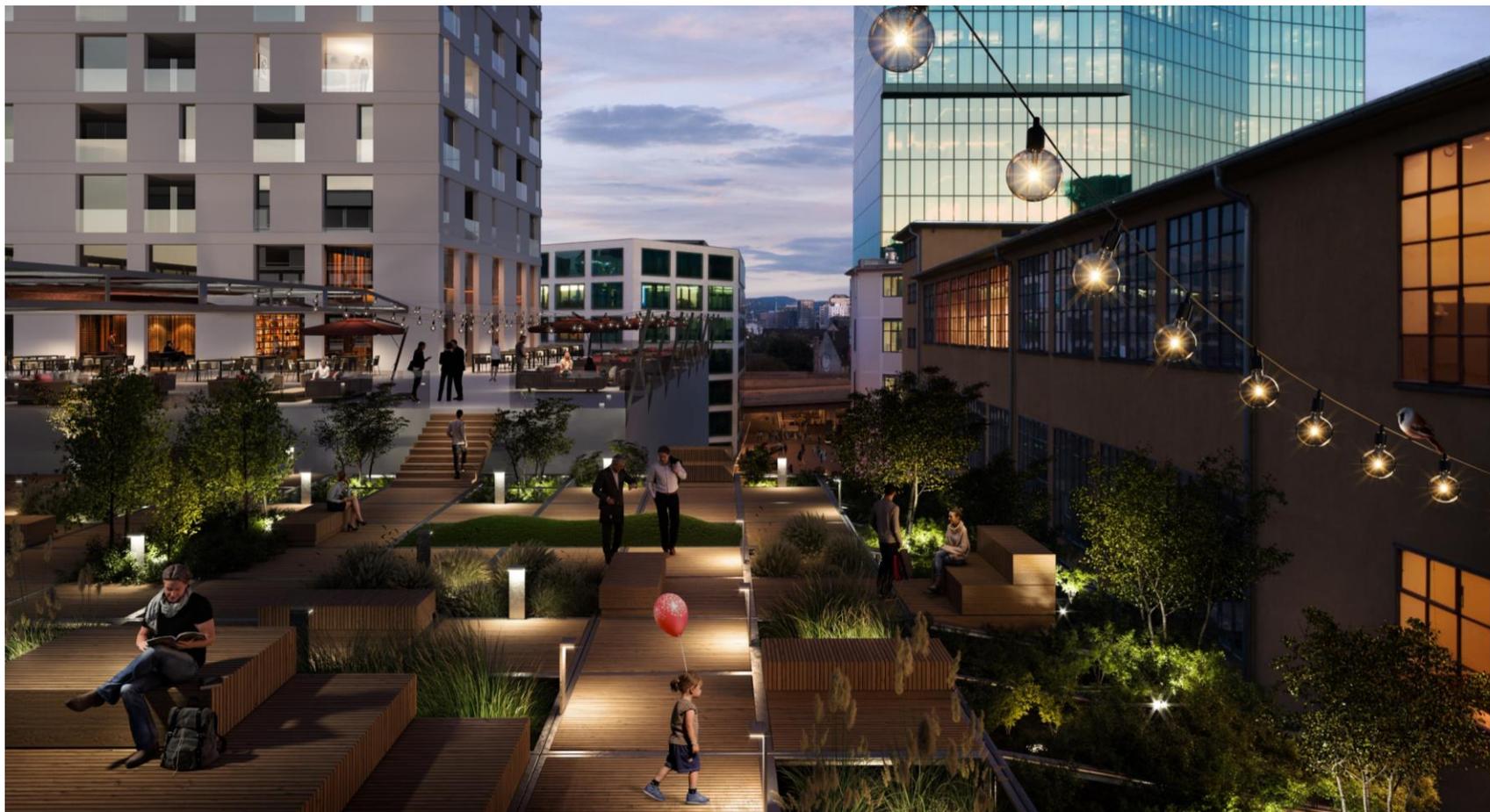


Highlights

- **Project:** Creates a new centre for 1 700 workplaces
- **Success factors:** Meets need for laboratory and office spaces from new and existing tenants such as Lonza, Medartis, Technology Park Basel; synergies from other uses (innovation, health, wellness, shopping)
- **Investment volume:** CHF 94 million* (phase 2), completion 2023
- **Yield:** ~6% (on cost)

* incl. land

Developments (8/9): «maaglife», Zurich-West



Highlights

- **Project:** Further densification of the existing Maag site: project «maaglife»
- **Success factors:** Popular city location with excellent transport connections
- **Investment volume:** CHF 95 million*, completion 2023
- **Net yield:** >5% (on cost)

* incl. land

Developments (9/9): «VMA Pré-Bois», Meyrin



Highlights

- **Project:** Covers 186 hectares and will accommodate new homes and jobs, while developing public facilities that contribute to the quality of life in the city
- **Success factors:** Potential of 5 700 jobs by 2030
- **Investment volume:** CHF 156 million*, completion 2026
- **Net yield:** ~5% (on cost)

* incl. land

Expected growth in rental income of CHF 92 m

Projects	Realisation Investment volume*	Rental space Rental income**	Gross yield (on cost) Net yield (on cost)
Under construction (Capex 2018 – 2021: CHF ~500 m)	<ul style="list-style-type: none"> 2017 – 2021 CHF ~800 million 	<ul style="list-style-type: none"> 157 000 m² CHF ~45 million 	<ul style="list-style-type: none"> 5.7% 5.0%
In development (Capex 2018 – 2026: CHF ~700 m)	<ul style="list-style-type: none"> 2018 – 2026 CHF ~900 million 	<ul style="list-style-type: none"> 136 000 m² CHF ~47 million 	<ul style="list-style-type: none"> 5.3% 4.7%
Reserves (e.g. Iseli site, Schönbühl)	<ul style="list-style-type: none"> >2022 CHF >300 million 		
Total projects for own investment portfolio	Investments: CHF ~2.0 billion	<ul style="list-style-type: none"> 293 000 m² rental space CHF ~92 million income 	Net yield (Ø): 4.8% (current portfolio: 3.7%)
Projects sold (Weltpost Park, part of E. Tourbillon)	Cash inflow: CHF ~300 million Pre-tax profit 2017 – 2021: CHF ~100 million		

* Estimates incl. land ** Assuming fully leased after completion

SWISS PRIME SITE

**WE OFFER
PERSPECTIVES**



main station
BOOKSTORE
bar

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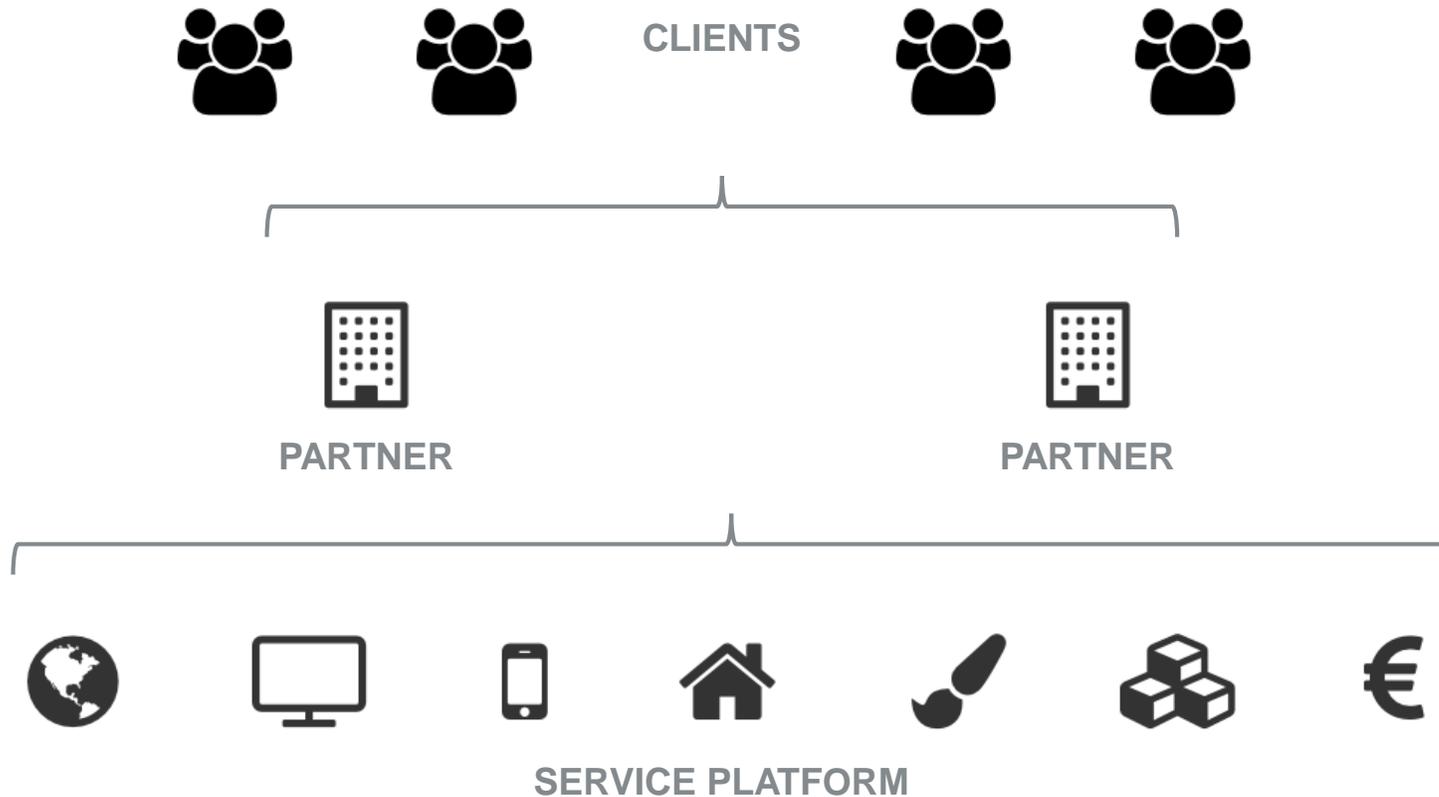
4 Annex | Site Visit

One more thing...

Presentation «streamnow»



Streamnow: business model, services, partner and clients



Facts

- Acquisition of streamnow with existing client base to speed up the implementation of Wincasa's multi portal strategy
- Portal and App solutions to enable end-to-end process optimization for Wincasa's tenants, e.g. tenement applications
- Enhancement of Wincasa's portfolio of innovative digital services for specific tenant segments and specific locations
- Source of valuable tenant data to further develop innovative services
- Increased attractiveness through community building, concierge functions and communication with residents

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Site visit – Riantbosson Centre, Meyrin



Highlights

- **Realisation:** 2016 – 2018
- **Value as at 30 June 2018:** CHF 43 million
- **Rental space:** 6 800 m²
- **Tenants:** McDonald's, Aldi, Maxi Bazar, Coworking spaces (letting status: ~70%)
- **Gross Yield:** 5.3%

Site visit – Espace Tourbillon, Plan-les-Ouates



Highlights

- **Project:** Multifunctional industrial and commercial park with efficient logistics, total 95 000 m² usable space (incl. already sold buildings)
- **Success factors:** Tailor-made areas for 4 000 new workplaces
- **Partial sale and letting:** two buildings sold to Wilsdorf foundation, one pre-let
- **Investment volume:** CHF 233 million* (excl. sold buildings), completion 2021
- **Net yield:** 6.4% (on cost)

* incl. land

Site visit – Geneva high-street retail assets (1/2)



Rue du Rhône 48-50, Geneva

- **Value as at 30 June 2018:** CHF 568.4 million, **Yield:** 3.3%
- **Anchor tenant:** Globus (Migros). **Rental space:** 33 300 m²



Place du Molard 2-4, Geneva

- **Value as at 30 June 2018:** CHF 265.3 million, **Yield:** 3.3%
- **Anchor tenant:** Zara (Inditex). **Rental space:** 7 200 m²

Site visit – Geneva high-street retail assets (2/2)



Rue de la Croix-d'Or 7, Geneva

- **Value as at 30 June 2018:** CHF 66 million, **Yield:** 3.5%
- **Anchor tenant:** Douglas. **Rental space:** 3 500 m²



Rue de la Croix-d'Or 11, Geneva

- **Value as at 30 June 2018:** CHF 31 million, **Yield:** 4.1%
- **Anchor tenant:** Zara (Inditex). **Rental space:** 1 700 m²

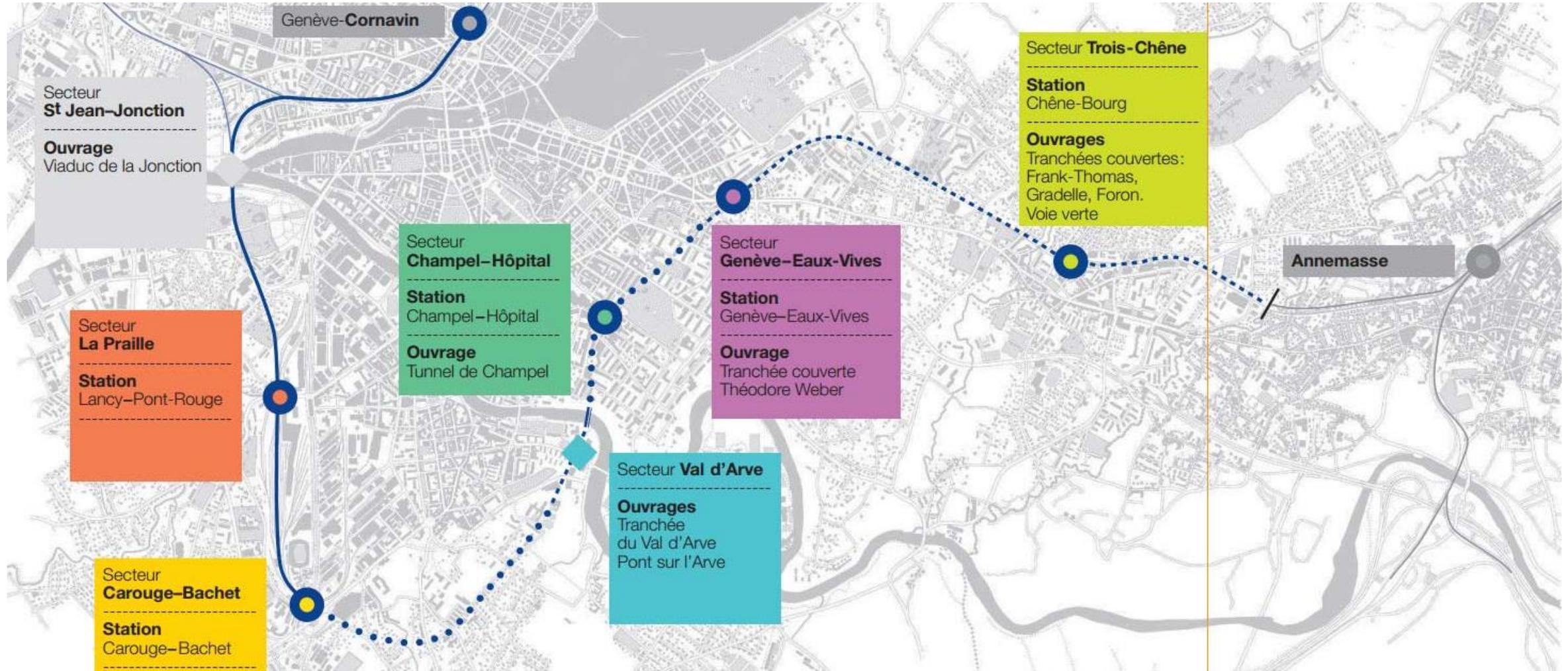
Site visit – Alto Pont-Rouge, Lancy



Highlights

- **Phase 1 – Other investors:** KPMG, EY, Swisscom, Migros etc. as tenants
- **Phase 2 – Swiss Prime Site Immobilien:** Planned investment volume of CHF 270 million until 2022
- **Railway station «Lancy-Pont-Rouge»:** Léman Express (CEVA) will directly connect Geneva Cornavin station and Annemasse in France by end of 2019. Total investments for CEVA railway: ~CHF 1.6 bn

Site visit – CEVA railway network by end of 2019



SWISS PRIME SITE

A man and a woman are walking away from the camera on a paved path that winds through tall, golden-brown grass. They are looking out over a vast cityscape, likely Zurich, Switzerland. The city is densely packed with buildings of various heights and colors, extending to a large body of water in the distance. The sky is overcast and grey. The overall scene conveys a sense of a high-quality, scenic living environment.

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LIVING SPACES**

SWISS PRIME SITE

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Company calendar

Annual report 2018	28 February 2019
Annual general meeting	26 March 2019

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