



HIAG Immobilien Business Year 2015

21 March 2016

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Agenda

- 1. Highlights**
2. Update on strategy
3. Financial results 2015
4. Major developments
5. Market and outlook
6. Financial calendar
7. Appendix

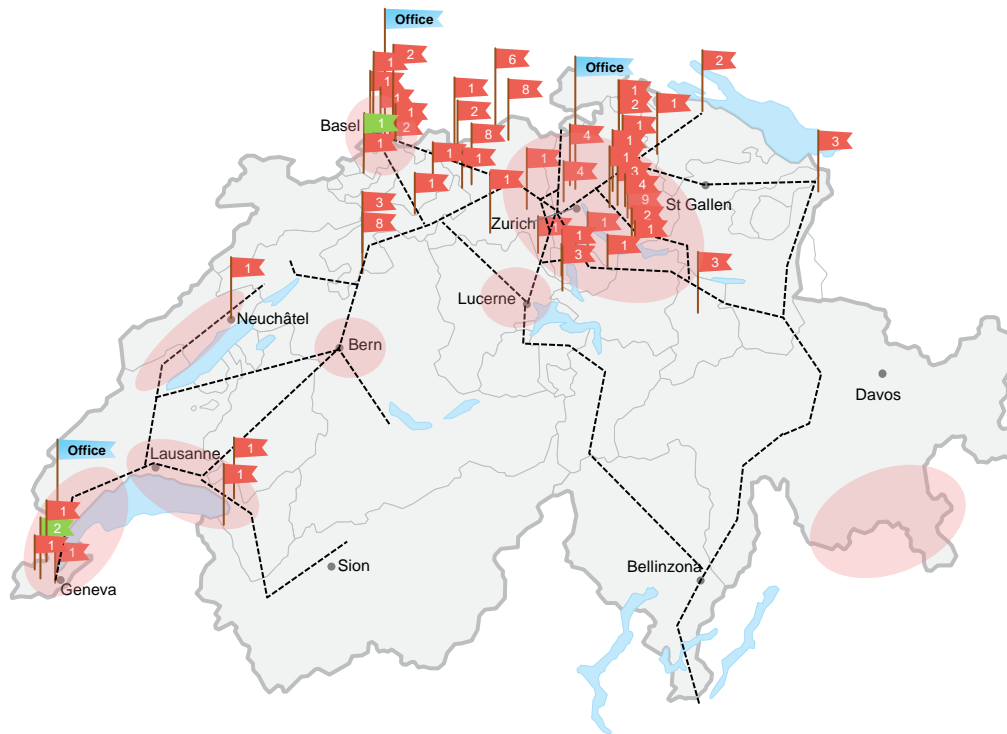
Highlights


- Increase in property income by 5.2% to CHFm 51.2
- CHFm 59.5 net profit
- Earnings per share at CHF 7.4
- Return on equity at 8.8%
- Growth of portfolio to CHFm 1'224
- Like for like reduction of vacancy rate from 11.7% to 10.0% in yielding portfolio
- Solid financing structure with equity ratio at 54.4% and LTV ratio of 36.8%
- Successful bond issuance of CHFm 100 in July 2015
- Dividend per share increased to CHF 3.5, distribution out of capital contribution reserves (tax free for private investors domiciled in Switzerland)

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Further acquisitions in line with strategy



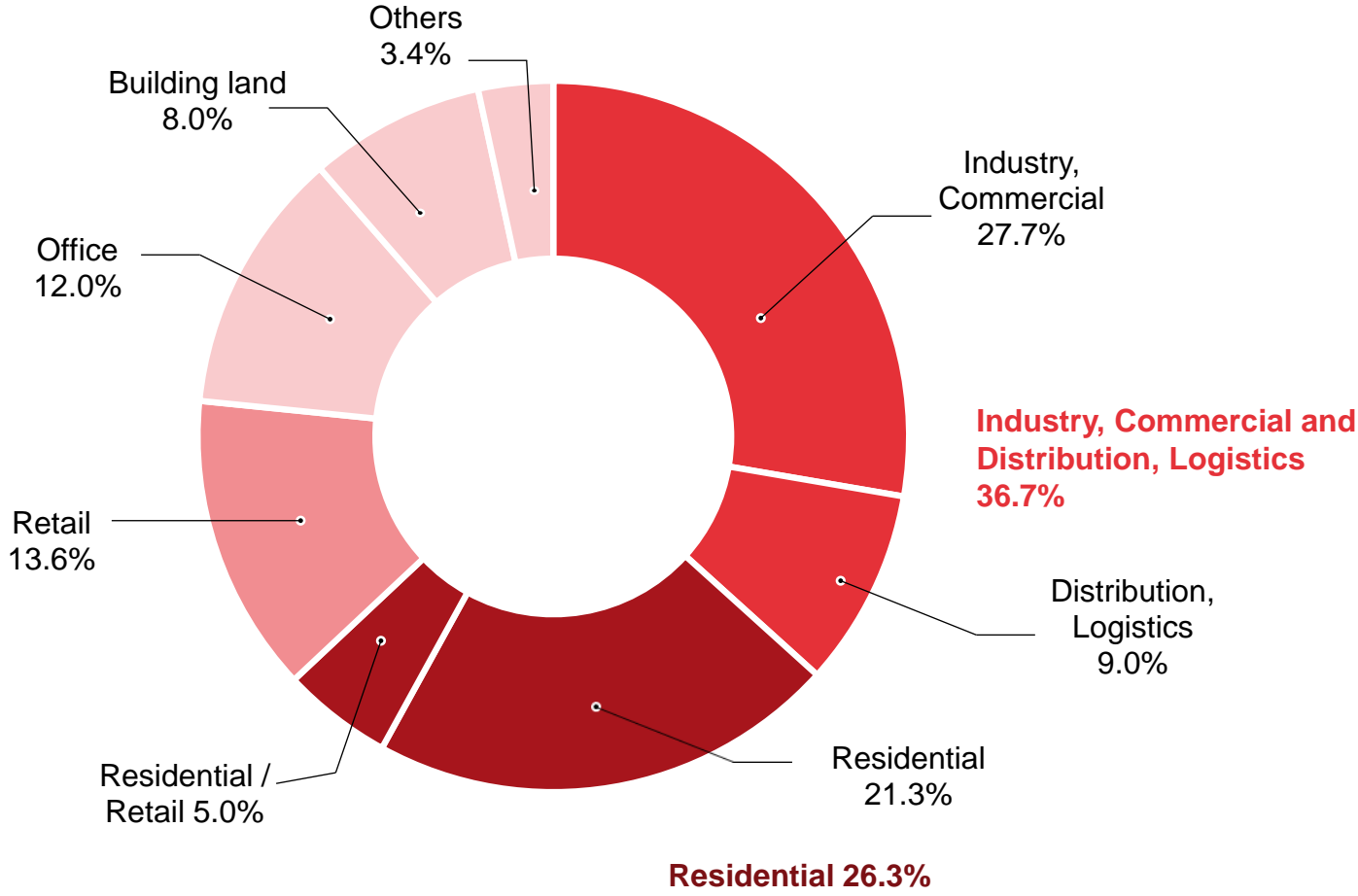
 Flags refer to sites; numbers refers to number of properties (115 in total as of 31 December 2015).

 Acquisitions

 Simplified indication of high land value (>CHF300/m² for industrial building land); source Wüest & Partner.

- Investment focus on Switzerland only
- Long-term landlord
- Large scale
- Redeveloper of well-located former commercial sites in close proximity to Swiss' main metropolitan areas
- Redevelopment pipeline to establish 679'000 m² of additional usable area
- Focus on the most intensive value creators in the redevelopment process
- Yielding portfolio with stable and projectable income thanks to a diversified and high quality group of tenants

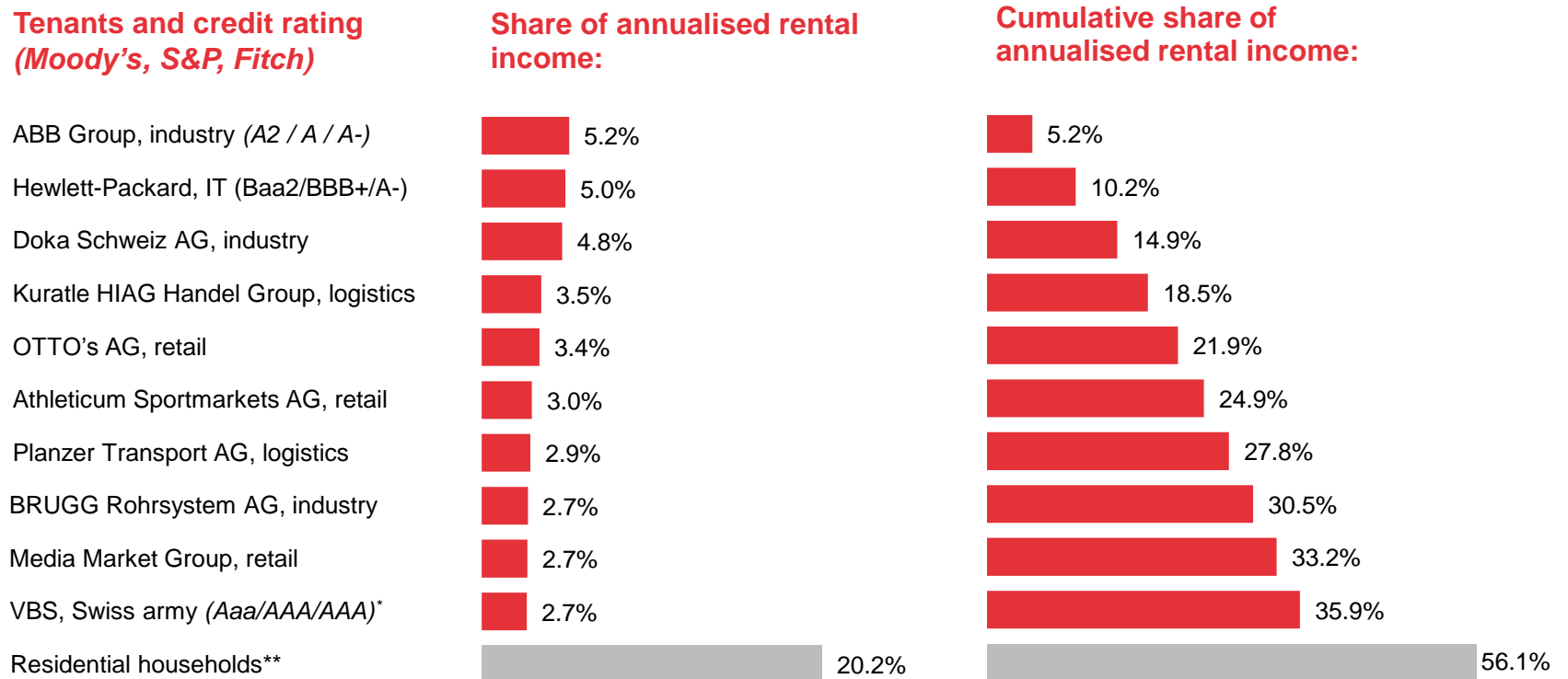
Attractive mix of uses with little exposure to office markets...



Based on GAV as of 31.12.2015

...with a strong and diversified tenant base...

Top 10 tenants (Group) based on annualised property income



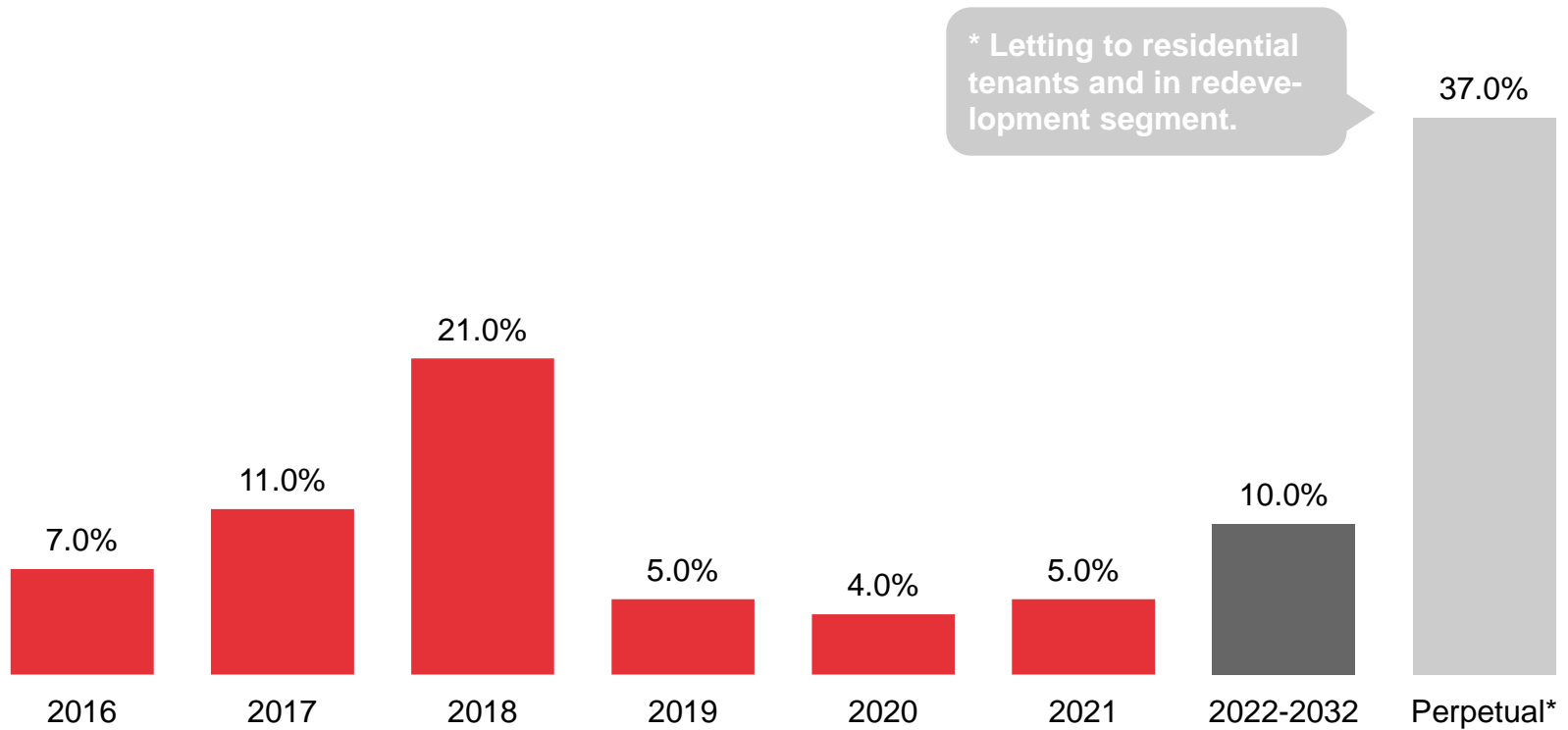
Tenant base as of 31.12.2015

* Credit rating of Swiss Government

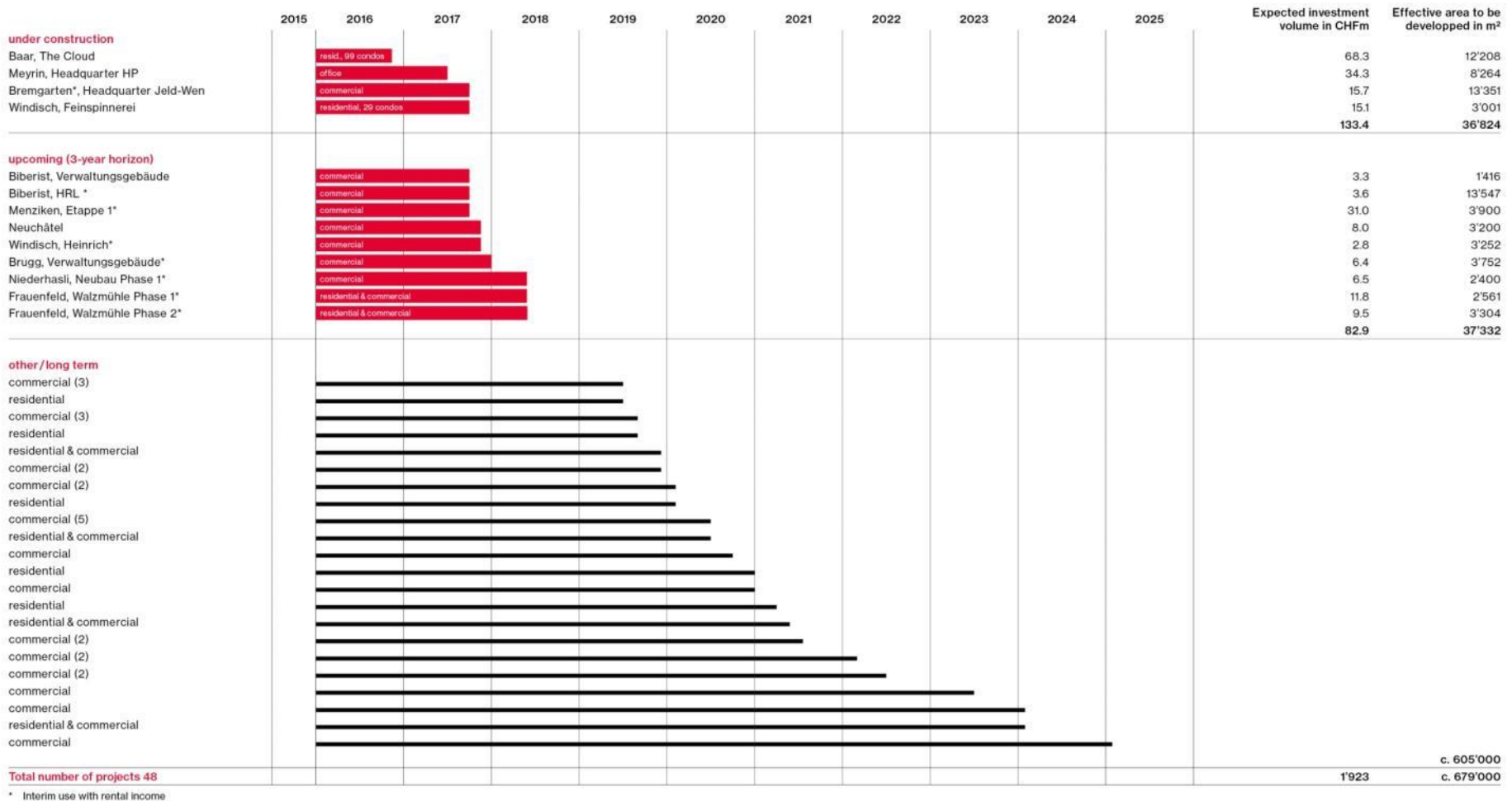
** Includes residential/commercial properties

...and a long-dated expiry profile

Expiry profile based on property income as of 31 December 2015



Project pipeline grown by 20% since IPO – three new projects under construction



* Interim use with rental income

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Income statement

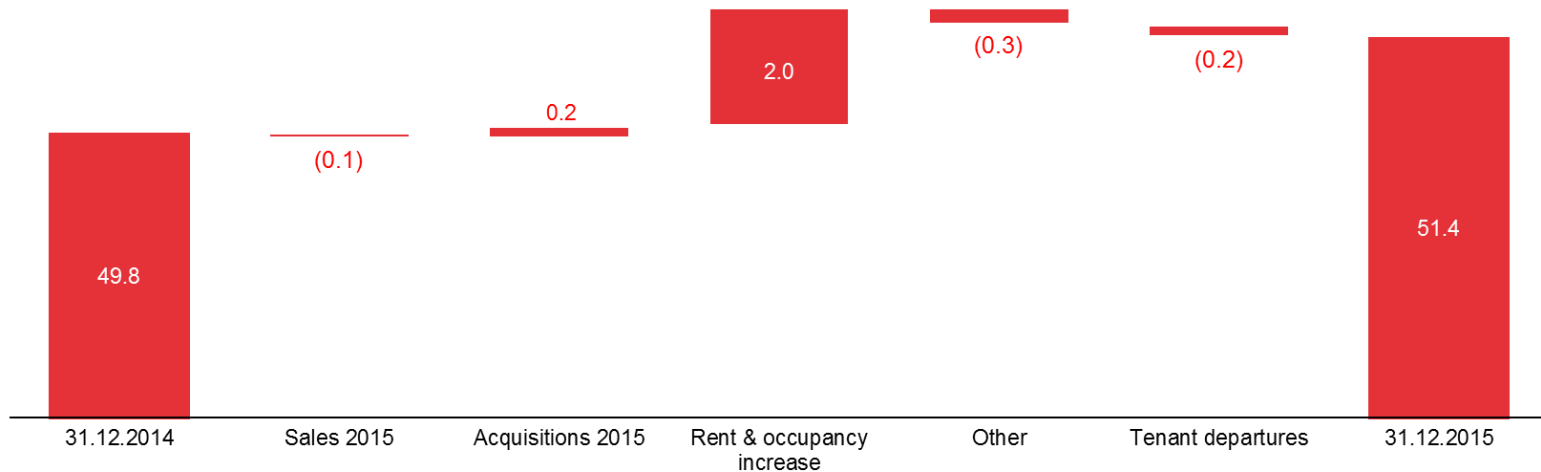
in CHFm	FY 2015	FY 2014	Δ CHFm	Δ %
Property income	51.2	48.7	+2.5	+5.2%
Revaluations of properties	31.5	28.7	+2.8	+9.7%
Total operating income without revaluations	54.1	50.2	+3.8	+7.6%
Total operating expenses	-20.5	-19.6	+0.9	+4.6%
EBITDA	65.0	59.3	+5.7	+9.6%
Adj. EBITDA*	40.2	39.8	+0.4	+1.1%
EBIT	64.4	58.7	+5.7	+9.8%
EBT	59.8	51.8	+8.0	+15.4%
Net income **	59.5	48.9	+10.6	+21.7%
Net Income without IPO costs	59.5	50.4	+9.1	+18.0%
EPRA Earnings	28.3	25.2	+3.1	+12.3%

* EBITDA - revaluation of properties + revaluation promotion

** incl. IPO costs of CHFm 1.5 for business year 2014

Increase in annualised property income by CHFm 1.6

in CHFm	31.12.2013	31.12.2014	31.12.2015	Δ CHFm	Δ %
Target annualised property income	57.0	60.4	61.0	+0.6	+1.0%
Actual annualised property income	46.6	49.8	51.4	+1.6	+3.2%
Actual property income	43.5	48.7	51.2	+2.5	+5.2%



- Like for like increase in annualised property income by CHFm 1.5 (3.0%)

Continuing reduction of vacancy rate

in %	31.12.2015	31.12.2014
Yielding properties	11.1%	11.7%
Yielding properties undergoing repositioning*	32.4%	33.8%
Redevelopment properties	19.3%	24.9%
Total portfolio	16.0%	18.0%

- Yielding properties: full occupancy in the property Spinnerkönig (Windisch), new rental agreements in Dietikon and Oberaathal-Aabach balanced by the transfer after renovation completion of the property Füllinsdorf with an occupancy rate of 46.2% (like for like yielding portfolio: 10.0%)
- Redevelopment properties: after the completion of the renovation in Füllinsdorf the site has been transferred to the yielding portfolio with an occupancy rate of 46.2% and scaling of rental agreement in Biberist (like for like redevelopment portfolio: 21.6%)

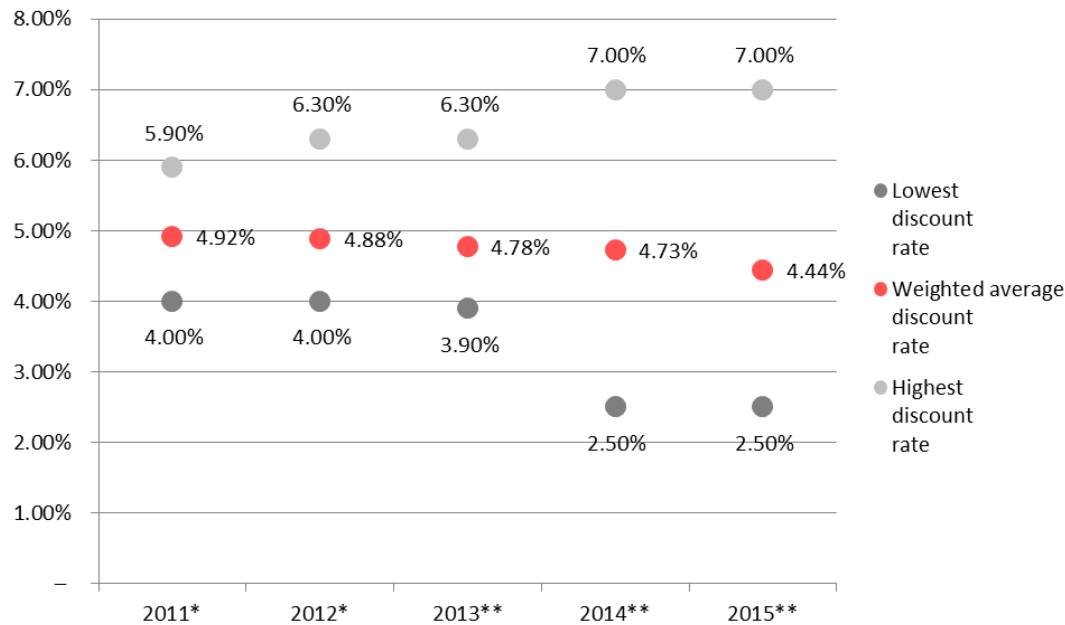
* Properties Mandachstrasse 50-56 (Niederhasli), Lorzenparkstrasse 2-16 (Cham) and Sternenfeldstrasse 14 (Birsfelden)

Revaluation of properties

in CHFm	FY 2015	FY 2014
Revaluations of properties	+31.5	+28.7
Thereof revaluation promotion	+6.7	+9.1
Thereof adjustment costs for environmental risks	+0.2	-

- Positive contributions: Meyrin, Windisch, Baar, Dornach, Cham
- Negative contributions: Dietikon, Birsfelden, Aathal

One third of revaluation effects linked to reduction of discount rate



- Major impact of condominium projects discounted at 2.5% instead of 4.0% in 2014
- Condominium effect will disappear after units are sold
- Reduction in yielding portfolio: 11 bps

	31.12.2015	31.12.2014
Weighted average real discount rate yielding portfolio**	4.66%	4.77%
Weighted average real discount rate redevelopment portfolio**	4.12%	4.67%
Weighted average real discount rate total portfolio**	4.44%	4.73%

* except land and building rights incl. power plant

** except land, building rights and power plant

Operating expenses in line with business development

in CHFm	FY 2015	FY 2014	Δ CHFm	Δ %
Personnel expenses	7.6	6.4	+1.2	+18.1%
Maintenance and repairs*	3.5	3.2	+0.3	+10.2%
<i>in % of total property value</i>	<i>0.28%</i>	<i>0.27%</i>		
Insurance and fees	0.8	1.0	-0.2	-20.8%
Energy costs and building maintenance	2.4	2.5	-0.1	-4.3%
Rent and leases**	1.3	1.3	-	-
Other expenses	4.9	5.2	-0.3	-6%
Total operating expenses	20.5	19.6	+0.9	+4.6%

• in line and benchmark with portfolio volume

** building rights (CHFm 0.8) and offices in Basel, Zurich, Geneva (CHFm 0.5)

Key financial figures per share

in CHF	FY 2015	FY 2014
Earnings per share	7.4	6.8
Earnings per share without revaluation	3.5	2.8
Earnings per share without revaluation including revaluation of promotion	4.3	4.1
Time-weighted average number of shares	8'000'000	7'362'500
EPRA Earnings per share	3.5	3.5
Average number of shares	8'000'000	7'150'000
Swiss GAAP FER NAV per share	88.6	84.5
EPRA NAV per share	96.5	91.5
Number of shares (diluted)	8'000'000	8'000'000
Planned dividend payout (cash distribution out of capital contribution)*	3.5	3.3
Payout ratio in %**	80.8%	79.9%
Cash yield in %***	3.9%	4.0%

* Proposition to the annual General Meeting on 19 April 2016 for the business year 2015: cash distribution out of capital contribution reserves

** Distribution per share in relation to EPS without revaluation of properties incl. revaluation of promotion

*** Distribution per share in relation to share price at end of period

Balance sheet

in CHFm	31.12.2015	31.12.2014	Δ CHFm	Δ %
Properties	1'105.3	1'048.7		
Properties held for sale	118.7	102.4		
GAV	1'224.0	1'151.1	+72.9	+6.3%
LTV Ratio	36.8%	37.0%		
Swiss GAAP FER NAV	708.7	675.6		
Swiss GAAP FER NAV per share*	88.6	84.5		
Capital contribution reserves	101.0	127.4	-26.4	
Equity ratio	54.4%	54.4%		
Return on Equity	8.8%	8.3%		
EPRA NAV	771.9	732.0		
EPRA NAV per share*	96.5	91.5		

* Number of shares 8'000'000 as of 31.12.2015 and 8'000'000 as of 31.12.2014

Continuous portfolio growth



in CHFm

NAV defined as shareholders' equity as per Swiss GAAP FER

(1) The company held treasury shares in the amount of 10% of share capital as of 31.12.2013

HIAG Immobilien

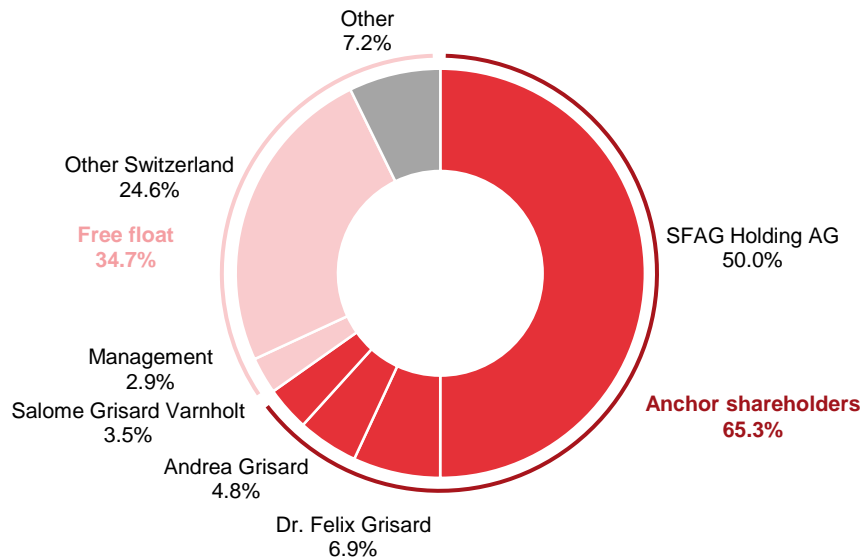
Diversified financing structure

in CHFm	31.12.2015	31.12.2014
Bank financing	402.3	487.8
Bond (CS rating Low: BBB stable / Vontobel rating: BBB stable)	100.0	-
Total	493.4	487.8

- Most of the Group's bank financing agreements are perpetual with interest only
- Current LTV ratio of 36.8% (37.0% in 2014)
- Target LTV ratio of below 50%
- Interest coverage ratio of 7.2x (5.8x in 2014)
- Increase of the duration (from 1.7 years to 2.1 years)
- Average cost of debt of 1.0% (1.0% in 2014)
- The Group is currently not hedging any interest rate risks

- Bond of CHFm 100.6 with a coupon of 1.00% and a maturity of 6 years issued in July 2015. The proceeds have been primarily used for the repayment of bank financing (CHFm 89.0).

Dividend increase by 6% to CHF 3.5 p.s.



HIAG Immobilien shareholders

31.12.2015

SFAG Holding AG*	50.0%	Anchor shareholders: 65.3%
Dr. Felix Grisard	6.9%	
Andrea Grisard	4.8%	
Salome Grisard Varnholt	3.5%	
Management	2.9%	Free Float: 34.7%
Other Switzerland	24.6%	
Other	7.2%	
Total	100.0%	

* Owned by Salome Grisard Varnholt, Dr. Felix Grisard and Andrea Grisard

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Windisch «Feinspinnerei»

Construction started in October 2015

Under construction / Pre-marketing / Commercialisation

- Spinnerkönig fully let by July 2015
- Commercialisation of Spinnerei III end of February at 96% and Stegbünt at 100%
- Project Feinspinnerei: construction started in October 2015, 10% sold



Baar «The Cloud»

First units delivery in April 2016

Commercialisation

- First units to be delivered in April 2016
- 55% of condominiums sold and signed reservations end of February 2016
- Strengthened differentiation of rooftop apartments



«HQ EMEA HP» Meyrin

Second floor under construction

Under construction

- Long-term lease with Hewlett-Packard for new EMEA headquarter (approx. 8'300m²), building fully let
- Construction status: second floor under construction, delivery planned Q3 2017



Bremgarten «Jeld-Wen»

Construction started in November 2015

Under construction

- Within 2 years, 2'500m² office and 4'900m² commercial space added during operation
- Investment volume of approximately CHFm 16
- Rental agreement was prolonged by 12 years



«Papieri» Biberist Masterplan approved

Under redevelopment

- Communal authorities approve unanimously Masterplan Papieri 2033
- Land swap with Canton for development for renaturation project of Emme in January 2016



«Papieri» Biberist

High bay storage in permission process

Permit pending

- Pre rental agreement signed
- Expected investment volume of approximately CHFm 4
- Start of renovation subordinated to permission building



Dornach site

Competition in preparation

Under Redevelopment

- Urbanist competition in preparation, expected to be commenced in 2016
- Railway and highway access defining pace of development
- Part of production facilities to be moved to Reconwillier until end of 2016



Frauenfeld

Building permit applications submitted

Permit pending

- Three sub-projects comprising 39 apartments and 2'600m² of office and commercial area
- Total expected investment volume of approximately CHFm 34



Brugg

Renovation in 2016

Permit pending

- Renovation and enlargement project with the main tenant, the cantonal and municipal police forces
- Building permit expected mid 2016
- Expected investment volume of approximately CHFm 6

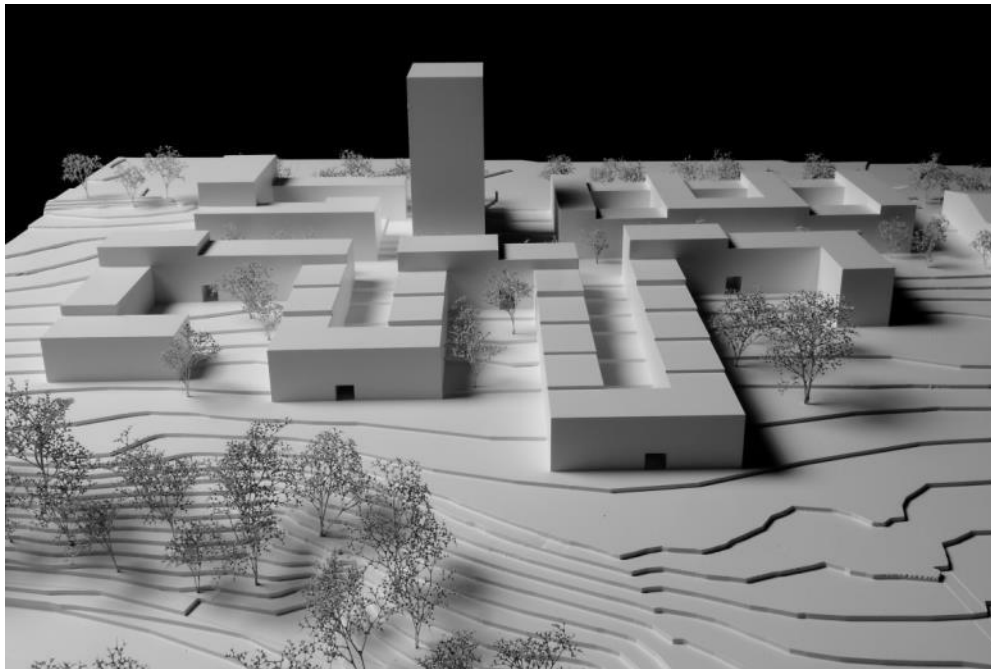


Cham Nord

Development perspectives strengthened

Under redevelopment

- Private hockey athlete campus for EVZ strengthens attractiveness of site
- App. 6'000m² land to be sold (total 46'282m²) will consume almost full commercial volume
- Preparation of building application for campus and phase one residential in 2016



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Market

- Economic slowdown expected to continue in 2016
- Migration still driving market but at lower purchasing power
- Uncertainty tends to slow down decision taking process

- Interest rate environment not expected to change fundamentally
- Highly attractive Real Estate yields encourage additional capital inflow in area acquisition

- Condominium still attractive though not pushed by migration

Outlook

- Property income expected to increase in 2016 at slower pace
- Net capital inflow of CHFm 77 from current condominium projects expected within 2-3 years
- Recent valuation shift of new residential projects (rental) increases relative attractiveness of rental apartments vs. condominiums
- HIAG Immobilien to stick to its acquisition metrics and policy
- Dividend payout policy of 4% of NAV

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Financial calendar

19 April 2016 General Meeting in Aathal (ZH)

5 September 2016 Publication half-year results 2016

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Portfolio key figures

in CHFm	31.12.2015	31.12.2014
Portfolio	1'224	1'151
Yielding Portfolio	717	703
Redevelopment Portfolio	507	448
Annualised property income	51.4	49.8
Number of properties	115	115
Number of redevelopment properties	54	53
Number of projects	48	51
Vacancy rate	16.0%	18.0%

Strong credit metrics and solid capital structure – LTV ratio of 36.8%

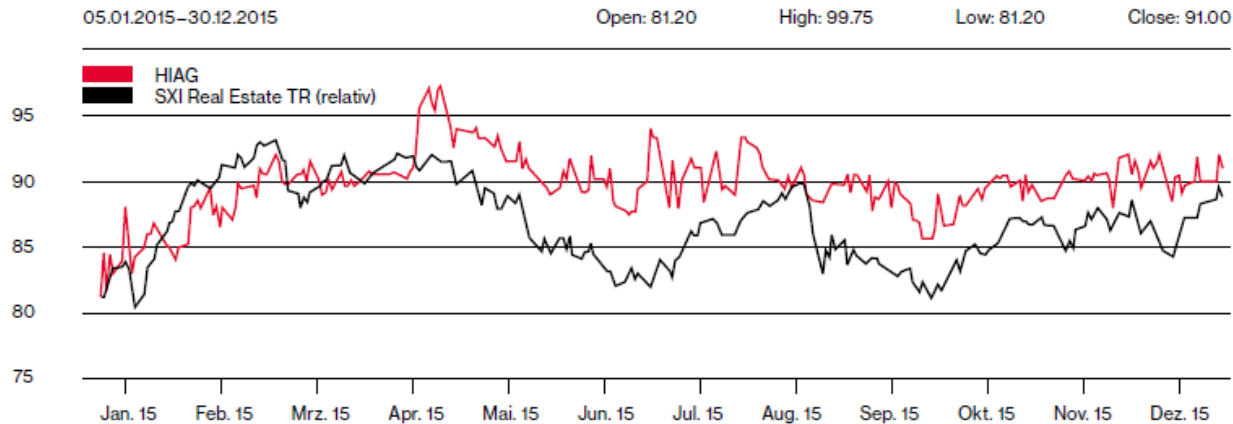
in CHFm	31.12.2015	31.12.2014
GAV	1'224.0	1'151.1
Cash & cash equivalents	52.4	62.2
Gross financial debt	502.3	487.8
Thereof due within 12 months	8.9	11.3
EBITDA before revaluation of properties	33.5	30.6
Net financial result*	-4.6	-5.3
LTV ratio	36.8%	37.0%
Interest coverage ratio**	7.2x	5.8x
Duration (in years)***	2.1	1.7
Average interest rate	1.0%	1.0%
Fixed interest rate over 1 year***	44.0%	58.2%

* Excl. IPO costs of CHFm 1.5 as of 31.12.2014

** EBITDA before revaluation of properties / net financial expense

*** Excl. building credit and short term bank debt

2015 Share price performance



Share price in CHF	2015
High	99.8
Low	81.2
End of period	91.0
Market capitalisation in CHFm	2015
End of period	728.0
Registered shares	2015
End of period	8'000'000

Condominium sales

Project	Stegbünt, Windisch	Spinnerei III, Windisch	The Cloud, Baar	Feinspinnerei, Windisch
Status	Marketing	Marketing	Under construction	Under construction
Targeted completion of construction	-	-	2016	2017
# of condominiums	63	50	99	29
% of units sold as of 31.12.2015	97%	82%	39%	7%
% of units sold and signed reservations as of 31.12.2015	98%	88%	48%	10%
% of units sold as of 28.02.2016	100%	84%	46%	10%
% of units sold and signed reservations as of 28.02.2016	100%	96%	55%	10%
Total target revenues in CHFm	42.0	35.3	138.6	24.7
Revenues from sales up to 31.12.2015 in CHFm	40.2	30.4	51.9	1.6

Cash flow

in CHFm

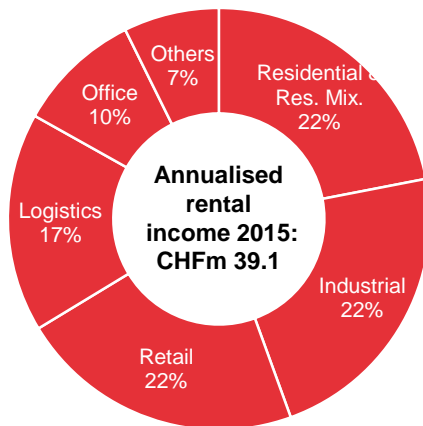
	FY 2015	FY 2014
Funds from operations incl. sales of condominiums	+44.6	+46.4
Cash Flow from Investments	-42.8	-99.0
Cash Flow from Financing	-11.6	+95.9

Yielding Portfolio – Overview

Description

- HIAG Immobilien's Yielding Portfolio includes the properties for which currently no redevelopment is planned and which are intended to generate a stable and predictable income
- HIAG Immobilien's Yielding Portfolio includes 61 properties located on 23 sites accounting for a GAV of CHFm 717, 59% of total GAV
- The annualised rental income of the Yielding Portfolio amounted to CHFm 39.1 as of 31 December 2015

Rental income by main use



Top 5 yielding sites

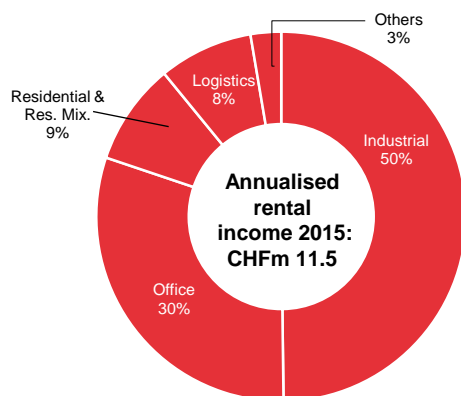
(in CHFm)	Dietikon	Klein-döttingen	Klingnau	Niederhasli	Windisch
Value	127.2	91.2	82.6	74.8	60.4
61% of total Yielding Portfolio					
Net yield	5.1%	5.3%	5.1%	5.9%	5.2%
Lettable area in m²	38'097	64'714	45'844	31'678	12'703
Annualised property rent in CHFm	6.5	4.9	4.2	4.4	3.1
Occupancy rate	95.1%	80.6%	86.1%	81.0%	96.0%

Redevelopment Portfolio – Overview

Portfolio segmentation

Expected main redevelopment steps	Under			
	Marketing	construction	Mid-term	Long-term
	On-going	On-going	3-5 years	5-10 years
GAV (CHFm)	7.3	144.6	52.0	303.1
m ² to be redeveloped	-	c. 36'800	c. 37'300	c. 605'000
Number of properties	2	4	9	39
Number of projects	2	4	9	35
Annualised intermediary rental income (CHFm)	-	0.8	1.9	8.7

Rental income by main use



Selected redevelopment sites

With partial use of existing substance:

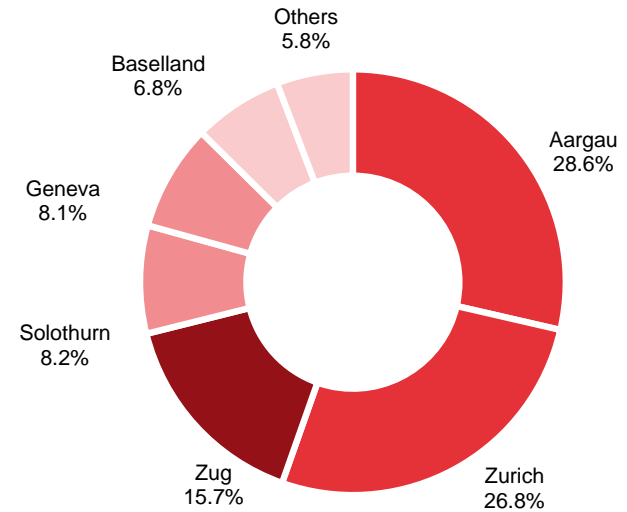
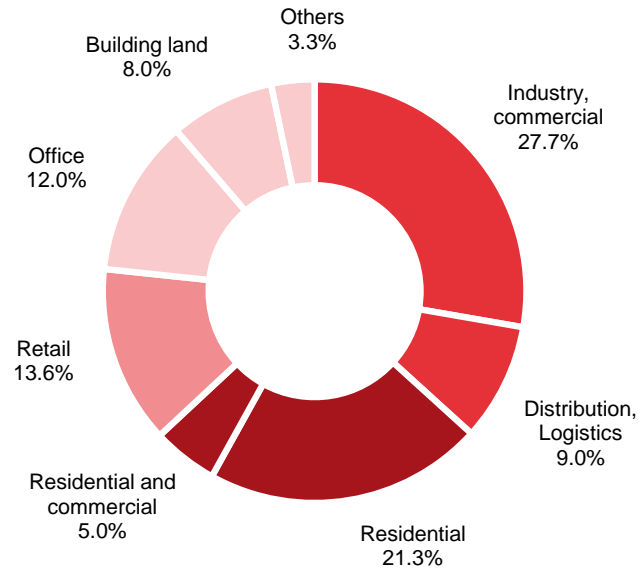
(in CHFm)	Meyrin*	Brugg	Neuchâtel	Bremgarten	Frauenfeld
Value	35.0	22.8	15.8	13.7	8.3
Net site area (m ²)	34'57	44'585	11'397	20'613	20'810
Annualised property rent (CHFm)	2.4	1.5	0.8	0.8	0.2
Net yield	6.9%	6.6%	5.1%	5.8%	2.4%

Without use of existing substance:

(in CHFm)	Cham	Dornach	Wetzikon (Schönau)	Lancy	Hausen / Lupfigen	St. Maurice
Value	45.0	30.4	24.3	18.0	13.4	1.6
Net site area (m ²)	32'745	136'685	25'322	8'783	62'168	33'281
CHF / m ²	1'374	222	960	2'050	215	48
Annualised property rent (CHFm)	-	0.2	0.2	0.6	-	0.3
Net yield	-	0.7%	0.8%	3.3%	-	18.8%

* Without land dedicated to the HP HQ Project

Portfolio split by type of use and region



EPRA key financial figures

in CHFm except figures per share in CHF

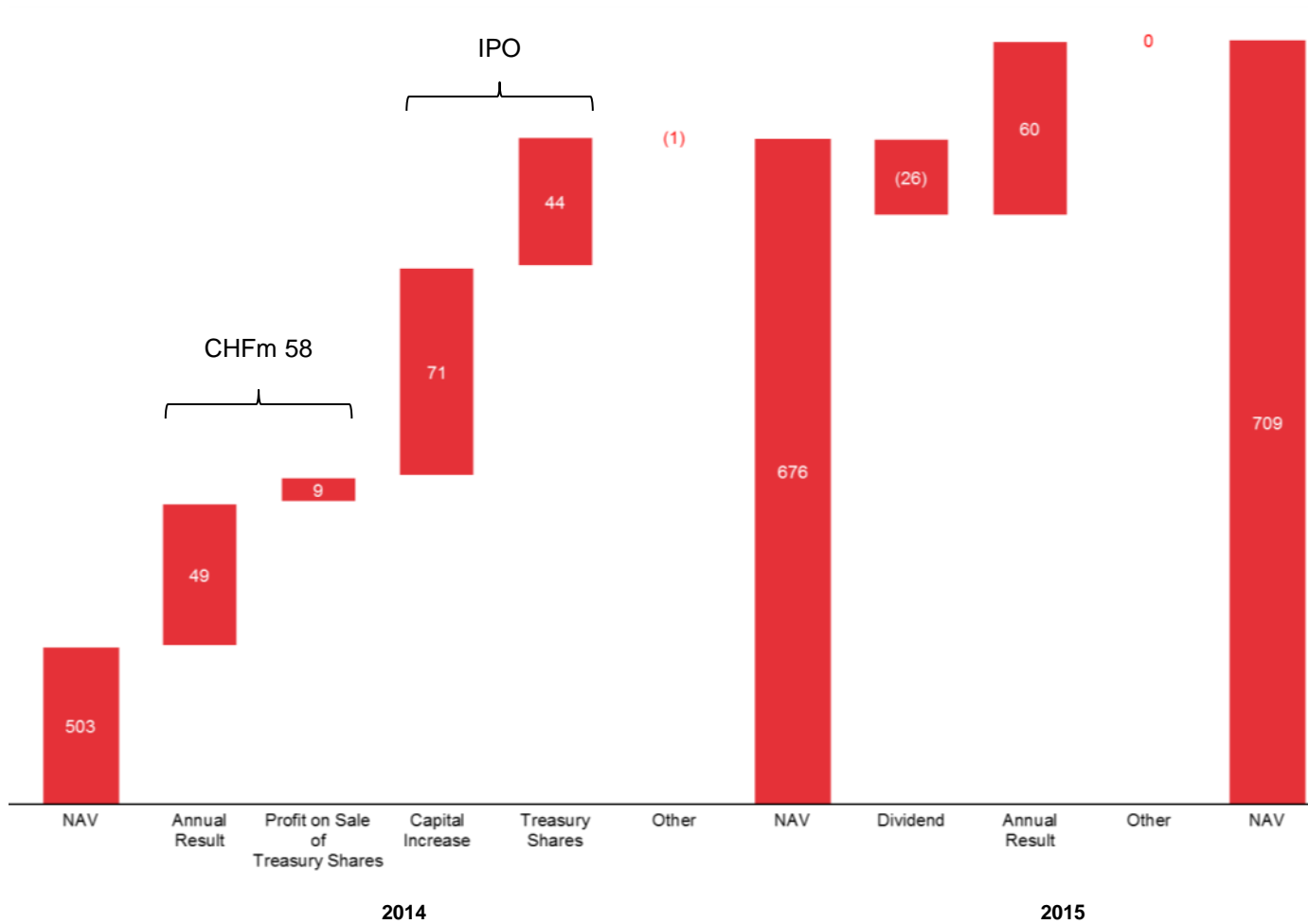
	31.12.2015	31.12.2014
EPRA Earnings	28.3	25.2
EPRA Earnings per share (CHF)	3.5	3.5
Average number of shares	8'000'000	7'150'000
EPRA NAV	771.9	732.0
EPRA NNAV	708.7	675.0
EPRA NAV per share (CHF)	96.5	91.5
Number of shares (diluted)	8'000'000	8'000'000
EPRA vacancy rate (yielding portfolio)	15.0%	15.8%
EPRA vacancy rate (yielding portfolio excl. properties in repositioning)	11.1%	11.7%

Reconciliation Swiss GAAP FER - EPRA

in CHFm

	31.12.2015	31.12.2014
Swiss GAAP FER NAV	708.7	675.6
Effect Incentive Plan / Treasury shares	-0.0	-0.6
Deferred Tax Liabilities	+63.2	+56.9
EPRA NAV	771.9	732.0
Swiss GAAP FER Earnings	59.5	48.9
Revaluation of properties	-31.5	-28.7
Deferred Tax / Tax losses carry forward	+0.3	+3.1
IPO costs	-	+1.5
Other	-	+0.4
EPRA Earnings	28.3	25.2

Strong NAV growth



in CHFm
 NAV defined as shareholders' equity as per Swiss GAAP FER