

Media Release

HIAG Immobilien continues growth course

- **Net income of CHF 24.6 million**
- **Property income increases by 6.8% to CHF 23.4 million**
- **Net income per share of CHF 3.44**
- **Equity ratio of 53.3%**
- **Real estate portfolio extended to CHF 1.12 billion**

Basel, 8. September 2014 – Looking back, the last 6 months have been eventful for HIAG Immobilien. After the successful initial public offering as at 16 May 2014 HIAG Immobilien now combines the clout of a focused and efficient organization with a committed anchor shareholder with the financial flexibility of a listed company.

Positive result and solid financing

As at 30 June 2014 adjusted for revaluation of properties and non-recurring effects, the earnings before interest and taxes increased by 5.9% to CHF 14.4 million compared to the previous year (CHF 13.6 million). This reflects the positive development of rental income over the entire portfolio. CHF 58.1 million were invested in further development and consolidation of the portfolio. The revaluation of properties as at the half year that occurred for the first time as of 30 June 2014 yields an earnings effect of CHF 16.2 million, CHF 0.4 million of which can be explained by the market effect.

HIAG Immobilien reported a net income of CHF 24.6 million in the first half of the year, including CHF 1.5 million of costs from the initial public offering. Property income increased in the first 6 months of the year by 6.8% to CHF 23.4 million (H1 2013: CHF 21.9 million). In all, contractually secured property income currently amounts to CHF 50.0 million (31.12.2013: CHF 46.6 million), i.e. an increase of 7.5% compared to December 31, 2013. The property portfolio is valued at CHF 1.12 billion as at the reporting date. Earnings per share amounted to CHF 3.44. The group has solid financing with an equity ratio of 53.3%, and reports an ROE of 8.5% for the first 6 months of the year. According to the recommendations issued by the European Public Real Estate Association (EPRA) the equity ratio came to 57.8% as at 30 June 2014 (31.12.2013: 53.7%).

Promotion on track

The vacancy rate was reduced in the first 6 months of the year by 15.1 percentage points to 15.7% over the entire portfolio. Vacancies in the yielding portfolio increased slightly to 8.1% (31.12.2014: 6.2%), as Project Leuchtturm was integrated into the yielding portfolio from the development portfolio and still had vacancies after completion.

The last apartment purchase was recorded in January at Project Aretshalden in Wetzikon (ZH), so that all 21 apartment units were sold before completion. At Project Spinnerei III in Windisch (AG) and Project The Cloud in Baar (ZG), sales are going as planned. Project Spinnerkönig in Windisch (AG), the completion of which is planned for the fourth quarter, is currently reporting an excellent occupancy rate of over 70.

Redevelopment potential strengthened

The main focus of development in construction activities during the first half of the year was on Windisch with Project Spinnerei III with 50 condominiums for purchase and Project Spinnerkönig with 61 apartments for rent that is shortly before the completion. After the grant of the building permit for the Project Feinspinnerei, 29 condominiums for purchase are going to be built in Windisch. In Aathal, Project Leuchtturm and the garden exhibition were completed. With the presentation of the Aathal master plan, the foundations for many further development phases are laid out. After the presentation of the long-term "Vision Papieri 2033", talks in Biberist with potential prospective buyers of the paper machine lines are intensified so that occupied spaces can be liberated for new uses in the medium term. With the acquisition of 26'231 m² in Cham, HIAG Immobilien now has one of the largest development areas in central Switzerland in its portfolio. The development potential of approximately 200 apartments and 25'000 m² for office and commercial uses expands the long-term development pipeline even further. In all, contract negotiations on rentals and developments are currently ongoing at 6 sites with a rental income potential of CHF 7.5 million.

Outlook

The talks with our prospective tenants confirm that Switzerland has lost nothing of its relative attractiveness as a location. Companies do not let themselves be noticeably influenced by short-term developments when making strategic location decisions. Against this background, HIAG Immobilien follows its long-term development and promotion strategy of its development pipeline and will continue to discover other opportunities in the market to expand its portfolio with long-term site developments.

HIAG Immobilien targets a dividend pay-out ratio of around 35% to 40% of the Company's reported consolidated net profit for the year out of distributable profits or reserves from capital contributions, subject to the availability of distributable reserves and taking into consideration legal provisions, corresponding to a dividend of around 4% of NAV.

Invitation to the live webcast with conference call

Martin Durchschlag (CEO) and Laurent Spindler (CFO) will present the half-year report and answer questions.

Date: 08 September 2014

Time: 10.00 a.m. (CET)

Webcast: <http://services.choruscall.com/dataconf/productusers/hiag/mediaframe/9486/indexr.html>

Dial-in numbers:

+41 (0)58 310 50 00 (Europe)

+44 (0)203 059 58 62 (UK)

+1 (1)631 570 56 13 (USA)

Advance registration is not required.

Replay webcast

A replay of the webcast is available online:

<http://services.choruscall.com/dataconf/productusers/hiag/mediaframe/9486/indexr.html>

Half-year report

The complete half-year report 2014 is available online: www.hiag.com.

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About HIAG Immobilien

HIAG Immobilien is a leading Swiss property owner, manager and redeveloper of former industrial sites in attractive locations. Its real estate portfolio is broadly diversified both geographically as well as in terms of property usage. HIAG Immobilien owns 38 sites with a total surface area of 2.4 million m². The group generates an annualised property income of approximately CHF 50 million and currently pursues 46 short-, mid- and long term redevelopment projects. As a long-term landlord HIAG Immobilien aims at sustainable development of new quarters and grows its portfolio on a continuous basis.