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# HIAG Immobilien Holding AG

(a joint stock corporation under Swiss law)

## CHF 115,000,000 1.00 percent Bonds due 2023

This prospectus (the “**Prospectus**”) relates to the offering (the “**Offering**”) of 1.00 percent bonds in the aggregate principal amount of CHF 115,000,000 due 2023 (the “**Bonds**”, and each a “**Bond**”) of HIAG Immobilien Holding AG (the “**Issuer**”) and the listing of the Bonds on SIX Swiss Exchange Ltd (“**SIX Swiss Exchange**”).

<b>Issuer:</b>	HIAG Immobilien Holding AG, Aeschenplatz 7, 4052 Basel, Switzerland
<b>Issue Price:</b>	100.320 percent (before commission and expenses)
<b>Placement Price:</b>	According to demand
<b>Issue Date:</b>	4 July 2016 (the “ <b>Issue Date</b> ”)
<b>Interest Rate:</b>	1.00 percent per annum, payable annually in arrear on 4 July of each year, commencing on 4 July 2017.
<b>Maturity Date:</b>	4 July 2023 (the “ <b>Maturity Date</b> ”)
<b>Reopening:</b>	The Issuer reserves the right to reopen this issue at any time before the maturity of the Bonds in accordance with Condition 1(a) of the terms and conditions of the Bonds (the “ <b>Terms of the Bonds</b> ” and each condition, a “ <b>Condition</b> ”).
<b>Assurances:</b>	Change of control clause, <i>pari passu</i> clause, negative pledge clause and cross default clause, as further described in the Terms of the Bonds.
<b>Status:</b>	The Bonds constitute direct, unconditional and unsubordinated obligations of the Issuer ranking <i>pari passu</i> amongst themselves and with all other unsecured and unsubordinated obligations of the Issuer, as further described in the Terms of the Bonds.
<b>Currency:</b>	CHF
<b>Denomination:</b>	CHF 5,000 nominal and integral multiples thereof
<b>Form:</b>	The Bonds will be issued as uncertificated securities ( <i>Wertrechte</i> ) in accordance with article 973c of the Swiss Code of Obligations. No physical delivery of individually certificated Bonds shall be made, as further described in the Terms of the Bonds.
<b>Trading and Listing:</b>	The Bonds have been provisionally admitted to trading on SIX Swiss Exchange with effect from 1 July 2016. Application will be made for the Bonds to be listed on SIX Swiss Exchange. The last day of trading is expected to be 30 June 2023.
<b>Selling Restrictions:</b>	<b>Not for distribution in the United States of America or to United States Persons, or in the European Economic Area. Further general selling restrictions apply (see page 5 et seq. of this Prospectus).</b>
<b>Governing Law and Jurisdiction:</b>	Swiss Law; Zurich, Switzerland

**Credit Suisse**

**Bank Vontobel**

**Joint-Lead Manager**

Swiss Security Number: 32 637 142

ISIN: CH0326371421

Common Code: 142943468

Prospectus dated 30 June 2016

## Notice to prospective Holders

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For the purpose of this Prospectus, **“Issuer”** or **“Company”** refer to HIAG Immobilien Holding AG and **“HIAG Immobilien”** or the **“Group”** refer to HIAG Immobilien Holding AG together with its consolidated subsidiaries. Other words and expressions used herein shall have the meaning as given to them in the section ‘Terms of the Bonds’, except when defined otherwise herein.

**No person is authorized to give any information or to make any representation not contained in this Prospectus, and any information or representation not contained herein must not be relied upon as having been authorised by the Issuer or the Joint-Lead Managers. Neither the delivery of this Prospectus nor any sale made hereunder shall, under any circumstances, create any implication that the information herein is correct as of any time subsequent to the date hereof.**

This Prospectus does not constitute an offer or invitation by or on behalf of the Issuer or the Joint-Lead Managers to subscribe for or to purchase any of the Bonds.

This Prospectus has been prepared in connection with the offering and listing of the Bonds in Switzerland only. The Bonds will not be admitted to trading on a regulated market in the European Economic Area or elsewhere and will be listed solely on SIX Swiss Exchange.

This Prospectus has not been reviewed or approved by any competent authority in any Member State of the European Economic Area and does not constitute a prospectus within the meaning of the Prospectus Directive.

This Prospectus has been prepared on the basis that any offer of Bonds in any Member State of the European Economic Area which has implemented the Prospectus Directive (each a **“Relevant Member State”**) will only be made to Qualified Investors in that Member State within the meaning of the Prospective Directive or otherwise in circumstances that do not require the Issuer or the Joint-Lead Managers to publish a prospectus for offers of Bonds. Accordingly any person making or intending to make an offer in that Relevant Member State of Bonds which are the subject of the offering contemplated in this Prospectus may only do so in circumstances in which no obligation arises for the Issuer or the Joint-Lead Managers to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither the Issuer has nor have the Joint-Lead Managers authorized, nor do they authorize, the making of any offer of the Bonds in circumstances in which an obligation arises for the Issuer or the Joint-Lead Manager to publish a prospectus for such offer. The expression Prospectus Directive means Directive 2003 / 71 / EC (as amended including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

The financial institutions involved in the issuance and offering of the Bonds are banks, which directly or indirectly have participated, or may participate, in financing transactions or other banking business with the Issuer or the Group, which are not disclosed herein.

None of the Joint-Lead Managers or any of their respective affiliates have authorised the whole or any part of this Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Prospectus. Neither the delivery of this Prospectus nor the offering, sale or delivery of any Bond shall in any circumstances create any implication that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer since the date of this Prospectus.

## Forward-looking Statements

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This Prospectus contains forward-looking statements regarding future financial performance and results and other statements that are not historical facts. Words such as “believes”, “aims”, “estimates”, “may”, “anticipates”, “projects”, “expects”, “intends”, “plans”, “should”, “continue”, “targets” and similar expressions are intended to identify such forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Group, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group’s present and future business strategies and the environment in which the Group will operate in the future. Important factors that could cause the Group’s actual results, performance or achievements to differ materially from those in the forward-looking statements include among others: the ability of the Group to implement its business strategies, financial condition and liquidity of the Group, changes in markets, currency fluctuations and other factors referred to in this Prospectus.

Given these uncertainties, prospective investors are cautioned not to rely on such forward-looking statements. The Company cannot assure that opinions and forecasts contained in this Prospectus will prove to be correct. These forward-looking statements speak only as of the date of this Prospectus. The Company expressly disclaims any obligation or undertaking to publicly release any updates of or revisions to any forward-looking statement contained herein to reflect any change in the Company’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

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## Selling Restrictions

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### United States of America and United States Persons

A) The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **“Securities Act”**), and may not be offered or sold within the United States or to or for the account or benefit of United States persons (except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act).

The Issuer and the Joint-Lead Managers have not offered or sold, and will not offer or sell, any Bonds constituting part of their allotment within the United States or to or for the account or benefit of United States persons except in accordance with Rule 903 of Regulation S under the Securities Act.

Accordingly, none of the Issuer, the Joint-Lead Managers and their affiliates or any persons acting on their behalf have engaged or will engage in any selling efforts directed to the United States with respect to the Bonds.

Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

B) The Joint-Lead Managers have not entered and will not enter into any contractual arrangement with respect to the distribution or delivery of the Bonds in the United States, except with their affiliates or with the prior written consent of the Issuer.

### European Economic Area

In relation to each Member State of the European Economic Area, which has implemented the Prospectus Directive (each, a **“Relevant Member State”**), the Joint-Lead Managers have represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **“Relevant Implementation Date”**) they have not made and will not make an offer of Bonds which are the subject of the offering contemplated by this Prospectus to the public in that Relevant Member State other than:

- (i) to any legal entity which is a qualified investor as defined in the Prospectus Directive; or
- (ii) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive; or
- (iii) in any other circumstances falling within Article 3(2) of the Prospectus Directive;

provided that no such offer of Bonds referred to in (i) to (iii) above shall require the Issuer or the Joint-Lead Managers to publish a prospectus pursuant to Article 3 of the Prospectus Directive or a supplement prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an **“offer of Bonds to the public”** in relation to any Bonds in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Bonds, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression **“Prospectus Directive”** means Directive 2003/71/EC (as amended including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

### General

Neither the Issuer nor the Joint-Lead Managers represent that Bonds may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale. The distribution of the Prospectus and the offering of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession the Prospectus comes are required by the Issuer to inform themselves about and to observe any such restrictions. The Prospectus does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in

## **Selling Restrictions**

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which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation and no action is being taken in any jurisdiction that would permit a public offering of the Bonds or the distribution of the Prospectus in any jurisdiction where action for that purpose is required.

## General Information

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### Authorisation

Pursuant to a resolution of the Board of Directors of the Issuer dated 20 May 2016, and a Bond Purchase Agreement dated 30 June 2016, between the Issuer, on the one hand, and the Joint-Lead Managers on the other hand, the Issuer has decided to issue, and the Joint-Lead Managers have agreed to subscribe for, the Bonds at an issue price of 100.320% of their aggregate principal amount (before commissions and expenses).

### Use of Net Proceeds

The net proceeds of the issue of the Bonds, which will amount to CHF 114,961,500 after deduction of commissions and expenses incurred in connection with the issue of the Bonds, will be used for the further diversification of the debt financing structure with the reimbursement of a portion of the current bank financing. This diversification will extend the current debt maturity profile and secure the current level of the financing costs.

None of the Joint-Lead Managers shall have any responsibility for, or be obliged to concern itself with, the application of the net proceeds of the Bonds.

Investors are advised that Credit Suisse AG also acts as lender in the current bank financing of the Issuer.

### Representative

In accordance with Article 43 of the Listing Rules of SIX Swiss Exchange (the “**Listing Rules**”), Credit Suisse AG has been appointed by the Issuer to lodge the listing application for the Bonds with SIX Exchange Regulation in its capacity as competent authority for the provisional admission to trading and the listing of the Bonds on SIX Swiss Exchange.

### Prospectus

This Prospectus is available in the English language only and provides information about the Issuer and the Bonds.

No person has been authorised to give any information or make any representation in connection with the offering of the Bonds other than as stated herein and any other information or representation if given or made should not be relied upon as having been authorised by the Issuer or the Joint-Lead Managers. Neither the delivery of this Prospectus, nor the issue of the Bonds nor any sale thereof shall, in any circumstances, create any implication that there has been no material adverse change in the affairs of the Issuer since the date hereof.

### Documents Available

Copies of this Prospectus are available free of charge from the offices of Credit Suisse AG at Uetlibergstrasse 231, CH-8048 Zurich, Switzerland during normal business hours or may be obtained upon request by telephone (+41 44 333 28 86), fax (+41 44 333 57 79) or e-mail to [newissues.fixedincome@credit-suisse.com](mailto:newissues.fixedincome@credit-suisse.com) on any weekday (Saturdays, Sundays and public holidays excepted) so long as the Bonds are listed on SIX Swiss Exchange.



## Information on the Issuer

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### Incorporation, Name, Registered Office and Articles of Association

The Company is a company limited by shares (*Aktiengesellschaft*), incorporated under the laws of Switzerland for an unlimited duration and first registered on 6 May 1969 in the Commercial Register of the Canton of Basel City, Switzerland (formerly named “G.R.T. Verwaltungs AG” and “GRT Verwaltungs AG”).

The Company is currently registered with the Commercial Register of the Canton of Basel City, Switzerland, under the number CHE-102.997.860.

Its registered office is Basel, Canton of Basel City, Switzerland, and its principal corporate office is located at Aeschenplatz 7, 4052 Basel, Switzerland.

The Articles of Association in their current version are dated as of 19 April 2016.

### Business Purpose and Financial Year

Art. 2 of the Articles of Association provides as follows (unofficial translation of the original German text):

“The purpose of the company is the investment, management and realisation of assets, real estate and construction projects, the real estate project development as well as the participation in enterprises.

The company may provide its services and financial contributions to group companies without consideration in return.

The company may establish branches and subsidiaries in Switzerland and abroad and participate in other enterprises in Switzerland and abroad.

The company may exercise all commercial, financial and other activities, which are directly or indirectly related to its purpose.”

Art. 19 of the Articles of Association provides that the Company’s financial year is determined by the Board of Directors. Currently, the Company’s financial year commences on 1 January and ends on 31 December of each calendar year.

### Notices

In accordance with the Issuer’s Articles of Incorporation, notices from the Issuer to its shareholders are validly made by publication in the Swiss Official Gazette of Commerce (*Schweizerisches Handelsamtsblatt*).

Notices to the Holders of the Bonds are published in accordance with Condition 10 of the Terms of the Bonds.

### Business Description

#### Overview

HIAG Immobilien is a leading player in the reuse and redevelopment of commercial sites and properties in Switzerland. The Group focuses on large, well-positioned sites with significant redevelopment potential in densely populated regions. HIAG Immobilien is a long-term owner of its sites and properties and landlord to a diversified tenant base. The primary business activities of the Group comprise (i) redevelopment activities, including site acquisition, rezoning petitions, design planning and building permit processes, site marketing, construction procurement and process management; and (ii) portfolio management, including steering of property administration (technical/administrative), marketing activities and portfolio streamlining.

## Information on the Issuer

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HIAG Immobilien's expertise in the redevelopment of large commercial sites and properties including industrial, post-industrial and mixed-use sites allows it to initiate redevelopment of a property at a stage in the property's lifecycle at which there is significant value creation potential, be it upon the acquisition of a commercial site or property or with regard to existing properties in the Group's property portfolio. HIAG Immobilien believes that its business model creates value and in addition contributes to the sustainable development of land and property use in Switzerland. Through the redevelopment of commercial sites and properties, pre-zoned land typically becomes more densely populated, the utilisation of the existing traffic infrastructure is increased and the features as well as uses of properties are adapted to meet current requirements.

As of 31 December 2015, HIAG Immobilien's property portfolio comprised 115 properties on 39 sites and was valued at CHFm 1,224. The Group's property portfolio included a lettable area of approximately 470,000 sqm with an annualised property income of CHFm 51.4 and an annualised full occupancy property income of CHFm 61.0. The Group's Property Portfolio is diversified with significant exposure to industrial, logistics, residential, retail and office use. The Group's net asset value amounted to CHFm 708.7 while the EPRA net asset value stood at CHFm 771.9. The loan to value-ratio was 36.8%.

HIAG Group's business is summarized in the four segments Yielding Portfolio, Redevelopment Portfolio, Services and Corporate. The Yielding Portfolio comprises properties for which currently no redevelopment is planned and which are intended to generate a stable and predictable income, while the Redevelopment Portfolio is including properties for which redevelopment is planned in the short-, mid-, or long-term. The Services segment provides services to HIAG Pensionskasse as well as other human resources-related services. Finally, the segment Corporate englobes the Group's central functions.

As of 31 December 2015, the Yielding Portfolio consisted of 61 properties across 23 sites with a lettable area of approximately 326,000 sqm, a full occupancy property income of CHFm 46.1 and a fair value of CHFm 717. The occupancy rate in the Yielding Portfolio amounted to 84.9%. The top five sites and their respective fair values in the Yielding Portfolio were Dietikon (CHFm 127.2), Kleindöttingen (CHFm 91.2), Klingnau (CHFm 82.6), Niederhasli (CHFm 74.8) and Windisch (CHFm 60.4). In total, these top five sites accounted for 61% of the Yielding Portfolio's fair value.

As of 31 December 2015, the Redevelopment Portfolio consisted of 54 properties located across 26 sites with a lettable area of approximately 144,000 sqm, a full occupancy property income of CHFm 14.0 and a fair value of CHFm 507. The occupancy rate in the Redevelopment Portfolio amounted to 80.9%. The top five sites and their respective fair values in the Redevelopment Portfolio were Baar (CHFm 97.1), Meyrin (CHFm 56.2), Biberist (CHFm 55.5), Cham (CHFm 44.9) and Dornach (CHFm 30.4). In total, these top five sites accounted for 56% of the Redevelopment Portfolio's fair value. The Group currently pursues 48 short-, mid- and long-term redevelopment projects on 52 of the 54 properties. The completion of its current redevelopment plans is expected to create an additional lettable area of approximately 679,000 sqm. Furthermore, the Group is monitoring the market for potential on- and off-market acquisitions, which would add additional properties to its portfolio.

As per end of last year, the headcount of the Group's core team amounted to 25 professionals located in three offices in Switzerland, covering the primary business activities as well as corporate functions such as accounting, human resources and marketing.

The management function of the Group is divided between the Executive Board, consisting of the CEO and the CFO, and the Extended Executive Board (together with the Executive Board, the **"Management Board"**), which further comprises the Head of Portfolio Management and five site developers. The Management Board has a broad background of expertise combining technical, real estate and finance experience.

## Strategy

HIAG Immobilien aims to be the leading player in long-term reuse and redevelopment of commercial sites and properties in Switzerland. The Group's objective is to continue creating above average returns for its shareholders by building on its strengths, its focused business model and its strong pipeline.

## Information on the Issuer

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### ***Further enhancing the performance of the Yielding Portfolio***

HIAG Immobilien strives to create urban spaces as well as to maintain and continuously enhance these areas. With each step of improvement, the Group strives to achieve the most meaningful and thus highest possible added value for tenants' use. Site redevelopment therefore never ceases.

Within its Yielding Portfolio the Company intends to further increase occupancy rate, especially for three properties under repositioning, in order to maximise the potential of its property portfolio. Furthermore, it aims to increase the current potential of its built-up property portfolio: Each development step of the Group's major tenants enables the Group to simultaneously further improve the quality of the site, increase the rent to current market level and engage in new long-term letting contracts.

### ***Continuing value creation in existing Redevelopment Portfolio***

By focussing on the transition into a new property life cycle HIAG Immobilien aims to progressively unleash the large potential of its existing Redevelopment Portfolio. The Group currently plans to create an additional effective area at 52 of a total of 54 Redevelopment Properties of approximately 679,000 sqm in the short-, medium- and long-term. One of the main drivers in value creation through this redevelopment is securing optimal tenants; thus, the Group focuses on the long-term enhancement of site-specific strengths and the marketing of these strengths to potential tenants. In order to identify the potential and improve the acceptance of a future development, the Group actively involves important local stakeholders in its Group-led urban design and architectural competitions. Although HIAG Immobilien aims to remain a long-term landlord and continuously build-up locations through continuous improvement, the Group realises a part of its revaluation gains through selective sales. Such generation from capital recycling facilitates the financing of ongoing redevelopment activities. Given the large number of redevelopment projects and the diversification in development stage among the Group's sites and properties, the Group expects a continuous transformation of the property portfolio's potentials into revaluation gains over the coming years.

### ***Resilience and independence to stress in financial markets***

Similar to its approach in the redevelopment of sites and properties, the Company applies a time horizon that exceeds the current real estate cycle. The Group attaches great importance to the optimisation of intermediaries and meticulously prepares its development and communication strategy. In doing so, the Group aims to avoid pressure to develop in short periods of time, which might compromise the Group's value creation target.

By financing a part of its property portfolio on a property base with a number of local well-anchored financial institutions, the network of local partners is enhanced providing a level of independence from stress in the finance industry, which might arise through market turmoil.

The stable tenant profile, together with a conservative acquisition strategy, will enable the Group, even in market downturns, to preserve the achieved values of its portfolio and be best positioned to take advantages of attractive opportunities that may arise.

### **Key strengths**

The Group believes that the following strengths will contribute to future growth, generation of resilient cash-flows and long-term value creation:

#### ***Significant value creation in the property lifecycle***

HIAG Immobilien's expertise allows the Group to engage in the redevelopment of a site or property at a stage in the property lifecycle at which there is significant value creation potential.

The value of a site or property at a late stage of its initial lifecycle typically reflects uses that have limited value added activities. Generally, the initiation of a new life cycle facilitates the development of the full potential of a site, whose value might have also increased significantly over time due to the evolution of the surrounding community.

The potential significant value uplift is mainly based upon (i) the identification of uses that create the highest possible

## Information on the Issuer

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added value to its potential tenants from a long-term perspective, (ii) the marketing of these uses and the steering of the permission and planning process and (iii) construction cost management during the redevelopment process.

HIAG Immobilien has a specialised business model focused on realising this potentially significant value of sites in a post-industrial context.

### ***Leadership in a market with attractive growth drivers***

HIAG Immobilien's positioning in the market is characterised by several distinct features. Firstly, the Group's redevelopment activities are complex – all of its current redevelopment projects are executed on sites with an industrial history and significant redevelopment potential. Around 75% of the non-residential sites have a diversified multi-type tenant profile. The Group operates on large scale projects based on an average effective area per Redevelopment Property of approximately 19,000 sqm and a total site area of 2.6 million sqm, of which 1.6 million sqm are zoned and built with a lettable area of approximately 470,000 sqm. Furthermore, the Group has proprietary access to land via its own Redevelopment Portfolio which comprises approximately 679,000 sqm to be developed on a net site area of approximately 1,034,000 sqm. HIAG Immobilien's track record, in particular with respect to the redevelopment of sites with an industrial past, strengthens the Group's positioning in the market. The Group leverages its relationships and market access. The Group also benefits from an experienced management team and staff which have a diversified career and educational backgrounds. Expertise across technical, real estate and financial areas enable the Group to create value through industrial development, the latter being a strong distinguishing feature as compared to many other companies active in redevelopment. In addition, its large existing land bank gives the Group a significant competitive advantage and raises certain barriers to entry for competitors seeking to build a comparable redevelopment portfolio and track record.

The properties of the Group are well positioned in the market with 86% of the portfolio being located in Switzerland's main economic regions around Baden/Brugg, Zurich/Zug, north west Switzerland and Geneva. The scarcity of land in these regions along with recent regulation limiting the possibility to (re)zone agricultural land, supports the need to densify and redevelop certain post-industrial areas. The Group's leading position is further supported by the Swiss market's comparatively robust long-term macroeconomic variables and supportive demographics. The dynamics in Switzerland's industrial sector and these industries' ability to invest in the optimisation of their processes create ongoing redevelopment opportunities based on the shift from low growth industrial sectors (e.g. wood and paper, textile, chemicals) to high growth industrial subsectors (e.g. food and beverage, pharmaceuticals, electronic equipment) in terms of demand for Commercial Sites and Properties.

### ***Track record of strong portfolio growth***

HIAG Immobilien has a proven track record of delivering growth and at the same time strong returns for its shareholders. The Group's property portfolio has grown by 73% from CHFm 707 as of 31 December 2010 to CHFm 1,224 as of 31 December 2015, thereby demonstrating the Group's ability to successfully source and acquire new sites, execute significant investment plans as well as achieve revaluation gains mainly driven by redevelopment activity rather than market price movements.

### ***Strategic focus and differentiated real estate investment proposition***

HIAG Immobilien has a strategic focus on what it regards as the most profitable activities in the real estate value chain. Key processes, e.g. the acquisition of sites, the steering of permission processes, development planning, letting and sales activities are primarily completed in-house. Facility management is also completed in-house onsite in certain cases where the Group considers it is important to be "close to the asset", e.g. redevelopment activities on sites with an industrial context. Areas which are subject to potentially higher market competition, have comparatively lower margins or are more resource intensive are outsourced, e.g. architectural and technical planning, construction work or facility management for Yielding Properties.

HIAG Immobilien combines the holding of Yielding Properties with other sites having specialised redevelopment potential. The Group believes that this, together with its sizeable land bank and proven ability to conduct redevelopment on sites with industrial context, are the main differentiating factors setting it apart from other listed companies in the Swiss real estate sector.

## Information on the Issuer

### Multiple performance drivers

HIAG Immobilien has multiple growth drivers to generate attractive returns. The Yielding Portfolio is intended to generate a relatively stable and predictable income based on its diversified and high quality tenant base. As of 31 December 2015, the fair value amounted to CHFm 717 generating a gross yield of 6.4%. The Redevelopment Portfolio is expected to be a key driver of future net asset value growth. As of the same date, the fair value amounted to CHFm 507 generating a gross yield of 2.8%. Based on the current plans of the Group, approximately 679,000 sqm effective area are planned for redevelopment. Furthermore, HIAG Immobilien is expecting to generate proceeds through capital recycling mainly driven by cycle-optimised sales of condominiums. The proceeds from such capital recycling are planned to support capex and potential acquisitions. Based on existing projects, the Group is expecting a net capital inflow of approximately CHFm 77 from current condominium projects over the coming two-three years.

### History

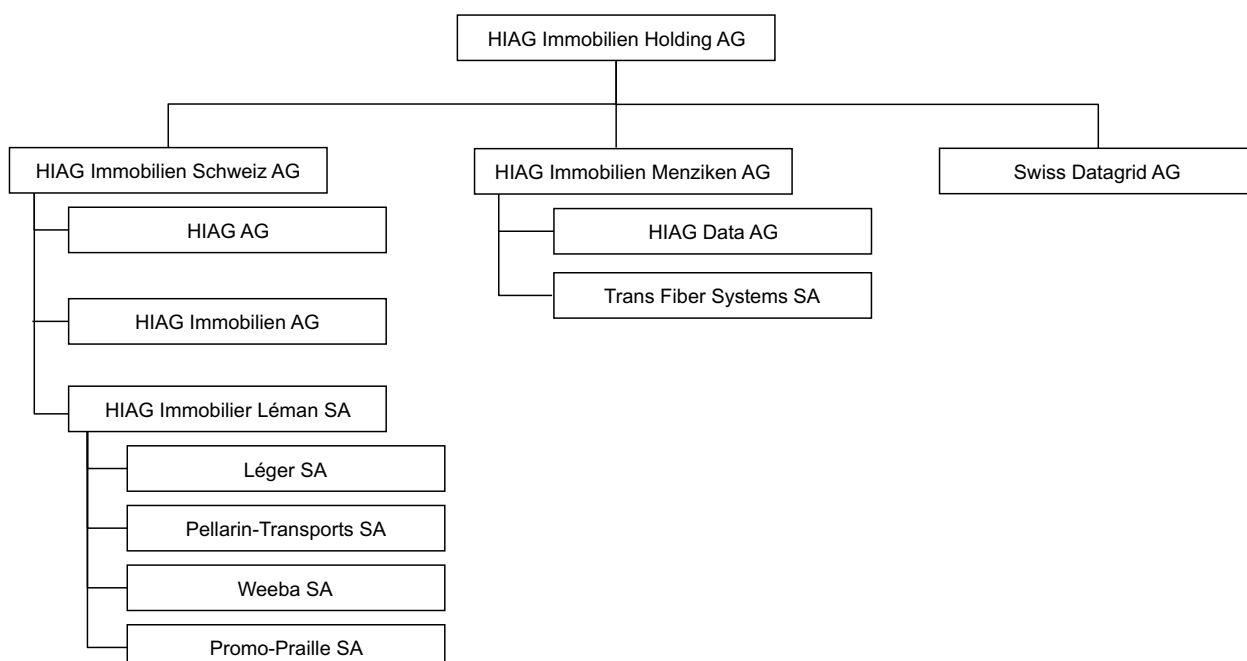
HIAG Immobilien was founded on the basis of an industrial group active in production and trade of wood products. Founded in 1876 in St. Margrethen in the Canton of St. Gallen, the group became a market leading player of timber materials in Europe by the mid-1980s. At the beginning of the new millennium, driven by technological and structural changes, the group initiated a transition process. After the successful spin-off of its production facilities in flooring, door, fibreboard and wood trading industries, the Group now focuses on its long-term real estate strategy.

Initially concentrating on reviving its former wood industry sites with growing high-tech companies, the Group progressively entered into the conversion of former industrial sites to retail and residential use. In 2009, the first step was taken towards growth beyond its existing property portfolio through the acquisition of a former textile mill in Windisch. In the past five years the Group strengthened its competences in site redevelopment and accomplished numerous further acquisitions. Furthermore, the Group grew its asset base significantly through investments as well as value creation on its Redevelopment Portfolio.

Since 16 May 2014 HIAG Immobilien's registered shares are listed and traded on the SIX Swiss Exchange. HIAG Immobilien issued a first CHFm 100 fixed rate bond as of June 2015.

### Group Structure

The Company is a holding company and does not conduct any business operations. It owns the shares of its subsidiaries directly or indirectly. The Group structure as of the date of this Prospectus is as follows:



## Information on the Issuer

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All entities are wholly owned and are direct or indirect subsidiaries of the Company. For further information regarding the shareholdings within the Group, see notes to the Consolidated Financial Statements for the year ended 31 December 2015 (pages 9 to 10 of the Financial Report included in Annex A), and notes to the Statutory Financial Statements (page 93 of the Financial Report included in Annex A hereto).

The real estate assets of the Group are predominantly held by HIAG Immobilien Schweiz AG.

### Board of Directors

The Board of Directors of the Issuer, comprising at least three members, currently consists of four members:

Name	Position
Dr. Felix Grisard	Chairman
Salome Grisard Varnholt	Member
Dr. Walter Jakob	Member (independent)
John Manser	Vice Chairman and Lead Director (independent)

The business address of all members of the Board of Directors listed above is Aeschenplatz 7, 4052 Basel, Switzerland.

### Management Board

The Issuer's Management Board consists of the Executive Board and the Extended Executive Board.

#### ***Executive Board***

The Executive Board currently consists of the following two members:

Name	Position
Martin Durchschlag	CEO
Laurent Spindler	CFO

#### ***Extended Executive Board***

The Extended Executive Board currently consists of six members:

Name	Position
Ralf Küng	Head of Portfolio Management
Thorsten Eberle	Site Developer
Hans-Lukas Fehr	Site Developer
Michele Muccioli	Site Developer
Alex Römer	Site Developer
Yves Perrin	Site Developer, Director for Western Switzerland

The business address of all members of the Management Board listed above is Aeschenplatz 7, 4052 Basel, Switzerland.

### External Auditors

The Company's independent statutory auditors are Ernst & Young AG, Aeschengraben 9, 4051 Basel, Switzerland ("**EY**"), since 1996. EY has been re-elected for an additional term of one year at the Company's ordinary shareholders' meeting held on 19 April 2016. The principle of rotation applies to the auditor in charge. For the business year 2015 the auditor in charge was André Schaub.



## Information on the Issuer

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### Court, Arbitration and Administrative Proceedings

As of the date of this Prospectus, the Group is not involved in any material litigation, arbitration or administrative proceedings, the impact and result of which could, individually or in the aggregate, materially affect its financial condition, results of operations or business.

### Capital Structure

#### Issued Share Capital

As of the date of this Prospectus, the Company has a fully paid-up issued share capital of CHF 8,000,000, consisting of 8,000,000 Shares with a nominal value of CHF 1 each.

#### Authorised and Conditional Capital

Under the Swiss Code of Obligations, the shareholders' meeting may decide on an increase of the share capital in a specified aggregate nominal value of up to 50% of the share capital in the form of:

- authorised capital (*genehmigtes Kapital*) to be utilised at the discretion of the Board of Directors within a period not exceeding two years as from the approval by the shareholders' meeting; and
- conditional capital (*bedingtes Kapital*) for the purpose of issuing shares, *inter alia*, to grant rights to employees and certain creditors of bonds of the Company to subscribe new shares (by means of conversion and option rights).

#### Authorised capital

Article 3a of the Articles of Association reads as follows (unofficial translation of the original German text):

"The board of directors is authorised to increase the company's share capital according to article 3 of the articles of association by a maximum amount of CHF 1,600,000 by issuing a maximum of 1,600,000 registered shares to be fully paid up with a nominal value of CHF 1 each until 19 April 2018.

The board of directors is authorised to limit or exclude the subscription right of the shareholders and to allocate it to third parties if the new shares will be used for (i) the acquisition of companies or divisions thereof, participations in companies, real estate and other investment purposes of the company or any of its subsidiaries, (ii) the financing or refinancing of the acquisition of companies or divisions thereof, participations in companies, real estate or other investment purposes of the company or any of its subsidiaries, (iii) the national and international placement of shares, as well as for (iv) the expansion of the shareholder group. Shares for which subscription rights have been conferred but not exercised, are to be used in the best interest of the company.

Capital increases are permitted by firm underwriting and/or in partial amounts. The board of directors is authorised to determine the issue price of the shares, the type of contribution and the time of the dividend entitlement. After the acquisition, the new registered shares are subject to the restrictions according to article 5 of the articles of association."

#### Conditional capital

Article 3b of the Articles of Association reads as follows (unofficial translation of the original German text):

"The company's share capital will be increased by a maximum of CHF 400,000 by issuing a maximum of 400,000 registered shares to be fully paid up with a nominal value of CHF 1 each upon the exercise of option rights or in connection with similar rights granted to employees, members of the board of directors and the management of the company and its subsidiaries based on employee participation plans. The board of directors adopts the respective employee participation plans in cooperation with the compensation committee.

## Information on the Issuer

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The subscription right (*Bezugsrecht*) of the shareholders is excluded. The acquisition of registered shares under the employee participation plans and the subsequent transfer of the registered shares are subject to the restrictions according to article 5 of the articles of association."

### **Outstanding Conversion and Option Rights and Bonds**

As of the date of this Prospectus, no convertible securities, option rights or bonds are outstanding.

### **Own Equity Securities**

As at 31 December 2015, the Issuer held no own shares.

### **Dividend History**

The Issuer has paid the following dividends and capital contributions for the past five years to holders of registered shares:

<b>Business Year</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Dividend payment per share in CHF	3.50 <sup>1</sup>	3.30	0	0	0

<sup>1</sup> from capital contribution reserves

### **No material adverse changes**

Other than disclosed in this Prospectus, there have been no material changes in the assets and liabilities, financial position and profits and losses of the Group since 31 December 2015, being the date of the latest audited consolidated financial statements of the Group.



## **Responsibility Statement**

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The Issuer accepts responsibility for the completeness and accuracy of this Prospectus and confirms that, to the best of its knowledge, the information contained in this Prospectus is correct and that no material facts or circumstances have been omitted.

Zurich, 30 June 2016

**HIAG Immobilien Holding AG**

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## Taxation in Switzerland

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*The following discussion of taxation is only a summary of certain tax implications currently in force under the laws of Switzerland as they may affect investors in the Bonds. It applies only to persons who are beneficial owners of the Bonds and may not apply to certain classes of persons. The summary contains general information only; it is not exhaustive and does not constitute legal or tax advice and is based on taxation law and practice at the date of this Prospectus.*

*Potential investors in Bonds should be aware that tax law and interpretation, as well as the level and bases of taxation, may change from those described and that changes may alter the benefits of an investment in, holding or disposing of, Bonds. The Issuer makes no representations as to the completeness of the information and assumes no liability of whatsoever nature for the tax implications for investors in Bonds.*

*Potential investors in Bonds are advised to consult their own professional advisers on the implications of making an investment in, holding or disposing of, Bonds under the laws of the jurisdictions in which they are liable to taxation and in light of their particular circumstances.*

### Swiss Federal Withholding Tax

#### (i) Deduction

Each payment of interest on the Bonds (but not repayment of principal) will be subject to deduction of 35% Swiss federal withholding tax (*Verrechnungssteuer*) by the Issuer.

#### (ii) Refund

A holder of a Bond who resides in Switzerland and who at the time a taxable payment on the Bond is due is the beneficial owner of the taxable payment and, in the case of a holder who is an individual holding the Bond privately, duly reports the gross taxable payment in his or her tax return, and, in the case of a holder who is a legal entity, or who is an individual, holding the Bond as part of a business situated in Switzerland, for which he or she is required to keep accounting books, includes such payment as earnings in the income statement, is entitled to a full refund of or a full tax credit for the Swiss federal withholding tax, provided that certain other conditions are met.

A holder of a Bond who is resident outside Switzerland and who during the taxation year has not engaged in a trade or business carried on through a permanent establishment or fixed place of business in Switzerland may be able to claim a full or partial refund of the Swiss federal withholding tax by virtue of the provisions of a double taxation treaty, if any, between Switzerland and the country of residence of the holder.

### Swiss Federal Stamp Duty

The issue of the Bonds to their initial holders will not be subject to Swiss federal stamp duty on the dealing in securities (*Umsatzabgabe*) (primary market). Secondary market dealings in the Bonds where a Swiss domestic bank or a Swiss domestic securities dealer (as defined in the Swiss Federal Stamp Duty Act) is a party to, or acts as an intermediary in connection with, the transaction may be subject to Swiss federal stamp duty on the dealing in securities at a rate of up to 0.15% of the consideration paid for the Bonds.

### Income Taxation on Principal or Interest

#### (i) Bonds held by non-Swiss holders

A holder of a Bond who is not resident in Switzerland and who during the taxation year has not engaged in a trade or business carried on through a permanent establishment or fixed place of business in Switzerland will, in respect of payments of interest on, and repayment of principal of, the Bonds, and gain realized on the sale or redemption of Bonds, not be subject to income tax in Switzerland. See "Swiss Federal Withholding Tax" above for a summary on the deduction of Swiss federal withholding tax on payments of interest on the Bonds.

## Taxation in Switzerland

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### *(ii) Bonds held by Swiss resident holders as private assets*

An individual who resides in Switzerland and holds the Bonds as private assets is required to include all payments of interest received on such Bonds in his or her personal income tax return for the relevant tax period and will be taxed on the net taxable income (including the payments of interest on the Bonds) for such tax period at the then prevailing tax rates.

Swiss resident individuals who sell or otherwise dispose of privately held Bonds realise either a tax-free private capital gain or a non-tax-deductible capital loss. See “Bonds held as Swiss business assets” below for a summary on the tax treatment of individuals classified as “professional securities dealers”.

### *(iii) Bonds held as Swiss business assets*

Swiss resident corporate taxpayers, corporate taxpayers residing abroad holding Bonds as part of a permanent establishment or fixed place of business situated in Switzerland, and individuals who hold Bonds as part of a business situated in Switzerland are required to recognise payments of interest on, and any capital gain or loss realized on the sale or other disposal of, such Bonds in their income statement for the relevant tax period and will be taxed on any net taxable earnings for such tax period at the then prevailing tax rates. The same taxation treatment also applies to Swiss resident individuals who, for Swiss income tax purposes, are classified as “professional securities dealers” for reasons of, inter alia, frequent dealings or leveraged transactions in securities.

## Taxes withheld by Switzerland for other countries

### *(i) Savings Tax based on the Agreement between the European Community and Switzerland*

In accordance with the agreement of October 26, 2004 between the European Community and Switzerland (the “**Agreement**”), which provides for measures equivalent to those laid down in Council Directive 2003/48EC on the taxation of savings income in the form of interest payments or similar income (the “**EU Savings Directive**”), interest payments in respect of the Bonds by paying agents in Switzerland to EU resident individuals are subject to EU savings tax at a rate of 35% (with the option of the individual to have the paying agent in Switzerland and the relevant Swiss authorities provide to the tax authorities of the EU member state in which the individual resides, the details of the interest payments in lieu of the withholding). In accordance with the terms of the Bonds, holders of Bonds will not be entitled to receive any additional amounts to compensate them for any such withholding.

In the context of the repeal of the EU Savings Directive by the European Commission by Council Directive (EU) 2015/2060 of November 10, 2015, with effect from January 1, 2017 in the case of Austria and from January 1, 2016 in the case of all other Member States (subject to on-going requirements to fulfill administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates), Switzerland and the European Community signed on May 27, 2015 an amendment protocol to the Agreement, which would introduce, if ratified, an automatic exchange of information regime in accordance with the Global Standard released by the OECD Council in July 2014, in lieu of the existing withholding system, and expand the range of payments covered. The amendment is pending approval by the Swiss Parliament and, subject to approval and an optional referendum, is expected to enter into force on January 1, 2017. Subject to these conditions, the EU and Switzerland intend to collect account data from 2017 and exchange it from 2018 once the necessary Swiss implementing legislation enters into effect.

### *(ii) Foreign Final Withholding Tax*

The Swiss Federal Council signed treaties with the United Kingdom and Austria providing, inter alia, for a final withholding tax. The treaties entered into force on January 1, 2013.

## Taxation in Switzerland

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According to the treaties, a Swiss paying agent may levy a final withholding tax in respect of an individual resident in the United Kingdom or resident in Austria on capital gains and on certain income items deriving, inter alia, from the Bonds. The final withholding tax will substitute the ordinary income tax due by an individual resident of a contracting state on such gains and income items. In lieu of the final withholding, individuals may opt for a voluntary disclosure of the relevant capital gains and income items to the tax authorities of their state of residency. It is expected that as a consequence of the amendment protocol to the Agreement (if and when approved and ratified) such treaties on final withholding taxes between Switzerland and the United Kingdom and between Switzerland and Austria will be terminated.

If such withholdings will be due, neither the Issuer nor any paying agent nor any other person will pursuant to the Terms of the Bonds be obliged to pay additional amounts with respect to any Bond as a result of the deduction or imposition of such withholding tax.

Holders of Bonds who might be in the scope of the abovementioned treaties should consult their own tax adviser as to the tax consequences relating to their particular circumstances.

## Terms of the Bonds

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The terms and conditions (each a **Condition**, and together the **Terms of the Bonds**) of the CHF 115,000,000 1.00 percent bonds due 2023 issued by the Issuer (each a **Bond** and collectively the **Bonds**), are as follows:

### 1 Amount, Form, Denomination, Custodianship and Transfer of the Bonds

- (a) The initial aggregate principal amount of the Bonds of Swiss francs (**CHF**) 115,000,000 (the **Aggregate Principal Amount**) is issued in denominations of CHF 5,000 and integral multiples thereof.

The Issuer reserves the right to reopen and increase the Aggregate Principal Amount at any time and without prior consultation of or permission of the Holders (as defined below) through the issuance of further bonds which will be fungible with the Bonds (i.e. other than the Issue Date identical in respect of the Terms of the Bonds).

- (b) The Bonds are issued as uncertificated securities (*Wertrechte*) in accordance with art. 973c of the Swiss Code of Obligations. Such uncertificated securities (*Wertrechte*) will be entered by the Principal Paying Agent into the main register (*Hauptregister*) of SIX SIS as recognized intermediary for such purposes by SIX Swiss Exchange for the entire duration of the Bonds and until their complete redemption.

So long as the Bonds are intermediated securities (*Bucheffekten*), in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*) the Bonds may only be transferred by the entry of the transferred Bonds in a securities account of the transferee.

- (c) The records of SIX SIS will determine the number of Bonds held through each participant in SIX SIS. In respect of Bonds held in the form of intermediated securities (*Bucheffekten*), the holders of such Bonds (the **Holders** and, individually, a **Holder**) will be the persons holding the Bonds in a securities account (*Effektenkonto*) which is in their name, or in case of intermediaries (*Verwahrungsstellen*), the intermediaries (*Verwahrungsstellen*) holding the Bonds for their own account in a securities account (*Effektenkonto*) which is in their name.
- (d) The conversion of the uncertificated securities (*Wertrechte*) into a permanent global certificate (*Globalurkunde auf Dauer*) or individually certificated bonds (*Wertpapiere*) is excluded. Neither the Issuer nor the Holders nor the Principal Paying Agent nor any third party shall at any time have the right to effect or demand the conversion of the uncertificated securities (*Wertrechte*) into, or the delivery of a permanent global certificate (*Globalurkunde auf Dauer*) or individually certificated securities (*Wertpapiere*).

### 2 Interest

The Bonds bear interest from (but excluding) 4 July 2016 (the **Issue Date**) at the rate of 1.00 percent of their Aggregate Principal Amount per annum, payable annually in arrears on 4 July of each year (the **Interest Payment Date**), for the first time on 4 July 2017. Interest on the Bonds is computed on the basis of a 360-day year of twelve 30-day months.

### 3 Redemption, Purchase and Cancellation

- (a) Redemption at Maturity

Unless previously redeemed, the Issuer undertakes to repay all outstanding Bonds at par, without further notice on 4 July 2023 (the **Maturity Date**).

- (b) Redemption at the Option of the Issuer

Subject to a period of not less than thirty (30) nor more than sixty (60) days' prior notice to the Principal Paying Agent, the Issuer may redeem the Bonds at any time after the Issue Date and prior to the Maturity Date, in whole, but not in part only, at par plus accrued interest, if any, on the date determined by the

## Terms of the Bonds

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Issuer for early redemption, if eighty-five (85) percent or more of the Aggregate Principal Amount have been redeemed or purchased and cancelled at the time of such notice.

(c) Redemption at the Option of the Holders upon **Change of Control**

A A Change of Control occurs when:

- (a) an offer to acquire Shares, whether expressed as a public takeover offer, a merger or similar scheme with regard to such acquisition, or in any other way, is made in circumstances where (i) such offer is available to (aa) all holders of Shares, (bb) all holders of Shares other than the offeror and any persons acting in concert with such offeror or (cc) all holders of Shares other than persons who are excluded from the offer by reason of being connected with one or more specific jurisdictions, and (ii) such offer having become or been declared unconditional in all respects, the Issuer becomes aware that the right to cast more than 50% of all the voting rights (whether exercisable or not) of the Issuer has become unconditionally vested in the offeror and any persons acting in concert with the offeror; or
- (b) the Issuer consolidates with or merges into any other company; or
- (c) the legal or beneficial ownership of all or substantially all of the assets owned by the Issuer, either directly or indirectly, are acquired by one or more other persons.

B Upon a Change of Control:

the Issuer shall forthwith, or, if it is not clear at that point in time whether the Holders are entitled to exercise their redemption rights pursuant to Condition 3 C because the Issuer's "BBB" rating is not yet available, immediately following the receipt of the rating decision of the relevant rating agency or after two months, whatever is earlier, give notice of that fact to the Holders (the **Change of Control Notice**) in accordance with Condition 10. The Change of Control Notice shall:

- (a) inform the Holders that a Change of Control has occurred and that each Holder has the right to require redemption of the Bonds pursuant to Condition 3 C;
- (b) specify the date (the **Change of Control Redemption Date**), being not more than sixty (60) and not less than thirty (30) days after giving such notice, on which the Bonds may be redeemed pursuant to Condition 3 C; and
- (c) provide details concerning the Change of Control.

C Early Redemption at the Option of Holders upon Change of Control

Upon the occurrence of a Change of Control, the Issuer will at the option of a Holder, redeem such Bond at par, together with interest accrued up to, on the Change of Control Redemption Date unless,

- (a) in the event of a merger or consolidation of the Issuer, the surviving entity has or receives a rating of at least BBB by Standard & Poor's or the equivalent by Moody's for its senior unsecured long-term debt on a consolidated basis and assumes or keeps, as the case may be, the Issuer's obligations under the Bonds *pari passu* with its own senior obligations, or
- (b) in the event of an offer to acquire Shares, or in the event of a transfer of the legal or beneficial ownership of all or substantially all of the assets owned by the Issuer, the acquirer has a rating of at least BBB by Standard & Poor's or the equivalent by Moody's for its senior unsecured long-term debt or receives such a rating on a consolidated basis after giving effect to the acquisition and assumes or guarantees the Issuer's obligations under the Bonds *pari passu* with its own senior obligations.

## Terms of the Bonds

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It is understood that where no rating exists for the senior unsecured long term debt of the surviving entity, the acquiring entity or the Issuer, as the case may be, or a rating is not received within a period of two months since the occurrence of a Change of Control, respectively, then the Holders shall have a redemption right as described in the first sentence of this Condition 3 C.

To exercise such option, a Holder must present a duly completed redemption notice to the Principal Paying Agent (a **Change of Control Redemption Notice**), together with clearing instructions in a form and with a content satisfactory to the Principal Paying Agent allowing for the transfer of the relevant Bonds to the Principal Paying Agent by not later than fourteen (14) days prior to the Change of Control Redemption Date. No Bond or Change of Control Redemption Notice so deposited may be withdrawn without the consent of the Issuer.

### (d) Purchases

The Issuer or any Subsidiary may, either directly or indirectly, at any time purchase Bonds at any price, in the open market or otherwise. Any purchase shall be made in accordance with applicable laws or regulations, including applicable stock exchange regulations. Such Bonds may be held, resold or, at the option of the Issuer, surrendered to the Principal Paying Agent for cancellation as set out below.

If purchases are made by public tender, such tender must be available to all Holders alike.

### (e) Cancellation

All Bonds which are redeemed or surrendered to the Principal Paying Agent shall immediately be cancelled. All Bonds so cancelled cannot be reissued or resold.

### (f) Notice

Where the provisions of this Condition 3 provide for the giving of notice by the Issuer to the Principal Paying Agent, such notice shall be deemed to be validly given if made in writing with all required information to the Principal Paying Agent within the prescribed time limit. Such notices shall be announced to the Holders as soon as practicable pursuant to Condition 10. Such notices shall be irrevocable.

## 4 Payments

The amounts required for payments under these Terms of the Bonds will be made available in good time in freely disposable CHF which will be placed at the free disposal of the Principal Paying Agent. If the due date for any payment by the Issuer does not fall on a Business Day, the Issuer undertakes to effect payment for value the Business Day immediately following such due date and the Holders will not be entitled to any additional sum in relation thereto. All payments with respect to the Bonds will be made to the Holders in CHF without collection costs.

The receipt by the Principal Paying Agent of the due and punctual payment of the funds in CHF as provided above shall release the Issuer from its payment obligations under the Bonds to the extent of such payments. Upon receipt of funds as provided above, the Principal Paying Agent shall arrange for payment to the Holders through SIX SIS in accordance with standard Swiss market practice.

If the Bonds are not redeemed when due, interest shall continue to accrue until (and including) the day when the Bonds are redeemed.

If, at any time during the life of the Bonds, the Principal Paying Agent shall resign or become incapable of acting as Principal Paying Agent as contemplated by these Terms of the Bonds or shall be adjudged bankrupt or insolvent, the Principal Paying Agent may be substituted by a duly licensed major Swiss bank or branch of a major foreign bank in Switzerland chosen by the Issuer. In the event of such replacement of the Principal Paying Agent, all references to the Principal Paying Agent shall be deemed to refer to such replacement.

Notice of such a replacement shall be published in accordance with Condition 10.

## Terms of the Bonds

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### 5 Statute of Limitations

In accordance with Swiss law, claims for interest under the Bonds shall become time-barred after a period of five (5) years and claims for the repayment or redemption of Bonds after a period of ten (10) years, calculated from their respective due dates.

### 6 Taxation

All payments in respect of the Bonds are subject to all applicable taxes and deductions, including the deduction of the Swiss Federal Withholding Tax (*Verrechnungssteuer*) on interest payments, currently levied at a rate of thirty-five (35) percent

### 7 Status of the Bonds and Negative Pledge

#### (a) Status

The Bonds constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer, rank *pari passu* among themselves and with all other present or future unsecured and unsubordinated obligations of the Issuer, except for such preferences as are provided for by any mandatorily applicable provision of law.

#### (b) Negative Pledge

So long as any of the Bonds remain outstanding, the Issuer will not create any guarantee, mortgage, lien, pledge, charge or other form of encumbrance or security interest, other than a Permitted Security upon the whole or any part of its present or future assets or revenues, to secure any Relevant Debt or to secure any guarantee or indemnity in respect of any Relevant Debt, unless, at the same time or prior thereto, the Issuer's obligations under the Bonds

- (i) are secured equally and ratably therewith by such encumbrance or security interest or benefit from a guarantee or indemnity in substantially identical terms thereto, as the case may be, or
- (ii) have the benefit of such other security, guarantee, indemnity or other arrangement as shall be approved by the Holders' Representative.

### 8 Events of Default

If any of the following events (each event an **Event of Default**) shall occur, Credit Suisse in its capacity as Holders' representative (the **Holders' Representative**) has the right but not the obligation, on behalf of the Holders, to declare all outstanding Bonds immediately due and repayable at par plus accrued interest:

- (a) there is a failure by the Issuer to pay principal or interest on any of the Bonds, if and when due and such failure continues for a period of ten (10) calendar days; or
- (b) a failure is made in the performance or observance of any material covenant, condition or provision which is to be performed by the Issuer under the Terms of the Bonds and (except where the Holders' Representative certifies in writing that, in its opinion, such failure is not capable of remedy, when no such notice or continuation as is mentioned below shall be required) such failure continues for a period of twenty (20) calendar days following the service by the Holders' Representative on the Issuer of a notice requiring such failure to be remedied; or
- (c) any other present or future indebtedness of the Issuer or a Material Subsidiary for or in respect of monies borrowed (i) is not paid when due (otherwise than, where permitted under the terms of the relevant indenture or agreement, at the option of the relevant debtor) or, as the case may be, within any applicable



## Terms of the Bonds

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grace period, or (ii) becomes due and payable prior to its stated maturity as a result of an event of default (howsoever described), or (iii) any security in respect of any such indebtedness becomes enforceable or any guarantee of, or indemnity in respect of such indebtedness given by the Issuer or a Material Subsidiary is not honored when due and called or, as the case may be, within any applicable grace period, provided that no such event shall be taken into account for the purposes of this para. (c) unless such indebtedness, either alone or when aggregated with other indebtedness shall at any time equal or exceed the amount of at least CHF 40,000,000 or its equivalent in any other currency or currencies (calculated on the basis of the middle spot rate for the relevant currency against CHF as quoted by any leading bank at the place of payment of such debt on the day on which this para. operates); or

- (d) any guarantee, mortgage, lien or other encumbrance, present or future, created or assumed by the Issuer or a Material Subsidiary becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person but not the serving of a payment order (*Zahlungsbefehl*) provided that the aggregate amount of the relevant indebtedness in respect of which such guarantee, mortgage, lien or other encumbrance was created or permitted to subsist equals or exceeds CHF 40,000,000 or its equivalent in any other currency or currencies (calculated on the basis of the middle spot rate for the relevant currency against CHF as quoted by any leading bank at the place of payment of such debt on the day on which this para. operates), and any such steps taken are not abandoned or discontinued within twenty (20) calendar days of being taken; or
- (e) The LTV of the Issuer and its Subsidiaries exceeds seventy (70) percent; or
- (f) the Issuer or a Material Subsidiary is (or is deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops or suspends payment of all or a material part of its debts, proposes or makes a stay of execution, a postponement of payments (*Stillhaltevereinbarung*), a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any such debts or a moratorium or postponement of payments (*Stillhaltevereinbarung*) is agreed or declared in respect of or affecting all or a substantial part of (or a particular type of) the debts of the Issuer or a Material Subsidiary or a liquidator is appointed with respect to the Issuer or a Material Subsidiary; or
- (g) the Issuer or a Material Subsidiary alters its legal or commercial structure through bankruptcy, liquidation, disposal of a substantial part of its assets outside the ordinary course of business of the Issuer or the Material Subsidiary (for the purpose of this provision, "substantial" means assets that represent more than ten (10) percent of the consolidated balance sheet total), change in the objects of the legal entity and/or commercial activities, merger or reorganization (other than internal Group restructurings and reorganizations, provided that such restructurings and reorganizations shall not result in a substantial reduction of the assets of the Issuer, for example by distributions to the ultimate shareholders), in so far as the relevant action, in the Holders' Representative's opinion, has or will have a material adverse effect on the capacity of the Issuer to meet its obligations under the Terms of the Bonds, unless the Holders' Representative considers the situation of the Holders as adequately protected based on securities created or other steps taken by the Issuer; or
- (h) a dissolution, winding-up, liquidation or merger involving the Issuer as result of which the Issuer is not the surviving legal entity, unless the successor legal entity assumes all the Issuer's liabilities of the Bonds.

The Issuer undertakes to inform the Holders' Representative without delay if any event mentioned under para. (b) through (h) has occurred and to provide the Holders' Representative with all necessary documents and information in connection therewith.

If an Event of Default occurs, the Holders' Representative has the right but not the obligation to serve a written notice of default (**Default Notice**), such notice having the effect that the Bonds shall become immediately due and payable at par plus accrued interest, if any, on the day the Default Notice is given.

Upon the occurrence of an Event of Default, the Holders' Representative may invite the Holders in accordance with art. 1157 seq. of the Swiss Code of Obligations to a Holders' meeting for the taking of a resolution on the serving of a Default Notice, provided the Holders' Representative has not served such Default Notice itself. The legally valid resolution of the Holders' meeting to serve a Default Notice, shall replace the right reserved

## Terms of the Bonds

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by the Holders' Representative according to these Terms of the Bonds to serve a Default Notice on behalf of the Holders. If the Holders' meeting votes against the serving of a Default Notice, the right to serve such Default Notice shall revert to the Holders' Representative whereby the Holders' Representative shall not be bound by the resolution of the Holders' meeting if and to the extent that new circumstances arise or become known which require a revised assessment of the facts.

### 9 Substitution of the Issuer

The Issuer may without the consent of the Holders, at any time substitute itself in respect of all rights and obligations arising under or in connection with the Bonds with any Swiss legal entity of which all shares carrying voting rights are directly or indirectly held by the Issuer (the **New Issuer**), provided that:

- (a) in the opinion of the Holders' Representative, (i) the New Issuer is in a position to fulfil all payment obligations arising from or in connection with the Bonds and (ii) the interest of the Holders are adequately protected;
- (b) the Issuer and the New Issuer have entered into such documents as are necessary to give effect to such substitution and provided copies of these documents to the Holders' Representative;
- (c) the Issuer has issued an irrevocable and unconditional guarantee as per art. 111 of the Swiss Code of Obligations in respect to the obligations of the New Issuer under the Bonds in form and content satisfactory to the Holders' Representative.

Any substitution shall be published in accordance with Condition 10.

In the event of such substitution, any reference to the Issuer shall be deemed to refer to the New Issuer.

### 10 Notices

All notices regarding the Bonds shall be given through the Principal Paying Agent on behalf and at the expense of the Issuer (i) for so long as the Bonds are listed on SIX Swiss Exchange on the internet site of SIX Swiss Exchange (where notices are currently published under the address [www.six-swiss-exchange.com/news/official\\_notices/search\\_en.html](http://www.six-swiss-exchange.com/news/official_notices/search_en.html)) or (ii) in case the Bonds were no longer listed on SIX Swiss Exchange in a daily newspaper with general circulation in Switzerland (which is expected to be the *Neue Zürcher Zeitung*).

### 11 Listing

Application will be made for the admission to trading and listing of the Bonds on SIX Swiss Exchange.

The Issuer will use reasonable endeavours to have the Bonds listed on SIX Swiss Exchange and to maintain such listing as long as any Bonds are outstanding.

### 12 Governing Law and Jurisdiction

The Bonds shall be exclusively governed by and construed in accordance with the substantive laws of Switzerland (i.e. without regard to the principles of conflict of laws).

The exclusive place of jurisdiction for any dispute, claim or controversy arising under, out of or in connection with or related to the Bonds shall be the city of Zurich.

The above-mentioned jurisdiction is also exclusively valid for the declaration of cancellation of Bonds.

## Terms of the Bonds

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### 13 Amendment to the Terms of the Bonds

The Terms of the Bonds may be amended by agreement between the Issuer and the Holders' Representative on behalf of the Holders, provided that such amendment is of a formal, minor or technical nature, is made to correct a manifest error or is not materially prejudicial to the interests of the Holders. Notice of any such amendment shall be published in accordance with Condition 10.

### 14 Role of Credit Suisse

Credit Suisse has been appointed by the Issuer as the Principal Paying Agent and as the Listing Agent with respect to the Bonds and it will or may also act on behalf of or for the benefit of the Holders as Holders' Representative, but only in such cases stated explicitly in these Terms of the Bonds. In any other cases, the Holders' Representative is not obliged to take or to consider any actions on behalf of or for the benefit of the Holders.

### 15 Definitions

**Business Day** means any day (other than Saturday or Sunday) on which banks are open the whole day for business in Zurich.

**Credit Suisse** means Credit Suisse AG, Paradeplatz 8, 8001 Zurich (P.O. Box, 8070 Zurich).

**Group** means the Issuer together with its consolidated subsidiaries.

**Issuer** means HIAG Immobilien Holding AG, Aeschenplatz 7, 4052 Basel.

**Listing Agent** means Credit Suisse, appointed as recognized representative pursuant to art. 43 of the listing rules of SIX Swiss Exchange to file the listing application (including the application for provisional admission to trading) for the Bonds with SIX Swiss Exchange.

**LTV** means the sum of interest bearing liabilities net of cash and cash equivalents divided by the gross asset value.

**Material Subsidiary** means, so long as any of the Bonds are outstanding, but only up to the time all amounts of principal and interest have been placed at the disposal of the Principal Paying Agent, any operating Subsidiary of the Issuer whose assets, net revenues, operating profit or profit after tax at any time, represent five (5) percent or more of the consolidated assets, the consolidated net revenues, the consolidated operating profit or profit after tax, as the case may be, of the Issuer and its Subsidiaries at any time (as the case may be), and for this purpose:

- (a) the assets, net revenues, operating profit and profit after tax of any such Subsidiary shall be ascertained by reference to:
  - (i) the financial statements of such Subsidiary as of the date in respect of which the last audited consolidated financial statements of the Issuer and its Subsidiaries have been prepared;
  - (ii) if such body corporate becomes a Subsidiary of the Issuer after that date, the latest financial statements of such Subsidiary adjusted to take into account subsequent acquisitions and disposals or other changes in circumstances;
- (b) the consolidated assets, consolidated net revenues, consolidated operating profit and profit after tax of the Issuer shall be ascertained by reference to the last audited consolidated financial statements of the Issuer and its Subsidiaries; and

## Terms of the Bonds

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- (c) once an entity has become a Material Subsidiary, it shall be considered one until it has been demonstrated to the satisfaction of the Holders' Representative that it has ceased to be a Material Subsidiary, a written report from the Issuer's auditors to this effect being sufficient for this purpose.

**Permitted Security** means a security (and any security created in substitution for any such security) in the form of any guarantee, mortgage, charge, pledge, lien or other form of encumbrance or security interest relating to the financing, refinancing or the acquisition of any specified asset or assets, but only to the extent that such security secures obligations arising from the financing, refinancing or acquisition of such specified assets, provided, however, that the consolidated amount of the Relevant Debt secured by such Permitted Security may not exceed sixty-five (65) percent of the Portfolio Value.

**Portfolio Value** means the market value of the real estate portfolio/investment properties as set out in the most recently published financial report (annual, semi-annual or quarterly) of the Issuer.

**Principal Paying Agent** means Credit Suisse in its function as principal paying agent.

**Relevant Debt** means any present or future indebtedness of the Issuer or a Material Subsidiary represented or evidenced by, notes, bonds, debentures, loan stock or other securities which for the time being or are capable of being, quoted, listed or ordinarily dealt with on any stock exchange, over-the-counter market or other securities market.

**Shares** means the issued and fully paid registered shares of the Issuer (and all other (if any) shares or stock resulting from any subdivision, consolidation or reclassification of such shares).

**SIX SIS** means SIX SIS Ltd, the Swiss clearing and settlement organization, Baslerstrasse 100, 4600 Olten, or any successor organization accepted by SIX Swiss Exchange.

**SIX Swiss Exchange** means SIX Swiss Exchange Ltd, Selnaustrasse 30, 8001 Zurich (P.O. Box 1758, 8021 Zurich) or any successor exchange.

**Subsidiary** means a legal entity of the Issuer the financial statements of which are, in accordance with applicable law or generally accepted accounting principles, consolidated with those of the Issuer.

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**Annual Report 2015**  
**(comprising the Business Report and the Financial Report)**

# 2015

**Annual Report**  
**Business Report**  
**Financial Report**

# 2015

**Annual Report**  
**Business Report**





Online Version



Annual Report (PDF)



Short Version

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The Annual Report is published in English and German. Should there be any linguistic discrepancies, the German version shall prevail.

The Online Version and the Annual Report are available for download at [www.annualreport.hiag.com](http://www.annualreport.hiag.com).

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# Company Profile

## Site Redevelopment in Switzerland

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**HIAG Immobilien is a leading player in the reuse and redevelopment of former industrial sites and properties in Switzerland. The group focuses on large, well-positioned sites with significant redevelopment potential in densely populated areas. HIAG Immobilien's portfolio covers about 40 sites with a total land area of 2.6 million m<sup>2</sup> and was valued at CHF 1.2 billion as at the end of 2015.**

HIAG Immobilien stands for property redevelopment in Switzerland. As long-term owner of its sites and properties, and landlord to a diversified tenant base, it strives to steadily and jointly increase the potential value creation on its sites. In so doing, the company creates new quarters that provide a sustainable foundation for the emergence of a new environment for living and working. HIAG Immobilien's core business focuses on the management of master plan and building permit procedures, site marketing, the steering of redevelopment processes and portfolio management, including the steering of property administration

### Growth potential in our portfolio

As of 31 December 2015, HIAG Immobilien's property portfolio included a lettable area of approximately 470'000 m<sup>2</sup> with an annualised property income of CHF 51.4 million. The completion of HIAG Immobilien's current roughly 50 short, medium and long-term redevelopment projects will create an additional lettable area of approximately 680'000 m<sup>2</sup>. Condominium sales provide the

group with funding to autonomously finance its development pipeline. The group's property portfolio is diversified with significant exposure to industry/commercial, distribution/logistics, residential, retail and office use.

### A company with industrial roots

HIAG Immobilien was established in 2008 after being hived off from the Holzindustrie-Aktien-gesellschaft (HIAG) founded in 1876. Today the company has 27 employees in its core team working at its Basel, Geneva and Zurich locations. About 94% of HIAG Immobilien's real estate portfolio is situated in the economic catchment areas of Zurich/Zug, Baden/Brugg, Basel and Geneva. HIAG Immobilien Holding AG has been listed on the SIX Swiss Exchange since May 2014.

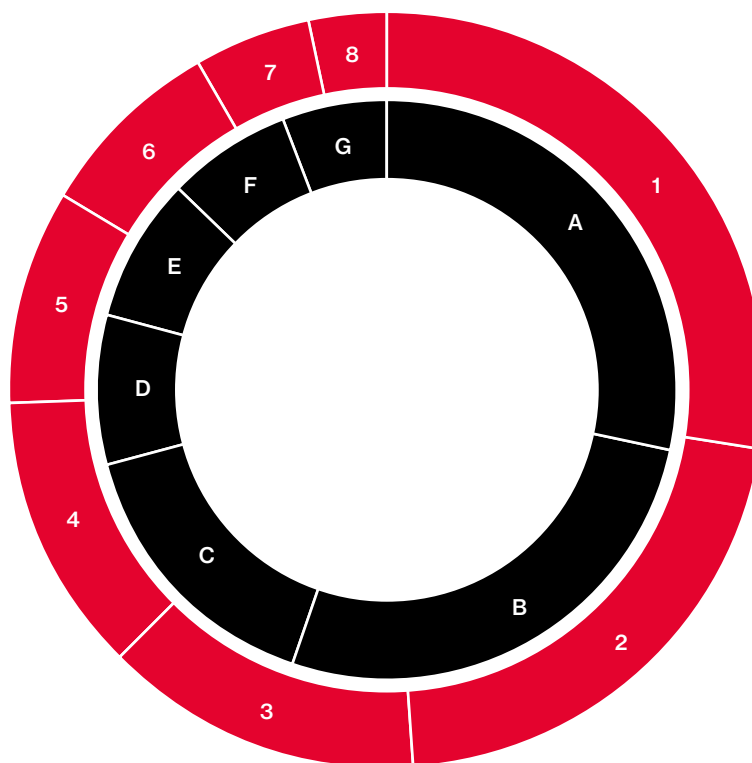
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For further information on the company, go to [www.hiag.com](http://www.hiag.com)

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# Key Facts in a Nutshell

## Key Figures



according to use ■  
according to canton ■

### Market value of real estate properties by type of use as at 31.12.2015

1	Industry, commercial	27.7%
2	Residential	21.3%
3	Retail	13.6%
4	Office	12.0%
5	Distribution, logistics	9.0%
6	Building land	8.0%
7	Residential and commercial	5.0%
8	Other	3.3%

### Market value of real estate properties by canton as at 31.12.2015

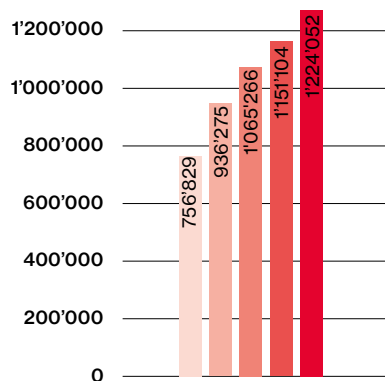
A	Aargau	28.6%
B	Zurich	26.8%
C	Zug	15.7%
D	Solothurn	8.2%
E	Geneva	8.1%
F	Baselland	6.8%
G	Others	5.8%

# 86%

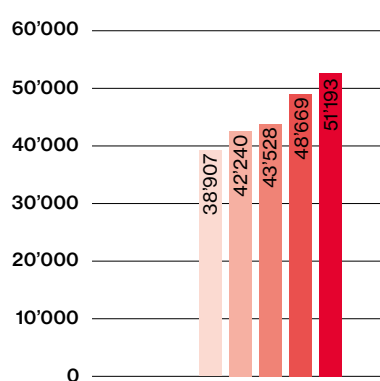
of HIAG Immobilien's real estate portfolio  
is situated in the regions Zurich/Zug,  
Baden/Brugg, Basel and Geneva.

## Real estate portfolio, property income, net income in TCHF

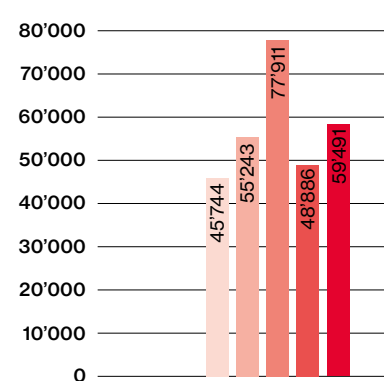
Real estate portfolio



Property income



Net income



2011 2014  
2012 2015  
2013

## Key financial figures

in TCHF	31.12.2015	31.12.2014
Property income	51'193	48'669
Revaluation of properties	31'493	28'701
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	65'021	59'318
Net income	59'491	48'886
Cash and cash equivalents	52'351	62'155
Shareholders' equity	708'721	675'574
Equity ratio	54.4%	54.4%
LTV ratio	36.8%	37.0%
Balance sheet total	1'303'087	1'242'553
Cash flow from operating activities incl. sales promotion	44'634	46'393
Employee headcount	47	42
– thereof building maintenance and administration	17	15

## Key portfolio figures

in TCHF	31.12.2015	31.12.2014
Real estate portfolio	1'224'052	1'151'104
Yielding portfolio	717'017	703'235
Property development portfolio	507'035	447'869
Real estate portfolio (number of real estate properties)	115	115
Number of redevelopment properties	54	53
Investments in real estate	80'375	52'535
Annualised rental income in CHF million	51.4	49.8
Vacancy rate for investment properties	11.1%	11.7%
Vacancy rate for investment properties undergoing repositioning <sup>1</sup>	32.4%	33.8%
Vacancy rate for redevelopment properties	19.3%	24.9%

<sup>1</sup> Properties Mandachstrasse 50–56 ZH, Lorzenparkstrasse 2–16 ZG and Sternenfeldpark 14 BL

## EPRA performance figures

in TCHF	31.12.2015	31.12.2014
EPRA earnings	28'281	25'192
EPRA NAV	771'883	731'953
EPRA equity ratio	59.2%	58.9%
EPRA vacancy rate	15.0%	15.8%
EPRA vacancy rate excl. investment properties undergoing repositioning <sup>1</sup>	11.1%	11.7%

<sup>1</sup> Properties Mandachstrasse 50–56 ZH, Lorzenparkstrasse 2–16 ZG and Sternenfeldpark 14 BL

## Key figures per share

in CHF	31.12.2015	31.12.2014
Earnings per share (EPS)	7.44	6.84
Earnings per share without revaluation of properties	3.50	2.82
Earnings per share without revaluation of properties incl. revaluation of promotion	4.33	4.13
Dividends payout <sup>1</sup>	3.50	3.30
Payout ratio <sup>2</sup>	80.75%	79.90%
Cash yield <sup>3</sup>	3.85%	3.95%

<sup>1</sup> Proposal to the Annual General Meeting on 19 April 2016 for the financial year 2015: distribution out of reserves from capital contributions

<sup>2</sup> Dividends per share compared to earning per share without revaluation of properties incl. revaluation of promotion

<sup>3</sup> Dividends per share compared to share price at the end of period

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# Letter to Shareholders

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Dr. Felix Grisard, President of the Board of Directors (left)  
and Martin Durchschlag, Chief Executive Officer

## Dear shareholders

**HIAG Immobilien is on a stable path to success in the first full year after the initial public offering. The key performance figures improved and the portfolio was expanded further in a challenging environment. The financing structure was improved through the issue of a bond.**

Operating income before revaluation of properties grew by CHF 3.8 million, or 7.6%, to CHF 54.1 million. At CHF 59.5 million, net income was up 18.0% compared to the previous year and provided an attractive interest rate for shareholders with an 8.8% return on equity. The result without revaluation effects increased by 29.0% to CHF 28.0 million. In addition to the 5.2% increase in property revenue to CHF 51.2 million, isolated asset sales and the capitalisation of tax losses carried forward also contributed to this. At CHF 31.5 million, revaluation effects were also approximately CHF 2.8 million higher than the previous year. In keeping with the increase in equity by 4% dividends increased from CHF 3.3 to CHF 3.5 per share.

## The low interest environment shaped the overall market

The 2015 business year was marked by the SNB's decision at the beginning of the year to no longer defend the lower limit of the euro exchange rate. In the short term, this led to upheaval in the equity markets and the slide of short-term interest rates deep into the negative range. HIAG Immobilien reacted to the new situation, and thanks to the issue of a first six-year bond in the middle of the year, the average term for external financing increased, financing was diversified and the average interest rate was secured at approximately 1.0%. In the second half of the year, the expected effects on business activity could be felt along with the realisation among many market participants that a sudden and continued interest rate turnaround was anything but certain. In the end, this situation allowed further funds to flow into real estate investments, which impacted transaction prices primarily in residential real estate and thus the valuations by independent real estate appraisers. The average weighted discount rate decreased by 11 basis points to 4.66% in HIAG Immobilien's inventory portfolio, or by 28 basis points to 4.35% in the overall portfolio, which accounts for about one third of the total revaluation effects of the business year.


## Portfolio with four projects under construction

In 2015, the portfolio was expanded further with the acquisition of the Swissmetal site in Dornach at the beginning of the year and the further consolidation of the site in Meyrin in the second half of the year. However, both transactions had already been prepared in 2014, so that in 2015, despite continuous review of acquisition possibilities, the portfolio could not be expanded further. This was mainly due to price expectations and transaction prices, which were sometimes considerably above our value estimations. The focus of our activity in 2015 was therefore the further development of our property portfolio. As at the reporting date, four projects were under construction: in Meyrin (GE), approximately 8'000 m<sup>2</sup> of office space is being built for the EMEA headquarters of Hewlett Packard

Enterprise and HP Inc.; in Bremgarten (AG), approximately 4'900 m<sup>2</sup> of new industrial space and approximately 2'500 m<sup>2</sup> of office space are being built for Jeld-Wen, the worldwide leader in the door market; in Windisch (AG), 29 condominium apartments are being created at the Feinspinnerei project on the Reuss river; and in Baar, The Cloud project with 99 condominium units is in the final phase of construction. During the reporting period, a total of 53 condominium units were sold, meaning condominium sales are progressing as expected: as at the reporting date, sale levels of condominium projects, including reservations, were 98% for Stegbünt, 88% for Spinnerei III, 48% for The Cloud and 10% for the Feinspinnerei project.

### Progress in the redevelopment portfolio

The overwhelming approval of the master plan in Biberist laid the foundation for further successful redevelopment. The building permit was therefore submitted for the recommissioning of the high-bay warehouse, which will subsequently be rented and operated by Sieber Transport. In Hausen/Lupfig, the approval of the master plan and the start of site decontamination provided a basis for reliable statements regarding permit and construction timetables to be given to potential tenants. Building permit applications were submitted in Frauenfeld for three subprojects, comprising a total of 39 apartments and 2'600 m<sup>2</sup> of office and commercial area, and a building permit application was submitted in Brugg for the renovation and extension of the administrative building. In Cham, an important anchor user for the site was brought in with the development of a sports centre for the EVZ. This development is taking place on an approximately 6'000 m<sup>2</sup> divestment of the land parcel, and provides considerable momentum for the development of the larger part of the site, so that construction can begin sooner.



**Dr. Felix Grisard**  
President of the Board of Directors

### Well-known new tenants

Contracts were signed with well-known new tenants during the reporting period. Tesla Motors opened its Store and Service Centre in Cham over the summer, Dunkin' Donuts provides baked goods to its subsidiaries throughout Switzerland from Aathal, and the canton of Neuchâtel concentrates its administrative activities at the HIAG Immobilien site there. The high-bay warehouse in Biberist will be recommissioned for Sieber Transport and Hewlett Packard Enterprise has taken on the remaining surface area of the new project in Meyrin. The vacancy rate of the overall portfolio decreased from 18.0% to 16.0%, including a reduction in the inventory portfolio from 11.7% to 11.1%.

### Attractive dividends

In 2016 we will also be setting our sights on organic growth in the portfolio, in which we are aiming for a further increase in property income and further dividend growth. We are also open to examining acquisition opportunities, but are very cautious due to the very high willingness to pay that other market participants are currently demonstrating. Instead, we are actively examining places where the development of rental building complexes as opposed to condominiums represents a more effective long-term equity investment for shareholders. We expect the interest rate environment to continue to be very low in 2016 and intend to use this environment to further extend the average term of our financing. When we look past the current storm clouds on the business activity horizon, we mainly see a great many exciting developments in Switzerland that we are eager to help shape and which make us optimistic about the future. On that note, we hope you enjoy reading this report.



**Martin Durchschlag**  
Chief Executive Officer



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## Interview Executive Board

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**Although the real estate market has calmed down substantially, HIAG Immobilien significantly increased its performance once again. In an interview with Medard Meier, CEO Martin Durchschlag and CFO Laurent Spindler talk about the reasons why their company is fit and strong.**

### What were the high points of 2015 for you?

MD: Each time a development process enters the final phase and building work begins, we can enjoy the fruits of our labour. This is always very satisfying for us as site developers. We were able to celebrate three groundbreakings in 2015 – in Windisch, Bremgarten and Meyrin. The unanimous approval by the municipal council of the master plan in Biberist was also an especially proud moment. Another high point for me was the successful expansion of our portfolio with the acquisition of the former metal works site in Dornach for future projects.

LS: From my CFO point of view, the successful issuing of the bond for CHF 100 million was a definite highlight. This second capital market transaction was a confirmation for us that we are on the right path after winning over the market a year ago with our IPO. With this bond, we are opening up new financing options for the Group and were able to prolong the average fixed interest rate period. Like our broadly diversified portfolio, we now also have a diversified financing structure.

MD: Thanks to this, HIAG has also been given a rating and has become even more transparent for shareholders.

### What conclusions can you draw from the IPO?

MD: Not only did we celebrate the first Annual General Meeting with our shareholders, but we were also able to assert that our business model, which is known to differ greatly from other models in our industry, is understood and accepted.

LS: We held the Annual General Meeting at our site in Windisch, just as we regularly invite our most important institutional shareholders for site visits. This is always very well received, since our shareholders can really feel how we bring our business model to life at the site.

### Are you satisfied with the business result?

MD: We are very pleased with 2015! Property income and operating income grew as expected and we were able to increase our after-tax earnings by 18%. We were also able to generate impressive added value once again with one of our key drivers: the creation of value through site redevelopment. And that was in spite of the fact that not all our projects progressed according to schedule as we would have liked. We are where we wanted to be at the end of the year with respect to the rental of apartments and the sales of condominium projects.

LS: We were able to further reduce the vacancy rate in the yielding portfolio from around 12% to 11%. Annualised property income, one of the most important key figures for us, also grew. And in the end, this leads to higher earnings per share for the shareholder.

### Were there any disappointments?

MD: I must say that we didn't have any real disappointments, thanks to the breadth and regional distribution of our approximately 50 redevelopment projects. However, we should not put ourselves under any pressure to rush ahead with an idealised timeline for the various projects. We can and want to take time to complete our projects neatly.

### Did your view of the market change over the course of the year?

MD: The overall market is still in very good condition, though there has been a flattening in certain sectors. Demand is still driven by steady immigration. And despite the sudden end of the cap on the Swiss franc, we perceive the Swiss economy to be robust. Of course, we have observed a certain level of stress. However, our tenants are very competitive overall. They react quickly and effectively to changes.

**Does your assessment also apply to the office segment?**

MD: For the time being, the offer is certainly higher than the demand, which leads to mild pricing pressure. However, we are nowhere near a price war. This is also because the vacancy rates are still very low by international comparison. If a renter can offer the right qualities for each location, then there is nothing to be afraid of in the near future. But we are very pleased to only have exposure of only about 12% of our portfolio in the office segment.

LS: The demand for rental units is still very good. For example, we were able to fully rent out the Spinnerkönig project in Windisch in a relatively short period of time.

MD: Every site is a prototype for us. There are sites that develop more dynamically than others. At each location, the important thing is to find the right mix of use concepts. We are very familiar with these processes. We are used to devising alternatives. There is never just one scenario at HIAG Immobilien. Time also brings additional options. Then you simply have to be ready to seize them.

**What is the business potential of your sites?**

MD: Our portfolio is valued at around CHF 1.2 billion. We can invest another CHF 2 billion in the existing property portfolio. We are far from finished.

**However, the interest environment could change shortly, and further weaken growth. You would certainly be affected by this.**

MD: There is no question that the favourable interest rate environment in recent years has fuelled the real estate market. That will not continue to be the case. We are absolutely aware of that. We don't see that as a negative at all. The challenge for us is to keep things under control, as we think far beyond the business cycle for our projects. What we feel in the market, however, is investment pressure from new market participants such as institutional investors, in particular. That limits our



**“There is never just one scenario at HIAG. Time also brings additional options. Then you simply have to be ready to seize them.”**

Martin Durchschlag

opportunities for growth and expansion in a certain way. But we are not suffering from this, since, as we said, we still have many development possibilities at our existing sites.

**Is there anything in particular that makes your life more difficult?**

LS: Regulators with new laws and ordinances! Site development is becoming more and more complex and costly. Many processes require more time than before and are not as predictable. These changes are taking place slowly but surely.

MD: But this concerns all market participants. No one is excluded. Because of this, building is simply even more expensive, and the threshold for a project to pay off, even for owner-occupiers, rises. This process is a bit more advanced in Western Switzerland. But German-speaking Switzerland is catching up quickly. Nevertheless, we should not make generalisations. In Windisch, for example, not a single delaying objection has been lodged to any of our five building permit applications. That shows how highly regarded our project was from the outset in the quarter and in the municipality. When dialogue is carried out constructively with all parties, a product that satisfies everyone can be built. Success then follows almost automatically.

**“Many processes require more time than before and are not as predictable.”**

Laurent Spindler



**Does that also mean that communication at HIAG is very important?**

MD: Most certainly! Integrated corporate and site communication is very important. We have a decentralised organisation, so we use all relevant channels for this – from individual homepages for each site to YouTube and Twitter. One of the most important elements of our communication is that we are present locally.

LS: Our site developers are practically site CEOs with far reaching decision-making authority. Each one of them is also responsible for communication. The site developer is the central contact person for each site – for the media, authorities, users and neighbours. We can therefore react quickly to day-to-day business.

**What will 2016 bring?**

MD: We will be able to increase operational property income once again. However, for the reasons stated we do not expect to be able to significantly expand our portfolio. We are happy to let others with a greater willingness to pay go first.

LS: We also aim to further reduce the vacancy rate.

MD: We consider the renters' market – for example, apartments – to be stable. It takes longer today in the commercial sector for decisions to be taken. Perceived legal and planning security has decreased. Even if the economic mood is not particularly optimistic for the time being, we can handle this new normalcy well, simply because our business model is not geared towards short-term success.

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# Strategy and Sustainability

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## Strategy

### A combination of income sources

HIAG Immobilien has many value drivers that work together to generate attractive overall returns for shareholders. Thanks to a diversified and high-quality group of tenants, the property portfolio provides stable and projectable income and therefore ensures the distribution of attractive dividends. The added value from site redevelopment comes from three core disciplines: architecture and planning processes, site and project sales, and cost and process control. The added value created by the redevelopment process also expands the collateral value for financing new projects. The company thereby manages to press ahead with further redevelopments in its own portfolio without significant additional capital requirements.

### Differentiation through the land bank

The Group disposes of a site portfolio at about 40 locations that stretches over a total surface area of 2.6 million m<sup>2</sup>, 1.6 million m<sup>2</sup> of which is zoned. In addition to its existing property portfolio, the company currently plans to establish 679'000 m<sup>2</sup> of usable area in roughly 50 redevelopment projects in the short, medium and long-term with an investment potential of approximately CHF 1.9 billion. This large "land bank" together with its impressive track record in site redevelopment, are important distinguishing features for the company. Furthermore, the portfolio provides a broad mix of uses, which, compared to other portfolios, presents a good balance between residential and industrial/commercial use and features a relatively low proportion of office space.

### Focused organisation

HIAG Immobilien directs its strategic focus towards the activities that it considers to be the most intensive value creators in the development process. Core processes such as site acquisition, control and redevelopment processes, approval

procedures, portfolio management and sales activities are primarily carried out internally. Building management is conducted by our own personnel at sites where the Group deems it important to be close to the object, for example, in the case of development activities at sites with an industrial background. Activities that are exposed to stiff competition, that have low margins or which are very work-intensive are outsourced. This includes architectural and technical planning, construction work or property management for yielding properties.

### Good locations in economic areas

HIAG Immobilien's sites are very well located. Approximately 94% of the portfolio is located in the economic core regions of Switzerland around Baden/Brugg, Zurich/Zug, in Northwestern Switzerland and Geneva. The scarce land resources in these regions, as well as the recent legally instituted reduction in rezoning of agricultural areas, highlight the need for consolidation and conversion of former industrial sites.

### Brand and communication strategy

Thanks to the long-term, consistent, value-based actions of our designated employees at the sites, the organisation and the HIAG Immobilien umbrella brand have gained the valuable trust of important local stakeholders, such as tenants, residents and municipal authorities. This presence interacts with site and project brands. Site brands persist in the long term and are therefore deployed strategically for their identity-creating dimension. Project brands, on the other hand, are rather limited in time and primarily serve sales, but also remain visible as a reference after the completion of a project. It is important to communicate transparently and consistently about the redevelopment service rendered in order to credibly strengthen the HIAG Immobilien brand environment with relevant content. The perception of the HIAG Immobilien brand environment can be realistically assessed



through personal dialogue with stakeholders. The impressions that are gathered are integrated in the decision-making process for the sites' strategic focus during the Executive Board's strategy meetings, which take place several times per year.

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## Sustainability

### Sustainability: responsible development of space for life in Switzerland

In Switzerland, land is a scarce resource that must be used sustainably in economic, social and environmental terms. As a long-term owner, HIAG Immobilien thus gears its activities towards ensuring the long-term quality of the quarters that are being created. The main challenge is recognising the identity and "soul" of a site and transposing it so that it remains at the heart of the future quarter and results in careful management of space for life.

### Environmental sustainability: hydroelectric plants, grey energy and photovoltaics

Some of HIAG Immobilien's sites are located on rivers that were important energy sources for former industrial operations and can still be used today as renewable energy sources for electricity production. At the Aathal, Biberist, Windisch, Frauenfeld and Diesbach sites, five small hydroelectric plants generate a total of 7'794'000 kWh of electricity per year with a cumulative maximum output of 1'810 kW. This corresponds to the average annual energy requirements of approximately 1'948 two-person households with four rooms. For the hydroelectric power in HIAG Immobilien's portfolio to be able to be used long-term for electricity production, the hydroelectric plants must always be in a condition that permits them to be operated efficiently. Investments were therefore made, for example, in Biberist (SO) in 2015 to renovate the hydroelectric plant, which generates 2'200'000 kWh of electricity annually with a maximum output of 493 kW. It therefore covers the current electricity requirements and also a large part of what future users will need in the short to medium term, depending on the usage. Axpo operates the hydroelectric plant in Windisch at the Kunzareal site, producing 10 million kWh of electricity annually with three turbines on the

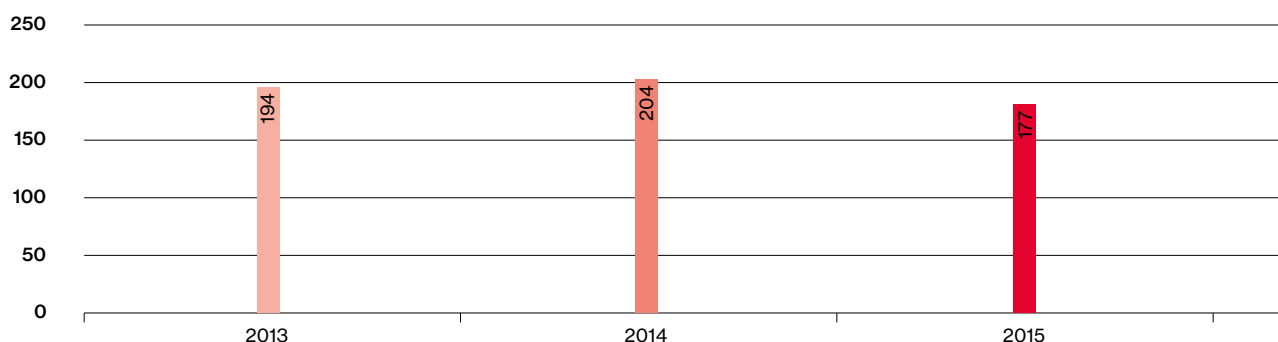
Reuss river. In Aathal (ZH), the hydroelectric plant issue is becoming increasingly important both to the canton and the historic preservation office.

Three of the eighteen power plants on the hydroelectric power "chain" that runs through the region are expected to receive subsidies from the canton. These protected energy sources will therefore be maintained according to historic preservation principles. In the future, HIAG Immobilien will therefore be able to operate the three hydroelectric plants in Aathal and in the long term. Together, they produce 694'000 kWh with a total maximum output of 382 kW. The front-runner in terms of electricity production is the hydroelectric plant in Diesbach (GL), which was renovated in 2015. It produces 4'900'000 kWh annually with a maximum output of 935 kW.

HIAG Immobilien is redeveloping protected historic buildings in many places. The use of invested grey building energy contributes to the preservation of historic buildings and their aesthetic vibrancy. At the protected historic Spinnerei III at the Kunzareal site, which involved the conversion of 50 lofts in core-and-shell construction, the existing structure was kept more or less unchanged. As a result, no new "ecological debt" was incurred. The grey energy of the Spinnerei III building shell amounts to 10'800'000 kWh, which would be enough to heat the renovated building for about 150 years.

Also at the Kunzareal site, HIAG Immobilien built one of the largest photovoltaic facilities in the Windisch-Brugg region on the roof of the recruitment centre. In 2015, the 794 modules with a surface area of 1'300 m<sup>2</sup> generated more than 177 MWh of electricity. Thanks to this facility, approximately 412 tons of CO<sub>2</sub> emissions have been avoided since 2013.

## Annual output photovoltaic Windisch in MWh



A special feature of the plant is the aerodynamically optimised elevation system, which allows it to blend discreetly into the overall picture and become practically invisible. It was jointly developed by Solventure AG and the University of Applied Sciences of North-West Switzerland in Windisch.

### Social sustainability: quality in urban planning and architecture

The living conditions in a quarter are influenced significantly by its level of urban planning and architecture. In order to ensure the high quality of building projects and redevelopment work, HIAG Immobilien conducts architecture and master plan competitions. In recent years, more than 10 competitions have been conducted. In each case, the juries are composed of external specialists and in-house experts. This process allows HIAG Immobilien to find answers to complex redevelopment questions. At the same time, the social, economic and environmental potential of the site can be expanded. Urban planning leads to the holistic consideration of development aspects such as type of use, accessibility to transport systems and landscaping, and ensures optimal functioning of individual projects in the overall context of a site. This ultimately promotes a healthy mix in the quarters, contributing to a favourable social environment.

HIAG Immobilien redevelops sites at locations that are marked in particular by their industrial past. The “inherited” historic buildings are often protected and must be dealt with carefully during renovation. In order to do this, details must be taken into account that require the special know-how of our employees and service providers. For example, the façade of Spinnerei Aathal was restored in a way that was faithful to the historic model dating back to the beginning of the 20th century, using a technique called “harling” that is hardly ever used today. The tenants who moved there in 2014 and 2015 are now enjoying the special charm of the former factory buildings. The “Neue Spinnerei” restaurant has taken up the site’s special history and uses it as subject matter. The special flair of the historic buildings will also be put to use in the upcoming redevelopment of the Walzmühle site in Frauenfeld, specifically to create unique spatial qualities.

### Economic sustainability: a focus on clients, with an eye on the Swiss workplace

HIAG Immobilien’s clients benefit from an organisation with flat hierarchies and short decision paths. Direct communication with contact persons who have decision-making authority provides fast and reliable answers. HIAG Immobilien’s clients include public, private and commercial tenants as well as condominium buyers. From the first contact until the signing of the contract and beyond, they are looked after by our contact persons. Wherever condominiums are sold at a site, the buyers become HIAG Immobilien’s future neighbours there. Trust-based dialogue with the client is therefore at the forefront of sales activities.

Site redevelopment also entails the development of the Swiss workplace. HIAG Immobilien's commercial tenants include well-known large companies and brands, such as ABB, Media Markt, HP Inc., Hewlett-Packard Enterprise and Jeld-Wen. HIAG Immobilien's portfolio management fosters close relationships with industrial anchor tenants. This proximity builds understanding and know-how for company-specific requirements. In this respect, HIAG Immobilien benefits from its own industrial heritage and offers products that suit various uses, and can also be adapted to the tenant's needs. This is the case in Kleindöttingen (AG), for example, where 11 multifunctional production halls for industrial and commercial use have been built in recent years. Companies and municipalities also benefit from the qualities of the locations.

Since most of the sites were used industrially in the past, most of them are very well connected. HIAG Immobilien's tenants can therefore offer their employees a short commute and good connections to public transport. This allows better use of infrastructures in the municipalities.

The project always takes on a special quality when all of the parties involved in the redevelopment identify with it. If a suitable range of services is available, HIAG Immobilien tries to consider local businesses first for site redevelopment; e.g. at The Cloud, a housing complex in Baar. The sites are also largely managed in collaboration with local service providers, which implement the philosophy of individual and dialogue-oriented tenant care as HIAG Immobilien envisions it.



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# 2015 at a Glance

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## January

### Completion of the sale of the Swissmetal site in Dornach (SO) to HIAG Immobilien

As announced on 8 October 2014, HIAG Immobilien concluded a purchase agreement with Weidenmetall AG, in liquidation with voluntary assignment (WAM), for the approx. 130'000 m<sup>2</sup> site of Swissmetal. Once the contractual completion conditions were met, the property was transferred. (1)

### Discover the Kunzareal site on Instagram

The Kunzareal site has been on Facebook and Instagram since January 2015.

[www.facebook.com/kunzareal](http://www.facebook.com/kunzareal)  
[www.instagram.com/kunzareal](http://www.instagram.com/kunzareal)

### Commissioning of the hydroelectric plant in Biberist

The hydroelectric plant at the Biberist site was commissioned in January 2015 after being completely renovated. The production covers the current electricity requirements.

## February

### Reichholdareal website extended

The Reichholdareal website was updated and has offered new contents. In addition, Reichholdareal became active on Twitter and informs its followers about the latest news.

2



## March

### Virtual visit to Feinspinnerei

Since 11 March 2015, the Feinspinnerei website has featured a new 3D functionality that takes you on a virtual tour and helps you furnish the project. In addition, the showroom at the Kunzareal site offers an Oculus video headset for virtual visits. Website. (2) [www.feinspinnerei.ch](http://www.feinspinnerei.ch)

### Annual results press conference

On 16 March 2015, HIAG Immobilien held a press conference to announce the 2014 annual results at the SIX Swiss Exchange in Zurich.



3

April

#### HIAG Immobilien Annual General Meeting

The HIAG Immobilien Annual General Meeting took place on 21 April 2015 and all the proposals of the Board of Directors were approved. (3)



4

June

#### Experience show lofts at Spinnerei III

The architecture firms GREGO Architektur and Frei&Kepenek designed and furnished two loft apartments at Spinnerei III on the Kunzareal site in Windisch. They were presented at an event on 10 June 2015. (4)  
[www.spinnerei-drei.ch](http://www.spinnerei-drei.ch)



5

#### Jeld-Wen Switzerland AG prolongs its rental agreement by 12 years

HIAG Immobilien announced the creation of a new building for Jeld-Wen Switzerland AG, which specialises in the production and sale of exterior and interior doors. A new office building and modern commercial halls are planned at the Bremgarten site. In this context, the rental agreement was extended by 12 years. (5)

#### Municipal council unanimously approves Papieri master plan

On 29 June 2015, HIAG Immobilien presented the master plan for the redevelopment of the former paper mill site located in Biberist (SO) to the municipal council. The council unanimously approved the master plan and mandated the building and factory committee to draft a zoning and development plan with corresponding zoning regulations.



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## July

### Launch of website for the Spinnerei project in Aathal

The website for the Spinnerei site in Aathal (formerly Leuchtturm Project) has been online since the end of July. An interactive 3D map provides an overview and shows the site in its regional context. (6)  
[www.spinnerei-aathal.ch](http://www.spinnerei-aathal.ch)

### HIAG Immobilien successfully issued a CHF 100 million fixed-rate bond

HIAG Immobilien Holding AG successfully issued a fixed-rate bond for CHF 100 million with a coupon of 1.00% and a maturity of 6 years.

### HIAG Immobilien's annual report nominated for the Econ Award

The print and digital versions of HIAG Immobilien's Annual Report were nominated for the Econ Award and shortlisted in the yearbook on corporate communications.

## August

### Opening of the pavilion at the Reichholdareal site

In coordination with the municipality, the authorities and the canton, the pavilion at the Reichholdareal site was opened on 18 August 2015. It strengthens HIAG Immobilien's presence there in order to boost sales activities and allows potential users to be received on-site.



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## September

### Half year results presentation webcast

On the occasion of the publication of the 2015 half year results, a webcast took place on 1 September 2015.

### HIAG Immobilien begins construction of the Hewlett-Packard headquarters for Europe, Middle East and Africa (EMEA)

After transfer of ownership of the area and receipt of the building permit, HIAG Immobilien began the first development phase of the Meyrin site with the construction of the new Hewlett-Packard headquarters for Europe, Middle East and Africa (EMEA).

### HIAG Immobilien selected by the European Business Awards

HIAG Immobilien proudly announced its selection as National Champion of Switzerland by the European Business Awards (EBA). The award, sponsored by RSM, is now in its ninth year. More than 32,000 businesses took part in the competition.

### HIAG Immobilien's Annual Report chosen

Swiss Annual Report Rating awarded HIAG Immobilien's Annual Report first place in the design "rising star of the year" category. (7)



8

**The Cloud: open construction site day**

On 26 September 2015, approximately 200 visitors came to the construction site of the Cloud residential project in Baar (ZG). Prospective buyers were given information in the show apartment and participated in a guided tour. (8)  
[www.cloud-wohnen.ch](http://www.cloud-wohnen.ch)



9

**October**

**Investora conference**

On 1 October 2015, Martin Durchschlag (CEO) and Laurent Spindler (CFO) presented HIAG Immobilien's business model at the Investora conference in Zurich.

**Groundbreaking for the Feinspinnerei project**

On 12 October 2015, the groundbreaking for the Feinspinnerei project at the Kunzareal site in Windisch was celebrated. A total of 29 condominiums with 2½ to 5½ rooms will be built by the summer of 2017. (9)

**HIAG Immobilien wins the EPRA silver award**

HIAG Immobilien received the silver award for financial reporting. The award was given based on the results of the EPRA (European Public Real Estate Association) questionnaire "Annual Report Survey 2014/2015 – Best Practices Recommendations".





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#### November

##### Groundbreaking in Bremgarten

The groundbreaking for the new construction at the Bremgarten site took place on 6 November 2015. The construction includes a new administrative building and new storage and logistics halls. Jeld-Wen Switzerland AG produces high-quality exterior and functional doors at the site. (10)



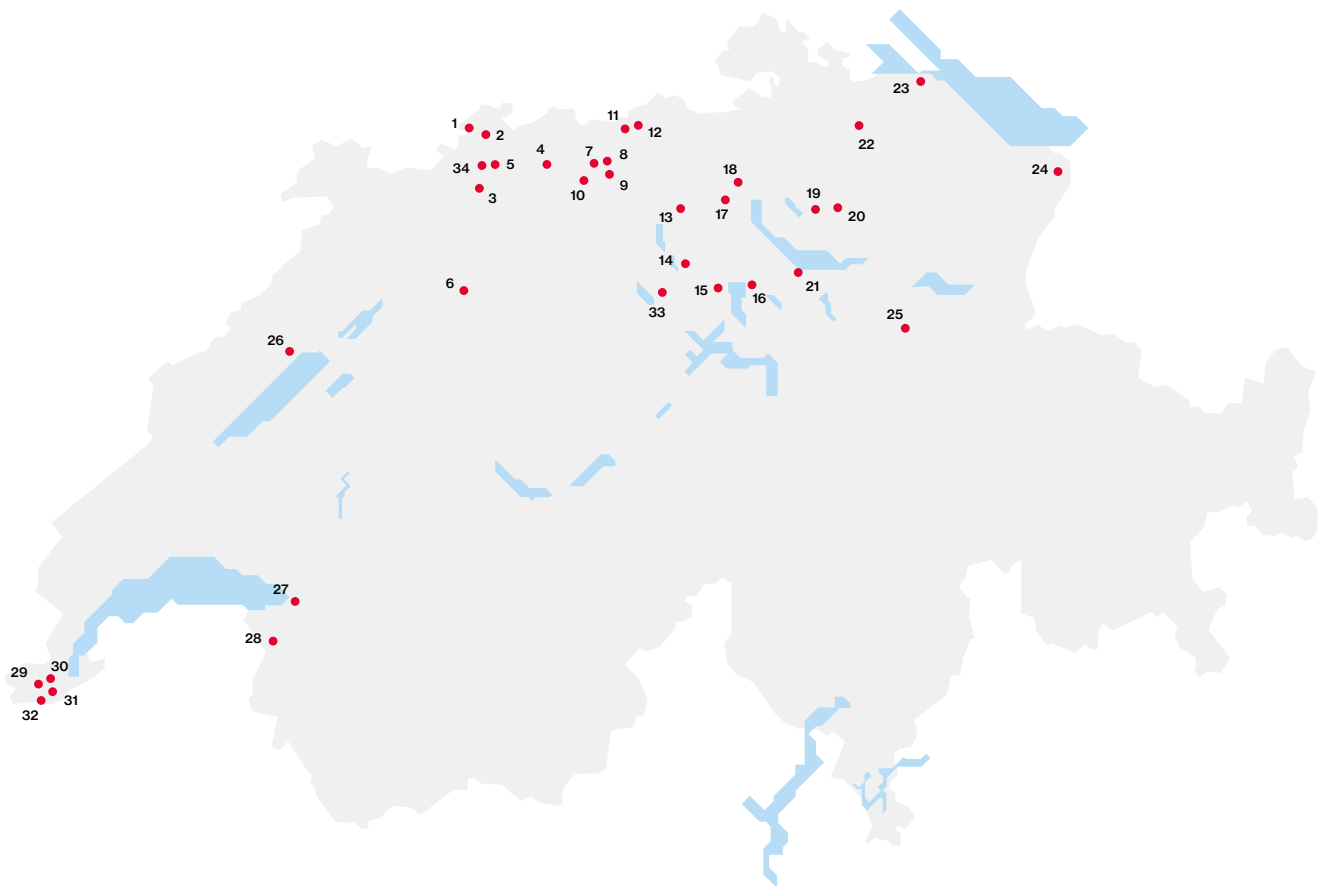
11

#### December

##### Dunkin' Donuts opens a finishing centre at Spinnerei Aathal

Dunkin' Donuts opened an approximately 400 m<sup>2</sup> finishing centre at Spinnerei Aathal, where raw products will be refined, prepared for sale and distributed to branches throughout Switzerland. Delivery is planned for the spring of 2016. (11)

# Site Redevelopment Locations



- |                 |                   |                   |                  |
|-----------------|-------------------|-------------------|------------------|
| 1 Allschwil     | 10 Buchs          | 19 Aathal         | 28 Saint-Maurice |
| 2 Birsfelden    | 11 Kleindöttingen | 20 Wetzikon       | 29 Vernier       |
| 3 Aesch         | 12 Klingnau       | 21 Wädenswil      | 30 Meyrin        |
| 4 Füllinsdorf   | 13 Brunegg        | 22 Frauenfeld     | 31 Carouge       |
| 5 Gempen        | 14 Bremgarten     | 23 Ermatingen     | 32 Lancy         |
| 6 Biberist      | 15 Cham           | 24 St. Margrethen | 33 Menziken      |
| 7 Brugg         | 16 Baar           | 25 Diesbach       | 34 Dornach       |
| 8 Windisch      | 17 Dietikon       | 26 Neuchâtel      |                  |
| 9 Hausen-Lupfig | 18 Niederhasli    | 27 Aigle          |                  |

## Project Pipeline

[illegible]

\* interim use with rental income

	2021	2022	2023	2024	2025	Expected investment volume in CHFm	Effective area to be developed in m²
						68.3	12'208
						34.3	8'264
						15.7	13'351
						15.1	3'001
						<b>133.4</b>	<b>36'824</b>
						3.3	1'416
						3.6	13'547
						31.0	3'900
						8.0	3'200
						2.8	3'252
						6.4	3'752
						6.5	2'400
						11.8	2'561
						9.5	3'304
						<b>82.9</b>	<b>37'332</b>
							c. 605'000
						<b>1'923</b>	<b>c. 679'000</b>



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# Sales

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## Innovative Sales Methods

New technologies give potential buyers a peek into virtual living environments during condominium sales. They allow an exciting visualisation of the type of home they want.

In Windisch and Baar, the sales activities for Feinspinnerei and The Cloud are in full swing. HIAG Immobilien has increasingly been taking innovative steps to bolster this.

### Show apartments

For the sale of 50 lofts in core-and-shell construction, three show apartments were set up in Spinnerei III at the Kunzareal site in Windisch to provide inspiration to potential buyers for the configuration of their own lofts. Three well-known architectural firms brought their designs to life. These designs were the focus of considerable attention during the 2014/2015 opening celebration. These events provided a unique opportunity in which to foster dialogue with our clients and review the specific sales offers. A show apartment was also set up in Baar for The Cloud project. "It is easier for potential buyers to see the quality of the rooms and the interior finishing standards in a fully equipped apartment rather than with plans, finishing descriptions and visualisations," explained HIAG Immobilien's Jacqueline Wechsler, who is in charge of residential sales.

### Virtual visits

State-of-the-art technology was used during sales at Feinspinnerei in the southern part of the Kunzareal site. With the help of Oculus Rift headsets, potential buyers were able to go on a virtual tour and get a realistic impression of the spatial effect – at a time when construction work had not yet begun. HIAG Immobilien is one of the first companies in its sector to make use of this innovation. According to Alex Römer, who is in charge of redevelopment at the Kunzareal site, this generates positive returns at multiple levels: “On one hand, the 3D headsets help us make the relationship with the client exciting, and on the other hand, the media is increasingly reporting on the use of new technologies, which catches people’s attention.” Not only can the virtual rooms be toured in playful way, but they can also be furnished. To enable the virtual experience, ETH spin-off Archilogic created a web-based platform that technology supports the translation of two-dimensional floor plans into 3D models.

### Owned media

In addition to personal communication, an audio-visual approach was also implemented for the sale of the 99 condominiums of The Cloud. A company-produced series of TV clips has been published online in the format of Cloud TV. Based on this “owned media strategy”, company-produced content can be added to the marketing mix. In these clips, marketer Jacqueline Wechsler takes the microphone herself in front of the camera to offer insights into the very subjects that are of particular interest to apartment seekers, such as architecture, neighbourhood, environment and sustainability or leisure: “We highlight aspects that are relevant for interested parties and purchasers alike, and provide proximity to our company, the apartments and the Baar site.” All the videos are available at [www.cloud-wohnen.tv](http://www.cloud-wohnen.tv).

### Social media

In addition to the primary sales activities, social media channels such as Facebook or Instagram offer people who may be interested in The Cloud apartments, as well as those living in the Kunzareal quarter, the chance to obtain information about construction progress and life in the quarter. These channels can be used efficiently and are particularly well suited to conveying succinct content to specific stakeholders. Site communication content can be included as a part of corporate communications and expanded via the company’s Twitter account. In this way, various stakeholders can stay informed and even start a dialogue with HIAG Immobilien directly on specific subjects.

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# Papieri Biberist Site

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## The Master Plan as a Basis for Sales

With the completion of the master plan for the Papieri site in Biberist (SO), an important foundation for the arrival of new users and the determination of redevelopment steps has been laid.

In 2013, five architectural firms were contracted to design a vision for the development of the Papieri site. A strategy was to be created for the long-term development of the site with the working title "Vision Papieri 2033". Questions concerning development, infrastructure, traffic and future options for uses were to be taken into account in the strategy. Based on the winning project "Cité Papier" ("Paper City"), which was presented to the public in 2014, a master plan was established that firmed up the various aspects of the redevelopment. The plan was completed in 2015 and presented to the Municipal Council of Biberist on 29 June. The Council unanimously approved the master plan and mandated the building and factory committee to draft a zoning and development plan with corresponding zoning regulations.



### The Master Plan as a basis for sales

The master plan shows the potential of the site over the next 20 years. Between 900 and 1'000 jobs and up to 200 residential units will be created in the future. In order to achieve this, the arrival of new companies will be promoted. The redevelopment is planned in several stages. "The master plan is an important basis for creating a contact with potential users and presenting them with a tangible vision," explained Michele Muccioli, responsible site developer for HIAG Immobilien. In the coming years, new users will therefore be able to join the two existing ones. Today, these two companies employ a total of about 90 people at the site and have become well integrated over the last two years. According to Michele Muccioli, this is also due to the characteristics of the site, as "it leaves room for the tenants to develop in harmony with the site's master plan". In order to redevelop additional areas, talks with interested parties have been conducted over the past year concerning the three paper machines, which fill the large halls at the site. In principle, the options are sale, on-site use or scrap. The peripheral machines have already been sold.



## Papieri Biberist Site



Total surface area: 791'000 m<sup>2</sup>

Industrial land: 312'000 m<sup>2</sup>

Agricultural land: 460'000 m<sup>2</sup>

Residential space: 10'000 m<sup>2</sup>

Project status:

Acquisition Planning Realisation Completion

Site developer: Michele Muccioli

### Sustainability

- Renovation of the hydroelectric plant, which provides the site with approximately 2'200'000 kWh of electricity
- Renovation and passage of fish through the weir in Biberist in collaboration with the canton
- Master plan as a basis for sustainable development that will attract new companies

Strategy and Sustainability on page 14

[www.papieri-biberist.ch](http://www.papieri-biberist.ch)

## Investment in hydraulic power

In 2015, the site also gained in ecological value thanks to investments in the renovation of the hydroelectric plant, which is part of the site. The plant generates approximately 2'200'000 kWh of electricity every year and currently serves the entire site. In the short to medium term, the hydroelectric plant will largely cover the site's electricity requirements. In the future, additional power will need to be purchased depending on the mix of users. The Emme river, which flows through the Papieri site via a private canal, provides water for this energy production. As part of the canton's flood protection project, the renovation and passage of fish through the weir and Emme canal are also being tackled.

These environmentally valuable measures and the master plan set the priorities and lay the foundation for further redevelopment and sales at the site. The attractive location of the site and access to highly qualified workers make Michele Muccioli confident that "step by step, the Papieri site will be opened further, and new uses will be introduced".

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# Walzmühle Frauenfeld Site

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## From Factory Site to Mixed Quarter

In Frauenfeld (canton of Thurgau), lofts and office space will be built in two phases at the Walzmühle site, which was purchased by HIAG Immobilien in 2013. The historical industrial flair will be maintained and thus contribute to the future identity of the site. The building permit for the first phase was submitted at the end of 2015.

The site where SIGG manufactured cookware until the 1990s will be revived next year. New residential and commercial areas as well as studio space are planned at the approx. 15'000 m<sup>2</sup> site. The lettable surface area is approx. 11'500 m<sup>2</sup>. "The planned mixed use corresponds to the design plan and will be implemented in a way that will preserve the site's flair," explained Thorsten Eberle, responsible site developer for HIAG Immobilien. The site is still in preparation for the upcoming construction work. Nevertheless, the transformation should begin in 2016, as soon as the submitted building permit is granted.

### Lofts to start with

A total of three buildings at the Walzmühle site will be renovated as part of the upcoming redevelopment: the shed hall, the Walzmühle (or "roller mill") house and the central building. In the first building section, eight lofts with ample inner courtyards and light-flooded rooms are planned at the shed hall. With surface areas from 160 m<sup>2</sup> to 180 m<sup>2</sup>, the lofts can be customised with an individually designed floor plan. The distinctive north façade of the site is also the façade of the lofts and will be restored in close coordination with the cantonal historic preservation office. The brick house adjacent to the shed hall on the main development road will be gently renovated and accommodate exhibition, commercial and studio space in the future. An underground parking garage will be built under the shed hall. The entrance will open on to Walzmühlestrasse, thus limiting traffic in the area.





The south-facing Walzmühle house is the most distinctive building at the site. With six floors and two wings, it is located directly in front of the park and really brings the history of the former industrial site to life. During the second building phase, condominiums and a restaurant will be built as a final development step. The southern-facing location will provide future residents with an impressive view of the Murg river and the no-building zone all the way to the neighbouring municipality of Matzingen. There are already tenants in the Walzmühle house today, most of whom will be moving into the central building as part of the redevelopment.

The central building will include 10 attractive rental units in addition to studio and commercial space. The charm of the historic buildings will be maintained, so that the full effect of the wooden supporting structure will be felt in rooms with ceilings up to five metres high.



### Ideally connected

The Murg river flows on the eastern edge of the site. A public footpath runs along its bank from the city to the Walzmühle site. The path leads to the part of the site where condominium lofts were built and purchased as early as 2001. In the future, the foot-path will be continued through the site towards the south along the Murg river. There will be places to sit and play along the path. The site is perfectly accessible by public and private transport. A bus stop is within walking distance and is only 500 metres as the crow flies from the city centre. The A1 motorway connection can be reached in just five minutes.

### Walzmühle Frauenfeld Site



Total surface area: 15'000 m<sup>2</sup>

Lettable area: 11'500 m<sup>2</sup>

Project status:

Acquisition Planning Realisation Completion



Site developer: Thorsten Eberle

#### Sustainability

- Renovation with preservation in mind will protect the historic buildings
- Creation of the new underground garage will help limit traffic at the site
- Inclusion of public areas in the redevelopment; for example, the extension of the footpath through the site

Strategy and Sustainability on page 14

[www.walzmuehle.ch](http://www.walzmuehle.ch)

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# Meyrin Site

## Project Hewlett Packard

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### New Hewlett-Packard Headquarters in Meyrin

The headquarters for Hewlett-Packard Europe, Middle East and Africa (EMEA) has been under construction since September 2015 at the Meyrin site in Geneva. The first development phase for the site is therefore now under way.

In September 2014, the project by HIAG Immobilien, which was created in collaboration with the architectural firm CCHE, was accepted as part of a call for tenders for the construction of the new Hewlett-Packard (HP) headquarters for the Europe, Middle East and Africa (EMEA) region. The building permit was granted about a year later, and the plans set in motion with the opening of the construction site on 28 September 2015 at the 42'965 m<sup>2</sup> site in Meyrin. "This is an important step for the development of the site, since a long-term tenant like HP is an attractive neighbour for companies that would like to settle here in the future," said Yves Perrin, site developer for the western Switzerland region. HIAG Immobilien's project meets HP's needs as well as the guidelines of the FTI (Fondation pour les terrains industriels de Genève), which acts as the building lease grantor.



## Room for offices, research and meetings

The administrative building currently being built will be rented to the EMEA Headquarters HP Inc. and EMEA Headquarters Hewlett Packard Enterprise. These two companies resulted from the division that took place in 2014. About 8'264 m<sup>2</sup> of primarily office space will be built by 2017 and divided among four floors. On the first two floors, premises for an innovation centre and conference rooms will be created in addition to offices. On the third and fourth floors, a product showroom will complete the office and conference rooms. In addition, an underground parking lot will provide 115 parking spaces and storage facilities. A loft space will be used mainly as a technical and storage area.

### Project Hewlett Packard



Project surface area: 8'264 m<sup>2</sup>

Construction: 2015–2017

Delivery: 2017

Project status:

Acquisition Planning **Realisation** Completion



Site developer: Yves Perrin

#### Sustainability

- Securing of the area as a quality site for companies with high added value
- Compliance with the guidelines of the FTI (Fondation pour les terrains industriels de Genève), which acts as the building lease grantor
- Local businesses taken into account in the award of contracts

Strategy and Sustainability on page 14

## Architecture clearly expresses the demand for precision

The commissioned architectural firm CCHE has fully met the requirements of the users and the environment with its architectural design. The façade design illustrates the high standard of precision of the users and their direct neighbours, embodied in particular by watchmakers and research institutions such as CERN (European Organisation for Nuclear Research). The façade is made of concrete and divided into modules and large window surfaces. A large number of façade designs forms the basis for the high quality of this central element. As a modular façade, it allows a flexible arrangement of rooms in open and closed offices or conference rooms. The overall composition made of cement and glass should give a confident first impression of the building. However, some architectural advantages are largely hidden. An efficient and intelligent solution was found to protect against light flooding and ground movement: the building is supported by a platform located on top of the underground garage and thus above street level. The characteristics of the site have been used so that the architecture blends into the overall picture in a practically invisible manner.

Both HP companies will remain in the existing building at the site until the move into the new building in 2017. It will be adapted with the development of the site and provide room for new tenants with high added value as part of the total 58'000 m<sup>2</sup> of gross floor area to be developed.



## “Uncompromising attention to detail”

The architectural firm CCHE Architecture und Design SA from Lausanne was commissioned with the planning and execution of the HP project in Meyrin. In this interview, partner Hannes Ehrensperger describes how the environment and use of a building are expressed through architecture.



You developed a project jointly with HIAG Immobilien that won over Hewlett Packard during the call for tenders. What tipped the scales in your favour?

HE: The site developer-architect interaction was an important factor from the beginning. Since I have often worked with HIAG Immobilien's Yves Perrin in the past, our initial position was quickly established and there was already a relationship of trust. Based on this, we drafted a project that could be refined and adjusted without losing its expressiveness. This proved to be valuable, as HP split into two companies during the process.

Because of Hewlett Packard's split, two companies will be moving into the new building in Meyrin, instead of the original planned one. How did these changed circumstances impact the project?

HE: The changes brought new contact persons and questions with them. We are able to respond to this. The questions are often logistical, but still depend on the architecture; for example, whether separate receptions would be needed or whether the ventilation system should be separated. With all these questions, it is an advantage for us that our project has been clearly and simply designed on a very high level, without being too intricately structured.

Construction began in 2015.  
What was the biggest challenge up to that point?

HE: In Geneva, getting a building permit is a very long process. Since we wanted to start with the special heavy construction in September and the building companies had already been reserved, the permit had to be granted by August. That worked out, but it was not easy. As a general rule, we also always have to keep costs and scheduling under control. In this case, it is particularly helpful that we have also been commissioned with the execution, so we can keep an eye on the entire project.

What skills does your team contribute to the project?

HE: At the beginning, about three of our people were involved. Now there are ten, including interior designers, drafters, architects and one person each for project management and submissions. To date, except for design, we have brought all the disciplines that we offer into the project.

### What attributes best describe the building design?

HE: At the beginning, we geared our design towards the tenant's sector; i.e. IT, with the square and rectangular windows. The idea was to transpose binary code – zero and one – on to the façade, so using only two elements. This idea stuck. It was especially important for us to create a simple and modular architecture that has a presence at this location in particular. In the end, we therefore decided on cement and glass, since the building is located at the entrance to the site in Meyrin and is very exposed. It will be the first thing that people coming from the airport will see. This is why we wanted to highlight its consistency and give it a certain tranquillity. This also explains the use of the colour anthracite, which radiates elegance. With its large glass panels, the building should give an impression of openness and honesty. And we were aiming for an uncompromising attention to detail. There is not a single joint that isn't controlled or echoed elsewhere. This requires great discipline and precision.

### What did you pay special attention to when choosing materials for the façade?

HE: The concrete elements of the façade are specially made and are weight-bearing, not purely decorative. We as architects particularly appreciate this. The cement was coloured with anthracite pigment and the surface was treated with acid, creating a distinctive overall appearance. Incidentally, the elements are manufactured only a few minutes from the site.

### What influence did the environment have on the architecture?

HE: Good architecture allows a building to be harmoniously integrated. There are watchmakers, craftsmen and factories in the neighbourhood. We wanted the building facing them to include and further develop their qualities. When the building is complete, people will feel that it was custom-made for this site.

### The building for the HP companies is the prelude to the site redevelopment in Meyrin. Were other potential buildings considered from an architectural standpoint?

HE: The HP building is the first piece of the puzzle. We were able to show with various projects what responses are possible from an architectural standpoint. There is the room to do so. The existing buildings and the new construction will complement each other. At the same time, the new building's architecture is integrated in a holistic vision.

### What is the next milestone?

HE: Besides the building permit, the laying of the first stone is also very significant. This should take place in the first half of 2016. It is a symbol and a moment to be proud of. It is a time to briefly pause and say: we have made it this far and now we are going further.

## Hannes Ehrensperger

### About the person

Hannes Ehrensperger has been a partner at CCHE since 1998. He studied architecture at FH Winterthur and also has a degree in energy engineering. Hannes Ehrensperger has been working as an architect for more than 20 years, and he and his company are mainly active in Western Switzerland.

### The architectural firm

CCHE Architecture und Design SA employs 170 people, 150 of whom are based in Lausanne and 20 in Nyon. CCHE, which was founded in the 1970s, is regarded as the largest architectural firm in Western Switzerland. CCHE covers all aspects of urban planning and design and execution. The company trains apprentices in various industry-specific occupations

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# Bremgarten Site

## Tenant Profile

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### “Switzerland is an attractive location that is gaining increasing importance”

Jeld-Wen Switzerland AG produces high-quality exterior and functional doors at HIAG Immobilien's site in Bremgarten (Aargau). In 2015, the company extended its rental agreement by 12 years. In this context, a new building was jointly planned at the 21'000 m<sup>2</sup> site. The ground-breaking took place in November 2015. Part of the building will be completed in the summer of 2016, and the entire project will be finished by 2017. An administrative building and logistics and production halls will be created. In this interview, Jürgen Grobauer, CEO of Jeld-Wen Switzerland AG, explains why Switzerland is an attractive market for his company and what effects the scrapping of the euro lower limit has had.

Mr Grobauer, you were employed within the HIAG Group from 1997 to 2005. Today, you are a HIAG Immobilien tenant with Jeld-Wen Switzerland AG. How would you evaluate your collaboration?

JG: I witnessed HIAG's start in the real estate sector in Klingnau, for example, where we were also previously tenants. Our relationship has always been very good. The few problems that occurred were solved jointly and pragmatically. We have always been able to find solutions that are fair to both sides.



### What advantages do you gain from being a tenant?

JG: We are not real estate professionals, so we prefer leaving this aspect in HIAG Immobilien's hands and simply telling them what we want. This allows us to concentrate on production. I also see advantages with regard to capital commitment, since we can invest our resources in our core business.

### Jeld-Wen Switzerland AG is part of the largest door supplier in the world. What do you enjoy the most in your work as CEO?

JG: I especially appreciate our products being made out of wood, which is a renewable resource. In addition, there are not many products left today that are as country-specific as doors. A smartphone looks about the same everywhere, but a door, on the other hand, never does. This is because tastes vary greatly depending on the country. In Switzerland for instance, simple forms are preferred. Frills and decorative doors are less popular. Individualisation is what makes this business exciting. If a private individual sketches a glass cut-out for us, for example, then we make it just the way the client wants it.

### In 2015, you deliberately chose to remain at the site long term by prolonging the rental agreement by 12 years. What were the determining factors in your decision?

JG: The location in Switzerland plays an important role for our clients, who include carpenters and specialised retailers. The "Swissness" is very important. In this country, individual door solutions are required. That is why we have to understand the market and have a local presence. In addition, competitors are also investing more heavily here, since the Swiss market is attractive and gaining increasing importance: quality is still valued. We embrace this competition. We have also a separate office in Western Switzerland for three years now. Incidentally, it is also staffed by a former HIAG employee.

### What makes the Swiss market unique for your business model?

JG: The Swiss market behaves very differently from the markets in Germany and Austria. The carpenter's production work-share per door is comparatively high in Switzerland. Abroad you will find much more standardised products. We offer every door in every stage of production, as we respond to individualism and specific desires. Our configuration on the Swiss market is also somewhat particular. Embedded in the Jeld-Wen Group, we can manufacture high-quality exterior and functional doors in Switzerland and obtain ready-made doors from Germany or Austria. We can therefore position ourselves as a comprehensive provider, which is unique in Switzerland.

### You are planning a new building at your headquarters together with HIAG Immobilien. What requirements is this based on?

JG: It was primarily a growth-related requirement. Today, we are using all our free space for offices, which is why we need the new administrative building. The second reason is that our current location allows us only to present the doors that we produce. The doors from Germany and Austria are processed via an external warehouse. This will now be integrated. The goal has always been for clients and employees to be able to physically see all our products on-site.

### The planning process was completed in 2015. How did this process go?

JG: We first started thinking about it five years ago. But we have dealt with it intensively only over the past three years. It all started when we visited ABB's halls in Kleindöttingen, which had been customised to a certain degree. It was a good solution for us, and we quickly realised that we could use the unused development area in Bremgarten, which suited both parties.

## Bremgarten Site



Total surface area: 21'000 m<sup>2</sup>

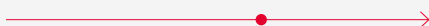
Existing usable area:  
Demolition of 750 m<sup>2</sup> of  
commercial and office space 10'000 m<sup>2</sup>

Commercial area  
to be built: approx.  
4'900 m<sup>2</sup>

New administrative building: approx.  
2'700 m<sup>2</sup>,  
five floors,  
max. 150 office  
workstations

Project status:

Acquisition Planning **Realisation** Completion



Site developer: Lukas Fehr

## What possible challenges do you envision during the conversion phase?

JG: Balancing all our everyday operations – that alone will be a big challenge. But we will do it without allowing our delivery times to suffer. The outlook is motivating for our people in every respect.

## Despite the scrapping of the euro lower limit, you made a commitment to a site in Switzerland. To what extent has Jeld-Wen Switzerland AG had to react to this?

JG: Just two hours after the decision, requests for euro discounts were already on the table. We have passed on the material savings almost one-to-one. Goods from Germany and Austria were provided with a currency discount, while the in-house production was briefly offered with a 3% discount. But the decision did not have a larger impact. If you look in the right niches, prices remain stable on the whole.

## What are you looking forward to in particular?

JG: Most of all, I am happy for the employees, who will benefit from a new and significantly better working environment with meeting rooms and a canteen, for example. I am convinced that it is motivating for employees to have a pleasant workplace. It will also be more fun to lead clients through a representative building.

**“In this country, individual door solutions are required. That is why we have to understand the market and have a local presence.”**

Jürgen Grobauer

## To what extent were individual requirements catered to?

JG: The administrative building is specifically geared towards our requirements and is large in proportion to our logistic needs. The transverse building is also adapted to our production and to the processes that will take place there.

**Where do you see the long-term potential for your business model?**

JG: There is a lot of potential in comprehensive solutions. This includes the electronic locking system and intelligent system solutions for doors. In the future, for example, a housekeeper will know whether someone has worked at a certain workplace beforehand. In addition, we have to make the end user aware that the installation of a more attractive door is worth it. Doors for private constructions currently make up only 2% of building volume.

**What requirements do you see for the site in the long run?**

JG: We have created room for 150 people in the new building, so growth is possible. In the medium to long term, it would also be nice if the remaining production halls reached the same quality level as the new buildings.



## Jürgen Grobauer

### About the person

Jürgen Grobauer has a degree in industrial engineering and has been CEO of Jeld-Wen Switzerland AG since 1999. Before that, he worked as export manager for the HIAG venture Svedex, which was later merged. Jürgen Grobauer was born in Germany and lives with his family in Boniswil (AG).

### About the company

Jeld-Wen Switzerland AG is part of the Jeld-Wen Group, which is the largest door supplier in the world. Kellpax and Dana are some of the brands that it offers. The company offers high-quality Swiss-made exterior and functional doors as well as interior doors. From the Bremgarten site, Jeld-Wen supplies carpenters and specialised door retailers and equips large buildings with system solutions. The Bremgarten site has 125 employees.



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## Agenda

**19 April 2016**  
2016 Annual General Meeting

**5 September 2016**  
Release of results from  
the first half of 2016

## Imprint

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**Concept and design**  
schneidermeier AG, Zürich





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# 2015

**Annual Report**  
**Financial Report**



Online Version



Annual Report (PDF)



Short Version

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The Annual Report is published in English and German. Should there be any linguistic discrepancies, the German version shall prevail.

The Online Version and the Annual Report are available for download at [www.annualreport.hiag.com](http://www.annualreport.hiag.com).

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# Consolidated Financial Statements

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## Consolidated Balance Sheet

in TCHF		31.12.2015	31.12.2014
Cash and cash equivalents		52'351	62'155
Trade receivables	1	1'574	568
Receivables from shareholders	5.3	8'767	507
Other current receivables	2	5'550	6'701
Other current financial assets	5.4	5'990	–
Properties for sale	3	118'732	102'375
Prepayments and accrued income		1'502	2'306
<b>Current assets</b>		<b>194'466</b>	<b>174'612</b>
Real estate properties	3	1'105'320	1'048'729
Other property, plant and equipment	4	1'823	2'253
Intangible fixed assets	4	7	20
Financial assets	5.1	1'306	1'308
Financial assets from shareholders	5.2	165	15'631
<b>Non-current assets</b>		<b>1'108'621</b>	<b>1'067'941</b>
<b>Total assets</b>		<b>1'303'087</b>	<b>1'242'553</b>

in TCHF		31.12.2015	31.12.2014
Current financial liabilities	8	8'870	11'272
Trade payables		4'741	1'979
Other current liabilities	6	8'945	7'403
Current provisions	7	193	83
Tax liabilities		186	819
Accrued liabilities and deferred income		7'223	4'778
<b>Current liabilities</b>		<b>30'158</b>	<b>26'334</b>
Non-current financial liabilities	8	493'389	476'488
Other non-current liabilities		4'750	4'750
Non-current provisions	7	2'858	2'469
Deferred taxes	9	63'211	56'938
<b>Non-current liabilities</b>		<b>564'208</b>	<b>540'645</b>
<b>Total liabilities</b>		<b>594'366</b>	<b>566'979</b>
Share capital		8'000	8'000
Capital reserves		105'794	132'195
Retained earnings		594'927	535'379
<b>Shareholders' equity</b>	23	<b>708'721</b>	<b>675'574</b>
<b>Total liabilities and shareholders' equity</b>		<b>1'303'087</b>	<b>1'242'553</b>

## Consolidated Income Statement

in TCHF		2015	2014
Property income	11	51'193	48'669
Revaluation of properties	13	31'493	28'701
Other operating income	12	2'864	1'569
<b>Total operating income</b>		<b>85'550</b>	<b>78'939</b>
Personnel expenses	10, 14	-7'582	-6'419
Maintenance and repairs		-3'509	-3'183
Insurance and fees		-813	-1'027
Energy costs and building maintenance	16	-2'424	-2'533
General operating expenses		-724	-842
Office and administrative expenses	17	-3'273	-3'686
Marketing and selling expenses		-861	-642
Rent and leases	18	-1'343	-1'289
<b>Total operating expenses</b>		<b>-20'529</b>	<b>-19'621</b>
<b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>		<b>65'021</b>	<b>59'318</b>
Amortisation		-578	-624
<b>Earnings before interest and taxes (EBIT)</b>		<b>64'443</b>	<b>58'694</b>
Financial income	19	425	370
Financial expenses <sup>1, 2.</sup>	20	-5'065	-7'224
<b>Earnings before taxes (EBT)</b>		<b>59'803</b>	<b>51'841</b>
Taxes	21	-312	-2'955
<b>Net income for the period</b>		<b>59'491</b>	<b>48'886</b>
Undiluted earnings per share (in CHF)	23	7.44	6.64
Diluted earnings per share (in CHF)	23	7.44	6.64

<sup>1</sup> thereof TCHF 29 issuing costs in 2015

<sup>2</sup> thereof TCHF 1'532 listing costs in 2014



## Consolidated Cash-Flow Statement

in TCHF	2015	2014
Net income for the period	59'491	48'886
Amortisation	578	624
Bond issue costs/IPO costs	-20	1'532
Increase/decrease in trade receivables	-1'006	1'608
Increase/decrease in trade payables	-909	100
Increase/decrease other receivables	-679	80
Increase/decrease other liabilities	877	-3'693
Increase/decrease financial assets with market value	-40	-
Increase/decrease accrued income	-1'366	-1'950
Increase/decrease in non-current provisions	389	-9'025
Increase/decrease in deferred taxes	6'273	3'139
Increase/decrease in capitalised tax losses carried forward	-5'990	-
Increase valuation of properties (net)	-31'650	-23'614
<b>Cash flow from operating activities</b>	<b>25'948</b>	<b>17'687</b>
Purchase of real estate properties	-59'977	-73'634
Purchase of other property, plant and equipment	-135	-21
Proceeds from disposal of properties	29'064	30'856
Acquisition of financial assets	-	-250
Reduction of financial assets	6'958	563
Acquisition of new companies	-	-27'917
<b>Cash flow from investment activities</b>	<b>-24'090</b>	<b>-70'403</b>
Acquisition of financial liabilities	16'528	57'324
Bond issuance	100'232	-
Amortisation and repayment of financial liabilities	-102'029	-84'012
Capital increase	-	69'393
Purchase of treasury shares	-459	-
Sale of treasury shares	458	53'200
Dividend payment	-26'400	-
<b>Cash flow from financing activities</b>	<b>-11'670</b>	<b>95'904</b>
Currency effects	8	-
<b>Increase/decrease in cash and cash equivalents</b>	<b>-9'804</b>	<b>43'188</b>

in TCHF	2015	2014
Cash and cash equivalents at 1 January	62'155	18'967
Cash and cash equivalents at 31 December	52'351	62'155
Increase/decrease in cash and cash equivalents	-9'804	43'188

There were no non-cash investment or financing activities.

## Statement of Shareholders' Equity

in TCHF	Share capital <sup>1</sup>	Treasury shares <sup>2</sup>	Capital reserves <sup>3</sup>	Retained Earnings <sup>4</sup>	Shareholders' equity
<b>Shareholders' equity at 01.01.2014</b>	<b>7'000</b>	<b>-44'240</b>	<b>53'311</b>	<b>487'210</b>	<b>503'281</b>
Capital increase	1'000	-	69'924	-	70'924
Sale of treasury shares	-	44'240	8'960	-	53'200
Share-based compensation programmes <sup>5</sup>	-	-	-	559	559
Goodwill	-	-	-	-1'276	-1'276
Net income for the period	-	-	-	48'886	48'886
<b>Shareholders' equity at 31.12.2014</b>	<b>8'000</b>	<b>-</b>	<b>132'195</b>	<b>535'379</b>	<b>675'574</b>
Purchase of treasury shares	-	459	-	-	459
Sale of treasury shares	-	-459	-1	-	-460
Share-based compensation programmes <sup>5</sup>	-	-	-	49	49
Dividend payment	-	-	-26'400	-	-26'400
Translation differences	-	-	-	8	8
Net income for the period	-	-	-	59'491	59'491
<b>Shareholders' equity at 31.12.2015</b>	<b>8'000</b>	<b>-</b>	<b>105'794</b>	<b>594'927</b>	<b>708'721</b>

<sup>1</sup> On 31 December 2015 share capital consisted of 8'000'000 registered shares at a nominal value of CHF 1.

<sup>2</sup> During the business year, 5'114 shares of HIAG Immobilien Holding AG were purchased by the company for a total amount of TCHF 459. These 5'114 shares were sold to Group employees, primarily the Executive Board, for the Long Term Incentive Plan. The company held no treasury shares as at 31 December 2015.

<sup>3</sup> The costs incurred in connection with the capital increase and the sale of treasury shares, which were recognised as a reduction in the capital reserves, came to TCHF 5'076 as at 31 December 2014 and are included in the amount of TCHF 69'924. The profit from the sale of treasury shares (TCHF 8'960) was recognised under capital reserves.

<sup>4</sup> The non-distributable legal reserves came to TCHF 1'400 (2014: TCHF 1'400).

<sup>5</sup> See paragraph 15 of the Notes to the Consolidated Financial Statements.

## Notes to Consolidated Financial Statements

### Accounting Principles

The Consolidated Financial Statements of HIAG Immobilien Holding AG were prepared in accordance with the Swiss Accounting and Reporting Recommendations (Swiss GAAP FER), and the special provisions for real estate companies stipulated under Article 17 of the SIX Swiss Exchange's Directive on Financial Reporting, and present a true and fair view of its net assets, financial position and results of operations. The comprehensive Swiss GAAP FER rules were applied.

Swiss GAAP FER 31 "Additional Recommendations for Publicly Traded Companies" was applied for the first time as at 31 December 2014.

The Consolidated Financial Statements are based on the individual financial statements of the HIAG Immobilien Group companies, which were prepared and audited in accordance with uniform guidelines. The relevant accounting standards are explained below.

The Consolidated Financial Statements are presented in Swiss francs (CHF). All figures are presented in thousands of Swiss francs (TCHF) unless indicated otherwise.

The Consolidated Annual Financial Statements are available in German and English. Should there be any linguistic discrepancies, the German version shall prevail.

### Scope of Consolidation

The Consolidated Financial Statements comprise all subsidiaries of HIAG Immobilien Holding AG in which the Company directly or indirectly holds more than 50% in the form of voting rights or share capital. Full consolidation is applied, which means that 100% of the assets, liabilities, expenses and income of the companies to be consolidated are assumed and all inter-company items are eliminated.

Associated companies, in which HIAG Immobilien Holding AG holds direct or indirect participations of 20% to 50% of voting rights or share capital are consolidated according to the equity method. Participations below 20% are not consolidated and are included in the Consolidated Balance Sheet under Financial assets at acquisition cost minus any operationally necessary value adjustment.

The balance sheet date for all companies is 31 December.

Company	Share capital in TCHF	Stake 2015 <sup>1</sup> in %	Stake 2014 <sup>1</sup> in %	Location
HIAG Biberist AG <sup>2</sup>	–	–	100	Biberist
HIAG Immobilien Schweiz AG	11'000	100	100	Baar
HIAG AG	150	100	100	Basel
B-Immobilien GmbH	TEUR 3'498	100	100	Monheim (Germany)
HIAG Immobilien AG	5'000	100	100	St. Margrethen
HIAG Immobilier Léman SA	1'000	100	100	Aigle
Léger SA	400	100	100	Lancy
Weeba SA	100	100	100	Lancy
Pellarin-Transports SA	50	100	100	Lancy
Streiff AG	300	100	100	Seegräben
Promo-Praille SA	200	100	100	Lancy
Cham Nord Immobilien AG <sup>3</sup>	–	–	100	Cham
HIAG Immobilien Menziken AG <sup>4</sup>	100	100	100	Menziken
Swiss Datahall AG	100	100	100	Menziken
Trans Fiber Systems SA	107	100	100	Menziken
Swiss Datagrid AG	400	100	–	Zurich

<sup>1</sup> Voting rights and share capital.

<sup>2</sup> The company HIAG Biberist AG was merged with HIAG Immobilien Schweiz AG during the business year (merger agreement dated 9 November 2015).

<sup>3</sup> The company Cham Nord Immobilien AG was merged with HIAG Immobilien Schweiz AG during the business year (merger agreement dated 20 May 2015).

<sup>4</sup> Swissfiberinvest Menziken AG changed its company name to HIAG Immobilien Menziken AG in 2015.

HIAG AG performs services in the areas of employee pension funds and human resources. The purpose of Swiss Datagrid AG is the creation and operation of data centers and the provision of other services in this field. All other companies are real estate companies within the scope of HIAG Immobilien's strategy with the purposes of maintaining, developing and selling properties.

## Consolidation Method

Capital consolidation is based on the purchase method, in which the acquisition costs of an acquired company are offset against the net assets, which were newly measured at the time of acquisition in accordance with group-wide accounting standards. The difference rising from the purchase price and the newly valued net assets of the acquired company is termed goodwill or badwill. Goodwill is recognised as retained earnings with no effect on profit and loss. In the event of offsetting against retained earnings, the effects of a theoretical capitalisation and amortisation for the estimated useful life of the acquisition are disclosed separately in the notes. Any badwill is charged to the retained earnings or recorded as provisions. The initial consolidation takes effect with the transfer of control over the acquired companies.

## Changes in the Scope of Consolidation

The following changes in the scope of consolidation took place during the reporting period.

Consolidated company	Stake in %
Swiss Datagrid AG, Zurich	Established on 8 December 2015 100

The following changes in the scope of consolidation took place during the previous period:

Consolidated company	Stake in %
Cham Nord Immobilien AG, Cham	By purchase as at 1 January 2014 100
Swissfiberinvest Menziken AG, Menziken	By purchase as at 30 September 2014 100
Swiss Datahall AG, Menziken	By purchase as at 30 September 2014 100
Trans Fiber Systems SA, Menziken	By purchase as at 30 September 2014 100

These companies recorded the following key balance sheet items at the time of purchase:

in TCHF	
Cash and cash equivalents	37
Other current assets	221
Real estate properties	38'593
Other fixed assets	1'173
Current liabilities	3'367
Other non-current liabilities	10'934
Shareholders' equity	24'860

A goodwill amounting to TCHF 1'276 was recognised for the acquisition of Swissfiberinvest Menziken AG. The goodwill was recorded under retained earnings at the time of purchase.

## Translation of Foreign Currencies

All the companies' assets and liabilities held in foreign currencies are converted to Swiss francs at the year-end conversion rate. Equity is converted at historic exchange rates and the items in the income statement and the cash-flow statement are translated at the average rate for the year. Exchange rate differences resulting from translation are recognised directly in shareholders' equity in the Consolidated Balance Sheet and allocated to retained earnings.

The following rates were applied when converting the balance sheets and income statements of the Group's foreign companies:

	Balance sheet		Income statement/cash flow statement	
	2015	2014	2015	2014
Euros	1.0825	1.20272	1.0676	1.2023

## Significant Accounting and Valuation Policies

### General Information

HIAG Immobilien Holding AG's Consolidated Financial Statements are prepared in accordance with the Swiss Accounting and Reporting Recommendations (Swiss GAAP FER).

Due to rounding off to the nearest thousand CHF, adding up the individual items may result in rounding differences over the reported item totals.

### Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, postal check account deposits and demand deposits with banks and money market instruments with a term of less than three months. These are stated at their nominal value. Cash and cash equivalents held in foreign currency are translated at the year-end conversion rate.

### Trade Receivables and Other Current Receivables

"Trade receivables" and "Other current receivables" are reported at their realisable value. Receivables that are considered to be potential bad debts are reported at nominal value minus the necessary value adjustments.

### Real Estate Properties

The portfolio is broken down into the following categories:

- Undeveloped lands
- Properties
- Properties currently under development
- Properties held for sale



#### General

All real estate properties were measured at fair value on the basis of the discounted cash flow method (DCF) in accordance with Swiss GAAP FER 18. The residual value method is used to ascertain the fair value for undeveloped properties. The current values are assessed and updated every six months by an independent expert. The properties are inspected at least every three years. No scheduled depreciation is carried out. Increases and decreases in value are reported under "Revaluation of properties". The expected additional expenses linked to environmental risks are assessed by an independent environmental expert based on historical and technical investigations and subtracted from the fair value of the properties. Interest on construction loans is capitalised. Other borrowing costs are recorded as financing costs. The portfolio does not include any properties used by HIAG Immobilien itself.

#### Properties

Properties are broken down into "Yielding properties" and "Redevelopment properties". "Yielding properties" are those properties for which no development is planned. "Redevelopment properties" describes properties that are to undergo development in the medium term and/or for which development planning is currently under way.

#### Properties currently under development

Properties that are under development at the time the balance sheet is drawn up are grouped under the item "Properties currently under development". They are reported as "Properties currently under development" from the time the initial work is contracted until the development project is completed and/or is ready for occupation.

#### Properties held for sale

"Properties held for sale" describes residential projects where individual units are undergoing development and are marketed as condominiums as well as non-strategic properties that are up for sale.

### Other Property, Plant and Equipment and Intangible Fixed Assets

"Other property, plant and equipment" and "Intangible fixed assets" are recorded in the balance sheet at acquisition cost minus amortisation and possible value impairment. The amortisation is linear. The amortisation period is three to ten years for office equipment, and three to five years for intangible fixed assets.

### Financial Assets and Financial Assets from Related Parties/from Shareholders

This item includes employer contribution reserves, long-term loans, securities at listed market prices as of the balance sheet reporting date, capitalised tax losses carried forward and other non-current receivables, which are recorded in the balance sheet at nominal value.

### Deferred Taxes

Deferred taxes from tax losses carried forward are capitalised only if there is sufficient certainty that the tax loss carry forward can be used for tax purposes and if the budgeted taxable income is expected to result in any offsetting possibilities. They are listed under "Financial assets" as per Swiss GAAP FER 11.

### Impairment of Assets

If there is any indication that an asset's value is impaired, an impairment test is conducted. Should the examination show that the carrying amount exceeds the recoverable amount (the higher of either its value in use or fair value), an impairment loss is recognised as an expense in the Income Statement.

### Trade Payables and Other Current and Non-Current Liabilities

Current liabilities are amounts due within one year. Liabilities falling due after more than one year are reported under "Non-current liabilities". These items are stated at their nominal value.

### Current and Non-Current Financial Liabilities

Mortgages, other collateralised financing and bonds are listed as "Financial liabilities" and accounted at their nominal value. Mortgages and fixed advances that are not repaid within 12 months but renewed are reported under "Non-current financial liabilities" to reflect the economic reality.

Issuing costs of bonds as well as differences of the received equivalent and the repayment value get amortised in the income statement over their maturity.

Financing or repayments due within a period of 12 months are classified as "Current financial liabilities".

### Current and Non-Current Provisions

Provisions are set up to cover all the risks and obligations recognised at the balance sheet date. Provisions are made when an obligation to a third party exists that is attributable to an event in the past and the extent of that obligation can be determined reliably. The amount of the provision is based on the anticipated outflow of resources necessary to fulfil this obligation. Provisions are recorded as current or non-current according to their respective due dates.

### Provisions for Deferred Taxes

According to Swiss GAAP FER 11, current and future tax effects are to be adequately taken into account in the financial statements. In doing so, current income taxes must be distinguished from deferred taxes. The latter are caused primarily by the valuation differences between fair values and the tax base of the properties. A remaining holding period is estimated for each property when calculating the deferred taxes for real estate properties. Regarding income and capital gains taxes on properties, in those cases where recent findings made it possible to include the historical value of the properties more precisely, this was included in the calculations. Provisions for deferred taxes are discounted. A discount rate of 2.5% was applied as at 31 December 2015 (2014: 2.5%).

### Employee Benefits in Accordance with Swiss GAAP FER 16

All companies belonging to the HIAG Immobilien Group participate in the pension fund "HIAG Pensionskasse". The economic benefits resulting from the employer contribution reserve are recorded as assets. Changes to the employer contribution reserve, as well as any economic impact on the group resulting from surplus or insufficient coverage for employee pension funds are recorded under "Personnel expenses". The capitalisation of an additional economic benefit (from the surplus coverage for the pension fund) is neither intended, nor are the prerequisites for this provided. An economic obligation is recognised as a liability when the criteria for the creation of provisions are met.

### Property Income

Property income includes rental income after deduction of vacancy losses, proceeds from the sale of electricity from owned power stations and losses in earnings such as rental income losses. Rental income is recorded in the Income Statement when the rent is due.

### Maintenance and Repairs

These maintenance expenses are not considered to be value-enhancing investments, and are therefore recorded in the Income Statement.

### Financial result

This item consists of interest income, interest expenses, translation differences, gains and losses on securities and other financial expenses and income.

### Taxes

This item covers only deferred taxes and current taxes on income. Deferred taxes are calculated primarily on the basis of the temporary differences between the fair values identified and the tax base of an asset. Other taxes, levies and property taxes are recorded under "Operating expenses" as "General operating expenses". Current taxes on income are calculated on the basis of the taxable result.

### Transactions with Related Parties/Shareholders

Significant transactions with related parties as set forth in Directive 15 of the Swiss GAAP FER are documented under "5. Financial assets and financial assets to related parties/to shareholders".

### Share-Based Compensation

Pursuant to Swiss GAAP FER 31 para 3, share-based compensation is to be recognised as personnel expenses. Shareholders' equity constitutes the corresponding opposite item for share-based compensation; liabilities (provisions) for cash-based compensation.

### Off-Balance Sheet Items

Contingent liabilities and other off-balance sheet liabilities are valued and disclosed at every balance sheet reporting date. Provisions are set aside if contingent liabilities and other off-balance sheet liabilities result in a cash outflow devoid of beneficial cash inflow, and the cash outflow is probable and foreseeable.

## Estimates

The preparation of the financial statements requires a number of estimates and assumptions to be made. These relate to the reported assets, liabilities and contingent liabilities at the time the balance sheet is being prepared, as well as to income and expenses during the period under review. Should the estimates and assumptions made to the best of the company's knowledge at the balance sheet date deviate from actual circumstances, adjustments to the original estimates and assumptions are then carried out in the reporting year in which the circumstances change.

## Events after the Balance Sheet Date

There are no significant events after the Balance Sheet Date, which have an impact on the book values of the declared assets and liabilities or must be disclosed at this point.

The Consolidated Financial Statements were approved by the Board of Directors on 8 March 2016.

The Consolidated Financial Statements are subject to approval by the Annual General Meeting.

## Notes to the Consolidated Financial Statements

### 1 Trade Receivables

	2015	2014
Trade receivables	1'850	693
Provision for bad debts	-276	-125
<b>Total</b>	<b>1'574</b>	<b>568</b>

Trade receivables as at 31 December 2015 amounted to TCHF 1'574, consists of receivables for current rents TCHF 574 (2014: TCHF 568) and of a receivable of TCHF 1'000, for the compensation for further use of areas, in addition to the regular rentable area. This receivable is confirmed by a promissory letter of the tenant.

Losses on accounts receivable in 2015 came to TCHF 33 (0.1% of property income) compared to TCHF 45 (0.1% of property income) the previous year.

### 2 Other Current Receivables

	2015	2014
Value-added tax receivables	-	1'887
Heating and lump sum charges	4'857	3'842
Other current receivables	693	972
<b>Total</b>	<b>5'550</b>	<b>6'701</b>

Value-added tax receivables as at 31 December 2014 included a claim to recover value-added tax for investments made in the Leuchtturm/Neue Spinnerei project in Aathal (TCHF 1'793). It was paid in 2015.

### 3 Real Estate Properties

	2015	2014
Fire insurance value	1'586'952	1'418'776
Pledges to secure mortgage loans	559'490	636'785

In the reporting period, the acquisition of properties involved the addition of real estate investments with fire insurance values totalling TCHF 112'698 (previous year TCHF 33'697) to the scope of consolidation.

	Undeveloped land	Properties	Properties currently under development	Total real estate properties
<b>Balance at 01.01.2014</b>	<b>30'575</b>	<b>903'332</b>	<b>131'359</b>	<b>1'065'266</b>
Reclassifications	6'248	45'591	-51'839	-
Additions	500	25'254	26'782	52'535
Disposals	-	-11'983	-18'873	-30'856
Changes in the scope of consolidation	28'794	11'753	-	40'546
Revaluation of properties	5'994	9'939	7'681	23'614
Change of costs for environmental risks	-15	14	-	-1
<b>Balance at 31.12.2014</b>	<b>72'095</b>	<b>983'899</b>	<b>95'110</b>	<b>1'151'104</b>
Reclassifications properties held for sale	-	-7'265	-95'110	-102'375
<b>Balance after reclassification as at 31.12.2014</b>	<b>72'095</b>	<b>976'634</b>	<b>-</b>	<b>1'048'729</b>
<b>Balance at 01.01.2015</b>	<b>72'095</b>	<b>983'899</b>	<b>95'110</b>	<b>1'151'104</b>
Reclassifications	-	-19'123	19'123	-
Additions	895	47'722	31'758	80'375
Disposals	-	-7'638	-20'675	-28'314
Revaluation of properties	4'681	2'699	24'064	31'444
Change of costs for environmental risks	-	-10'658	100	-10'558
<b>Balance at 31.12.2015</b>	<b>77'671</b>	<b>996'901</b>	<b>149'480</b>	<b>1'224'052</b>
Reclassifications properties held for sale	-	-4'048	-114'684	-118'732
<b>Balance after reclassification as at 31.12.2015</b>	<b>77'671</b>	<b>992'853</b>	<b>34'796</b>	<b>1'105'320</b>

In the period under review, all properties were appraised by Wüest&Partner AG. The discount rates used for the property appraisals fluctuated within a corridor of 2.5% to 7.0% as of the balance sheet date (31 December 2014: 2.5% to 7.0%).

The expected additional expenses linked to environmental risks were analysed by Ecosens AG on the basis of historical and technical investigations and recorded as at the reporting date in the amount of TCHF 25'496 (2014: TCHF 14'938) under "Real estate investments". Environmental risks are evaluated on an ongoing basis. New findings from historical and technical investigations were taken into account as at the reporting date and led to an decrease in costs for environmental risks of TCHF 206 during the period under review (31 December 2014: TCHF -1). Due to the acquisition of the site in Dornach, occurred an increase of TCHF 10'764, which did not affect net income as the environmental risks of the site were taken into account in the purchase price. The expected additional costs were discounted. A discount rate of 2.5% was applied as at 31 December 2015 (31 December 2014: 2.5%).

In some cases, the effective acquisition costs or the investments cannot be reliably ascertained as the time of acquisition dates far back in the past. For this reason, the decision was not to report the acquisition values in these cases.



New additions in 2015 came to TCHF 80'375 resulting from investments in 55 sites and TCHF 43'319 resulting from the acquisition of the Dornach site and a consolidation in Wetzikon, for a total of TCHF 37'056. The largest investments were made in Baar (TCHF 20'838 for The Cloud project), Meyrin (TCHF 5'149), Windisch (TCHF 4'659 for the Spinnerei III, Spinnerkönig, Stegbünt and Feinspinnerei projects), Bremgarten (TCHF 2'302) and Niederhasli (TCHF 1'072).

Disposals amounting to TCHF 28'314 concerned the sale of condominiums at the Spinnerei III and Stegbünt projects in Windisch (TCHF 17'780), The Cloud project in Baar (TCHF 7'415) and the sale of the properties Seestrasse 210 in Wädenswil (TCHF 1'720) and Gstalderstrasse 59 in Seegräben (TCHF 910).

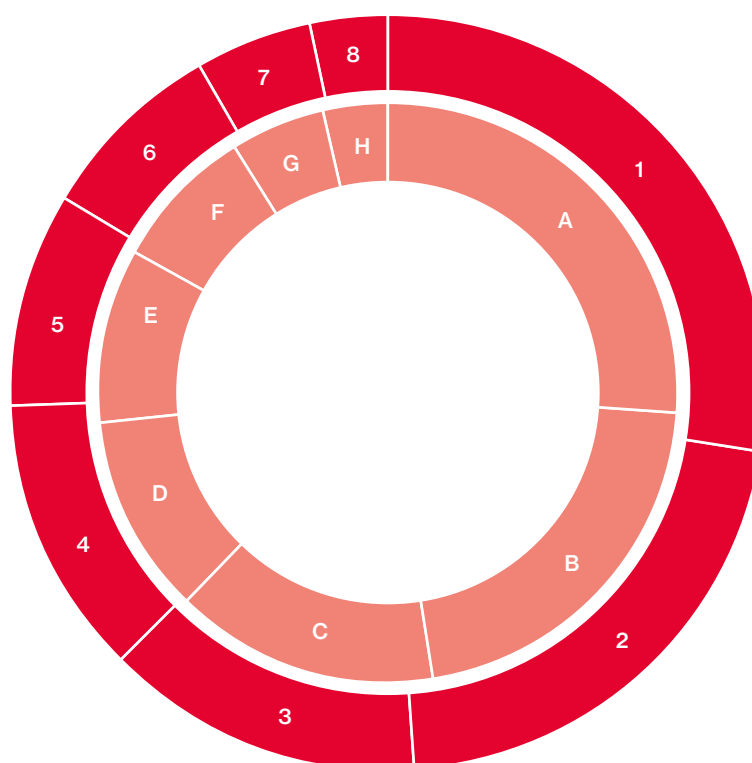
**Properties held for sale**

	2015	2014
Project Stegbünt	2'416	6'404
Project Spinnerei III	4'924	15'060
Project The Cloud	97'060	80'050
Project Feinspinnerei	12'700	–
Property Gstalderstrasse 59	–	861
Property Aretshalden 30	1'292	–
Property Hauptstrasse 25	340	–
<b>Total</b>	<b>118'732</b>	<b>102'375</b>

As at the balance sheet date, condominiums in Windisch (Project Stegbünt, Project Spinnerei III and Project Feinspinnerei) and Baar (Project The Cloud), as well as two properties were for sale (Aretshalden 30 in Seegräben and Hauptstrasse 25 in Diesbach). The Gstalderstrasse 59 property was sold in 2015.

Following remaining payments in relation of the promotion units sold that are secured with bank payment commitments are opened as at 31 December 2015:

	2015	2014
Project Stegbünt	1'026	2'040
Project The Cloud	41'240	13'174
Project Feinspinnerei	1'270	–
<b>Total</b>	<b>43'536</b>	<b>15'214</b>



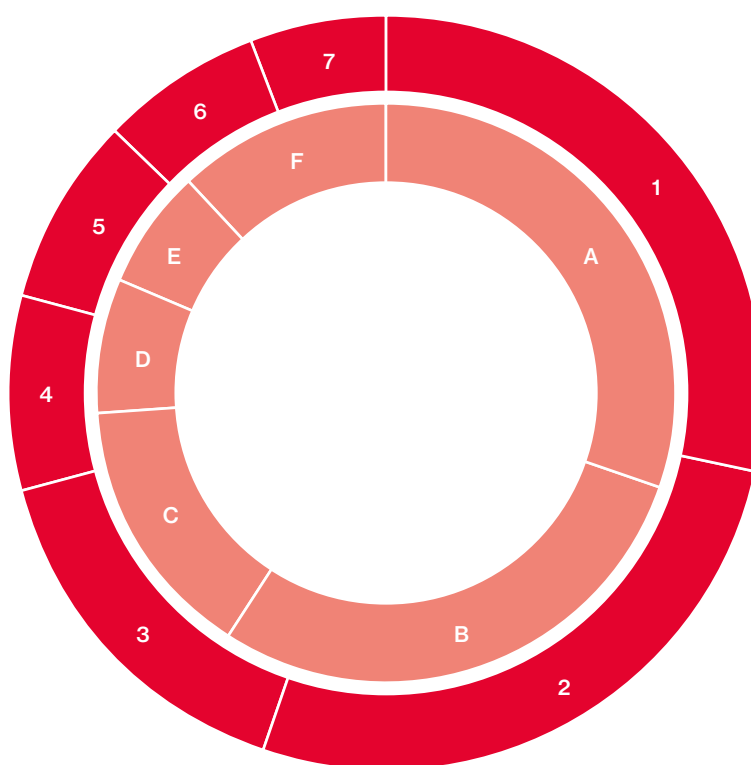
2015 ■  
2014 ■

**Market value of real estate properties  
according to use as at 31 December 2015**

1	Industry, Commercial	27.7%
2	Residential	21.3%
3	Retail	13.6%
4	Office	12.0%
5	Distribution, Logistics	9.0%
6	Building land	8.0%
7	Residential, Commercial	5.0%
8	Miscellaneous	3.3%

**Market value of real estate properties  
according to use as at 31 December 2014**

A	Industry, Commercial	26.3%
B	Residential	21.3%
C	Retail	14.8%
D	Office	11.1%
E	Distribution, Logistics	9.7%
F	Building land	8.2%
G	Residential, Commercial	5.2%
H	Miscellaneous	3.5%



2015 ■  
2014 ■

**Market value of real estate properties  
according to canton as at 31 December 2015**

1	Aargau	28.6%
2	Zurich	26.8%
3	Zug	15.7%
4	Solothurn	8.2%
5	Geneva	8.1%
6	Baselland	6.8%
7	Miscellaneous	5.8%

**Market value of real estate properties  
according to canton as at 31 December 2014**

A	Aargau	30.5%
B	Zurich	28.7%
C	Zug	14.9%
D	Baselland	7.4%
E	Geneva	6.8%
F	Miscellaneous	11.8%

#### 4 Other Property, Plant and Equipment and Intangible Fixed Assets

	Other property, plant and equipment	Intangible fixed assets
<b>Book value at 01.01.2014</b>	<b>3'985</b>	<b>81</b>
Additions	21	–
Book value at 31.12.2014/01.01.2015	4'006	81
Additions	136	–
<b>Book value at 31.12.2015</b>	<b>4'142</b>	<b>81</b>
<b>Cumulative amortisation at 01.01.2014</b>	<b>1'143</b>	<b>48</b>
Amortisation	611	13
At 31.12.2014/01.01.2015	1'754	61
Amortisation	565	13
<b>Cumulative amortisation at 31.12.2015</b>	<b>2'319</b>	<b>74</b>
<b>Net book value at 01.01.2014</b>	<b>2'842</b>	<b>33</b>
Net book value at 31.12.2014/01.01.2015	2'252	20
<b>Net book value at 31.12.2015</b>	<b>1'823</b>	<b>7</b>

#### 5 Financial Assets, Financial Assets from Shareholders and Receivables from Shareholders

##### 5.1 Financial assets

	2015	2014
Employer contribution reserve	14	56
Other financial assets	1'213	1'173
Non-consolidated investments	79	79
<b>Total</b>	<b>1'306</b>	<b>1'308</b>

As at 31 December 2015, “Other financial assets” included TCHF 1'181 of WIR shares, which were acquired together with HIAG Immobilien Menziken AG (2014: TCHF 1'141). These shares listed at market prices are valued at their listed stock market price.

“Non-consolidated investments” include the company Schwert AG (equity participation: 9.9%) and the company Energie Biberist AG EBAG (equity participation: 20%). The investments are valued at the acquisition cost minus impairments carried out for business reasons. The book value of the investments came to TCHF 79 as at 31 December 2015 (2014: TCHF 79). The business of Schwert AG consists of operating the “Schwert” hotel and restaurant in Nestal. The business of Energie Biberist AG (EBAG) is to acquire, operate, maintain and enlarge the power stations belonging to the Biberist paper mill and Utzenstorf. The operating activities of EBAG have ceased since the shutdown of the Biberist paper mill.

5.2 Financial assets from shareholders

	2015	2014
Financial assets from shareholders	165	15'631
<b>Total</b>	<b>165</b>	<b>15'631</b>

Financial assets due from shareholders concerned one loan to a member of the Extended Executive Board as at 31 December 2015. The loan is subject to market rate interest and has been secured by means of employee shares. The loan came to TCHF 165 as at 31 December 2015 (2014: TCHF 231). Financial assets from shareholder which were accounted with CHF 15'200 in 2014 were reclassified to "other current financial assets" and explained below.

5.3 Receivables from shareholders

	2015	2014
Receivables from shareholders	8'767	507
<b>Total</b>	<b>8'767</b>	<b>507</b>

Shareholder SFAG Holding AG was granted a loan in the amount of TCHF 5'600 (2014: TCHF 12'200 recorded as "non-current financial assets due from shareholders"), which is also subject to market rate interest. It will be repaid in 2016. There is also still a current account with SFAG Holding AG for TCHF 217 (2014: TCHF 507).

A loan in the amount of TCHF 2'950 (2014: TCHF 3'200 disclosed as non-current financial assets from shareholders) was granted for the purposes of acquiring an employee participation of 15'000 registered shares at a nominal value of CHF 10 per share (2014: 15'000 shares). The loan is subject to market rate interest and will be amortised by June 30th 2016.

5.4 Other current financial assets

	2015	2014
Capitalised tax losses carried forward	5'990	–
<b>Total</b>	<b>5'990</b>	<b>–</b>

During the 2015 business year, TCHF 5'990 of economic benefit from tax losses carried forward were capitalised, as it is probable that they could be offset with future taxable profits. The capitalisation reflects the expected profit 2016 based on the accounting principles of the Swiss Code of Obligation, which will be mainly resulting from the condominium projects from the significant entities of the group.

## 6 Other Current Liabilities

	2015	2014
To third parties	4'982	4'370
Value-added tax	743	409
Advance payments	3'220	2'624
<b>Total</b>	<b>8'945</b>	<b>7'403</b>

“Other current liabilities to third parties” includes accumulated payments for heating and lump sum charges amounting to TCHF 3'939 (2014: TCHF 3'095) and outstanding payments for acquisitions during prior period under review in the amount of TCHF 993 (2014: TCHF 993).

Advance payments include property income paid in advance amounting to TCHF 2'470 (2014: TCHF 2'624) and deposit payments for the sale of condominium property amounting to TCHF 750 (2014: TCHF 0).

## 7 Provisions

	Other provisions	LTIP provision	Total
<b>Book value at 01.01.2014</b>	<b>12'429</b>	<b>–</b>	<b>12'429</b>
Increase	–	419	419
Utilisation	–4'275	–	–4'275
Release	–6'021	–	–6'021
<b>Book value at 31.12.2014/ 01.01.2015</b>	<b>2'133</b>	<b>419</b>	<b>2'552</b>
– thereof current	83	–	83
– thereof non-current	2'050	419	2'469
Increase	193	469	662
Utilisation	–3	–	–3
Release	–130	–30	–160
<b>Book value at 31.12.2015</b>	<b>2'193</b>	<b>858</b>	<b>3'051</b>
– thereof current	193	–	193
– thereof non-current	2'000	858	2'858

In connection with the Long Term Incentive Plan (LTIP, see paragraph 15), accruals were formed for the cash component in the amount of TCHF 469 as at 31 December 2015 (2014: TCHF 419). No provisions for pension plan obligations or restructuring were made, either in the period under review or in the previous period. Only risks that have at least a 50% probability of occurring are recognised.

## 8 Non-Current Financial Liabilities

	2015	2014
Non-current liabilities to banks	393'389	476'488
Bonds	100'000	–
<b>Total</b>	<b>493'389</b>	<b>476'361</b>

Financing with a remaining maturity of more than one year as at the reporting date is recorded under "Non-current financial liabilities". This amounted to TCHF 493'389 (2014: TCHF 476'488) as at the reporting date.

Most of the bank financing is secured by mortgages.

The loan-to-value ratio ([cash and cash equivalents + financial liabilities] / real estate value) was 37% (2014: 37%) and the debt ratio calculated at fair value was 32% (2014: 42%).

The average interest rate paid for financial liabilities came to 1.00% (2014: 1.03%). Financial liabilities to be repaid within a period of 12 months amounted to TCHF 8'870 (2014: TCHF 11'272) and are classified as "Current financial liabilities".

In July 2015, a fixed-rate bond for TCHF 100'000 was issued with a maturity of six years. The proceeds were used primarily for the repayment of the Group's existing bank financing.

Benchmarks	Bond July 2015
Amount	TCHF 100'000
Maturity	6 years (01.07.2015–01.07.2021)
Interest rate	1.00%
Listing	SIX Swiss Exchange
Security number	28'460'739
ISIN	CH0284607394

#### Conditions of financial liabilities as at 31 December 2015

Item	Book value	Currency	Due date	Interest rate
Liabilities to banks	402'259	CHF	See chart "Due date in TCHF as at 31.12.2015"	Between 0.5% and 2.95%
Bonds	100'000	CHF	01.07.2021	1.0%
Loans from third parties	4'500	CHF	31.12.2019	3%
<b>Total</b>	<b>506'759</b>			

Financial liabilities are recorded and valued at nominal value.

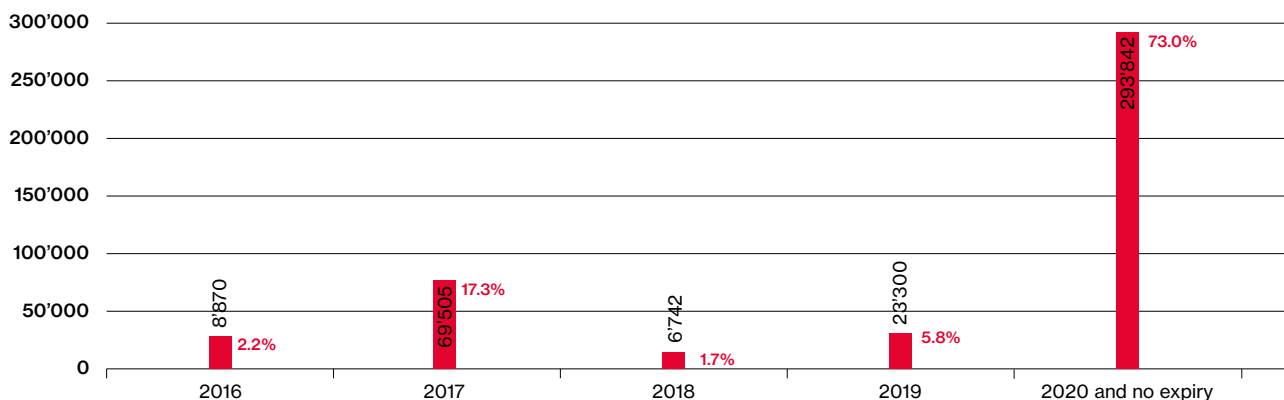
#### Conditions of financial liabilities as at 31 December 2014

Item	Book value	Currency	Due date	Interest rate
Liabilities to banks	487'760	CHF	See chart "Due date in TCHF as at 31.12.2014"	Between 0.5% and 4.0%
Loans from third parties	4'500	CHF	31.12.2019	3%
<b>Total</b>	<b>492'260</b>			

Financial liabilities are recorded and valued at nominal value.

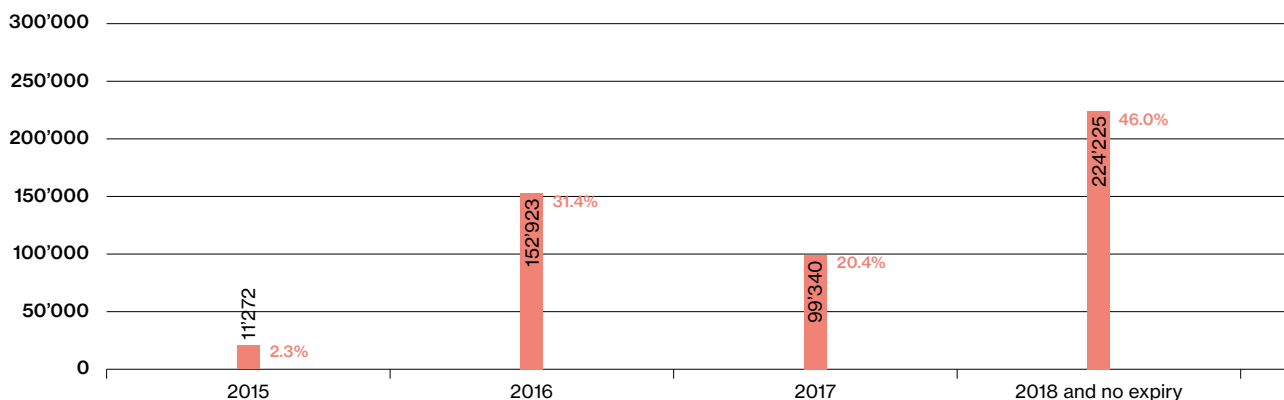


Due dates of the liabilities to banks in TCHF as at 31 December 2015



Total: TCHF 402'259 = 100%

Due dates in TCHF as at 31 December 2014



Total: TCHF 487'760 = 100%

Interest rates were fixed as follows as at 31 December 2015  
(until the next interest rate adjustment):

Up to one year	300'937	75%
2017	69'505	17%
2018	842	0%
2019 and longer	30'975	8%
<b>Total</b>	<b>402'259</b>	<b>100%</b>

Interest rates were fixed as follows as at 31 December 2014  
(until the next interest rate adjustment):

Up to one year	236'081	49%
2016	145'423	30%
2017	74'613	15%
2018 and longer	31'642	6%
<b>Total</b>	<b>487'760</b>	<b>100%</b>

## 9 Deferred Taxes

	2015	2014
Deferred tax liabilities as at 1 January	56'938	49'764
Changes in the scope of consolidation	–	4'035
Net increase recognised through profit or loss	6'273	3'139
Deferred tax liabilities as at 31 December	63'211	56'938

The provisions for deferred taxes are discounted. A discount rate of 2.5% was applied as at 31 December 2015 (2014: 2.5%).

## 10 Employee Benefits

The employees of the HIAG Immobilien Group benefit from funds provided by a pension fund. These pension funds are set up as financially independent foundations. The pension fund "HIAG Pensionskasse" is financed by employee and employer contributions, and the patronage pension institution "Wohlfahrtsfonds" belonging to the HIAG Group and the "Fürsorgestiftung" foundation belonging to Spinnerei Streiff AG are financed exclusively by employer contributions. Benefits are allocated in accordance with the contributions paid into the fund or the payments made by the corresponding insurance carrier (defined contribution). This does not result in any economic benefit or potential obligations for the Group companies. There is no intention to obtain any future economic benefit from the unrestricted reserves.

	Nominal value	Renounced use	Balance sheet	Accumulation	Balance sheet	Result from ECR in personnel expenses	
	31.12.2015	31.12.2015	31.12.2015	31.12.2015	31.12.2014	2015	2014
Patronage pension institutions <sup>1</sup>	1'530	–	–	–	1'530	–	–
Pension institution	14	–	14	–	56	42	52
<b>Total</b>	<b>1'544</b>	<b>–</b>	<b>14</b>	<b>–</b>	<b>1'586</b>	<b>42</b>	<b>52</b>

<sup>1</sup> As the economic benefit of the patronage pension institutions does not appear to be certain, it was not included in the balance sheet.

	Surplus/deficit coverage	Economical part of the organisation	Change to prior year period or recognised in the current result of the period, respectively	Contributions concerning the business period	Pension expenses within personnel expenses
	31.12.2015	31.12.2015			31.12.2015
Patronage pension institutions	–	–		–	–
Pension institution	3'726	–		–	244
<b>Total</b>	<b>3'726</b>	<b>–</b>		<b>–</b>	<b>244</b>

Composition of employee pension expenses	31.12.2015
Contributions to pension funds at the expense of the company	202
Contributions to pension plans made from the employer contribution reserve (ECR)	42
<b>Total contributions</b>	<b>244</b>
Changes in the employer contribution reserve stemming from asset performance, impairment, discounts, assessment of interest, etc.	–
<b>Total contributions and changes to employer contribution reserve</b>	<b>244</b>
Changes in the economic benefit of the company as to surplus coverage	–
Changes in the economic benefit of the company as to deficit coverage	–
<b>Total changes in the economic impacts from surplus/deficit coverage</b>	<b>–</b>
<b>Total pension expenses in terms of employee benefit expenses during the period under review</b>	<b>244</b>

	Surplus/deficit coverage	Economical part of the organisation	Change to prior year period or recognised in the current result of the period, respectively	Contributions concerning the business period	Pension expenses within personnel expenses
	31.12.2014	31.12.2014			31.12.2014
Patronage pension institutions	–	–	–	–	–
Pension institution	3'342	–	–	–	233
<b>Total</b>	<b>3'342</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>233</b>

Composition of employee pension expenses	31.12.2014
Contributions to pension funds at the expense of the company	181
Contributions to pension plans made from the employer contribution reserve (ECR)	52
<b>Total contributions</b>	<b>233</b>
Changes in the employer contribution reserve stemming from asset performance, impairment, discounts, assessment of interest, etc.	–
<b>Total contributions and changes to employer contribution reserve</b>	<b>233</b>
Changes in the economic benefit of the company as to surplus coverage	–
Changes in the economic benefit of the company as to deficit coverage	–
<b>Total changes in the economic impacts from surplus/deficit coverage</b>	<b>–</b>
<b>Total pension expenses in terms of employee benefit expenses during the period under review</b>	<b>233</b>

## 11 Property Income

	2015	2014
Rental income excl. lump sum charges	48'901	46'663
Lump sum charges	1'338	1'351
Other property income	1'017	702
Decrease in income	–63	–46
<b>Total</b>	<b>51'193</b>	<b>48'669</b>

The item “Other property income” includes the sale of electricity from owned power stations in the amount of TCHF 772 for 2015 (2014: TCHF 662).

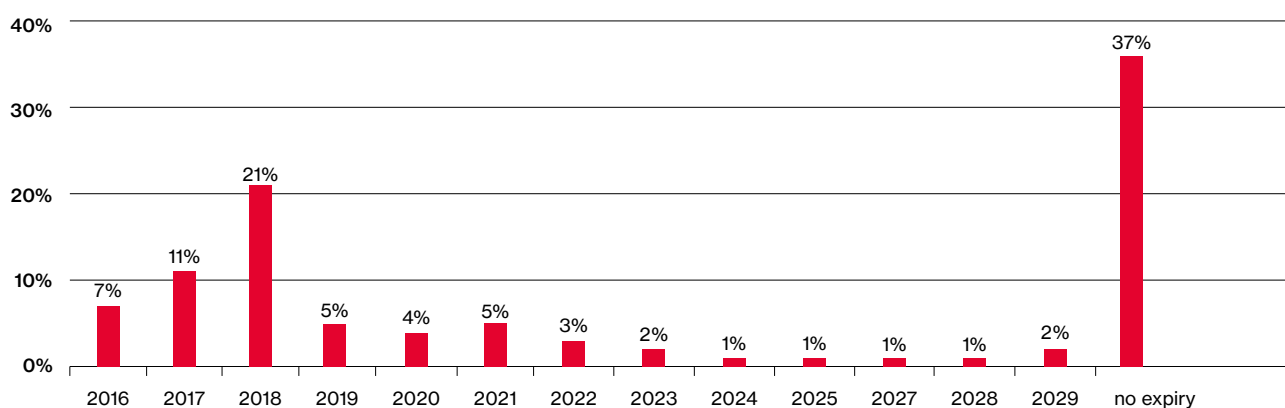
Most important tenants

HIAG Immobilien's five most important tenants measured according to property income were (in alphabetical order): Athleticum Sportmarkets AG, Doka Schweiz AG, Hewlett-Packard International Sàrl, Kuratle HIAG Handel AG and Otto's AG.

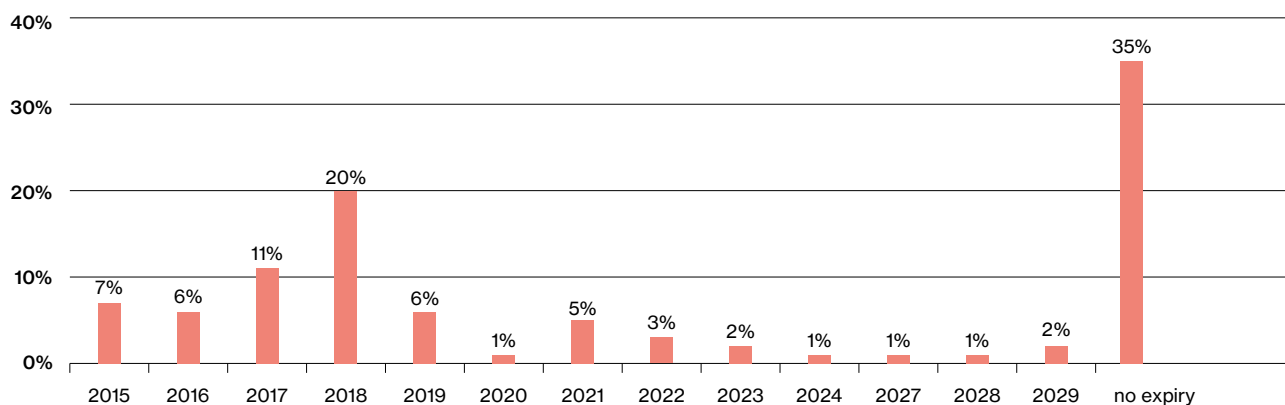
Share of property income represented by (%):	2015	2014
The largest tenant	5%	5%
The three largest tenants	13%	13%
The five largest tenants	20%	20%
The ten largest tenants	33%	34%

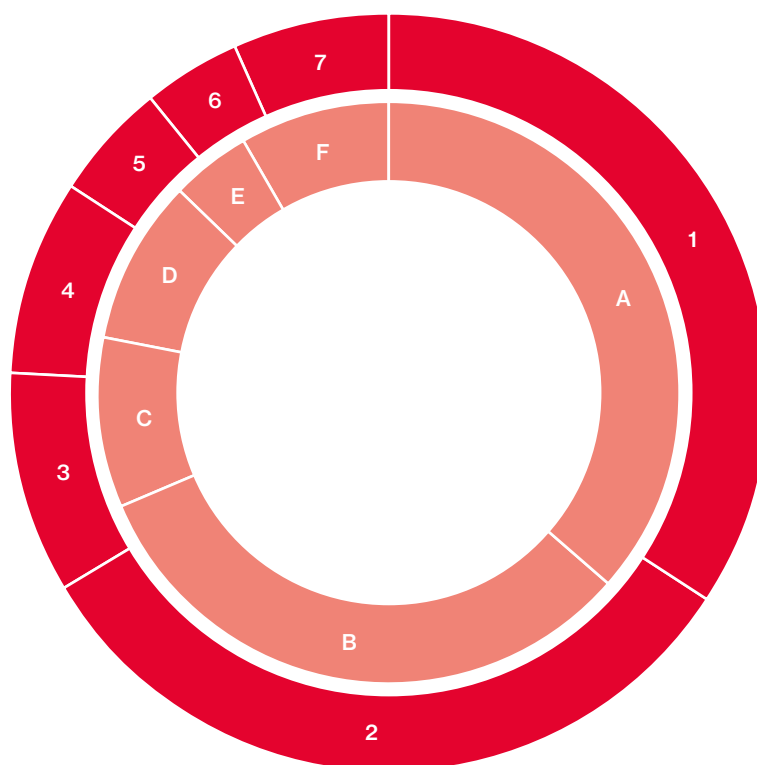
The overview of the expiry profile of rental agreements shows when the agreements can be terminated at the earliest.

Overview of expiry profile of rental agreements as at 31 December 2015



Overview of expiry profile of rental agreements as at 31 December 2014





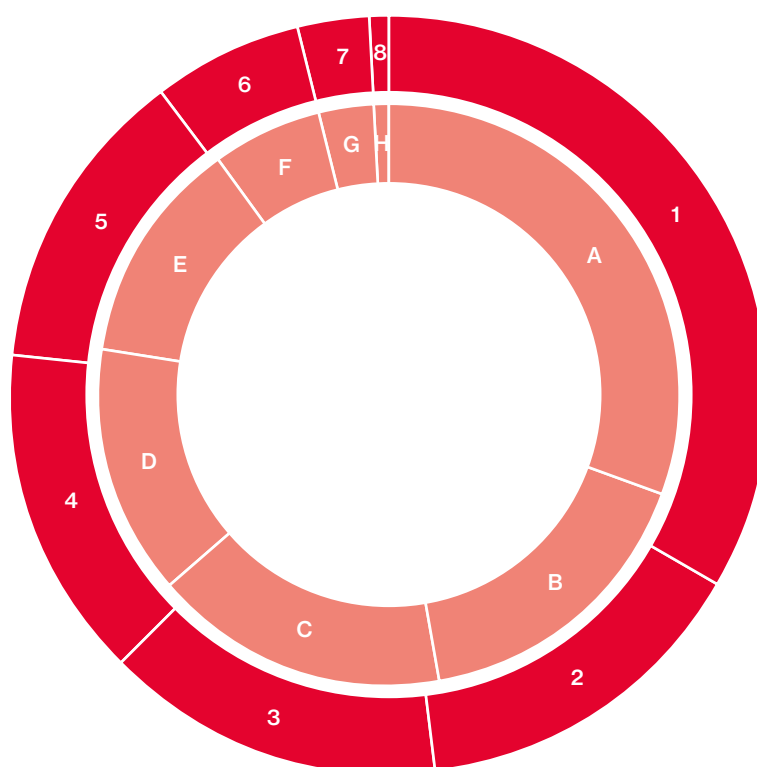
2015 ■  
2014 ■

**Property income:  
according to canton as at 31 December 2015**

1	Aargau	34.3%
2	Zurich	32.3%
3	Baselland	9.2 %
4	Geneva	8.3 %
5	Zug	5.0 %
6	Solothurn	4.2 %
6	Miscellaneous	6.6 %

**Property income:  
according to canton as at 31 December 2014**

A	Aargau	36.5%
B	Zurich	32.2%
C	Geneva	9.6%
D	Baselland	9.1%
E	Zug	4.5%
F	Miscellaneous	8.2%



2015 ■  
2014 ■

**Property income:  
according to use as at 31 December 2015**

1	Industry, Commercial	32.7%
2	Distribution, Logistics	14.2%
3	Retail	16.7%
4	Residential	13.8%
5	Office	12.6%
6	Residential, Commercial	6.4%
7	Miscellaneous	2.8%
8	Building land	0.8%

**Property income:  
according to use as at 31 December 2014**

A	Industry, Commercial	30.8%
B	Distribution, Logistics	16.6%
C	Retail	16.5%
D	Residential	13.7%
E	Office	12.7%
F	Residential, Commercial	6.0%
G	Miscellaneous	3.0%
H	Building land	0.8%

## Vacancy rate

	2015	2014
Yielding properties	11.1%	11.7%
Yielding properties undergoing repositioning <sup>1</sup>	32.4%	33.8%
Redevelopment properties	19.3%	24.9%
<b>Total portfolio</b>	<b>16.0%</b>	<b>18.0%</b>

<sup>1</sup> Properties Mandachstrasse 50-56 ZH, Lorzenparkstrasse 2-16 ZG and Sternenfeldpark 14 BL.

## 12 Other Operating Income

	2015	2014
Services rendered to third parties	1'014	1'244
Other operating income	2'050	325
Allowance other operating income	-200	-
<b>Total</b>	<b>2'864</b>	<b>1'569</b>

“Services rendered to third parties” includes the Executive Board, asset management and technical administrative management of the pension fund “HIAG Pensionskasse”, and human resources services rendered to associated companies of “HIAG Pensionskasse”.

In the position “Other operating income” (inclusive the allowance of TCHF 200) sales of facility property in Biberist (TCHF 664) and the compensation for further use of areas (TCHF 1'000) are disclosed.

## 13 Revaluation of Properties (net)

	2015	2014
Positive adjustments	42'440	35'091
Negative adjustments	-17'832	-15'552
Adjustments to properties to be sold	6'679	9'163
Adjustments of costs for environmental risks	206	-1
<b>Total</b>	<b>31'493</b>	<b>28'701</b>

The most significant adjustments were carried out in connection with the properties in Meyrin (TCHF 16'131), Windisch (TCHF 6'002), Dornach (TCHF 4'815), Cham (TCHF 3'632), Baar for the project The Cloud (TCHF 3'588), Oberaathal-Aabach (TCHF -2'259), Birsfelden (TCHF -1'965) and Dietikon (TCHF -1'545). Out of a total of 122 properties, 64 underwent positive adjustments, while 58 properties were affected by negative adjustments.

## 14 Personnel Expenses

	2015	2014
Wages and salaries	6'057	5'021
Social security contributions	1'020	998
Other personnel expenses	506	400
<b>Total</b>	<b>7'582</b>	<b>6'419</b>

	2015	2014
Employee headcount	47	42
– thereof insourced facility management	17	15
Full-time employees	39.2	36.8
– thereof insourced facility management	12.9	12.6

As at the reporting date, 27 persons were employed at the company's Basel, Zurich and Geneva locations (2014: 25), of whom six employees are active in site development, five in portfolio management, four in accounting and two in site marketing/sales.



## 15 Share-Based Compensation

For the Management Board, there is a variable component in the form of Long Term Incentive Plans (LTIP). The time period of the current LTIP is five years (2014–2018). For the CEO and CFO, variable compensation is calculated under the LTIP based on the return on equity of the Group. For members of the Extended Executive Board (site developers and the head of portfolio management), the LTIP is calculated based on revaluation of properties of the real estate portfolio of the HIAG Immobilien Group during the relevant time period. Incidentally, the same rules apply with regard to share and cash components, which are explained below. The threshold for the incentive based on return on equity is an average ROE of 6% with an upper limit of 13% over the time period of the LTIP. The threshold for the incentive based on revaluation of the real estate portfolio is an average annual property revaluation of CHF 10 million (cumulated CHF 50 million) with a cumulative upper limit of CHF 70 (cumulative upper limit of CHF 350 million) for the entire relevant time period. The bonus envelope for the Management Board under the current LTIP is limited to a total of CHF 14 million. The upper limit represents a participation of approximately 2.8% of the value created for the shareholders. Fifty percent of the incentive is set aside annually in the form of restricted employee shares. The basis for calculation is the average return or increase in value as at the end of the respective year starting from the beginning of the calculation period applying the high water mark principle. The shares may be acquired by the members of the Management Board with a retention period of five years from the date of acquisition; these acquired shares are non-forfeitable. Shares are allocated according to the proportional incentive programme for members of the Management Board at a discount of 25.274%. The share component under the LTIP can be paid from the contingent capital or from the company's own holdings of treasury shares. The other 50% of the LTIP is the cash component. It is paid out only if the member of the Management Board in question is regularly employed as at 30 June 2019.

The 2015 LTIP portion has an impact of TCHF 1'077 on 2015 net income, of which the cash component constitutes TCHF 469 (with provisions as the corresponding opposite item) and the share component TCHF 608 (with shareholders' equity as the corresponding opposite item).

The accumulated provision for the cash component, which gets paid in the year 2019, amounts to TCHF 858 as at 31 December 2015.

## 16 Energy and Building Maintenance

The item “Energy and building maintenance” includes lump sum charges in the amount of TCHF 1'338 (2014: TCHF 1'351). These billings to tenants are recorded under “Property income”.

## 17 Office and Administrative Expenses

	2015	2014
Office and administrative expenses	3'273	3'686
– thereof property expenses	1'416	2'189

Property expenses primarily consist of local property administration fees, initial letting fees and appraisal fees.

## 18 Rent and Leases

	2015	2014
Office rent and leases	539	533
Building rights	804	756
<b>Total</b>	<b>1'343</b>	<b>1'289</b>

## 19 Financial Income

	2015	2014
Interest income	228	356
Securities income	30	–
Exchange rate profit	78	–
Adjustment securities with market value	40	–
Other financial income <sup>1</sup>	49	14
<b>Total</b>	<b>425</b>	<b>370</b>

<sup>1</sup> In 2015 corresponds to the difference of the received equivalent and the repayment value of the bond, which gets amortised in the income statement.

## 20 Financial Expenses

	2015	2014
Interest expenses	4'260	5'148
Interest expenses bond	500	–
Bank fees and bank interest	130	363
Adjustment of securities at market prices	–	32
Other interest expenses <sup>1</sup>	175	149
Listing expenses	–	1'532
<b>Total</b>	<b>5'065</b>	<b>7'224</b>

<sup>1</sup> In 2015 contains proportional issuing costs of the bond, which gets amortised over the maturity of the bond in the income statement (in 2015 TCHF 29).

The average interest rates paid for financial liabilities came to 1.00% (2014: 1.03%). The fluctuation corridor for interest rates was between 0.5% and 2.95% (2014: between 0.50% and 4.0%). Interest rates for construction loans concerning site development projects amounting to TCHF 463 were capitalised (2014: TCHF 264).

## 21 Taxes

	2015	2014
Income taxes	29	–184
Deferred taxes	6'273	3'139
Capitalisation of tax losses carried forward	–5'990	–
<b>Total</b>	<b>312</b>	<b>2'955</b>

In the period under review TCHF 6'273 of provisions were generated for deferred taxes (2014: TCHF 3'139).

During the 2015 business year, TCHF 5'990 of economic benefit from tax losses carried forward were capitalised, as it is probable that they could be offset with future taxable profits based on planned profits from promotion projects. The capitalisation reflects the expected profit 2016 based on the accounting principles of the Swiss Code of Obligation, which will be mainly resulting from the condominium projects from the significant entities of the group.

The entities of the group dispose as at financial statement date of non capitalised tax losses carried forward amounting overall to TCHF 40'774 (2014: TCHF 107'267). The potential tax reductions made possible by these loss carryforwards came to TCHF 5'779 as at 31 December 2015 (2014: TCHF 15'277).

The average tax rate, which was calculated based on ordinary earnings, amounted to 15.7% in 2015 (16.7% in 2014). The tax effect from the use of off-balance sheet tax losses carried forward amounted to TCHF 3'627 in 2015 (2014: TCHF 26).

## 22 Leasing Liabilities

Liabilities from off-balance sheet operating leasing activities mature as follows:

	2015	2014
Up to 1 year	485	488
Between 2 and 4 years	1'454	898
Over 5 years	2'146	311
<b>Total</b>	<b>4'085</b>	<b>1'696</b>

The liabilities from off-balance sheet operating leasing activities are mainly related to the rental agreements of the three HIAG offices (Basel, Zurich, Geneva).

## 23 Shareholders' Equity

### Composition of share capital

	Nominal value CHF	2015	2014
Registered shares as at 31 December	1.00	8'000'000	8'000'000
<b>Total</b>		<b>8'000'000</b>	<b>8'000'000</b>

On 31 December 2015, share capital consisted of 8'000'000 registered shares at a nominal value of CHF 1. Each share is entitled to one vote. Pursuant to Article 3 of the Articles of Incorporation, the Board of Directors is authorised to increase the share capital of the company by a maximum of TCHF 1'600 until 15 April 2016. As at 31 December 2015, conditional share capital came to TCHF 400. As at 31 December 2015, no rights had been exercised.

The non-distributable legal reserves came to TCHF 1'400 (2014: TCHF 1'400).

#### Earnings and shareholders' equity (NAV) per share

in CHF	01.01.2015–31.12.2015	01.01.2014–31.12.2014
Net income	59'491	48'886
Time-weighted average number of shares outstanding	8'000'0000	7'362'500
Earnings per average registered share outstanding	7.44	6.84
Undiluted earnings per share	7.44	6.64
Diluted earnings per share	7.44	6.64
in CHF	31.12.2015	31.12.2014
Shareholders' equity (NAV) per outstanding registered share, before deferred taxes	96.49	91.56
Shareholders' equity (NAV) per outstanding registered share, after deferred taxes	88.59	84.45

As at 31 December 2015 there were no dilutive effects.

## 24 Significant Shareholders

The following shareholders or shareholder groups were recognised by the Board of Directors as at the reporting date as each holding more than 3% of voting rights in the company:

Voting rights	31.12.2015	31.12.2014
Lock-up group composed of:	65.3%	65.3%
SFAG Holding AG		
Felix Grisard		
Salome Grisard Varnholt		
Andrea Grisard		
HIAG Beteiligung Holding AG <sup>1</sup>		

<sup>1</sup> HIAG Beteiligung Holding AG is controlled by Felix Grisard.

The members of this shareholder group signed a shareholders' agreement on 14 April 2014 concerning shares of SFAG Holding AG. SFAG Holding AG holds more than 50% of the voting rights of the company. By signing these shareholders' agreements, the shareholders of SFAG Holding AG and SFAG Holding AG became a group within the meaning of Art. 121 FinfraG.

Shares held by current members of the executive and supervisory bodies

	31.12.2015	31.12.2014
Dr. Felix Grisard, President of the Board of Directors <sup>1</sup>	554'995	554'995
Salome Grisard Varnholt, member of the Board of Directors <sup>1</sup>	282'896	282'896
Dr. Walter Jakob, member of the Board of Directors	2'500	2'500
John Manser, member of the Board of Directors	3'000	–
Martin Durchschlag, CEO	204'952	204'000
Laurent Spindler, CFO	2'608	2'200
Ralf Küng, member of the Extended Executive Board	5'134	4'540
Lukas Fehr, member of the Extended Executive Board	5'134	4'540
Alex Römer, member of the Extended Executive Board	5'134	4'540
Thorsten Eberle, member of the Extended Executive Board	2'864	2'270
Michele Muccioli, member of the Extended Executive Board	2'042	1'450
Yves Perrin, member of the Extended Executive Board	5'133	4'540
<b>Total</b>	<b>1'076'392</b>	<b>1'068'471</b>

<sup>1</sup> Dr. Felix Grisard and Salome Grisard Varnholt jointly hold directly and indirectly two thirds of the shares of SFAG Holding AG, which holds 50.01% shares of HIAG Immobilien Holding AG. They are also members of the Board of Directors of SFAG Holding AG.

In connection with the share component of the LTIP, the Extended Executive Board acquired 5'011 shares during the 2015 business year.

## 25 Treasury Shares

During the business year, 5'114 shares of HIAG Immobilien Holding AG were purchased by the company for a total amount of TCHF 459. These 5'114 shares were sold to Group employees, primarily the Executive Board, for the Long Term Incentive Plan. The company held no treasury shares as at 31 December 2015.

## 26 Pledged Assets

Shares of subsidiaries in the amount of TCHF 106'349 (investment value) were pledged as at 31 December 2015 as part of financing agreements (2014: TCHF 106'349).

The 2'666 WIR voting shares with a book value of TCHF 1'181 (2014: TCHF 1'141) that are disclosed under "Financial Asset" are pledged as part of a financing agreement with the WIR Bank.

## 27 Treatment of Goodwill

The goodwill was recorded under retained earnings at the time of the acquisition. The resulting impact on shareholders' equity and the result is documented as follows, taking into account a five-year useful life of goodwill:

Impact of a theoretical capitalisation of goodwill on the balance sheet:

	2015	2014
<b>Reported shareholders' equity</b>	<b>708'721</b>	<b>675'574</b>
Equity ratio	54.4%	54.4%
Acquisition value of goodwill		
As at the beginning of the business year	1'276	–
Additions	–	1'276
Disposals	–	–
As at the end of the business year	1'276	1'276
Accumulated amortisation		
As at the beginning of the business year	64	–
Amortisations for the current year	255	64
Disposals	–	–
As at the end of the business year	319	64
Theoretical net book value of goodwill	957	1'202
<b>Theoretical shareholders' equity including net book value of goodwill</b>	<b>709'678</b>	<b>676'786</b>
Theoretical equity ratio	54.5%	54.5%

Impact of a theoretical capitalisation of goodwill on earnings:

	2015	2014
Net income	59'491	48'886
Theoretical amortisation of goodwill	–255	–64
<b>Net income after amortisation of goodwill</b>	<b>59'236</b>	<b>48'822</b>

## 28 Segment Reporting

The main business activities of the group include the management of the yielding properties and redevelopment activities. Consequently, reporting is broken down according to the segments “Yielding portfolio” and “Redevelopment portfolio”. The auxiliary activities with regard to the management, asset management and technical administrative management of the pension fund “HIAG Pensionskasse”, as well as human resources services rendered to third parties are disclosed under the separate segment “Services”.

The costs of central functions such as finance, and expenditures in connection with the Board of Directors are disclosed in the segment “Corporate”, while expenditures in connection with the Executive Board are listed under the segments according to their purpose. Furthermore, general company expenditure, such as auditing costs, taxes on capital, etc. are also disclosed under the segment “Corporate”.

As HIAG Immobilien Holding is active exclusively in Switzerland, no geographical segment information is provided.

### Segments 1 January 2015 to 31 December 2015

	Yielding portfolio	Redevelopment portfolio	Services	Corporate	Group
Property income	40'091	11'102	–	–	51'193
Other operating income	154	1'688	1'016	6	2'864
Revaluation of properties	–88	31'580	–	–	31'493
<b>Total operating income</b>	<b>40'157</b>	<b>44'370</b>	<b>1'016</b>	<b>6</b>	<b>85'550</b>
<b>Total operating expenses</b>	<b>9'051</b>	<b>7'556</b>	<b>925</b>	<b>2'996</b>	<b>20'529</b>
<b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>	<b>31'106</b>	<b>36'814</b>	<b>91</b>	<b>–2'990</b>	<b>65'021</b>
<b>EBITDA before revaluation of properties</b>	<b>31'194</b>	<b>5'234</b>	<b>91</b>	<b>–2'990</b>	<b>33'529</b>

### Segments 1 January 2014 to 31 December 2014

	Yielding portfolio	Redevelopment portfolio	Services	Corporate	Group
Property income	37'788	10'881	–	–	48'669
Other operating income	166	160	1'244	–	1'569
Revaluation of properties	5'975	22'726	–	–	28'701
<b>Total operating income</b>	<b>43'928</b>	<b>33'767</b>	<b>1'244</b>	<b>–</b>	<b>78'939</b>
<b>Total operating expenses</b>	<b>8'226</b>	<b>8'004</b>	<b>959</b>	<b>2'432</b>	<b>19'621</b>
<b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>	<b>35'703</b>	<b>25'763</b>	<b>285</b>	<b>–2'432</b>	<b>59'319</b>
<b>EBITDA before revaluation of properties</b>	<b>29'728</b>	<b>3'037</b>	<b>285</b>	<b>–2'432</b>	<b>30'618</b>



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# Report of the Statutory Auditor on the Consolidated Financial Statements

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To the General Meeting of  
**HIAG Immobilien Holding AG, Basle**

Basle, 14 March 2016

## Report of the statutory auditor on the consolidated financial statements

As statutory auditor, we have audited the consolidated financial statements of HIAG Immobilien Holding AG, which comprise the balance sheet, income statement, cash flow statement, statement of changes in equity and notes (pages 4 to 43), for the year ended 31 December 2015.

### Board of Directors' responsibility

The Board of Directors is responsible for the preparation of these consolidated financial statements in accordance with Swiss GAAP FER, article 17 of the Directive on Financial Reporting (DFR) of SIX Swiss Exchange and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

### Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the consolidated financial statements for the year ended 31 December 2015 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss GAAP FER and comply with article 17 of the Directive on Financial Reporting (DFR) of SIX Swiss Exchange as well as Swiss law.



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### Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Ernst & Young Ltd

André Schaub  
Licensed audit expert  
(Auditor in charge)

Fabian Meier  
Licensed audit expert

# Independent Valuer's Report

HIAG Immobilien Holding  
Aeschenplatz 7  
4052 Basel

9 February 2016

Ref.: 104390.1500 to 104390.1535

Independent valuer's report  
Real Estate Property Valuation as at 31.12.2015

To the Executive Board of HIAG Immobilien Holding

## Commission

Wüest & Partner AG (Wüest & Partner) was commissioned by the Executive Board of HIAG Immobilien to perform a valuation, for accounting purposes, of the immovable properties held by HIAG Immobilien in Switzerland as at 31 December 2015 (reporting date). The valuation encompasses all investment properties, sites and development properties, properties for sale, distinct and permanent rights (building rights), co-ownership shares, agricultural land as well as the power plants in Diesbach and in Biberist.

## Valuation standards

Wüest & Partner hereby confirms that the valuations were performed in accordance with national and international standards and guidelines.

The property values determined correspond to the current value (market value) as described in Swiss GAAP ARR 18, item 14.

## Definition of fair value

«fair value» is defined as the amount for which a property would most probably be exchanged on the open market on the valuation date between two independent and knowledgeable parties, willing to buy and sell respectively, with due allowance made for a reasonable marketing period.

Property transfer tax, property gains taxes, value added tax and other costs and commission fees that would be incurred if the property were sold are not included (gross market value). Nor is any account taken of HIAG Immobilien's

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Patrick Schnorf  
Mario Grubenmann  
Patrik Schmid  
Gino Fiorentin  
Stefan Meier  
Hervé Froidevaux  
Ronny Haase  
Pascal Marazzi-de Lima  
Andreas Keller  
Karsten Jungk

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**Wüest & Partner**

liabilities in respect of taxation (apart from ordinary property taxes) and financing costs.

#### **Valuation method**

In valuing HIAG Immobilien's real estate holdings, Wüest & Partner applied the discounted cash flow (DCF) method, by which the market value of a property is determined as the total of all projected future (100 years) net earnings discounted to the valuation date. Net income is discounted separately for each property with due allowance for specific opportunities and threats, and adjustment in line with market conditions and risks.

The real estates under construction were also valued using the discounted cash flow method (DCF). The fair value of the project as at valuation date is been inferred in three steps:

- Valuation of the property at the time of completion – taking into account the current occupancy/sales rate, the market and the cost estimation as at valuation date;
- Calculation of the market value as at valuation date, taking into account the projected investments still to be undertaken;
- Estimate of the development risk in relation to the current project status, and its treatment as a separate cash flow of a cost position.

#### **Basis of valuation**

Wüest & Partner is familiar with all the properties, having carried out inspections and examined the documentation provided. The properties have been analysed in detail in terms of their quality and risk profiles (attractiveness and lettability of rented premises, construction type and condition, micro- and macro-location etc.). Currently vacant premises are valued with due allowance made for a reasonable marketing period.

Within the review period from 1 January 2015 to 31 December 2015, Wüest & Partner visited 38 properties belonging to HIAG Immobilien.

#### **Results**

A total of 121 investment properties and property units (investment properties, sites and development properties, properties for sale, distinct and permanent rights (building rights), co-ownership shares as well as agricultural land) were valued as at 31 December 2015 by Wüest & Partner. The fair value of the property portfolio of HIAG Immobilien (before deduction of contamination) is estimated as at 31 December 2015 at 1,249,547,800 Swiss Francs.

#### **Changes during reporting period**

Within the review period from 1 January 2015 to 31 December 2015 properties in Meyrin, and Dornach were acquired. At the same time, properties in Wädenswil, Auw, and Aathal-Seegräben were sold.

**Independence and confidentiality**

Wüest & Partner performed the valuation of HIAG Immobilien's real estate holdings independently and neutrally in conformity with its business policies. It was carried out solely for those purposes specified above; Wüest & Partner shall accept no liability in respect of third parties.

Zurich, 9 February 2016  
Wüest & Partner



Marco Feusi MRICS  
Partner



Silvana Dardikman  
Manager

#### Annex: valuation assumptions

##### Investment properties

The investment property valuations are based on the following general assumptions:

- Current value: Investments, that are being held exclusively for yield purposes, are to be valued according to their fair value, their acquisition or construction costs, less the amortizations. The fair value is being estimated based on the future cash-flow or revenue, under consideration of an appropriate risk/return discount rate or other recognized valuation method. Appreciation, reappreciation or depreciation are to be registered in the periodic result.
- Surface areas: The lettable areas were factored into the valuations on the basis of the rent rolls of the HIAG Immobilien and verbal information provided by HIAG Immobilien. Discrepancies between this information and the property plans were verified with HIAG Immobilien.
- Rent rolls: The rent rolls from HIAG Immobilien used in the valuation are dated 1 January 2016 and were received during the period of November 2015 and January 2016.
- Calculation model: The DCF model adopted is a one-period model. The valuation period extends for 100 years from the valuation date with an implicit residual value during the eleventh period. Exceptions are possible in the case of leasehold properties with a corresponding reversion scenario.
- Discounting: Discounting is based on a risk-adjusted interest rate. Rates are determined individually for each property on the basis of appropriate benchmarks derived from arm's-length transactions. They may be broken down as follows: risk-free interest rate + property risk (immobility of capital) + premium for macro-location + premium for micro-location depending on use + premium for property quality and income risk + any other specific premiums. Nominal discount rates range between 2.50% and 7.00% depending on the property, use and location.
- Inflation: Unless otherwise stated, the valuations assume 1.0% annual inflation for income and all expenditure. Where a nominal discount rate is applied, this is adjusted accordingly.
- Indexation: Specific indexation of existing rental agreements is accounted for on an individual basis. After expiry of the contracts, an indexation factor of 80% (Swiss average) and an average contract term of 5 years are assumed.
- Credit Risks: Credit risks posed by specific tenants are not explicitly factored into the valuation.
- Timing of payments: For existing tenancies, the timing of individual payments is assumed to comply with the terms of the lease. Following lease expiry, cash flows for commercial premises are taken to be quarterly in advance, for housing monthly in advance.

- Recoverability of ancillary costs: In terms of running costs, entirely separate service charge accounts are assumed, with no tenancy-related ancillary costs to be borne by the owner.
- Maintenance costs: The maintenance (repair and upkeep) costs were calculated using a building analysis tool. This tool is used to estimate the remaining lifespan of individual components based on their present condition, to model periodic refurbishments and to calculate the associated annual renewal fund allowances. The calculated values are plausibility tested using cost benchmarks derived from Wüest & Partner surveys.

#### **Sites and development properties**

Wüest & Partner also determined the market values of the sites and development properties. The valuations of these projects are based on the following assumptions:

- Partial plots: Where appropriate, HIAG Immobilien divides the properties into partial plots. For reasons of transparency, this subdivision is taken over by Wüest & Partner in the valuations.
- Project development strategy: Where deemed plausible by Wüest & Partner, the strategy in relation to project development/promotion (e.g. sale vs. letting) has been taken over from HIAG Immobilien.
- Background data: The background data of HIAG Immobilien are verified and adjusted where appropriate (e.g. utilization, lettable areas, schedule/development process, rental/absorption).
- Impartial view: The valuations are subjected to an impartial assessment of income, costs and investment returns.
- Design-and-build or general service contracts: With regard to the service contracts of general and design-and-build contractors, it is assumed that construction costs have been secured.
- Services provided by project developers: The construction costs include the services of HIAG Immobilien as the developer's representative and the project developer.
- Sale costs: In the case of sections of properties earmarked for sale (e.g. condominiums), costs of sale have been taken into account in the valuations.
- Preparatory work: Where known, preparatory work is taken into account in construction costs (e.g. remediation of legacy contamination, demolition work, infrastructure).
- Incidental costs: Construction costs include the usual incidental costs such as construction finance, but exclude financing of the plot of land. These costs are implicitly included in the DCF model.
- Services provided to date: Where known, value-relevant services provided to date by third parties or by HIAG Immobilien in the form of investments made are taken into account.

- VAT opt-in: It is assumed that the income from the planned commercial properties is subject to VAT. The construction costs are therefore presented exclusive of VAT.
- Deferred taxes: The valuations do not include any deferred taxes.



# EPRA key performance indicators

## EPRA key performance indicators of HIAG Immobilien Holding AG

The Group discloses the key performance indicators according to the best practices recommendations of the EPRA Reporting and Accounting Committee. The European Public Real Estate Association (EPRA) is an association of the leading European enterprises in the real estate sector.

### A. EPRA earnings & EPRA earnings per share

in TCHF	2015	2014
<b>Earnings per Swiss GAAP FER income statement</b>	<b>59'491</b>	<b>48'886</b>
(i) Changes in value of property	-24'816	-19'353
(ii) Changes in value of promotion property (condominiums for sale)	-6'677	-9'348
(iii) Tax on profits or losses on disposals	-	189
(iv) Acquisition costs on share deals and non-controlling joint venture interests	-	148
(v) Deferred tax in respect of EPRA adjustments and capitalised tax losses carried forward	283	3'139
(vi) One-time effect listing costs	-	1'531
<b>EPRA Earnings</b>	<b>28'281</b>	<b>25'192</b>
Average number of shares	8'000'000	7'150'000
<b>EPRA earnings per share (EPS)</b>	<b>3.5</b>	<b>3.5</b>

### B. EPRA net asset value and EPRA equity ratio

in TCHF	2015	2014
NAV per the consolidated financial statements	708'721	675'574
(i) Effect of exercise of options, convertibles and other equity interests	-49	-559
(ii) Deferred taxes	63'211	56'938
<b>EPRA NAV</b>	<b>771'883</b>	<b>731'953</b>
Number of shares	8'000'000	8'000'000
<b>EPRA NAV per share</b>	<b>96.5</b>	<b>91.5</b>
 Total assets	 1'303'087	 1'242'553
<b>EPRA equity ratio</b>	<b>59.2%</b>	<b>58.9%</b>

### C. Triple net asset value (NNNAV)

in TCHF	2015	2014
<b>EPRA NAV</b>	<b>771'883</b>	<b>731'953</b>
(i) Deferred taxes	-63'211	-56'938
<b>EPRA NNNAV</b>	<b>708'721</b>	<b>675'015</b>
Number of shares (diluted)	8'000'000	8'000'000
<b>EPRA NNNAV per share</b>	<b>88.6</b>	<b>84.4</b>

### D. EPRA NIY and "topped-up" NIY disclosure

in TCHF	2015	2014
Yielding property excl. promotion projects (condominiums for sale)	1'106'952	1'049'590
Promotion projects (condominiums for sale)	117'100	101'514
Less redevelopment properties	-507'035	-447'869
<b>Completed property portfolio</b>	<b>717'017</b>	<b>703'235</b>
<b>Gross up completed property portfolio valuation</b>	<b>717'017</b>	<b>703'235</b>
Annualised cash passing rental income	39'121	37'729
Direct property expenses	-9'051	-8'226
<b>Annualised net rents</b>	<b>30'070</b>	<b>29'503</b>
<b>"Topped-up" net annualised rent</b>	<b>30'070</b>	<b>29'503</b>
EPRA NIY	4.2%	4.2%
EPRA "topped-up" NIY	4.2%	4.2%

### E. EPRA vacancy rate

in TCHF	2015	2014
Estimated potential rental income from vacant sites	6'937	7'062
Estimated potential rental income from yielding portfolio	46'058	44'792
<b>EPRA vacancy rate (yielding portfolio)</b>	<b>15.0%</b>	<b>15.8%</b>

### EPRA vacancy rate (yielding portfolio excl. properties under repositioning)<sup>1</sup>

in TCHF	2015	2014
Estimated potential rental income from vacant sites	4'176	4'271
Estimated potential rental income from yielding portfolio	37'538	36'530
<b>EPRA vacancy rate</b>	<b>11.1%</b>	<b>11.7%</b>

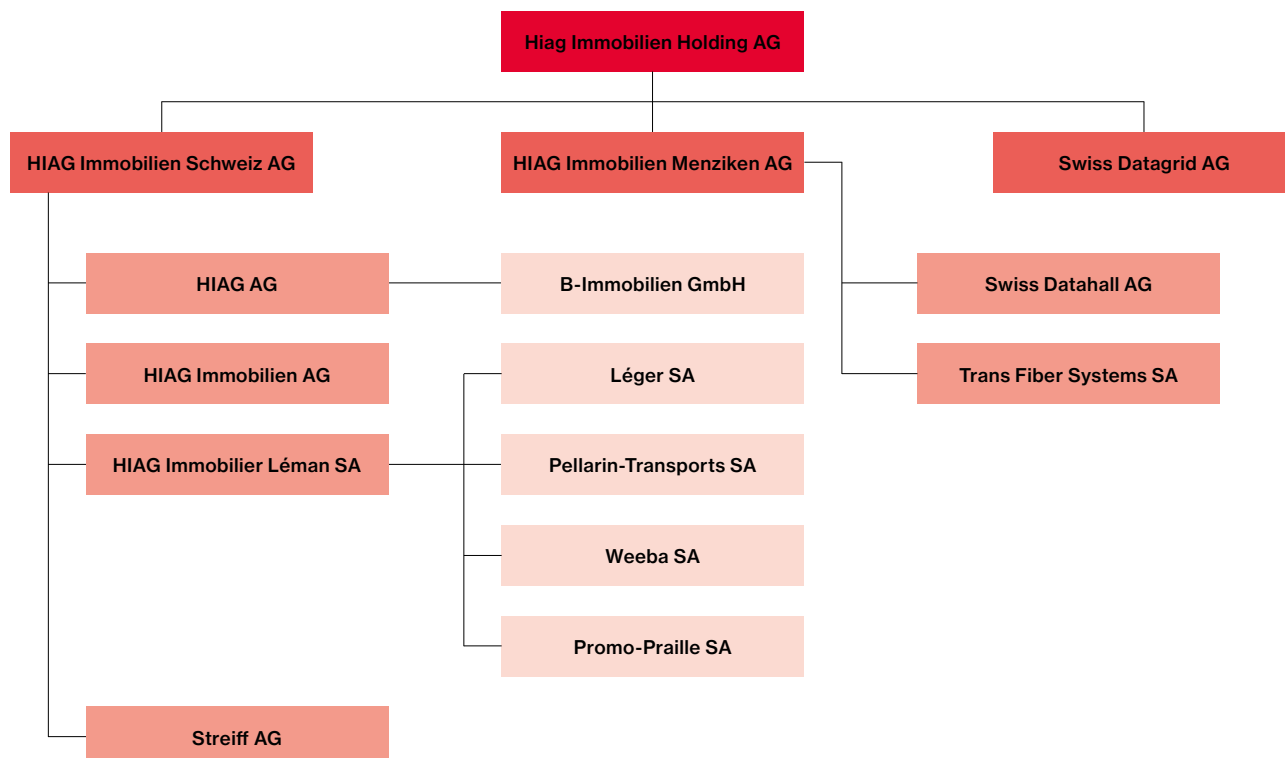
<sup>1</sup> Including Mandachstrasse 50–56 ZH, Lorzenparkstrasse 2–16 ZG and Sternenfeldpark 14 BL

If there is any ambiguity regarding the terms, the information at [www.epra.com](http://www.epra.com) shall prevail.

# Corporate Governance

## Group Structure and Shareholders

### 1 Group structure



#### Publicly listed holding company

Company	HIAG Immobilien Holding AG
Registered office	Basel, Switzerland
Listing	SIX Swiss Exchange, Zurich
Stock market capitalisation 31 December 2015	CHF 728.0 million
Symbol	HIAG
Valor	23'951'877
ISIN	CH0239518779

For unlisted equity holdings (with information on extent of interest) please refer to the annual financial statement of HIAG Immobilien Holding AG, note Scope of consolidation, page 9 to 11.

## 2 Key shareholders as at 31 December 2015

The following shareholders or shareholder groups are recognised by the Board of Directors as at the reporting date as each holding more than 3% of voting rights in the company:

	Voting rights
Shareholder groups composed of:	65.3%
SFAG Holding AG	
Felix Grisard	
Salome Grisard Varnholt	
Andrea Grisard	
HIAG Beteiligung Holding AG <sup>1</sup>	

<sup>1</sup> HIAG Beteiligung Holding AG is controlled by Felix Grisard.

The members of this shareholder group signed a shareholders' agreement on 14 April 2014 concerning shares of SFAG Holding AG. SFAG Holding AG holds more than 50% of the voting rights of the company. By signing these shareholders' agreements, the shareholders of SFAG Holding AG and SFAG Holding AG became a group within the meaning of Art. 121 of the FinfraG.

HIAG Immobilien Holding AG is unaware of any other shareholders with 3% or more of the voting rights as at 31 December 2015. Detailed information on disclosure notifications can be accessed at:

<https://www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html>

### 3 Shareholder structure at 31 December 2015

Number of registered shares	Registered shareholders		Registered shares		Non-registered shares		Total number of shares issued
	Number	%	Number	%	Number	%	
1 to 100	154	23.3%	8'307	0.1%			
101 to 1'000	298	45.1%	123'012	1.6%			
1'001 to 10'000	160	24.2%	489'052	6.5%			
10'001 to 100'000	41	6.2%	1'072'142	14.2%			
100'001 to 1'000'000	7	1.1%	1'869'938	24.7%			
1'000'001 and over	1	0.2%	4'000'020	52.9%			
<b>Total number of registered shareholders/shares</b>	<b>661</b>	<b>100%</b>	<b>7'562'471</b>	<b>94.5%</b>			<b>7'562'471</b>
Total number of non-registered shares					437'529	4.5%	437'529
<b>Total</b>			<b>7'562'471</b>		<b>437'529</b>		<b>8'000'000</b>

Registered shareholders and shares	Registered shareholders		Registered shares	
	Number	%	Number	%
Natural persons	451	68.2%	1'811'292	24.0%
Legal persons	40	6.1%	4'178'299	55.3%
Pension funds	88	13.3%	972'075	12.9%
Insurance companies	11	1.7%	68'988	0.9%
Funds	37	5.6%	319'206	4.2%
Other foundations	24	3.6%	96'351	1.3%
Banks	10	1.5%	116'270	1.5%
<b>Total</b>	<b>661</b>	<b>100.0%</b>	<b>7'562'471</b>	<b>100.0%</b>
Switzerland	601	90.9%	7'211'711	95.4%
Europe (excluding Switzerland)	54	8.2%	255'266	3.4%
North America	2	0.3%	93'584	1.2%
Other countries	4	0.6%	1'910	0.0%
<b>Total</b>	<b>661</b>	<b>100.0%</b>	<b>7'562'471</b>	<b>100.0%</b>

### 4 Cross-shareholdings

As at 31 December 2015 there were no cross-shareholdings.

## Capital structure of HIAG Immobilien Holding AG

### 1 Share capital at 31 December 2015

As at 31 December 2015, the equity capital of HIAG Immobilien Holding AG amounted to CHF 8'000'000, broken down into 8'000'000 registered shares with a nominal value of CHF 1 each. Pursuant to Article 3a of the Articles of Incorporation, the Board of Directors is authorised to increase equity capital by a maximum of CHF 1'600'000 by issuing a maximum of 1'600'000 fully paid up registered shares with a nominal value of CHF 1 each until 15 April 2016 (authorised capital increase). Pursuant to Article 3b of the Articles of Incorporation equity capital is to be increased by a maximum of CHF 400'000 by issuing a maximum of 400'000 registered shares to be fully paid up with a nominal value of CHF 1 (conditional capital increase). The shares are fully paid up.

Please refer to the following paragraph 2.2. concerning conditional equity capital.

### 2 Conditional equity capital in particular

The rules governing conditional equity capital are laid out in Article 3b of the Articles of Incorporation: "Article 3 Conditional equity capital

- (1) The equity capital of the company shall be increased by a maximum of CHF 400'000 by issuing a maximum of 400'000 fully paid up registered shares with a nominal value of CHF 1 resulting from the exercising of option rights or similar rights, to which employees, members of the Board of Directors and the Executive Board of the company and its subsidiaries are entitled within the framework of employee stock option plans. The Board of Directors draws up the corresponding employee stock option plans in coordination with the Compensation Committee.
- (2) The subscription rights of the shareholders are excluded. The acquisition of registered shares within the scope of employee stock option plans, and the subsequent transfer of registered shares are subject to restrictions pursuant to Article 5 of the Articles of Incorporation."

### 3 Changes in capital over the last three business years

	Number of registered shares	Nominal value per share in CHF	Nominal value in CHF 1'000
Share capital, issued and fully paid, as at 31 December 2013	700'000	10	7'000
Share capital, issued and fully paid, as at 31 December 2014	8'000'000	1	8'000
Share capital, issued and fully paid, as at 31 December 2015	8'000'000	1	8'000
<b>Legal reserves (general reserves)</b>			in TCHF
31 December 2013			1'369
31 December 2014			1'400
31 December 2015			1'400
<b>Legal reserves (reserves from capital contributions)</b>			in TCHF
31 December 2013			52'354
31 December 2014			127'354
31 December 2015			100'954
<b>Legal reserves (reserves for own shares)</b>			in TCHF
31 December 2013			44'240
31 December 2014			–
31 December 2015			–
<b>Freely distributable reserves</b>			in TCHF
31 December 2013			63'760
31 December 2014			108'000
31 December 2015			108'000
<b>Net profit</b>			in TCHF
31 December 2013			43'834
31 December 2014			36'756
31 December 2015			38'571

### 4 Shares, participation certificates, dividend rights certificates

The 8'000'000 issued registered shares mentioned under paragraph 1 on page 57 have been fully paid up. Each share is entitled to receive a dividend. Paragraph 1 on page 57 contains the information concerning voting rights. There are no preferential rights or similar rights.

As at 31 December 2015 no participation certificates or dividend rights certificates had been issued.

## 5 Transferability of registered shares and nominee registrations

The Board of Directors maintains a shareholder register, in which the owners' and beneficiaries' names and addresses are entered. Shareholders authorised to exercise voting rights for shares not owned by them may be entered in the shareholder register on request if their rights rest on a legal basis. With regard to the company, only those that are entered in the shareholder registry will be recognised as shareholders or beneficiaries.

The transfer of shares, either for the purposes of ownership or beneficial use, as well as the entry of their buyers as shareholders with voting rights in the shareholder register, must be authorised by the Board of Directors in every instance.

Approval can be denied on the following grounds:

- the inability to provide proof of the composition of shareholders as required by law for the recognition of the transferee (Swiss Federal Law on Acquisition of Real Estate by Persons Resident Abroad).
- the acquisition and the holding of shares on behalf and for the account of third parties.

The company may strike entries from the shareholder register after hearing from the party concerned, if the entries were made on the basis of false information provided by the transferee. The transferee must be informed immediately should any entries be struck.

## 6 Convertible bonds and options

As at 31 December 2015, no convertible bonds or options were outstanding.



## Board of Directors



From left: Dr. Walter Jakob, John Manser, Dr. Felix Grisard, Salome Grisard Varnholt

## 1 Board of Directors

	Initial election	Elected until
Dr. Felix Grisard, CH, 1968, President of the Board of Directors (non-executive)	2010	2016
Salome Grisard Varnholt, CH, 1966, Member of the Board of Directors (non-executive)	2009	2016
Dr. Walter Jakob, CH, 1949, Member of the Board of Directors (non-executive, independent)	2010	2016
John Manser, CH, 1947, Vice-President of the Board of Directors and Lead Director (non-executive, independent)	2014	2016

### Dr. oec. HSG Felix Grisard

Education: lic. oec. HSG Dr. oec. HSG – University of St. Gallen, OPM Harvard Business School

#### President of the Board of Directors

##### Professional background:

2002–2010	CEO HIAG Holding Group
1999–2001	COO HIAG Holding Group
1996–1999	Boston Consulting Group

##### Previous activities for the HIAG Holding Group:

2002–2010	CEO HIAG Holding Group
1999–2001	COO HIAG Holding Group

##### Activities on executive or supervisory boards:

Member of the Board of Directors of HIAG Beteiligung Holding AG – Basel, Member of the Board of Directors of Botiss Medical AG – Berlin, Member of the Board of Directors of Holland Private Equity – Amsterdam, Member of the Board of Directors of SFAG Holding AG – Basel, President of the Board of Directors of MedTech Innovation Partners AG – Basel, and President of the Foundation Board of HIAG Pensionskasse – Baar.

Significant business relationships with HIAG Immobilien Holding AG or any of its group companies: None.

### Dipl. Arch. ETH Salome Grisard

Education: Licensed Architect ETH/SIA, Zurich

#### Member of the Board of Directors

##### Professional background:

from 1999	Grisard Architektur architectural firm – Zurich
1999–2001	assistant to Prof. Dominique Perrault – ETH Zurich
1991–1998	employed at Herzog & de Meuron – Basel, Richter & Dahl Rocha – Lausanne, Burkhard Meyer – Baden

##### Activities on executive or supervisory boards:

President of the Board of Directors of SFAG Holding AG – Basel, President of the Board of Directors of Senft AG – Engelberg, President of the Pension Fund Foundation of Senft AG – Engelberg, Member of the Board of Directors of the Association “Kids of Africa” – Zurich, President of the Board of Directors of grisard’architektur AG – Zurich. No executive operating responsibilities for HIAG Immobilien Holding AG or any of its group companies in the three business years before the reporting period.

Significant business relationships with HIAG Immobilien Holding AG or any of its group companies: None.

### Dr. oec. HSG Walter Jakob

Education: Tax advisor, HSG Dr. oec. HSG

#### Member of the Board of Directors

##### Professional background:

1984–2009	tax advisor and partner at Ernst&Young
from 2010	Baryon AG

##### Activities on executive or supervisory boards:

Member of the Board of Directors of Dixa AG – St. Gallen, Member of the Board of Directors of Kalabota AG – St. Gallen, Member of the Board of Directors of Globetrotter Travel Service AG – Bern, President of the Board of Directors of eloxalwerk züri-oberland ag – Wetzikon (ZH). No executive operating responsibilities for HIAG Immobilien Holding AG or any of its group companies in the three business years before the reporting period.

Significant business relationships with HIAG Immobilien Holding AG or any of its group companies: None.

**John Manser**

Vice-President of the  
Board of Directors

Education: MBA Alexander Hamilton Institute, Swiss Banking Diploma

**Professional background:**

1996–2007	Group Treasurer – Novartis AG
1990–1996	Group Treasurer – Ciba-Geigy

**Activities on executive or supervisory boards:**

Member of the Board of Directors of Helvetia Insurance – St Gallen, Member of the Board of Directors of Union Bancaire Privée – Geneva, Member of the Investment Commission of the University of Basel – Basel. No executive operating responsibilities for HIAG Immobilien Holding AG or any of its group companies in the three business years before the reporting period.

Significant business relationships with HIAG Immobilien Holding AG or any of its group companies: None.

## 2 Election and term in office

Members of the Board of Directors, the President and the Vice-President are, as a rule, elected individually at the Ordinary General Assembly for a term in office to continue until the conclusion of the following ordinary General Assembly. It is possible for the members of the Board of Directors to resign or be removed before the end of term in office.

New members shall join the Board of Directors for the remainder of the term in office of the member they replace. The members of the Board of Directors can be re-elected at any time. Aside from the President and the Vice-President, the Board of Directors constitutes itself.

As at 31 December 2015 there were no limitations on terms in office.

## 3 Internal organisation

### 3.1 Division of responsibilities within the Board of Directors

The Board of Directors exercises its authority pursuant to Articles 16 and 17 of the Articles of Incorporation as a body. The Articles of Incorporation do not provide for a division of responsibilities within the Board of Directors. In addition to the Board of Directors of HIAG Immobilien Holding AG, Dr. Felix Grisard also sits on the Boards of Directors of all of the companies within the HIAG Immobilien Group.

### 3.2 Board of Directors' Committees

The Board of Directors takes time to address all the essential business at hand at the meetings of the full Board of Directors. The Board of Directors appoints an Audit Committee and a Compensation Committee. Dr. Felix Grisard and Mr. John Manser make up the Audit Committee, while Ms. Salome Grisard Varnholt and Dr. Walter Jakob sit on the Compensation Committee. Due to the shareholder structure, the size of the company, and the specific circumstances of HIAG Immobilien Holding AG, the Board of Directors does not have a Nomination Committee. Any such responsibilities are carried out by the Board of Directors as a whole.

In accordance with Organisational Rules of HIAG Immobilien Holding AG, the Compensation Committee works in conjunction with the Board of Directors to periodically review the objectives and principles of the company's compensation policy. The goal is to promote the development of and retain employees, thereby securing the competitiveness and long-term success of the company and its group companies. The Compensation Committee also assesses the implementation of compensation-related principles by the Executive Board, and evaluates

and prepares the compensation guidelines and programmes. It defines the applicable performance criteria for compensation. Proposals concerning these matters are submitted to the Board of Directors. These include, in addition to base salary, variable cash compensation, compensation in the form of options, shares and/or similar financial instruments in accordance with the applicable employee stock option programmes, retirement funds and/or additional benefits within the scope of overall compensation. The Committee also reviews the impact, attractiveness and competitiveness of these programmes at least every three years. It also submits proposals and requests to the Board of Directors related to the compensation of individual members of the Board of Directors, the Executive Board and Extended Executive Board, and related to the comprehensive amounts of compensation to be authorised by the General Assembly for the Board of Directors and the Executive Board in accordance with the Articles of Incorporation and employee stock option programmes for the employees of the company and its subsidiaries. The committee is also responsible for preparing the compensation report and submitting the corresponding request to the Board of Directors.

In accordance with the Organisational Rules of HIAG Immobilien Holding AG, the Audit Committee's responsibilities consist of exercising executive supervision over all internal and external auditing activities, monitoring financial reporting, and evaluating and further developing the internal control system.

### 3.3 The functioning of the Board of Directors and its Committees

At least four ordinary meetings of the Board of Directors take place every year (one meeting per quarter). In the interim, extraordinary meetings of the Board of Directors may be called, and circular resolutions may be taken as needed. The minutes of the Board of Directors meetings are kept by the secretary; the circular resolutions will be included in the minutes of the subsequent meeting. The President of the Board of Directors is in constant contact with the CEO. Consultations among the Compensation Committee members take place as needed, but at least three times a year; consultations among the Audit Committee members take place in the run-up to the annual and half-year financial statements for the purposes of their preparation. Any granting of paid contracts to third parties concerning services rendered to the Board of Directors requires the prior approval of the Board of Directors. The CEO takes part in the meetings of the Board of Directors. Other members of the Board of Directors, the CFO, members of the Extended Executive Board or other internal or external experts may also be invited to participate in meetings. In the 2015 business year, four ordinary meetings of the Board of Directors took place (6 March 2015, 22 May 2015, 27 August 2015 and 3 December 2015), with an average duration of three hours.

The Compensation Committee held three meetings in the 2015 business year (21 January 2015, 11 May 2015 and 16 November 2015), lasting one to one and a half hours. The CEO generally takes part in the sessions of the Compensation Committee, except if his own performance is being evaluated or his compensation fixed. Other members of the Board of Directors, the CFO, members of the Extended Executive Board or other internal or external experts may also be invited to participate in meetings. Any granting of paid contracts to third parties concerning services rendered to the Board of Directors requires the prior approval of the Board of Directors. Members of the Management Board do not attend meetings of the Compensation Committee and Board of Directors that concern the Management Board's employment contracts and particularly the compensation of its members. The President of the Board of Directors withdraws when the Board of Directors adopts resolutions regarding his remuneration.

tion. Each member of the Board of Directors has a say in the determination of the remuneration of the Board of Directors. Since all of the members of the Board of Directors, with the exception the President, receive the same fixed remuneration, the members of the Board of Directors do not withdraw from decisions regarding their remuneration, with the exception of the President, who withdraws when his remuneration is being determined.

At least two ordinary Audit Committee meetings are held each year (one meeting every six months). The Audit Committee held two meetings (27 February 2015 and 24 August 2015) with a duration of two hours each. The CFO generally participates in the meetings of the Audit Committee. Other members of the Board of Directors, the CEO, members of the Extended Executive Board or other internal or external experts may also be invited to participate in these meetings.

The Board of Directors undertakes a self-evaluation of its work and the work performed by its Committees once a year.

#### 4 Definition of responsibilities

The principles of top-level management, including the definition of responsibilities, are set forth in the Organisational Rules of the company. The Board of Directors is responsible for the overall management of the company and the supervision of the Executive Board. It represents the company to the outside world and takes resolutions on all matters that are not otherwise governed by legislation, the Articles of Incorporation or the rules for another body of the company. The Board of Directors shall also retain the following responsibilities and competences for the purposes of expanding and defining more specifically its non-transferable responsibilities pursuant to article 716a of the OR:

- Exercising the overall management of the company and issuing the necessary orders, including setting forth medium and long-term strategies and planning priorities, as well as guidelines for company policy;
- Defining the basic organisation of the company;
- Defining the guidelines for accounting procedures, financial controls and financial planning;
- Nominating and removing those persons entrusted with the Executive Board and representation of the company, namely the members of the Board of Directors' and the Executive Board's committees and/or the delegation of Executive Board responsibilities, including the granting of signature authorities. It should be noted that as a matter of principle at all levels of the company, signatures must be made by two authorised persons;
- Supervising those persons entrusted with the Executive Board, mainly with regards to compliance with laws, the Articles of Incorporation, regulations and orders;
- Taking resolutions on the company's compensation policy and principles, as well as those of its group companies, and on the compensation of the members of the Board of Directors, the Executive Board and the Extended Executive Board (subject to approval by the General Assembly);
- Approving employee stock option programmes for the company and its subsidiaries;
- Approving the Compensation Report for the attention of the General Assembly;
- Submitting requests to the General Assembly regarding the compensation of the Board of Directors, the Executive Board and the Extended Executive Board;
- Compiling the Annual Report, preparing for the General Assembly and



carrying out its resolutions; notifying a judge in the event of excessive debts; taking resolutions on the later payment of contributions for shares not fully paid up; taking resolutions on the determination of capital increases and the concomitant changes to the Articles of Incorporation; examining the expert qualifications of the auditors; issuing decisions on business activities of considerable strategic importance; representing the company to the public, public authorities and shareholders; carrying out a regular examination of the risk assessment system and defining the internal control system; delegating members of the Board of Directors or the Executive Board to occupy a seat on the boards of directors of the subsidiaries for the purposes of ensuring the implementation of the strategy and the decisions of the Board of Directors.

The Board of Directors of HIAG Immobilien Holding AG exercises the right of decision making concerning real estate transactions, company share deal transactions or investment decisions totalling more than CHF 0.5 million.

## 5 Information and supervisory mechanisms concerning the Executive Board

As a general rule, the members of the Executive Board are present at every ordinary meeting of the Board of Directors and the Audit Committee, ensuring direct contact between the Board of Directors and Executive Board, as well as appropriate supervision. The Board of Directors is to be informed on a quarterly basis of the operating and financial developments of the group. The Executive Board also presents a comprehensive report on the development of business activities at the meetings of the Board of Directors.

At regular intervals and in line with the requirements of half-year and full year financial reporting, the Board of Directors receives reports on the key performance indicators, and on the financial and operating risks of the HIAG Immobilien Group.

The Board of Directors carries out a re-evaluation of risks at least once a year and receives a report on the functionality and effectiveness of the internal control system from the Executive Board. HIAG Immobilien Holding AG has an implemented standardised risk management system. The Board of Directors carries out an assessment of the identified risks to determine the probability of their occurrence and their impact, which includes both financial repercussions and operating and reputation-related repercussions. The Board of Directors takes measures intended to prevent or reduce identified risks when necessary. When this is not possible, these risks should be shifted to third parties, e.g. insurance companies, as much as possible.

There is currently no internal auditing department. Internal control and risk management are carried out by the finance department. The Board of Directors and its Audit Committee are in direct contact with the external auditors and can request that special audit activities be carried out as needed. A code of conduct for the HIAG Immobilien Group was implemented during the period under review and communicated to all Group employees. The code of conduct can be accessed at:

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<http://www.hiag.com/media/475089/Verhaltenskodex.pdf>

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## Managing Board



From left: Lukas Fehr, Yves Perrin, Laurent Spindler, Michele Muccioli, Thorsten Eberle, Alex Römer, Martin Durchschlag, Ralf Küng

## 1 Members of the Executive Board

### Martin Durchschlag

1976, Austria

**CEO** (in this capacity since 2011)

Mr. Durchschlag joined the HIAG Immobilien Group in 2004.

**Education:** Licensed in industrial engineering-mechanical engineering from Vienna University of Technology, HPB & OWP – IMD Lausanne

**Professional experience:** Before joining the HIAG Immobilien Group, Mr. Durchschlag was a strategic corporate consultant. He joined the HIAG Immobilien Group in 2004 as Commercial Manager and was the Group's CFO from 2007 until 2010.

**Activities on executive or supervisory boards:** Member of the Foundation Board of Pensimo – Zurich and CEO of the HIAG Pensionskasse – Baar pension fund since 2007.

### Laurent Spindler

1978, France

**CFO** (in this capacity since December 2013)

Mr. Spindler joined the HIAG Immobilien Group in 2011.

**Education:** ICN Business School, Nancy (France), International Management Program and Master Finance, Controlling and Auditing

**Professional experience:** Mr. Spindler was with Ernst&Young Strasbourg (FR) as an auditor until 2009 and with Ernst&Young Basel as Audit Manager from 2009. During this time he audited SMEs, family-run businesses and publicly traded companies. He joined HIAG Immobilien in 2011 as Corporate Controller.

**Activities on executive or supervisory boards:** None

## 2 Members of the Extended Executive Board

### Ralf Küng

1972, Switzerland

**Head of Portfolio Management**  
(in this capacity since 2010 and member of the Extended Executive Board since 2013)

Mr. Küng joined the HIAG Immobilien Group in 2007.

**Education:** Surveyor FA – Zurich Trade School, Technical Business Administration FA – NSH Basel Educational Centre, federally qualified real estate trustee – SVIT University of Zurich

**Professional experience:** Before joining the HIAG Immobilien Group he worked in a senior management position at the real estate services provider Gribi Theurillat.

**Activities on executive or supervisory boards:** None

### Hans-Lukas Fehr

1975, Switzerland

**Site Developer**  
(in this capacity since 2010 and member of the Extended Executive Board since 2013)

Mr. Fehr joined the HIAG Immobilien Group in 2010.

**Education:** Licensed Architect – ETH Zurich, Master of Advanced Studies (MAS) Real Estate – University of Zurich

**Professional experience:** Before joining the HIAG Immobilien Group he worked as an architect in Zurich for 10 years, three of which as a co-owner of a firm. In addition, he worked for Wüest&Partner on a freelance basis.

**Activities on executive or supervisory boards:** None



**Alex Römer**

1978, Switzerland

**Site Developer**

(in this capacity since 2011 and member of the Extended Executive Board since 2013)

Mr. Römer joined the HIAG Immobilien Group in 2011.

**Education:** Economics lic. oec. publ. – University of Zurich, MBA (IE) – University of Madrid (ES)

**Professional experience:** Before joining the HIAG Immobilien Group he was responsible for the expansion of the retailer Lidl Switzerland in the Swiss midland and Western Switzerland and worked as a project manager for Karl Steiner AG.

**Activities on executive or supervisory boards:** None

**Thorsten Eberle**

1981, Germany

**Site Developer**

(in this capacity since 2011 and member of the Extended Executive Board since 2013)

Mr. Eberle joined the HIAG Immobilien Group in 2011.

**Education:** Banking and commercial management – IHK Constance (D), licensed real estate management – IHK University of Freiburg (D)

**Professional experience:** Before joining the HIAG Immobilien Group, the trained banker headed the Swiss retail section of Engel&Völkers Commercial and worked for Karl Steiner AG.

**Activities on executive or supervisory boards:** Member of the Foundation Board for the Pension Foundation of Spinnerei Streiff AG – Seegräben

**Michele Muccioli**

1978, Italy

**Site Developer**

(in this capacity since 2012 and member of the Extended Executive Board since 2013)

Mr. Muccioli joined the HIAG Immobilien Group in 2012.

**Education:** Licensed Architect – FH Winterthur, Master of Advanced Studies (MAS) Real Estate – University of Zurich

**Professional experience:** Before joining the HIAG Immobilien Group he spent six years working as an architect and project manager in Zurich, then joined Wüest&Partner as a real estate appraiser and service developer.

**Activities on executive or supervisory boards:** Member of the Executive Board of Energie Biberist AG – Biberist

**Yves Perrin**

1956, Switzerland

**Site Developer, Director for Western Switzerland**

(in this capacity since 2010 and member of the Extended Executive Board since 2013)

Mr. Perrin joined the HIAG Immobilien Group in 2010.

**Education:** Architect – University of Strasbourg (FR), MBA – University of Geneva

**Professional experience:** For 20 years he worked as a Director for Göhner AG and Karl Steiner AG in the real estate development and marketing sector in Western Switzerland.

**Activities on executive or supervisory boards:** None

### **3 Statutory regulations with regard to the number of permitted activities pursuant to Art. 12 para. 1 sub-section 1 of VergüV**

The members of the Board of Directors and the Executive Board may not exercise any more than the following number of additional mandates in the executive or supervisory bodies of other legal entities that are obligated to be entered in the commercial register, or any comparable register in another country, and are not supervised by the company or do not supervise the company:

- Members of the Board of Directors: 10 mandates, of which a maximum of four mandates for publicly traded companies;
- Members of the Executive Board: 10 mandates, of which a maximum of two mandates for publicly traded companies.

Not subject to these restrictions are mandates held in group subsidiaries or those exercised by a member of the Board of Directors or the Executive Board on behalf of the company (joint ventures, pension schemes of this legal entity; companies in which this legal entity holds a significant equity share; etc.) Also not subject to restrictions are mandates held in legal entities that are not obligated to be entered into a commercial register, or comparable register in another country, as well as honorary offices at charitable organisations as recognised under tax law.

In any case, the acceptance of mandates or employment at companies outside the HIAG Immobilien Group by members of the Executive Board requires the approval of the Board of Directors.

### **4 Management agreements**

As at 31 December 2015, there were no management agreements with companies outside the HIAG Immobilien Group.

## Remuneration, participations and loans

### 1 Components and assessment procedure of remuneration

The Board of Directors determines the amount of compensation of the Board of Directors and Management Board within the General Assembly-approved amounts with the support of the Compensation Committee. The Compensation Committee assists the Board of Directors in the determination and review of the compensation models. It prepares requests for the attention of the General Assembly concerning the compensation of the Board of Directors and the Management Board, and may submit proposals concerning other compensation issues to the Board of Directors. The Board of Directors may also assign additional responsibilities to the Compensation Committee.

HIAG Immobilien strives to obtain and hold on to talented, qualified and motivated employees and managers. A fair compensation system designed to match that of comparable companies supports this objective. As part of sustainable company development, short, medium and long-term aspects are taken into account. Members of the Board of Directors and the Management Board have a right to compensation that is suitable to their function. Remuneration can be allocated by the company or one of the companies within the group, provided that it is covered by the overall remuneration package authorised by the General Assembly.

The members of the Board of Directors receive fixed compensation in cash for their activity. This fixed compensation includes remuneration for activities as members of the Board of Directors' in Board of Directors committees and on Boards of Directors of subsidiaries. Reimbursement of expenses is not considered as remuneration. The company or a Group company can reimburse the member of the Board of Directors for expenses in the form and amount of flat-rate allowances recognised for tax purposes. Additional activities of Boards of Directors for the HIAG Immobilien Group are compensated at cost and at the hourly rates customary in the market. Customary market rates mean that the hourly rate to be used for the service in question corresponds to the rate usually charged by third parties for similar services for employees with equivalent qualifications. For example, the hourly rate of a similarly experienced external tax advisor can be used for tax-related services performed by a member of the Board of Directors.

The compensation of members of the Management Board is composed of fixed and variable remuneration. The fixed compensation is made up of a base salary and possible other compensation components that are not performance-dependent (e.g. child allowances). The fixed compensation is paid in cash. With regard to the disclosure of services and non-cash benefits and expenses, these are dealt with from a tax point of view. Out-of-pocket expenses are reimbursed on a lump-sum basis in accordance with expense reimbursement rules approved by the tax authorities, and other expenses are reimbursed on an actual cost basis. They are not included in the reported compensation. As per the Articles of Incorporation, the variable compensation is made up of two components, an annual bonus and a Long Term Incentive Plan (LTIP). The individual bonus is determined based on the personal objectives of the individual Management Board member. Individual objectives can be conclusions of important rental agree-

ments, defined progress in the planning of redevelopment projects or a reduction in vacancies, for example. All the objectives are taken into account by the bonus assessment. This individual bonus is paid in cash. The individual bonus of the CEO is determined by the Compensation Committee. The individual bonus of the other Management Board member is assessed by the CEO. The CEO can reduce or cancel the individual bonus of the other Management Board member if the objectives are not reached and the Compensation Committee can do the same for the CEO.

The LTIP ties the compensation of the Management Board with long-term value creation in the Group. The current LTIP runs for a five-year period (2014-2018). For the CEO and CFO, variable compensation is calculated under the LTIP in proportion to return on equity. For the members of the Extended Executive Board (site developers and head of portfolio management), the LTIP is calculated on the revaluation of properties of the real estate portfolio of HIAG Immobilien Group during the relevant time period. Incidentally, the same rules apply to all members of the Management Board with regard to share and cash components, which are explained below.

The threshold for the incentive based on return on equity is an average ROE of 6% with an upper limit of nearly 13% during the time period of the LTIP. The threshold for the incentive based on revaluation of properties of the real estate portfolio is an average annual increase in value of CHF 10 million (cumulated 50 million) with an upper limit of CHF 70 million on average (cumulated CHF 350 million) for the relevant time period. The bonus envelope for the Management Board under the current LTIP is limited to a total of CHF 14 million. The upper limit of the bonus envelope represents a participation of approximately 2.8% of the value created for the shareholders.

Of the incentive, 50% is set aside annually in the form of employee shares barred from sale. The average increase in value recorded at the end of each year starting from the beginning of the calculation period, applying the high watermark principle, serves as the basis for calculation. The employee shares may be acquired by the members of the Management Board with a retention period of five years from the date of acquisition; these acquired shares are non-forfeitable. Shares are allocated according to the proportional incentive programme for members of the Management Board at a discount of 25.274%. The share component under the LTIP can be paid from the contingent capital or from the company's own holdings of treasury shares. The other 50% of the LTIP incentive represents a cash component. It is paid out only if the members of the Management Board are regularly employed as at 30 June 2019.

The share component under the LTIP can be paid from the contingent capital or from the company's own holdings of treasury shares. The particulars of variable compensation are determined by the Board of Directors or, if it delegates this responsibility, by the Compensation Committee, and regulated in each case in an addendum to the individual employment contract. The employment contracts of the Management Board are open-ended and include notice periods of six months. The maximum termination period for unlimited employment agreements is 12 months. They do not contain any unusual provisions. In particular, there is no severance pay and there are no specific clauses in the event of a change in control of the company. A non-competition agreement for the period after the end of the employment contract is allowed. Any compensation under such an agreement

may not exceed the last total compensation owed to the Management Board member in question for the duration of the first year. For each further year, the compensation may not be more than half of the most recently approved total compensation apportionable to the member in question.

Loans and credits to members of the Board of Directors or the Executive Board may be granted only under lending conditions in line with prevailing market practices. The total amount of outstanding loans and credits may not exceed CHF 10 million.

There is no share option plan.

## 2 2015 business year

Please refer to the Compensation Report, pages 76 to 87, for information on remuneration, equity holdings and loans in 2015.

# Shareholders' participation rights

## 1 Restrictions on voting rights and proxies

The transferability of shares is limited in accordance with Art. 5 of the Articles of Incorporation. See page 59 of the Corporate Governance Report for details regarding transferability limits. Pursuant to Article 10 of the Articles of Incorporation, each share whose owner or beneficiary is registered in the shareholders register as a shareholder with voting rights, is entitled to a vote. Article 11 of the Articles of Incorporation stipulates the authorisations required for participating and acting as proxy at the General Assembly.

## 2 Statutory quora

Pursuant to Article 13 of the Articles of Incorporation, a resolution passed by the General Assembly that garners at least a two-thirds majority of the share of votes represented and an absolute majority of the nominal share value represented is required for changing the purpose of the company, introducing voting shares, restricting the transferability of registered shares, an authorised or conditional capital increase, a capital increase from shareholders equity, for contributions in kind or for the purpose of acquisitions in kind or the granting of special benefits, the restriction or suspension of subscription rights, the relocation of the company's registered office, the dissolution of the company and in the remaining cases provided for by law.

### **3 Calling the General Assembly, shareholders' right to request the inclusion of items on the agenda**

Calling the General Assembly, the procedure for calling a General Assembly, the right to call General Assemblies and the shareholders' rights to request the inclusion of items on the agenda are stipulated under Article 8 of the Articles of Incorporation.

The General Assembly elects an independent proxy holder, as well as their representative. Natural or legal persons or partnerships are eligible for election. The terms in office of the independent proxy holder and their representative terminate with the conclusion of the subsequent Ordinary General Assembly. The independent proxy holder and their representative may stand for re-election. The General Assembly may vote to remove the independent proxy holder at the end of the General Assembly.

The Board of Directors ensures that the shareholders are able to convey proxies and instructions for the exercise of their voting rights to the proxy holder or their representative in electronic form as well. The proxy holder is authorised to disregard the requirement of a qualified signature.

The Board of Directors ensures that the shareholders are able to convey instructions on each of the motions put forward in the notice of the General Assembly to the proxy holder or their representative, and convey general instructions regarding new motions within the context of the matters to be discussed, as well as other matters to be discussed, for which no proper notice had been given.

### **4 Date for registration in the shareholder register**

Registered shareholders, who are registered in the shareholder register as voting shareholders on the dates of the publication of the notice of the General Assembly, i.e. as a rule approximately 20 days before the date of the General Assembly, are to receive an invitation to the Ordinary General Assembly sent to them directly.

The shareholder register remains closed for around 14 days before the date of the General Assembly until the payment of dividends approximately one week after the date of the General Assembly. During this period no entries in the shareholder register are made. The exact dates and deadlines are announced in the invitation to the General Assembly. Furthermore, we refer to Article 5 of the Articles of Incorporation concerning the registration of shareholders in the shareholder register.

## Change of control and defensive measures

### 1 Obligation to make an offer

There are no statutory provisions concerning “Opting out” or “Opting up” within the meaning of Article 22 and 32 respectively of the Swiss Federal Act on Stock Exchanges and Securities (BEHG).

### 2 Change of control clauses

There are no changes of control clauses.

## Statutory auditor

### 1 Duration of the auditing mandate and term in office of the lead auditor

Ernst&Young AG, Basel, took over its current auditing mandate in 2001 (entered into the commercial register of the canton of Basel-Stadt on 26 January 2001). The company was most recently re-elected statutory auditor for the 2015 business year by the Ordinary General Assembly on 21 April 2015. The lead engagement partner responsible for the current auditing mandate, Mr. André Schaub, took up his official duties as of the 2014 business year; the maximum term in office is calculated pursuant to art. 730a para. 2 of the OR.

### 2 Auditing fee

The costs for the auditing of the Annual Financial Statements and Consolidated Financial Statements for 2015 came to CHF 0.19 million (previous year: CHF 0.16 million).

### 3 Additional fees

For the 2015 reporting period, Ernst&Young AG invoiced CHF 0.14 million in additional fees for legal consulting services (previous year: CHF 1.02 million, of which CHF 0.80 million in connection with the IPO and CHF 0.22 million for legal consulting services.)

#### **4 Supervisory and control mechanisms pertaining to the audit**

The Audit Committee assesses the performance, fees and independence of the auditor on a yearly basis and reports to the Board of Directors. The Board of Directors submits a motion for the election of the auditor to the General Assembly and monitors compliance with the rotation of the head auditor every seven years. The Audit Committee, together with the Executive Board, reviews the extent of the external audit, as well as the contractual terms and conditions for any additional contracts, and discusses the audit results with the external auditor on a yearly basis.

### **Information policy**

HIAG Immobilien Holding AG informs its shareholders and the capital market in an open and timely manner marked by the greatest possible transparency.

Financial reporting obligations are met in the form of half-year and full year financial statements. These are drawn up in accordance with Swiss GAAP FER and comply with Swiss law and the provisions of the listing rules of the SIX Swiss Exchange.

Up-to-date releases, the most important dates and general information on HIAG Immobilien Holding AG and/or the HIAG Immobilien Group can be found at [www.hiag.com](http://www.hiag.com). Contact addresses, dates and information on the shares of HIAG Immobilien Holding AG can also be found on pages 102 to 106 of this annual report.

Investor Relations  
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[www.hiag.com](http://www.hiag.com)

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Further information, and all publications (in particular the 2015 Annual Report) are available for download at [www.hiag.com](http://www.hiag.com). The publications can also be sent by mail; simply send a request to the above Investor Relations address.

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# Compensation Report

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As per the Swiss Ordinance Against Excessive Compensation in Listed Joint Stock Companies (VegüV) dated 20 November 2013.

## 1 Introductory remarks

This Compensation Report was written by the Board of Directors in accordance with the Swiss Code of Obligations, the Ordinance Against Excessive Compensation in Listed Joint Stock Companies (VegüV), the SIX Swiss Exchange Directive on Information relating to Corporate Governance and the principles of the Swiss Code of Best Practice for Corporate Governance. The Articles of Incorporation were adapted to comply with the law. As per the applicable Articles of Incorporation, starting in 2015 the General Assembly approves the requests of the Board of Directors with regard to the maximum total amounts of compensation for the Board of Directors for the period until the next ordinary General Assembly and the maximum total amounts of fixed and variable compensation for the Executive Board for the current business year. For members of the Management Board, who are appointed after the annual total compensation is approved, an additional amount is available per new member of a maximum of 25% of the most recently approved total amount of fixed compensation for the Management Board per business year, if the approved total amount for the corresponding business year is insufficient.

The complete statutory rules governing voting on compensation by the General Assembly (Art. 22), the applicable additional amount of compensation for additional members of the Executive Board if an approved total amount is insufficient (Art. 23), and the rules on performance-based compensation and the distribution of shares, conversion rights and option privileges (Art. 21), loans and credits (Art. 24) can be found on our website at the following URL:

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[http://www.hiag.com/media/294697/140515\\_Statuten-HIMHO.pdf](http://www.hiag.com/media/294697/140515_Statuten-HIMHO.pdf)

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Paid compensation is disclosed according to the accrual principle of the accounting standards (independent of cash flows), meaning all compensation is listed in the period (in this case the business year) in which it is included in the financial statements. This also applies to the share components of existing Long Term Incentive Plans (LTIP) based on the issuance of restricted shares. For the cash components of the LTIPs, an annual calculation is performed and a new provision is generated or the provision from the previous year is adjusted.

The Management Board is composed of the members of the Executive Board and the Extended Executive Board of the HIAG Immobilien Group. The Management Board is equivalent to the "Executive Board" as per the Articles of Incorporation of HIAG Immobilien Holding AG and the Ordinance Against Excessive Compensation in Listed Joint Stock Companies (VegüV).

## 2 Compensation policy of HIAG Immobilien

HIAG Immobilien strives to obtain and hold on to talented, qualified and motivated employees and managers. A fair compensation system designed to match that of comparable companies supports this objective. As part of sustainable company development, short, medium and long-term aspects are taken into account. Members of the Board of Directors and the Executive Board have a right to compensation that is suitable to their function. Remuneration can be allocated by the company or one of the companies within the group, provided that it is covered by the overall remuneration package authorised by the General Assembly.

## 3 Principles and components, responsibilities and determination of compensation

### 3.1 Compensation components of the Board of Directors

The members of the Board of Directors receive fixed compensation in cash for their activity as per the statutory rules. This fixed compensation includes remuneration for activities as members of the Board of Directors in Board of Directors committees and in Boards of Directors of subsidiaries. Reimbursement of expenses is not considered as compensation. The company or a Group company can reimburse the member of the Board of Directors for expenses in the form and amount of flat-rate allowances recognised for tax purposes. Additional activities of Boards of Directors for the HIAG Immobilien Group are compensated at cost and at the hourly rates customary in the market. Customary market rates mean that the hourly rate to be used for the service in question corresponds to the rate usually charged by third parties for similar services for employees with equivalent qualifications. For example, the hourly rate of a similarly experienced external tax advisor can be used for tax-related services performed by a member of the Board of Directors. The statutory rules do not provide for pension benefits that are not required by law for members of the Board of Directors. To that effect, no such payments were made during the year under review.

### 3.2 Compensation components of the Management Board

The compensation of members of the Management Board is composed of fixed and variable remuneration. Reimbursement of expenses is not considered as remuneration. The company or a Group company can reimburse members of the Management Board for expenses in the form and amount of flat-rate allowances recognised for tax purposes.

#### 3.2.1 Fixed compensation of the Management Board

The fixed compensation is made up of a base salary and possible other compensation components that are not performance-dependent (e.g. child allowances). They are reported in paragraph 4.2 under "Other compensation components". The fixed compensation is paid in cash. With regard to the disclosure of services and non-cash benefits and expenses, these are dealt with from a tax point of view. Out-of-pocket expenses are reimbursed on a lump-sum basis in accordance with expense reimbursement rules approved by the tax authorities, and other expenses are reimbursed on an actual cost basis. They are not included in the reported compensation.

### 3.2.2 Variable compensation of the Management Board

As per the Articles of Incorporation, the variable compensation is made up of two components, an annual individual bonus and a Long Term Incentive Plan (LTIP). For the 2015 business year, the percentage part of the overall variable compensation is 131% of the fixed compensation for the highest paid member of the Management Board (previous year: 115%) and on average 85% of the fixed compensation for the remaining members of the Management Board (previous year: 79%). For the 2015 business year, the percentage part of LTIP is 53% of the overall variable compensation for the highest paid member of the Management Board (previous year: 44%) and 73% for the Management Board (previous year: 72%).

For the 2015 business year, the percentage part of LTIP is 70% of the overall fixed compensation for the highest paid member of the Management Board (previous year: 51%) and 62% for the Management Board (previous year: 56%).

#### Individual bonus

The individual bonus is determined based on the annual performance of the individual Management Board member. Individual objectives can be conclusions of important rental agreements, defined progress in the planning of redevelopment projects or a reduction in vacancies, for example. All the objectives are taken into account by the bonus assessment. This individual bonus is paid in cash. The individual bonus of the CEO is determined by the Compensation Committee. The individual bonus of the other Management Board member is assessed by the CEO. The CEO can reduce or cancel the individual bonus of the other Management Board member if the objectives are not reached and the Compensation Committee can do the same for the CEO. In the period under review, the performance goals of the CEO were 100% met (previous year: 100%) and those of the remaining members of the Executive Board were 100% met on average (previous year: 100%).

#### Long Term Incentive Plan (LTIP)

The LTIP ties the compensation of the Management Board with long-term value creation in the Group. The current LTIP runs for a five-year period (2014-2018). For the CEO and CFO, variable compensation is calculated under the LTIP in proportion to return on equity. For the members of the Extended Executive Board (site developers and head of portfolio management), the LTIP is calculated on the revaluation of properties of the real estate portfolio of HIAG Immobilien Group during the relevant time period. Incidentally, the same rules apply to all members of the Management Board with regard to share and cash components, which are explained below. The threshold for the incentive based on return on equity is an average ROE of 6% with an upper limit of nearly 13% during the time period of the LTIP. The threshold for the incentive calculated on the revaluation of properties of the real estate portfolio is an average annual increase in value of real estate assets of CHF 10 million (cumulated CHF 50 million) with a cumulative upper limit of an average of CHF 70 million (cumulated CHF 350 million) for the entire relevant time period.

The bonus envelope for the Management Board under the current LTIP is limited to a total of CHF 14 million. The upper limit of the bonus envelope represents a participation of nearly 2.8% to the value created for the shareholders. Of the incentive, 50% is set aside annually in the form of employee shares barred from sale. The average increase in value recorded at the end of each year starting from the beginning of the calculation period,

applying the high watermark principle, serves as the basis for calculation. The employee shares may be acquired by the members of the Management Board with a retention period of five years from the date of acquisition; these acquired shares are non-forfeitable. Shares are allocated according to the proportional incentive programme for members of the Management Board at a discount of 25.274%. The share component under the LTIP can be paid from the contingent capital or from the company's own holdings of treasury shares.

The other 50% of the LTIP incentive represents a cash component. It is only paid out in full, i.e. for the entire duration of the LTIP, if the members of the Management Board are regularly employed as at 30 June 2019. The particulars of the LTIP are determined by the Board of Directors or, if it delegates this responsibility, by the Compensation Committee, and regulated in each case in an addendum to the individual employment contract. The Board of Directors has no discretionary power to adjust the amounts paid if the objectives were reached.

### 3.2.3 Additional benefits

Additional benefits are primarily social and pension plans, which provide a suitable pension contribution and appropriate coverage for risks in case of death or other cause of invalidity. All members of the Management Board have a Swiss employment contract and, like all employees residing in Switzerland, are insured in the HIAG Pensionskasse pension fund for their fixed base salary and their budgeted annual bonus. The plan benefits do not go beyond the accepted scope as per the provisions of the Swiss Occupational Pensions Act (BVG) and correspond to usual market practice. The pension plan is composed of a BVG plan, a basic plan and a management plan. Under the BVG plan and the basic plan the employer pays the same contribution as the employee. The employer pays a higher contribution than the employee under the management plan. Management Board members receive no particular additional benefits. They receive flat-rate compensation for business and representational expenses in accordance with the expense regulations approved by the competent cantonal tax authorities.

### 3.3 Responsibilities and determination of compensation

The Board of Directors determines the amount of corresponding compensation of the Board of Directors and Management Board within the General Assembly-approved amounts with the support of the Compensation Committee. No members of the Management Board are present during discussions and the adoption of resolutions by the Board of Directors regarding the remuneration of the Management Board. The President of the Board of Directors withdraws when the Board of Directors adopts resolutions regarding his remuneration. Each member of the Board of Directors has a say in the determination of the remuneration of the Board of Directors. Since all the members of the Board of Directors, with the exception of the President, receive the same fixed remuneration, the members of the Board of Directors do not withdraw from decisions regarding their remuneration, with the exception of the President, who withdraws when his remuneration is being determined.

The Compensation Committee assists the Board of Directors in the determination and review of the compensation models. It prepares requests for the attention of the General Assembly concerning the compensation of the Board of Directors and the Management Board, and may submit proposals concerning other compensation issues to the Board of Directors. The Board of Directors may also assign additional responsibilities to the Compensation Committee.

As per the organisational rules of the company, the scope of the Compensation Committee's tasks includes the following:

- Periodic review of the goals and basic principles of the compensation policy for the attention of the Board of Directors with the objective of encouraging and retaining employees in order to ensure the competitiveness and long-term success of the company and the Group companies;
- Acknowledgement and evaluation of implementation by the Executive Board of compensation-related principles (including related concepts concerning wages and incentives);
- Evaluation and preparation of compensation guidelines and programmes, as well as applicable performance criteria concerning compensation, and bringing corresponding requests to the Board of Directors. These include, in addition to base salary, variable cash compensation, compensation in the form of options, shares and/or similar financial instruments in accordance with the applicable employee stock option programmes, retirement funds and/or additional benefits within the scope of overall compensation.
- Review of the impact, attractiveness and competitiveness of this programme at least every three years.
- Drafting of proposals and submitting requests to the Board of Directors regarding compensation of individual members of the Board of Directors (subject in each case to the maximum total amounts approved or to be approved by the General Assembly according to the provisions of the Articles of Incorporation);
- Drafting of proposals and submitting requests to the Board of Directors with regard to compensation of individual members of the Executive Board (subject to the maximum total amounts approved or to be approved by the General Assembly according to the provisions of the Articles of Incorporation);
- Drafting of proposals and submitting requests to the Board of Directors with regard to compensation of individual members of the Extended Executive Board (subject in each case to the maximum total amounts approved or to be approved by the General Assembly according to the provisions of the Articles of Incorporation);

- Drafting of proposals for the attention of the Board of Directors with regard to total amounts of compensation to be approved by the General Assembly for the Board of Directors and Executive Board according to the provisions of the Articles of Incorporation;
- If necessary, drafting of proposals for the attention of the Board of Directors with regard to the additional amount of compensation to be approved by the General Assembly for new members of the Executive Board according to the provisions of the Articles of Incorporation;
- Elaboration of participation programmes for employees of the company and its subsidiaries.
- Preparation of compensation reports and corresponding submission to the Board of Directors.

The General Assembly elects each member of the Compensation Committee for a term of office of one year until the conclusion of the next ordinary General Assembly. Reelection is permitted.

The Compensation Committee is composed of at least two members. Only members of the Board of Directors are eligible.

The CEO generally takes part in the sessions of the Compensation Committee, except if his own performance is being evaluated or his compensation fixed. Other members of the Board of Directors, the CFO, members of the Extended Executive Board or other internal or external specialists can be called to the sessions.

The Compensation Committee holds meetings as often as business requires, but at least once per year. During the period under review, the Compensation Committee met three times: on 21 January 2015 for one hour, on 11 May 2015 for an hour and a half and on 16 November 2015 for one hour. The content of the meetings is summarised as follows:

- Discussion of the 2014 Compensation Report
- Discussion of the organisational chart
- Explanation and discussion of the compensation system of the Board of Directors and Management Board
- Analysis of how the LTIP functions
- Benchmarking of compensation of the Board of Directors and Executive Board

The Compensation Committee informs periodically the Board of Director over the content of the meetings and the specific topics that have been discussed. The minutes of the meetings are discussed during the Board of Directors meetings.

### 3.4 Benchmarking

**The total compensation of the Board of Directors and the Management Board is based on valuations of what is common in the market in comparable real estate companies in Switzerland. The Board of Directors periodically performs benchmarking based on compensation reports of comparable real estate companies. The Board of Directors also takes into account information from its members from functions in other companies. An external consultant is not generally called in for the benchmarking. The fixed remuneration component and the variable remuneration component are both benchmarked.**

### 3.5 Further information concerning employment of the Management Board

#### 3.5.1 Employment contracts of members of the Management Board

**The employment contracts of the Management Board are open-ended and generally include notice periods of six months. The maximum termination period for unlimited employment agreements is 12 months. They do not contain any unusual provisions. In particular, there is no severance pay and there are no specific clauses in case of a change in control of the company. A non-competition agreement for the period after the end of the employment contract is allowed as per the Articles of Incorporation. Any compensation under such an agreement may not exceed the last total compensation owed to the Management Board member in question for the duration of the first year. For each further year, the compensation may not be more than half of the most recently approved total compensation apportionable to the member in question.**

#### 3.5.2 Summary of the pension plans of the Management Board

**Members of the Management Board are subject to the pension plans of the employing Group company in each case. Provisions for members of the Management Board do not deviate from the rules applicable for all employees.**

#### 4 Compensation, loans and credits to the Board of Directors, the Management Board and related persons

The following tables provide a gross presentation of compensation, i.e. inclusive employer contributions.

##### 4.1 Compensation of the Board of Directors

	Fixed compensation in cash	Compensation for additional services	Other compensation components	Employer social security contributions (AHV/IV pension benefits)	Gross compensation	Flat-rate expense allowance
2015 in TCHF						
Dr. Felix Grisard	300 <sup>1</sup>	–	–	43 <sup>2</sup>	343	–
Salome Grisard Varnholt	70	–	–	5	75	–
Dr. Walter Jakob	70	23	–	–	93	–
John Manser	70	25	–	3	98	–
<b>Total compensation of the Board of Directors (gross)</b>	<b>510</b>	<b>48</b>	<b>–</b>	<b>52</b>	<b>609</b>	<b>–</b>

<sup>1</sup> The President and the CEO form the Executive Council. In this council, strategic questions and investment decisions are discussed and taken within the framework of the authority of the Executive Council at regular intervals (several times per month) between Board of Directors meetings.

<sup>2</sup> Including pension benefits

No other compensation was paid in 2015.

For the business year 2015, the compensation of the Board of Directors (TCHF 609) has decreased by TCHF 6 (–1%) in comparison with previous year (TCHF 615).

	Fixed compensation in cash	Compensation for additional services	Other compensation components	Employer social security contributions (AHV/IV pension benefits)	Gross compensation	Flat-rate expense allowance
2014 in TCHF						
Dr. Felix Grisard	300 <sup>1</sup>	–	– <sup>3</sup>	44 <sup>2</sup>	344	–
Salome Grisard Varnholt	70	–	–	5	75	–
Dr. Walter Jakob	70	26	–	–	96	–
John Manser	70	25	–	5	100	–
<b>Total compensation of the Board of Directors (gross)</b>	<b>510</b>	<b>51</b>	<b>–</b>	<b>54</b>	<b>615</b>	<b>–</b>

<sup>1</sup> The President and the CEO form the Executive Council. In this council, strategic questions and investment decisions are discussed and taken within the framework of the authority of the Executive Council at regular intervals (several times per month) between Board of Directors meetings.

<sup>2</sup> Including pension benefits

<sup>3</sup> The definition of "Other compensation components" was adjusted in 2015 (see paragraph 3.2.1). In the 2014 Compensation Report, actual expenses were also reported under this item. The item "Other compensation components" for 2014 was modified in the 2015 Compensation Report, so that this item also corresponds to the new definition according to paragraph 3.2.1.

No other compensation was paid in 2014.



## 4.2 Compensation of the Management Board

2015 in TCHF	Management Board Total	thereof Martin Durchschlag (CEO)
Fixed compensation in cash (gross)	1'638	390
Variable compensation in cash (individual bonus) (gross) <sup>1</sup>	380	240
Variable compensation in cash for the year 2015 (LTIP, payable in cash in 2019) (gross) <sup>2</sup>	438	117
Share-based variable compensation for the year 2015 (LTIP) <sup>2</sup>	578	155
Other compensation components	25	5
Pension benefits	208	26
Other social benefits	262	73
<b>Total compensation of the Management Board (gross)</b>	<b>3'529</b>	<b>1'006</b>
Flat-rate expense allowance	66	12

<sup>1</sup> An achievement of 100% of the objectives has been taken into account for the calculation of the accrual individual bonus for the year under review.

<sup>2</sup> These amounts were per 31 December 2015 accrued and not paid out. These two amounts correspond to the part of the LTIP bonus envelope (CHF 14 million) for the year 2015 (see paragraph 3.2.2).

**No other compensation was paid in 2015.**

**For the business year 2015, the compensation of the Management Board (TCHF 3'529) has increased by TCHF 145 (+4.3%) in comparison with previous year (TCHF 3'384) mainly due to the increase of the LTIP accrual (TCHF 94).**

2014 in TCHF	Management Board Total	thereof Martin Durchschlag (CEO)
Fixed compensation in cash (gross)	1'637	390
Variable compensation in cash (individual bonus) (gross) <sup>1</sup>	365	250
Variable compensation in cash for the year 2014 (LTIP, payable in cash in 2019) (gross) <sup>2</sup>	391	85
Share-based variable compensation for the year 2014 (LTIP) <sup>2</sup>	531	115
Other compensation components <sup>3</sup>	26	5
Pension benefits	174	26
Other social benefits	259	70
<b>Total compensation of the Management Board (gross)</b>	<b>3'384</b>	<b>941</b>
Flat-rate expense allowance	66	12

<sup>1</sup> This item was modified in the 2015 Compensation Report. In the 2014 Compensation Report, this item was reported with the cash principle and not the accrual principle. In 2014, the final payment of TCHF 1'587 for the former Incentive Plan that was accrued as of 31 December was reported under this item.

<sup>2</sup> These amounts were per 31 December 2014 accrued and not paid out. These two amounts correspond to the part of the LTIP bonus envelope (CHF 14 million) for the year 2014 (see paragraph 3.2.2).

<sup>3</sup> The definition of "Other compensation components" was adjusted in 2015 (see paragraph 3.2.1). In the 2014 Compensation Report, actual expenses were also reported under this item. The item "Other compensation components" for 2014 was modified in the 2015 Compensation Report, so that this item also corresponds to the new definition according to paragraph 3.2.1.

**No other compensation was paid in 2014.**

4.3 Loans and credits to the Board of Directors and Management Board  
According to the Articles of Incorporation, loans and credits to members of the Board of Directors and Management Board may be granted only under lending conditions in line with prevailing market practices. The total amount of outstanding loans and credits may not exceed CHF 10 million.

Except for those explicitly mentioned below, in 2015 no new credits or loans were granted to the members of the Board of Directors or the Management Board and no such credits or loans were still outstanding as at 31 December 2015. In December 2014, a loan was granted to Michele Muccioli, a Management Board member. The loan is subject to interest in keeping with market rates and has been secured. The loan amounted to TCHF 165 as at 31 December 2015 (previous year: CHF 231). The loan was secured through pledging of all the employee shares of the borrower and is due to be paid back by 31 December 2019 at the latest.

As at 31 December 2015, one loan to Martin Durchschlag, the CEO, was outstanding. The TCHF 2'950 loan (previous year: TCHF 3'200) was granted in 2010 to acquire an employee participation of 15'000 registered shares at a nominal value of CHF 10 per share, which is subject to interest in keeping with market rates. Security for the loan is provided by pledging of all the employee shares of the borrower and is repayable by 30 June 2016 at the latest.

4.4 Compensation, loans and credits to related persons  
In 2015, no compensation that was unusual for the market or credits were paid or granted to related persons, and no such compensation or credits were still outstanding as at 31 December 2015. In 2015, no loans were granted to related persons.

The shareholder SFAG Holding AG, a company that is held by Salome Grisard Varnholt, Felix Grisard, Andrea Grisard and HIAG Beteiligung Holding AG, was granted a loan of TCHF 12'200 in keeping with market conditions. The loan came to TCHF 5'600 as at 31 December 2015 (previous year: CHF 12'200). The loan is scheduled to be fully repaid by the end of 2016.

## 5 Comparison of the compensation paid with the compensation approved by the General Meeting

For the first time at the General Meeting on 21 April 2015, the compensation of the Board of Directors and Management Board were voted. The table below shows the approved compensation elements payable to the Board of Director and Management Board and compares the figures with actual amounts recorded in 2015 in accordance with the accrual principle.

in TCHF	Approved compensation General Meeting 21 April 2015	Compensation 2015 according to paragraph 4
Board of Directors <sup>1</sup>	650	576
Management Board <sup>2</sup>	4'500	3'267

<sup>1</sup> Excluding employer social security contributions (AHV/IV/ALV).

<sup>2</sup> Including the 2015 part of the Long Term Incentive Plan for the current 2015 business year, excluding employer social security contributions (AHV/IV/ALV).

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# Report of the Statutory Auditor on the Remuneration Report

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To the General Meeting of  
**HIAG Immobilien Holding AG, Basle**

Basle, 14 March 2016

## Report of the statutory auditor on the remuneration report

We have audited section 4 of the remuneration report of HIAG Immobilien Holding AG for the year ended 31 December 2015 (pages 76 to 85). The audit was limited to the information according to articles 14 – 16 of the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance).

### Responsibility of the Board of Directors

The Board of Directors is responsible for the preparation and overall fair presentation of the remuneration report in accordance with Swiss law and the Ordinance. The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

### Auditor's responsibility

Our responsibility is to express an opinion on the accompanying remuneration report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report complies with Swiss law and articles 14 – 16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the remuneration report with regard to compensation, loans and credits in accordance with articles 14 – 16 of the Ordinance. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the remuneration report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of remuneration, as well as assessing the overall presentation of the remuneration report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



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**Opinion**

In our opinion, the remuneration report for the year ended 31 December 2015 of HIAG Immobilien Holding AG complies with **Swiss** law and articles 14 – 16 of the Ordinance.

Ernst & Young Ltd

André Schaub  
Licensed audit expert  
(Auditor in charge)

Fabian Meier  
Licensed audit expert

# Individual Financial Statement

## Balance Sheet

in TCHF	31.12.2015	31.12.2014
Cash and cash equivalents	13'126	14'612
Other current receivables due from third parties	32	124
Other current receivables due from group	296	1'499
Other current receivables due from shareholders	8'767	507
Tax receivables	296	–
Prepayments and accrued income	330	55
<b>Current assets</b>	<b>22'847</b>	<b>16'797</b>
Financial assets		
Group	313'599	257'959
Shareholders	–	15'400
Participations	80'609	80'209
<b>Fixed assets</b>	<b>394'208</b>	<b>353'568</b>
<b>Assets</b>	<b>417'055</b>	<b>370'365</b>
Trade payables	98	28
Current interest-bearing liabilities group	–	220
Other current liabilities	15	4
Tax liabilities	–	16
Accrued expenses and deferred income	1'558	627
<b>Current liabilities</b>	<b>1'671</b>	<b>895</b>
Non-current interest-bearing financial liabilities	145'000	55'000
Non-current interest-bearing liabilities group	–	19'500
Other non-current liabilities	4'500	4'500
<b>Non-current liabilities</b>	<b>149'500</b>	<b>79'000</b>
<b>Total liabilities</b>	<b>151'171</b>	<b>79'894</b>
Share capital	8'000	8'000
Statutory capital reserves	1'400	1'400
Statutory reserves from capital contribution <sup>1</sup>	100'954	127'354
<i>Statutory capital reserves</i>	<i>102'354</i>	<i>128'754</i>
Statutory retained earnings	8'959	8'960
Voluntary retained earnings	108'000	108'000
Amount carried forward from previous year	36'756	43'803
Net income	1'815	–7'047
<i>Distributable profit</i>	<i>38'571</i>	<i>36'756</i>
<b>Shareholders' equity</b>	<b>265'884</b>	<b>290'470</b>
<b>Liabilities and shareholders' equity</b>	<b>417'055</b>	<b>370'365</b>

<sup>1</sup> See notes

## Income Statement

in TCHF	2015	2014
Financial income	4'672	3'874
Other operating income	6	–
<b>Operating income</b>	<b>4'678</b>	<b>3'874</b>
Personnel expenses	125	1'717
Insurance and fees	20	129
General operating expenses	106	154
Office and administrative expenses	735	481
Communication expenses	523	340
Financial expenses	1'355	8'096
<b>Operating expenses</b>	<b>2'864</b>	<b>10'917</b>
<b>Earnings before taxes (EBT)</b>	<b>1'814</b>	<b>–7'043</b>
Taxes	–1	4
<b>Net income</b>	<b>1'815</b>	<b>–7'047</b>

## Notes to the Income Statement

### Company information

HIAG Immobilien Holding AG is a joint stock company under Swiss law with its headquarter in Basel. HIAG Immobilien Holding is the parent company of the HIAG Immobilien Holding Group, which establishes its Consolidated Financial Statements in accordance with Swiss GAAP FER.

### Financial reporting law applied

This financial statement was established in accordance with the provisions of Swiss financial reporting law (Title 32 of the Code of Obligations).

### Accounting principles applied in this Financial Statement

#### Participations

**Participations are recorded and valued at the acquisition cost minus impairments carried out for business reasons.**

#### Financial assets

**Financial assets include long-term intercompany loans.**

#### Other current receivables due from the Group and Shareholders

**These other current receivables include a loan with the Executive Board and a loan with SFAG Holding AG.**

#### Definition of "Group" / "Shareholders"

**"Group" is related to companies of the HIAG Immobilien Holding Group and "Shareholders" is related to the Executive Board and SFAG Holding AG. Receivables and current accounts are listed under "Current assets" and loans under "Fixed assets".**

#### Interest-bearing financial liabilities

**Mortgages, other collateralised financing and bonds are listed as "Interest-bearing financial liabilities" and recorded at the nominal value. Mortgages and fixed advances that are not repaid within 12 months but renewed are reported under "Non-current financial liabilities" to reflect the economic reality.**

**Transaction costs are amortised in the income statement over the maturity of the bond. The difference between the received equivalent and the repayment value of the bond are also amortised in the income statement.**

**Financing or repayments due within a period of 12 months are classified as current.**

Estimates and assessments

**Financial statements require estimates and assessments from the Board of Directors that could influence the amount of reported assets and liabilities, as well as contingent liabilities at the time the balance sheet is being prepared, in addition to expenditures and income of the period under review. In each case, the Board of Directors makes a discretionary decision regarding use of available leeway in statutory evaluation and reporting. Therefore, under the conservatism principle, depreciation, amortisation and provisions can be generated over and beyond the operationally necessary amount if it is in the best interest of the company.**

Personnel expenses

**If the employer's own shares are issued as part of employee share or option plans, in principle, the positive difference between the cost price or book value of the treasury share and the amount paid by the employee (exercise price) constitutes personnel expenses.**

Direct taxes

**Income Taxes are listed under "Taxes" whereas capital taxes are listed under "General operating expenses".**

Non-inclusion of additional information in the notes

**As HIAG Immobilien Holding AG establishes consolidated financial statements in accordance with an accepted accounting standard (Swiss GAAP FER), it has not included additional information in the notes.**



## Statutory reserves from capital contribution

The capital contributions in the amount of TCHF 127'354 reported to the Swiss Federal Tax Administration (ESTV) as of 31 December 2014 were recognised by the ESTV in the amount of TCHF 124'161 (decision issued on 8 December 2015).

The statutory reserves from capital contribution rose to TCHF 52'354 and TCHF 127'354 as a result of the capital increases carried out in 2013 and 2014, respectively. Statutory reserves from capital contribution decreased by TCHF 26'400 to TCHF 100'954 in 2015 due to the dividend payout in April 2015.

## Information, breakdowns and explanations regarding items in the Balance Sheet and Income Statement

	31.12.2015	31.12.2014
<b>Personnel expenses</b>	<b>125</b>	<b>1'717</b>
thereof discount on the sale of HIAG Immobilien Holding AG shares to HIAG Immobilien Group employees	115	1'701
Employee headcount	–	–
<b>Financial expenses</b>	<b>1'355</b>	<b>8'096</b>
thereof non-recurring listing expenses	–	6'608
thereof non-recurring issuing expenses <sup>1</sup>	29	–

<sup>1</sup> Issuing expenses related to the bond issued in July 2015 of TCHF 350 have been amortised over the bond duration in the income statement.

<b>Non-current interest-bearing financial liabilities</b>	<b>145'000</b>	<b>55'000</b>
Bank financing	45'000	55'000
Bonds	100'000	–

In July 2015, a fixed-rate bond for TCHF 100'000 was issued with a maturity of six years. The proceeds were used primarily for the repayment of the Group's existing bank financing.

Benchmarks	Bond July 2015
Amount	TCHF 100'000
Maturity	6 years (01.07.2015–01.07.2021)
Interest rate	1.0%
Listing	SIX Swiss Exchange
Security number	28'460'739
ISIN	CH0284607394

	31.12.2015	31.12.2014
<b>Participations</b>	<b>80'609</b>	<b>80'209</b>

Summary of HIAG Immobilien Holding AG participations at 31.12.2015

Company	City	Country	Share capital in TCHF	Participation/ voting rights in %	Book value of the participation in TCHF
HIAG Immobilien Schweiz AG	Baar	CH	11'000	100%	78'373
HIAG Immobilien Menziken AG <sup>1</sup>	Menziken	CH	100	100%	1'836
Swiss Datagrid AG	Zurich	CH	400	100%	400
<b>Total</b>					<b>80'609</b>

<sup>1</sup> Swissfiberinvest Menziken AG changed its company name to HIAG Immobilien Menziken AG during the 2015 business year

**Swiss Datagrid AG was established on 8 December 2015. The purpose of this company is to create and operate data centres and to provide other services in this field.**

**HIAG Biberist AG was merged with HIAG Immobilien Schweiz AG during the business year (merger agreement dated 9 November 2015).**

Important indirect participations as at 31.12.2015

Company	City	Country	Share capital in TCHF	Participation/ voting rights
HIAG Immobilien AG	St. Margrethen	CH	5'000	100%
Streiff AG	Seegräben	CH	300	100%
HIAG Immobilier Léman SA	Aigle	CH	1'000	100%
Léger SA	Lancy	CH	400	100%
Weeba SA	Lancy	CH	100	100%
Pellarin-Transports SA	Lancy	CH	50	100%
Promo-Praille SA	Lancy	CH	200	100%

**These companies are real estate companies within the scope of HIAG Immobilien's strategy with the purposes of maintaining, developing and selling properties.**

**Cham Nord Immobilien AG was merged with HIAG Immobilien Schweiz AG during the business year (merger agreement dated 20 May 2015).**

Summary of HIAG Immobilien Holding AG participations at 31.12.2014

Company	City	Country	Share capital in TCHF	Participation/ voting rights in %	Book value of the participation in TCHF
HIAG Immobilien Schweiz AG	Baar	CH	11'000	100%	26'155
HIAG Biberist AG	Biberist	CH	10'000	100%	52'218
Swissfiberinvest Menziken AG	Menziken	CH	100	100%	1'836
<b>Total</b>					<b>80'209</b>

#### Important indirect participations as at 31.12.2014

Company	City	Country	Share capital in TCHF	Participation/ Voting rights
HIAG Immobilien AG	St. Margrethen	CH	5'000	100%
Streiff AG	Seegräben	CH	300	100%
HIAG Immobilier Léman SA	Aigle	CH	1'000	100%
Cham Nord Immobilien AG	Cham	CH	100	100%
Léger SA	Lancy	CH	400	100%
Weeba SA	Lancy	CH	100	100%
Pellarin-Transports SA	Lancy	CH	50	100%
Promo-Praille SA	Lancy	CH	200	100%

These companies are real estate companies within the scope of HIAG Immobilien's strategy with the purposes of maintaining, developing and selling properties.

#### Treasury shares

During the business year, 5'114 shares of HIAG Immobilien Holding AG were purchased by the company for a total amount of TCHF 459. These 5'114 shares were sold to Group employees, primarily the Executive Board, in connection with the Long Term Incentive Plan. The company held no treasury shares as at 31 December 2015.

#### Contingent liabilities

	31.12.2015	31.12.2014
Joint security for loans extended to the Group	–	7'500

#### Significant shareholders

The following shareholders or shareholder groups were recognised by the Board of Directors as at the reporting date as each holding more than 3% of voting rights in the company:

	31.12.2015	31.12.2014
Lock-up group composed of:	65.3%	65.3%
SFAG Holding AG		
Felix Grisard		
Salome Grisard Varnholt		
Andrea Grisard		
HIAG Beteiligung Holding AG <sup>1</sup>		

<sup>1</sup> HIAG Beteiligung Holding AG is controlled by Felix Grisard.

The members of this shareholder group signed a shareholders' agreement on 14 April 2014 concerning shares of SFAG Holding AG. SFAG Holding AG holds more than 50% of the voting rights of the company. By signing these shareholders' agreements, the shareholders of SFAG Holding AG and SFAG Holding AG became a group within the meaning of Art. 121 of the FinfraG.

## Shares held by current members of the Executive and supervisory bodies

	31.12.2015	31.12.2014
Dr. Felix Grisard, President of the Board of Directors <sup>1</sup>	554'995	554'995
Salome Grisard Varnholt, member of the Board of Directors <sup>1</sup>	282'896	282'896
Dr. Walter Jakob, member of the Board of Directors	2'500	2'500
John Manser, member of the Board of Directors	3'000	–
Martin Durchschlag, CEO	204'952	204'000
Laurent Spindler, CFO	2'608	2'200
<b>Total</b>	<b>1'050'951</b>	<b>1'046'591</b>

<sup>1</sup> Dr. Felix Grisard and Salome Grisard Varnholt jointly hold directly and indirectly two thirds of the shares of SFAG Holding AG, which holds 50.01% shares of HIAG Immobilien Holding AG. They are also members of the Board of Directors of SFAG Holding AG.

The shares held by the Extended Executive Board are disclosed in the notes to the Consolidated Financial Statements.

## Subsequent events

The Individual Financial Statements were approved by the Board of Directors on 8 March 2016. No significant events occurred between the balance sheet date and this point in time.

## Profit appropriation

in TCHF	31.12.2015	31.12.2014
<b>Proposed appropriation of distributable profit</b>		
Net income	1'815	–7'047
Amount carried forward from previous year	36'756	43'803
Distributable profit	38'751	36'756
Attribution to the general statutory capital reserves	91	–
Amount carried forward to next year	38'480	36'756

For the business year 2015, the Board of Directors will propose a cash distribution out of capital contribution reserves of CHF 3.5 per share or a maximum of TCHF 28'000 in total at the annual General Assembly on 19 April 2016.

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# Report of the Statutory Auditor with Financial Statements

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To the General Meeting of  
**HIAG Immobilien Holding AG, Basle**

Basle, 14 March 2016

## Report of the statutory auditor on the financial statements

As statutory auditor, we have **audited** the financial statements of HIAG Immobilien Holding AG, which comprise the **balance sheet**, income statement and notes (pages **88 to 95**), for the year ended 31 December 2015.

### Board of Directors' responsibility

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of **Swiss law** and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are **reasonable** in the circumstances.

### Auditor's responsibility

Our responsibility is to express **an opinion** on these financial statements based on our audit. We conducted our audit in **accordance** with Swiss law and Swiss Auditing **Standards**. Those standards require that we plan and perform the audit to obtain reasonable assurance **whether** the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about **the amounts** and disclosures in the financial statements. The **procedures** selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for **the purpose** of expressing an opinion on the effectiveness of the entity's internal control system. An audit **also** includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is **sufficient and appropriate to provide a basis** for our audit opinion.

### Opinion

In our opinion, the financial statements for the year ended 31 December 2015 comply with Swiss law and the company's articles of incorporation.



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### Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd

André Schaub  
Licensed audit expert  
(Auditor in charge)

Fabian Meier  
Licensed audit expert

# General Property Details

## Yielding Portfolio

Property ID	Canton	Municipality	Property	Main use <sup>1</sup>	Market value (CHFm)	Full occupancy property rent (CHFm)	Annualised property rent (CHFm)	Occupancy rate (%)	Net site area (m <sup>2</sup> )	Year of construction	Year of construction 2 <sup>3</sup>	Partial renovation	Discount factor (%)
10101	ZH	Dietikon	Riedstrasse 3	Retail	52.4	3.0	2.8	93.8%	13,690	1982	2002	2007	4.6
10102	ZH	Dietikon	Riedstrasse 5	Retail	44.8	2.2	2.2	100.0%	13,500	1982	–	1993	4.6
10103	ZH	Dietikon	Riedstrasse 7–9	Retail	29.8	1.6	1.4	90.6%	10,543	1982	–	–	4.6
10104	ZH	Dietikon	Riedstrasse 11	Others	0.3	0.0	0.0	100.0%	930	–	–	–	4.4
10201	AG	Kleindöttingen	Industriestrasse 39–41	Industrial	29.4	1.4	1.3	98.1%	65,356	1997	2007	–	5.1
10202	AG	Kleindöttingen	Industriestrasse 14/20/26/30/34/46	Industrial	33.9	2.1	1.9	91.6%	38,314	1971	2012	–	5.0
10203	AG	Kleindöttingen	Industriestrasse 3	Logistics	20.3	1.5	0.7	45.9%	14,517	1971	1999	2008	5.3
10204	AG	Kleindöttingen	Hauptstrasse 70	Industrial	2.4	0.3	0.3	86.4%	6,625	1961	1977	–	5.6
10207	AG	Kleindöttingen	Industriestrasse 21	Industrial	5.3	0.7	0.6	89.1%	12,849	1969	1974	–	5.7
10301	ZH	Niederhasli	Mandachstrasse 50–56	Office	45.1	3.4	2.4	69.4%	10,918	1992	2007	–	4.8
10302	ZH	Niederhasli	Stationstrasse 25	Logistics	21.3	1.4	1.4	100.0%	16,691	1991	–	–	4.8
10303	ZH	Niederhasli	Stationstrasse 32	Industrial	8.4	0.7	0.7	100.0%	16,122	1955	2001	–	5.2
10502	TG	Ermatingen	Hauptstrasse 189	Logistics	4.1	0.4	0.4	100.0%	12,257	1994	–	–	5.4
10601	BL	Füllinsdorf	Wölferstrasse 27/27a	Logistics	12.3	1.0	0.5	46.2%	16,000	1971	1983	2015	5.6
10701	GE	Carouge	Rue Baylon 13–15	Logistics	19.3	1.8	1.3	73.5%	10,871	1970	2003	–	5.1
10801	BS	Riehen	Plot no. 1700	Others	2.0	0.2	0.2	100.0%	5,485	–	–	–	3.0
12801	SG	St. Margrethen	Plot no. 2957	Others	2.6	0.1	0.1	100.0%	13,880	–	–	–	3.5
13401	AG	Klingnau	Weierstrasse 5/Kanalstrasse 8	Industrial	16.7	1.0	1.0	100.0%	12,984	1965	2008	–	4.8
13402	AG	Klingnau	Industriestrasse 7	Industrial	5.6	0.4	0.3	72.6%	5,529	1955	–	–	5.6
13403	AG	Klingnau	Industriestrasse 4/10, Brühlstrasse 46–50	Industrial	13.7	0.9	0.8	82.2%	13,009	1955	2008	–	5.1
13404	AG	Klingnau	Brühlstrasse 33–41	Industrial	4.2	0.4	0.3	72.6%	6,170	1953	1955	–	5.4
13405	AG	Klingnau	Schützenmattstrasse 7, Parkstrasse 14	Industrial	4.4	0.4	0.2	47.3%	11,035	1949	1961	–	5.7
13406	AG	Klingnau	Parkstrasse 15–29	Residential	26.3	1.2	1.2	95.6%	13,071	1999	2008	–	3.6
13407	AG	Klingnau	Parkstrasse 7–13	Residential	11.8	0.6	0.5	96.0%	6,075	1999	2008	–	3.7
18101	ZG	Cham	Lorzenparkstrasse 2–16	Res. mixed	50.6	3.4	2.4	70.9%	13,537	2008	–	–	4.7
30001	ZH	Aathal	Zürichstrasse 66–80	Residential	3.9	0.3	0.3	98.2%	7,861	1870	1915	1988	4.4
30002	ZH	Aathal	Zürichstrasse 50–62/192	Res. mixed	1.7	0.1	0.1	99.6%	6,639	1849	1880	1985	4.6
30401	ZH	Aathal	Zürichstrasse 13–25	Retail	35.0	2.2	1.6	73.6%	16,597	1862	2014	–	4.7
30402	ZH	Aathal	Gstaldenstrasse 5	Industrial	4.1	0.3	0.2	73.1%	16,250	1960	1964	–	5.1
30404	ZH	Aathal	Zürichstrasse 1–7	Residential	1.1	0.1	0.1	99.6%	4,343	1900	–	1995	4.2
30501	ZH	Aathal/Wetzikon	Agricultural land/land without use	Others	1.5	–	–	–	196	–	–	–	2.5
30601	ZH	Aathal	Zürichstrasse 34	Res. mixed	0.2	0.0	0.0	100.0%	257	1860	–	1990	4.8
30802	ZH	Wetzikon	Zürcherstrasse 130–132/131–133	Residential	0.8	0.1	0.1	97.9%	0	1839	–	2003	4.2
30901	ZH	Wetzikon	Grundstrasse 6–10	Residential	1.0	0.1	0.1	98.0%	1,745	1895	–	1990	3.9
30902	ZH	Wetzikon	Schulhausstrasse 42–44	Residential	1.6	0.1	0.1	100.0%	2,076	1840	–	1982	4.0
30904	ZH	Wetzikon	Usterstrasse 128	Residential	4.4	0.2	0.2	100.0%	1,569	1870	2007	–	3.6
30905	ZH	Wetzikon	Haldenstrasse 20	Residential	2.7	0.2	0.2	98.5%	1,741	1971	–	1991	3.7
30909	ZH	Wetzikon	Florastrasse 9	Residential	5.6	0.3	0.3	99.6%	1,899	1990	–	–	3.9
30910	ZH	Wetzikon	Usterstrasse 88–104	Residential	0.7	0.1	0.1	100.0%	2,078	1791	–	1990	4.3
32102	AG	Windisch	Spinnereistrasse 10–12/15	Residential	33.7	1.4	1.4	99.3%	5,122	2014	–	–	3.6
32106	AG	Windisch	Dorfstrasse 69	Office	8.7	0.5	0.4	82.9%	2,466	1959	–	2008	5.0
32108	AG	Windisch	Spitzmattstrasse 6	Others	18.1	1.4	1.4	97.4%	5,115	1960	–	2003	5.1
33101	ZH	Wädenswil	Seestrasse 205/219, Bürglistrasse 43	Industrial	11.9	0.9	0.9	100.0%	11,105	1916	–	–	4.1
35001	GL	Diesbach	Legler Fabrik	Industrial	-0.6	–	–	–	9,890	1910	1996	–	4.6
35002	GL	Diesbach	Hauptstrasse 38–40	Office	0.4	0.0	0.0	50.6%	7,683	1961	1970	–	5.0
35003	GL	Diesbach	Hauptstrasse 25	Residential	0.3	0.1	0.0	54.3%	1,225	1974	–	2009	4.9
35004	GL	Diesbach	Power plant	Others	10.3	0.8	0.8	100.0%	–	1996	–	2015	4.7
36110	SO	Biberist	MEG Emenkanal, land	Others	-0.2	–	–	–	–	–	–	–	5.0
36112	SO	Biberist	Power plant	Others	3.3	0.3	0.3	100.0%	–	1984	–	–	4.7
36201	SO	Biberist	Herrenweg 1–7	Others	2.0	0.1	0.1	100.0%	7,500	1920	–	–	4.1
36202	SO	Biberist	Derendingerstrasse 18–40, Herrenweg 6	Residential	4.1	0.3	0.3	97.4%	16,394	1920	–	–	4.2
36203	SO	Biberist	Herrenweg 4/8/10, Derendingerstrasse 16	Residential	2.4	0.0	0.0	100.0%	–	1928	–	1992	4.4
60101	BS	Basel	Rosentalstrasse 27	Residential	4.4	0.2	0.2	100.0%	574	1938	–	–	3.5
60301	BL	Birsfelden	Weidenweg 8–10	Residential	11.0	0.6	0.5	97.7%	3,798	1989	–	–	3.8
60302	BL	Birsfelden	Hauptstrasse 84–88	Residential	10.1	0.6	0.5	86.8%	1,787	1989	–	–	4.3
60401	BL	Birsfelden	Sternenfeldpark 14	Office	23.6	1.7	1.0	57.2%	3,554	2009	–	–	5.1
60402	BL	Birsfelden	Langenhagstrasse 6/10/18	Logistics	12.6	0.9	0.9	100.0%	8,383	1960	2006	–	4.8
60601	SO	Gempen	Schartenhof	Others	2.6	0.0	0.0	100.0%	2,331	1950	–	2006	2.6
62001	BL	Allschwil	Binningerstrasse 87–89	Industrial	5.1	0.4	0.4	100.0%	1,999	1809	1957	–	4.4
70001	AG	Brunegg	Industriestrasse 1	Logistics	17.6	1.4	1.4	100.0%	15,293	1974	1985	2001	4.7
70401	AG	Buchs	Fabrikweg	Retail	4.7	0.4	0.4	100.0%	18,211	1988	–	2007	5.1
Total					Total	717.0	46.1	39.1	84.9%	545,639			

<sup>1</sup> Others refer to land, building rights, parking, official use, power plant; Res. mixed refers to properties with residential and commercial use.

<sup>2</sup> Net site area does not include agricultural land and land without utilisation (total approximately 1 million m<sup>2</sup>).

<sup>3</sup> Second building phase.

## General Property Details

Ownership (%)		Register of polluted sites (KbS)	Compulsory surveillance	Obligatory remediation	Lettable area (% , m²)							Full occupancy property income (CHF 1'000)						
					Resi- dential	Office	Retail	Industry / Logistics	Storage	Others	Total	Resi- dential	Office	Retail	Industry / Logistics	Storage	Others	Total
Sole ownership	100%	Yes	–	–	–	13%	37%	8%	5%	38%	17,003	–	0.4	1.3	0.2	0.1	1.0	3.0
Sole ownership	100%	No	–	–	–	7%	80%	–	13%	–	9,240	–	0.1	1.9	–	0.0	0.2	2.2
Sole ownership	100%	No	–	–	–	–	94%	–	6%	–	11,854	–	–	1.3	0.1	0.1	0.1	1.6
Sole ownership	100%	No	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0.0	0.0
Sole ownership	100%	Yes	No	No	–	20%	–	79%	1%	–	16,113	–	0.2	–	0.8	0.0	0.4	1.4
Sole ownership	100%	Yes	No	No	–	14%	–	68%	17%	–	17,006	–	0.4	–	1.6	0.0	0.1	2.1
Sole ownership	100%	Yes	No	No	–	19%	–	74%	7%	–	15,461	–	0.4	–	1.1	0.1	0.0	1.5
Sole ownership	100%	No	–	–	–	–	–	83%	17%	–	4,775	–	0.0	–	0.3	0.0	0.0	0.3
Sole ownership	100%	No	–	–	–	6%	–	48%	39%	6%	11,359	–	0.1	–	0.5	0.1	0.0	0.7
Sole ownership	100%	No	–	–	–	41%	24%	22%	12%	–	19,187	–	0.6	0.7	1.4	0.4	0.3	3.4
Sole ownership	100%	No	–	–	–	–	–	100%	–	–	7,883	–	–	–	1.3	–	0.1	1.4
Sole ownership	100%	No	–	–	8%	11%	–	31%	50%	–	4,608	–	–	–	0.3	–	0.4	0.7
Sole ownership	100%	No	–	–	–	–	–	–	100%	–	3,301	–	–	–	0.3	–	0.1	0.4
Sole ownership	100%	No	–	–	–	4%	–	10%	86%	–	13,723	–	0.1	–	0.1	0.8	0.0	1.0
Building right	100%	No	–	–	–	10%	–	89%	1%	–	10,749	–	0.2	–	1.5	0.0	0.0	2.0
Building right	100%	No	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0.2	0.2
Building right	100%	No	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0.1	0.1
Sole ownership	100%	No	–	–	–	10%	–	75%	15%	–	9,015	–	0.1	–	0.9	–	0.0	1.0
Sole ownership	100%	Yes	No	No	–	4%	–	90%	5%	–	5,914	–	0.0	–	0.4	0.0	0.0	0.4
Sole ownership	100%	Yes	No	No	–	3%	–	73%	23%	–	10,428	–	0.1	–	0.8	0.0	0.0	0.9
Sole ownership	100%	No	–	–	–	11%	–	43%	46%	–	5,741	–	0.1	–	0.3	0.0	0.0	0.4
Sole ownership	100%	Yes	No	No	–	7%	–	43%	51%	–	5,526	–	0.0	–	0.3	0.0	0.0	0.4
Sole ownership	100%	No	–	–	91%	–	–	–	–	9%	6,309	1.1	–	–	–	–	0.1	1.3
Sole ownership	100%	No	–	–	92%	–	–	–	–	8%	2,911	0.5	–	–	–	–	0.1	0.6
Sole ownership	100%	No	–	–	38%	26%	–	23%	6%	7%	14,812	1.2	1.3	–	0.6	0.1	0.3	3.5
Sole ownership	100%	No	–	–	100%	–	–	–	–	–	2,139	0.3	–	–	–	0.0	0.0	0.3
Sole ownership	100%	No	–	–	100%	–	–	–	–	–	1,096	0.1	–	–	–	–	0.0	0.1
Sole ownership	100%	Yes	No	No	2%	29%	36%	3%	18%	11%	13,757	0.0	0.5	0.7	0.3	0.4	0.4	2.3
Sole ownership	100%	No	–	–	–	–	–	–	100%	–	4,753	–	–	–	–	0.3	0.1	0.3
Sole ownership	100%	No	–	–	100%	–	–	–	–	–	729	0.1	–	–	–	–	0.0	0.1
Sole ownership	100%	No	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Sole ownership	100%	No	–	–	66%	–	–	34%	–	–	94	0.0	–	–	0.0	–	–	0.0
Sole ownership	100%	No	–	–	100%	–	–	–	–	–	551	0.1	–	–	–	–	0.0	0.1
Sole ownership	100%	No	–	–	100%	–	–	–	–	–	433	0.1	–	–	–	–	0.0	0.1
Sole ownership	100%	No	–	–	100%	–	–	–	–	–	500	0.1	–	–	–	–	0.0	0.1
Sole ownership	100%	No	–	–	98%	–	–	–	–	2%	1,065	0.2	–	–	–	–	0.0	0.2
Sole ownership	100%	No	–	–	100%	–	–	–	–	–	904	0.2	–	–	–	–	0.0	0.2
Sole ownership	100%	No	–	–	100%	–	–	–	–	–	1,347	0.3	–	–	–	–	0.0	0.3
Sole ownership	100%	No	–	–	100%	–	–	–	–	–	627	0.1	–	–	–	–	0.0	0.1
Sole ownership	100%	No	–	–	100%	–	–	–	–	–	5'317	1.4	–	–	–	–	–	1.4
Sole ownership	100%	No	–	–	–	89%	–	–	10%	1%	3,147	–	0.4	–	–	0.0	0.1	0.5
Sole ownership	100%	No	–	–	2%	–	–	–	–	98%	8,380	0.0	–	–	–	–	1.4	1.4
Sole ownership	100%	Yes	No	No	–	3%	–	67%	30%	–	11,986	–	0.1	–	0.6	0.2	0.0	0.9
Sole ownership	100%	No	–	–	–	–	–	100%	–	–	170	–	–	–	0.0	–	–	0.0
Sole ownership	100%	No	–	–	100%	–	–	–	–	–	200	0.0	–	–	–	–	–	0.0
Sole ownership	100%	No	–	–	100%	–	–	–	–	–	390	0.1	–	–	–	–	0.0	0.1
Sole ownership	100%	No	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0.8	0.8
Sole ownership	100%	Np	No	No	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Sole ownership	100%	No	No	No	–	–	–	–	–	–	–	–	–	–	–	–	0.3	0.3
Sole ownership	100%	Yes	No	No	100%	–	–	–	–	–	1,732	0.1	–	–	–	–	–	0.1
Sole ownership	100%	No	–	–	100%	–	–	–	–	–	2,610	0.2	–	–	–	–	0.0	0.3
Sole ownership	100%	No	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0.0	0.0
Sole ownership	100%	No	–	–	100%	–	–	–	–	–	1,121	0.2	–	–	–	–	–	0.2
Sole ownership	100%	No	–	–	100%	–	–	–	–	–	1,976	0.4	–	–	–	–	0.1	0.5
Sole ownership	100%	No	–	–	28%	24%	19%	11%	18%	–	3,157	0.2	0.2	0.1	0.1	0.0	0.1	0.6
Sole ownership	100%	Yes	No	No	–	58%	–	42%	–	–	10,165	–	0.9	–	0.5	0.1	0.2	1.7
Sole ownership	100%	Yes	No	No	–	14%	–	82%	5%	–	6,992	–	0.2	–	0.7	0.0	0.0	0.9
Sole ownership	100%	No	–	–	100%	–	–	–	–	–	162	0.0	–	–	–	–	0.0	0.0
Sole ownership	100%	No	–	–	11%	16%	–	73%	–	–	2,443	0.1	0.1	–	0.2	–	0.0	0.4
Sole ownership	100%	No	–	–	–	12%	–	74%	14%	–	10,635	–	0.2	–	1.1	0.1	0.0	1.4
Sole ownership	100%	No	–	–	–	39%	–	61%	–	–	4,950	–	0.2	–	0.2	–	–	0.4
Building right	100%	No	–	–	12%	14%	11%	40%	17%	6%	326,446	7.0	6.9	6.1	16.3	2.7	7.1	46.1



## Redevelopment Portfolio

Property ID	Canton	Municipality	Property	Main use <sup>1</sup>	Market value (CHFm)	Full occupancy property rent (CHFm)	Annualised property rent (CHFm)	Occupancy rate (%)	Net site area (m <sup>2</sup> )	Year of construction	Year of construction <sup>2,3</sup>
10208	AG	Kleindöttingen	Plot no. 420	Others	9.8	–	–	–	43,400	–	–
10304	ZH	Niederhasli	Plot no. 3131	Others	3.8	–	–	–	12,000	–	–
10501	TG	Ermatingen	Hauptstrasse 181/185	Logistics	5.2	0.4	0.4	100.0%	12,125	1968	1997
12802	SG	St. Margrethen	Altfeldstrasse West	Industrial	8.8	0.4	0.1	31.6%	38,741	1951	–
12803	SG	St. Margrethen	Altfeldstrasse Ost	Industrial	4.2	0.3	0.2	59.3%	31,710	1937	–
13408	AG	Klingnau	Weierstrasse 8	Others	0.9	–	–	–	2,144	–	–
16101	ZG	Baar	lbelweg 18	Residential	97.1	–	–	–	9,218	2015	–
18102	ZG	Cham	Plot no. 2794	Others	7.6	–	–	–	6,514	–	–
18103	ZG	Cham	Plot no. 3195	Others	37.3	–	–	–	26,231	–	–
20101	VS	St-Maurice	Bois-Noir	Industrial	1.6	0.3	0.3	100.0%	33,281	1960	1970
22101	VD	Aigle	Route Industrielle 18	Logistics	3.3	0.2	0.2	100.0%	11,410	1991	–
22201	GE	Vernier	Chemin de la Verseuse 1–3	Industrial	5.8	0.0	0.0	100.0%	4,507	1964	–
22301	GE	Lancy	Route des Jeunes 20–26	Industrial	18.0	0.7	0.6	92.6%	8,783	1960	–
26101	AG	Bremgarten	Luzernerstrasse 48–50	Industrial	13.7	0.8	0.8	100.0%	20,613	1962	1983
29001	GE	Meyrin	Route du Nant d'Avril 150	Office	35.1	2.5	2.4	95.7%	34,547	1981	–
29002	GE	Meyrin	Route du Nant d'Avril 150	Office	21.1	–	–	–	8,418	2015	–
30101	ZH	Aathal	Plot no. 3990	Others	1.3	0.1	0.1	100.0%	8,163	–	–
30201	ZH	Aathal	Zürichstrasse 27/33–39, Gstalderstrasse 4	Residential	5.7	0.2	0.2	99.3%	23,938	1850	1870
30403	ZH	Aathal	Gstalderstrasse 3	Res. mixed	1.0	0.1	0.0	8.3%	1,067	1870	–
30602	ZH	Aathal	Chälenweg 1/11/164, Aretsh. 1–7/11–21/158	Residential	2.4	0.2	0.2	99.7%	10,069	1440	–
30603	ZH	Aathal	Zürichstrasse 22–24	Res. mixed	2.1	0.2	0.2	76.3%	3,567	1870	1860
30701	ZH	Seegräben	Aretshaldenstrasse 30	Residential	1.3	0.0	0.0	100.0%	428	1700	1850
30801	ZH	Wetzikon	Usterstr. 200–202/206, Zürichstr. 119–121	Industrial	6.5	0.6	0.3	47.3%	14,653	1872	1900
30906	ZH	Wetzikon	Schönaustrasse 5–13	Residential	4.8	0.3	0.2	69.2%	17,055	2016	–
30907	ZH	Wetzikon	Schönaustrasse 9	Others	19.5	0.0	0.0	10.2%	8,267	2016	–
30908	ZH	Wetzikon	Weststrasse 26–28	Residential	1.9	0.0	0.0	100.0%	1,908	1800	1896
31501	TG	Frauenfeld	Walzmühlestrasse 47	Res. mixed	1.8	0.1	0.0	27.5%	4,564	1926	–
31502	TG	Frauenfeld	Walzmühlestrasse 49	Res. mixed	1.6	0.1	0.0	23.4%	2,043	1922	–
31503	TG	Frauenfeld	Walzmühlestrasse 51	Res. mixed	3.6	0.3	0.2	76.9%	10,863	1832	–
31504	TG	Frauenfeld	Walzmühlestrasse Parking	Res. mixed	1.4	0.0	0.0	74.5%	3,340	–	–
31601	NE	Neuchâtel	Rue du Plan 30	Industrial	15.8	1.2	0.8	66.5%	11,397	1963	1967
31701	SO	Dornach	Weidenstrasse 50	Industrial	30.4	0.2	0.2	84.1%	136,685	1895	–
32101	AG	Windisch	Spitzmattstrasse 41–45	Residential	2.4	–	–	–	16,076	2012	–
32103	AG	Windisch	Kunzareal – Feinspinnerei	Residential	12.7	–	–	–	2,081	2015	–
32104	AG	Windisch	Spinnereistrasse 6	Residential	4.9	–	–	–	8,400	2014	–
32105	AG	Windisch	Kunzareal – Zentrum West	Industrial	1.1	0.1	0.1	100.0%	2,481	1827	1890
32107	AG	Windisch	Kunzareal – Heinrich	Others	1.1	0.1	0.1	78.8%	3,252	1960	–
34001	AG	Brugg	Wildschachenstrasse 12–14	Industrial	4.6	0.6	0.5	91.8%	11,080	1960	–
34002	AG	Brugg	Wildschachenstrasse 6	Office	18.2	1.3	1.0	78.1%	33,505	1960	–
36101	SO	Biberist	Fabrikstrasse 2–8	Office	2.7	0.4	0.0	0.0%	22,524	1937	–
36102	SO	Biberist	Fabrikstrasse 14–34	Industrial	15.4	–	–	–	44,000	1972	1990
36103	SO	Biberist	Fabrikstrasse 57–115	Industrial	8.7	0.7	0.7	100.0%	40,000	1946	1991
36104	SO	Biberist	Fabrikstrasse 36–38	Logistics	9.7	0.5	0.4	77.6%	23,000	1991	–
36105	SO	Biberist	Fabrikstrasse 1–29	Industrial	5.0	0.2	0.2	100.0%	19,000	1932	1947
36106	SO	Biberist	Fabrikstrasse 3–35	Industrial	1.8	–	–	–	18,962	1903	1939
36107	SO	Biberist	Fabrikstrasse 31–77	Industrial	0.9	–	–	–	16,000	1946	–
36108	SO	Biberist	Fabrikstrasse Insel	Others	4.8	0.1	0.1	100.0%	60,400	1991	–
36109	SO	Biberist	Derendingerstrasse 27–29	Others	5.9	–	–	–	44,183	–	–
36111	SO	Biberist	Deponie Schachen, land	Others	0.1	–	–	–	–	–	–
36204	SO	Biberist	plot no. 944, 1172, 1179	Others	0.5	–	–	–	–	–	–
40101	AG	Menziken	Hauptstrasse 85	Others	10.9	–	0.1	–	9,611	1911	–
61101	BL	Aesch	Industriestrasse 45–61	Industrial	8.2	0.8	0.8	98.7%	35,932	1900	1940
72001	AG	Hausen	Hauptstrasse 96	Others	9.2	–	–	–	27,235	2017	–
72002	AG	Lupfig	Hauptstrasse 98–100	Others	4.2	–	–	–	34,933	2018	–
Total				Total	507.0	14.0	11.5	80.9%	1034,304		

1 Others refer to land, building rights, parking, official use, power plant, datacenter; Res. mixed refers to properties with residential and commercial use.

2 Net site area does not include agricultural land and land without utilisation (total approximately 1 million m<sup>2</sup>).

3 Second building phase.

4 According to the Masterplan as at December 2012 between 120'000 and 130'000 m<sup>2</sup> could be developed, only 40'000 m<sup>2</sup> have been planned as of December 31, 2015

## General Property Details

Partial reno- vation	Discount factor (%)	Ownership (%)		Register of polluted sites (KbS)	Compulsory surveillance	Obligatory remediation	Effective area to be developed (m²)							
							Residential (sale)	Residential (rent)	Office	Retail	Industry / Logistics	Storage	Others	Total
–	3.8	Sole ownership	100%	No	–	–	3,500	14,500	–	–	19,992	–	–	37,992
–	4.5	Sole ownership	100%	No	–	–	–	–	–	–	7,800	–	–	7,800
–	5.4	Sole ownership	100%	No	–	–	–	–	–	826	–	11,107	–	11,933
–	2.5	Sole ownership	100%	No	–	–	–	–	–	–	12,500	–	6,000	18,500
–	2.5	Sole ownership	100%	Yes	No	No	–	–	–	–	–	–	–	–
–	4.2	Sole ownership	100%	No	–	–	–	–	–	–	–	–	–	–
–	2.5	Condominium	100%	No	–	–	12,208	–	–	–	–	–	–	12,208
–	2.5	Sole ownership	100%	No	–	–	–	–	21,000	2,000	–	–	–	23,000
–	2.5	Sole ownership	100%	No	–	–	11,000	11,000	2,700	2,200	–	–	–	26,900
–	5.8	Sole ownership	100%	Yes	No	No	–	–	–	12,600	7,470	–	–	20,070
2014	5.2	Sole ownership	100%	No	–	–	–	–	252	1,532	766	–	–	2,550
–	4.6	Sole ownership	100%	No	–	–	–	–	3,049	–	4,466	739	–	8,254
–	4.2	Building right	100%	Yes	No	No	–	–	25,701	–	–	–	21,243	46,945
–	4.8	Sole ownership	100%	Yes	No	No	–	–	2,485	–	10,866	–	–	13,351
–	4.4	Building right	100%	No	–	–	–	–	24,210	–	23,700	–	–	47,910
–	3.4	Building right	100%	No	–	–	–	–	8,264	–	–	–	–	8,264
–	5.0	Sole ownership	100%	No	–	–	–	–	–	–	–	–	–	–
1990	4.7	Sole ownership	100%	No	–	–	–	–	–	4,080	–	–	–	4,080
1993	5.3	Sole ownership	100%	No	–	–	–	–	–	–	–	–	–	–
1988	4.7	Sole ownership	100%	Yes	No	No	–	–	–	–	–	–	–	–
1989	4.9	Sole ownership	100%	No	–	–	–	–	–	–	–	–	–	–
–	2.5	Sole ownership	100%	No	–	–	–	–	–	–	–	–	–	–
1993	5.5	Sole ownership	100%	Yes	No	No	1,900	298	1,669	1,569	–	772	–	6,208
1943	4.2	Sole ownership	100%	No	–	–	6,282	–	–	–	120	–	740	7,142
–	2.5	Sole ownership	100%	Yes	No	No	8,727	–	–	–	–	–	–	8,727
–	4.3	Sole ownership	100%	No	–	–	–	–	–	–	–	–	–	–
–	4.2	Sole ownership	100%	Yes	No	No	1,515	–	–	623	–	423	–	2,561
–	4.6	Sole ownership	100%	Yes	No	No	–	1,545	1,348	–	350	61	–	3,304
–	4.0	Sole ownership	100%	Yes	No	No	4,246	–	–	–	–	–	171	4,417
–	4.8	Sole ownership	100%	Yes	No	No	–	–	6,263	–	–	–	–	6,263
2015	4.7	Sole ownership	100%	Yes	No	No	–	–	–	3,200	–	–	–	3,200
–	5.1	Sole ownership	100%	Yes	No	No	–	20,000	10,000	–	10,000	–	–	40,000 <sup>4</sup>
–	2.5	Condominium	100%	No	–	–	–	–	–	–	–	–	–	–
–	2.5	Condominium	100%	No	–	–	3,001	–	–	–	–	–	–	3,001
–	2.5	Condominium	100%	No	–	–	–	–	–	–	–	–	–	–
–	4.1	Sole ownership	100%	No	–	–	–	–	2,437	–	–	–	–	2,437
–	4.6	Sole ownership	100%	No	–	–	–	–	–	–	–	–	3,252	3,252
–	4.8	Sole ownership	100%	Yes	No	No	–	–	3,439	–	–	313	–	3,752
–	5.1	Sole ownership	100%	Yes	No	No	–	–	–	13,520	–	–	–	13,520
–	5.8	Sole ownership	100%	No	–	–	–	–	–	–	–	–	1,416	1,416
–	6.0	Sole ownership	100%	No	–	–	–	–	–	–	30,954	15,000	–	45,954
–	6.0	Sole ownership	100%	No	–	–	–	–	–	–	33,952	14,000	–	47,952
–	4.5	Sole ownership	100%	Yes	No	No	–	–	386	–	4,457	6,804	1,900	13,547
–	5.9	Sole ownership	100%	No	–	–	–	–	–	–	–	20,110	–	20,110
–	6.0	Sole ownership	100%	No	–	–	–	–	–	–	5,257	22,010	–	27,267
–	6.1	Sole ownership	100%	No	–	–	–	–	–	–	11,000	–	–	11,000
–	6.1	Sole ownership	100%	No	–	–	–	–	–	–	17,700	–	–	17,700
–	2.5	Sole ownership	100%	No	–	–	–	–	–	–	–	–	–	–
–	2.5	Sole ownership	100%	Yes	–	–	–	–	–	–	–	–	–	–
–	2.5	Sole ownership	100%	No	–	–	–	–	–	–	–	–	–	–
–	7.0	Sole ownership	100%	Yes	No	No	–	–	–	–	–	–	10,200	10,200
–	5.0	Sole ownership	100%	Yes	No	No	–	–	27,000	–	27,000	–	–	54,000
–	4.8	Sole ownership	100%	Yes	No	No	–	–	4,320	–	11,990	–	–	16,310
–	4.8	Sole ownership	100%	Yes	Yes	Yes	–	–	2,600	–	13,500	–	–	16,100
							52.379	47.343	147.123	42.150	253.840	91.339	44.922	679.097

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# Share Information

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## HIAG Immobilien Holding shares

### 1 Dividend policy

HIAG Immobilien strives to pay out a constant dividend of 4% of net asset value. The extra portion of the consolidated result is to be invested in the further development of the portfolio.

So far available, dividends are paid out from capital reserves and are therefore tax-free for private Swiss individuals.

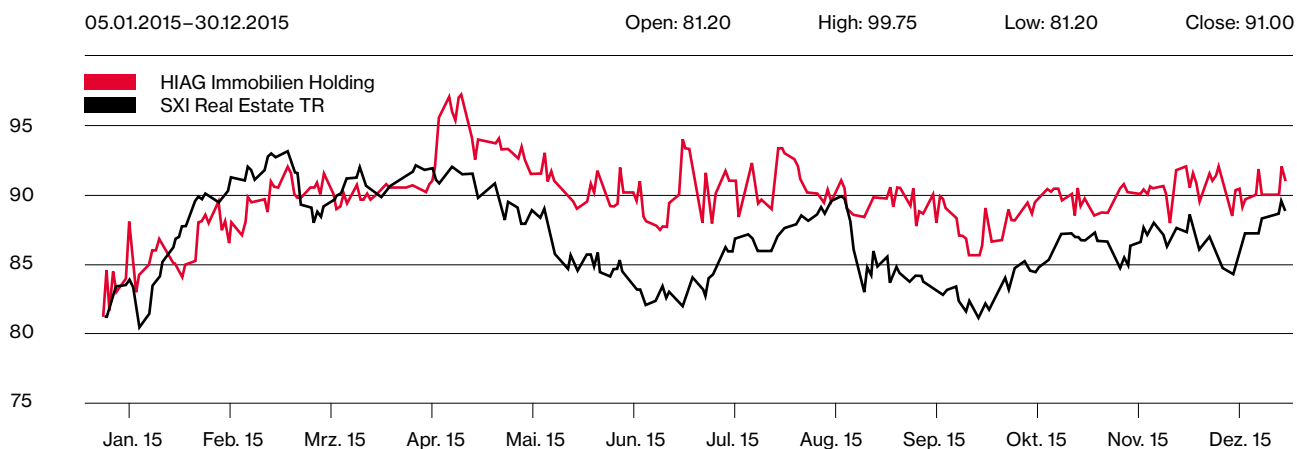
### 2 Repayment of capital contributions

As at the end of 2014, reserves from capital contribution amounted to TCHF 100'954.

The capital contributions in the amount of TCHF 127'354 reported to the Swiss Federal Tax Administration (ESTV) as of 31 December 2014 were recognised by the ESTV in the amount of TCHF 124'161 (decision issued on 8 December 2015). The statutory reserves from capital contribution rose to TCHF 52'354 and TCHF 127'354 as a result of the capital increases carried out in 2013 and 2014, respectively. Statutory reserves from capital contribution decreased by TCHF 26'400 in 2015 due to the dividend payout in April 2015.

These reserves can be paid back to shareholders and benefit from tax advantages.

### 3 Share price development



The HIAG Immobilien Holding share price rose 9.0% from CHF 83.45 to CHF 91.00 from 1 January 2015. Shareholders' equity (NAV) was CHF 88.59 as at 31 December 2015. The HIAG Immobilien Holding share was thus traded at the end of the year with a discount of 2.72%. In 2015, an average of 1'716 shares were traded daily.

## 4 Key figures

SIX Swiss Exchange: Symbol HIAG, Valor 23951877, ISIN CH0239518779

Share performance in CHF	31.12.2015	31.12.2014
High	99.75	83.45
Low	81.20	75.80
End of period	91.00	83.45
Market capitalisation in CHF million	31.12.2015	31.12.2014
High	798.00	667.60
Low	649.60	606.40
End of period	728.00	667.60
Number of shares	31.12.2015	31.12.2014
Issued shares	8'000'000	8'000'000
Treasury shares	0	0
Outstanding shares	8'000'000	8'000'000
Average outstanding shares	8'000'000	7'220'833
Key figures per share in CHF	31.12.2015	31.12.2014
Earnings per share (EPS)	7.44	6.84
Earnings per share without revaluation of properties	3.50	2.82
Earnings per share without revaluation of properties incl. revaluation of promotion	4.33	4.13
Dividends payout <sup>1</sup>	3.50	3.30
Payout ratio in % <sup>2</sup>	80.75%	79.90%
Cash yield in % <sup>3</sup>	3.85%	3.95%
Net asset value per share (NAV)	88.59	84.45
Premium (discount) to NAV in %	2.72%	-1.18%
NAV per share before deduction of deferred taxes	96.49	91.56
(Discount) to NAV before deduction of deferred taxes	-5.69%	-8.86%

<sup>1</sup> Proposal to the Annual General Meeting on 19 April 2016 for the financial year 2015: distribution out of reserves from capital contributions

<sup>2</sup> Dividends per share compared to earning per share without revaluation of properties

<sup>3</sup> Dividends per share compared to share price at the end of the period

## **5 Significant shareholders**

Information related to the main shareholders can be found in the Consolidated Financial Statements note 24 on page 40.

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## Agenda

**19 April 2016**  
2016 Annual General Meeting

**5 September 2016**  
Release of results from  
the first half of 2016

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