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HIAG Immobilien Holding AG

(a joint stock corporation under Swiss law)

CHF 100,000,000 1.00 percent Bonds due 2021

This prospectus (the **"Prospectus"**) relates to the offering (the **"Offering"**) of 1.00 percent bonds in the aggregate principal amount of CHF 100,000,000 due 2021 (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"**).

Issuer:	HIAG Immobilien Holding AG, Aeschenplatz 7, 4052 Basel, Switzerland
Issue Price:	100.582 percent (before commission and expenses)
Placement Price:	According to demand
Issue Date:	1 July 2015 (the "Issue Date")
Interest Rate:	1.00 percent per annum, payable annually in arrear on 1 July of each year, commencing on 1 July 2015.
Maturity Date:	1 July 2021 (the "Maturity Date")
Reopening:	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 "Terms of the Bonds" and each condition, a "Condition").
Assurances:	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.
Status:	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.
Currency:	CHF
Denomination:	CHF 5,000 nominal and integral multiples thereof
Form:	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.
Trading and Listing:	The Bonds have been provisionally admitted to trading on SIX Swiss Exchange with effect from 29 June 2015. Application will be made for the Bonds to be listed on SIX Swiss Exchange. The last day of trading is expected to be 29 June 2021.
Selling Restrictions:	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).
Governing Law and Jurisdiction:	Swiss Law; Zurich, Switzerland

Credit Suisse

Bank Vontobel

Joint-Lead Manager

Swiss Security Number: 28 460 739

ISIN: CH0284607394

Common Code: 124530334

Prospectus dated 29 June 2015

Notice to prospective Holders

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 (and amendments thereto, including the PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression 2010 PD Directive means Directive 2010 / 73 / EU.

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

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

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 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 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, the expression **“Prospectus Directive”** means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression **“2010 PD Amending Directive”** means Directive 2010/73/EU.

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

Selling Restrictions

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 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

Authorisation

Pursuant to a resolution of the Board of Directors of the Issuer dated 22 May 2015, and a Bond Purchase Agreement dated 29 June 2015, 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 100.582% 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 100,222,000 after deduction of commissions and expenses incurred in connection with the issue of the Bonds, will be used for the 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 reduce 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 on any weekday (Saturdays, Sundays and public holidays excepted) so long as the Bonds are listed on SIX Swiss Exchange.

Information on the Issuer

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 15 April 2014.

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

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 2014, HIAG Immobilien's property portfolio comprised 115 properties on 40 sites and was valued at CHFm 1,151. The Group's property portfolio included a lettable area of approximately 468,000 sqm with an annualised property income of CHFm 49.8 and an annualised full occupancy property income of CHFm 60.4. 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 675.6 while the EPRA net asset value stood at CHFm 732.0. The loan to value-ratio was 37.0%.

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 2014, the Yielding Portfolio consisted of 62 properties across 29 sites with a lettable area of approximately 313,000 sqm, a full occupancy property income of CHFm 44.7 and a fair value of CHFm 704. The occupancy rate in the Yielding Portfolio amounted to 84.3%. The top five sites and their respective fair values in the Yielding Portfolio were Dietikon (CHFm 128.6), Kleindöttingen (CHFm 91.8), Klingnau (CHFm 81.5), Niederhasli (CHFm 74.4) and Birsfelden (CHFm 59.1). In total, these top five sites accounted for 62% of the Yielding Portfolio's fair value.

As of 31 December 2014, the Redevelopment Portfolio consisted of 53 properties located across 33 sites with a lettable area of approximately 154,000 sqm, a full occupancy property income of CHFm 14.4 and a fair value of CHFm 448. The occupancy rate in the Redevelopment Portfolio amounted to 75.1%. The top five sites and their respective fair values in the Redevelopment Portfolio were Baar (CHFm 80.1), Biberist (CHFm 53.1), Cham (CHFm 41), Meyrin (CHFm 35) and Windisch (CHFm 31.9). In total, these top five sites accounted for 54% of the Redevelopment Portfolio's fair value. The Group currently pursues 51 short-, mid- and long-term redevelopment projects on 45 of the 53 properties. The completion of its current redevelopment plans is expected to create an additional lettable area of approximately 653,000 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

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, which have been in the premises on average for 19 years, 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 45 of a total of 53 Redevelopment Properties of approximately 653,000 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 also aims to realise 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 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.

Information on the Issuer

The potential significant value uplift is mainly based upon (i) the identification of uses that create the highest possible 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 17,000 sqm and a total site area of 2.6 million sqm, of which 1.4 million sqm are zoned and built with a lettable area of approximately 468,000 sqm. Furthermore, the Group has proprietary access to land via its own Redevelopment Portfolio which comprises approximately 653,000 sqm to be developed on a net site area of approximately 920,000 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 approximately 90% 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 63% from CHFm 707 as of 31 December 2010 to CHFm 1,151 as of 31 December 2014, 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 2014, the fair value amounted to CHFm 704 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 448 generating a gross yield of 3.2%. Based on the current plans of the Group, approximately 653,000 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 targeting to develop and to market 150 condominiums with a target sale volume of approximately CHFm 171 over the coming three four years.

History

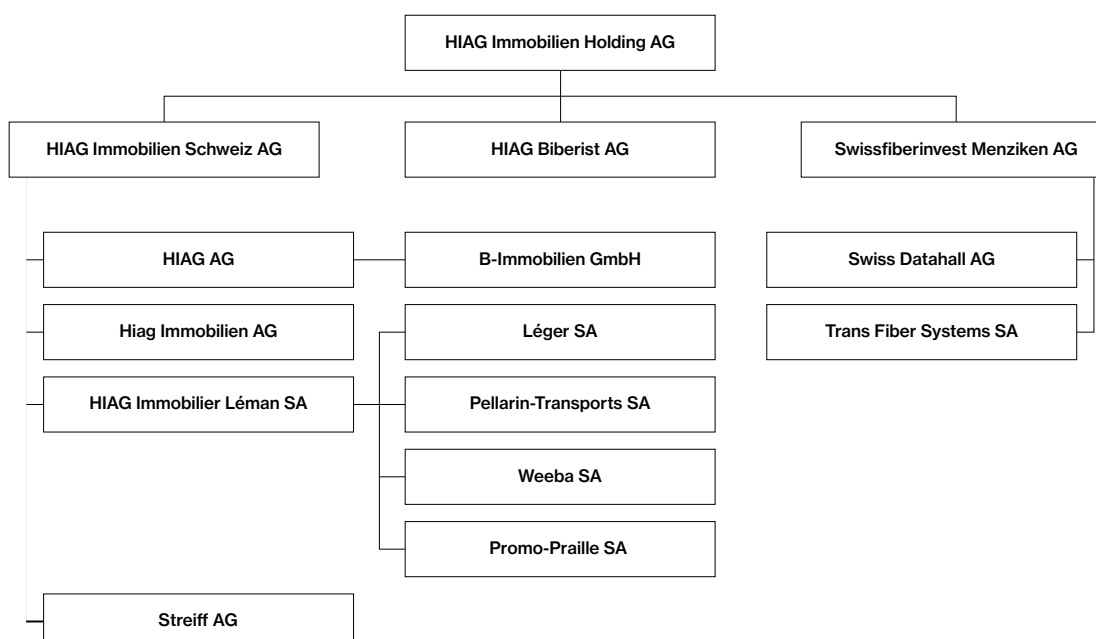
HIAG Immobilien was founded on the basis of an industrial group active in production and trade of wood products. Founded in 1876 in St. Margrethen in the Canton of St. Gallen, the group became a market leading player of timber materials in Europe by the mid-1980s. At the beginning of the new millennium, 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.

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

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 2014 (pages 9 to 11 of the Financial Report included in Annex A), and notes to the Statutory Financial Statements (page 90 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 21 April 2015. The principle of rotation applies to the auditor in charge. For the business year 2014 the auditor in charge was André Schaub.

Information on the Issuer

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 15 April 2016.

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

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 2014, 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:

Business Year	2014	2013	2012	2011	2010
Dividend payment per share in CHF	3.30 ¹	0	0	0	0

¹ from capital contribution reserves

Recent Developments

As announced on 8 October 2014, HIAG Immobilien concluded an agreement with Weidenmetall AG, in liquidation with voluntary assignment for the purchase of the approx. 130'000 m² site of Swissmetal. The property transfer and the purchase price payment took place on 12 January 2015 after the fulfilment of the conditions precedent to closing.

As announced on 10 June 2015, HIAG Immobilien creates a new office building and modern commercial halls for JELD-WEN Switzerland AG ("**JELD-WEN**") in Bremgarten (AG). JELD-WEN, which is specialized in the production and sales of exterior and interior doors, belongs to the global leader in the doors business and has the largest range of exterior and interior doors in Switzerland. In order to adapt the site to its growing needs, HIAG Immobilien, in collaboration with JELD-WEN, is creating a representative office building for up to 100 employees and a partial replacement of production and logistics halls. Within 2 years, a total of 2'500 m² of office space as well as 4'900 m² of commercial space are to be created during running operation. The rental agreement was prolonged by twelve years.

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 2014, being the date of the latest audited consolidated financial statements of the Group.

Responsibility Statement

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, 29 June 2015

HIAG Immobilien Holding AG

Taxation in Switzerland

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

(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.

EU Savings Tax

Under the agreement between the European Community and the Confederation of Switzerland dated as at 26 October 2004 (the “**2004 Agreement**”), which provides for measures equivalent to those laid down in the EC Council Directive 2003/48/EC on the taxation of savings income and the relevant Swiss legislation, a Swiss paying agent (as defined in the 2004 Agreement) might be required to deduct EU savings tax on interest payments on the Bonds paid to, or collected for, an individual resident or certain limited types of entity established in an EU Member State.

Final Withholding Tax Agreements between Switzerland and the United Kingdom and Austria

On 1 January 2013, treaties on final withholding taxes entered into by Switzerland with the United Kingdom and Austria (each, a “**Contracting State**”) came into force. The treaties and the Federal Act on International Tax Cooperation (*Bundesgesetz über die internationale Quellensteuer*) might require a Swiss paying agent (as defined in the treaties) to levy a flat-rate final withholding tax at rates specified in the treaties on certain capital gains and income items (including in respect of the Bonds), all as defined in the treaties, deriving from assets (including the Bonds) held in accounts or deposits with a Swiss paying agent by (i) an individual resident in a Contracting State, or (ii) if certain requirements are met, a domiciliary company (*Sitzgesellschaft*), an insurance company in connection with a so-called insurance wrapper (*Lebensversicherungsmantel*) or other individuals if the beneficial owner is an individual resident in a Contracting State. Under the treaty with the United Kingdom, the tax rate for individuals resident and domiciled in the United Kingdom is 43% on interest payments and 27% on capital gains, and, under the treaty with Austria, 25% on interest payments and capital gains. The flat-rate tax withheld substitutes the ordinary capital gains tax and income tax on the relevant capital gains and income items in the Contracting State where the relevant individual is tax resident, unless the individual elects for the flat-rate tax withheld to be treated as if it were a credit allowable against the income tax or, as the case may be, capital gains tax, due for the relevant tax year in the relevant Contracting State. Alternatively, instead of paying the flat-rate tax, such individual may opt for a disclosure of the relevant capital gains and income items to the tax authorities of the Contracting State where he or she is tax resident. Switzerland may conclude similar treaties with other European countries.

Terms of the Bonds

The terms and conditions (each a **Condition**, and together the **Terms of the Bonds**) of the CHF 100,000,000 1.00 percent bonds due 2021 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**) 100,000,000 (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) 1 July 2015 (the **Issue Date**) at the rate of 1.00 percent of their Aggregate Principal Amount per annum, payable annually in arrears on 1 July of each year (the **Interest Payment Date**), for the first time on 1 July 2016. 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 1 July 2021 (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

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

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

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 grace period, or (ii) becomes due and payable prior to its stated maturity as a result of an event of default

Terms of the Bonds

(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 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

Terms of the Bonds

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) 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

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

- (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.

Annual Report 2014
(comprising the Business Report and the Financial Report)

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2014

Annual Report
Business Report
Financial Report

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2014

Annual Report
Business Report



Online Version



Annual Report (pdf)



Short Version

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.

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Key Facts in a Nutshell

One Source Site Redevelopment

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's portfolio covers 40 sites with a total land area of 2.6 million m² and is valued at CHF 1.2 billion.

HIAG real estate stands for area development. As long-term owner of its sites and properties and landlord to a diversified tenant base, it continuously strives to increase the potential value creation on its sites. In so doing, the company creates new quarters throughout Switzerland, which 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 development processes and portfolio management including the steering of property administration.

A leader in the redevelopment of large sites

As of 31 December 2014, HIAG Immobilien's property portfolio included a lettable area of approximately 468'000 sqm with an annualised property Income of CHF 49.8 million. The completion of HIAG Immobilien's current 51 short, medium and long-term development projects would create an additional lettable area of approximately 653'000 sqm. The sale of condominium provides 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 young company with a long tradition

HIAG Immobilien was established in 2008 after being hived off from the Holzindustrie-Aktiengesellschaft (HIAG) founded in 1876. Today the company has 25 employees in its core team working at its Basel, Geneva and Zurich locations. About 90% of HIAG Immobilien's real estate portfolio is situated in the economic catchment areas of Zurich/Zug, Baden/Brugg, Basel and Geneva.

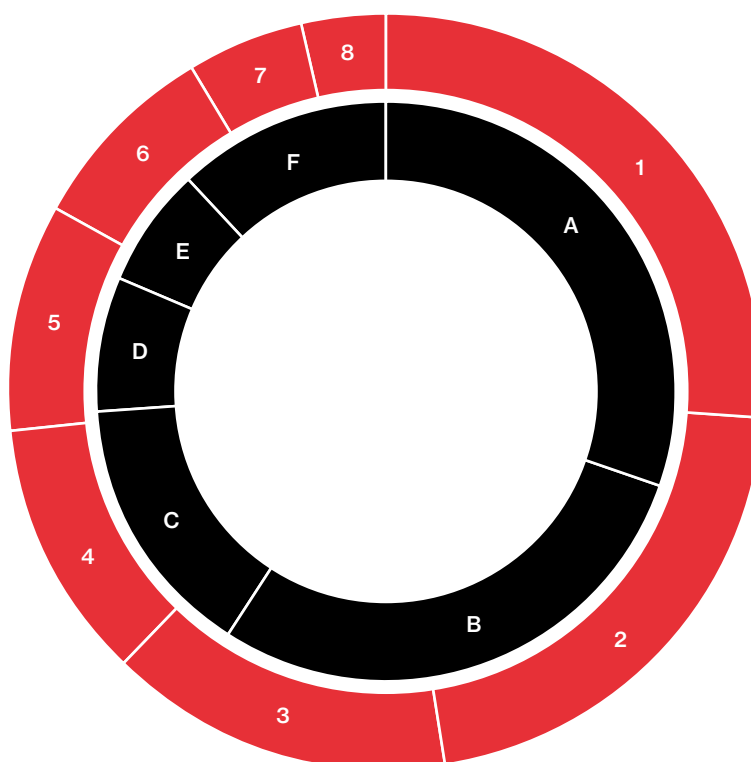
For further information on the company, go to www.hiag.com

Market value of real estate investments by type of use as at 31.12.2014

1	Industry, commercial	26.3%
2	Residential	21.3%
3	Retail	14.8%
4	Office	11.1%
5	Distribution, logistics	9.7%
6	Building land	8.2%
7	Residential and commercial	5.2%
8	Other	3.5%

Market value of real estate investments by canton as at 31.12.2014

A	Aargau	30.5%
B	Zurich	28.7%
C	Zug	14.9%
D	Basel-Country	7.4%
E	Geneva	6.8%
F	Others	11.8%



by according to use ■
by according to canton ■

90%

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

Real estate, property income, net profit (in CHF thousand)

in TCHF	2011	2012	2013	2014
Real estate portfolio	756'829	936'275	1'065'156	1'151'104
Property income	38'907	42'240	43'528	48'669
Net income	45'698	55'243	77'911	48'886

Key financial figures

in TCHF	31.12.2014	31.12.2013
Property income	48'669	43'528
Revaluation of investment properties	28'701	58'275
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	59'318	86'614
Net income	48'886	77'911
Cash and cash equivalents	62'155	18'967
Shareholders' equity	675'574	503'281
Equity ratio	54.37%	45.27%
LTV ratio	36.97%	45.80%
Balance sheet total	1'242'553	1'111'634
Cash flow from operating activities incl. sale of promotion	46'393	47'700
Employee headcount	42	38
thereof building maintenance and administration	15	13

Key portfolio figures

in TCHF	31.12.2014	31.12.2013
Real estate portfolio	1'151'104	1'065'266
Yielding portfolio	703'235	636'395
Property development portfolio	447'869	428'871
Real estate portfolio (number of real estate properties)	115	105
Number of redevelopment properties	53	46
Investments in real estate	52'535	54'306
Annualised rental income in CHF million	49.8	46.6
Vacancy rate for investment properties	11.7%	6.2%
Vacancy rate for investment properties undergoing repositioning	33.8%	39.9%
Vacancy rate for redevelopment properties	24.9%	33.0%

EPRA performance figures

in TCHF	31.12.2014	31.12.2013
EPRA earnings	25'192	28'635
EPRA NAV	731'953	597'285
EPRA equity ratio	58.91%	53.73%
EPRA vacancy rate	15.77%	12.86%
EPRA vacancy rate excl. investment properties undergoing repositioning ¹	11.69%	6.23%

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

Key figures per share

in CHF	31.12.2014	31.12.2013
Earnings per share	6.84	11.85
Earnings per share without revaluation of properties	2.82	2.99
Earnings per share without revaluation of properties incl. revaluation of promotion	4.13	6.53
Dividends payout ¹	3.30	–
Payout ratio ²	79.90%	–
Cash yield ³	3.95%	–

1 Proposal to the Annual General Meeting on 21 April 2015 for the financial year 2014: distribution out of reserves from capital contributions

2 Dividends per share compared to earning per share without revaluation of properties incl. revaluation of promotion

3 Dividends per share compared to share price at the end of period

Letter to Shareholders



Dear shareholders,

With a net income of CHF 50.4 million (without the non-recurring effect of the IPO of CHF 1.5 million), we were able to achieve a good result. As expected, the revaluation effect was lower than in the previous year, which was shaped by special evaluation effects in Baar. From an operative standpoint, property income increased by 11.8%. With progress made in project sales, we have a solid basis for a dividend of 4% also for the coming years.

Successful initial public offering

For HIAG Immobilien, the 2014 business year was a turning point in the company's long history. With the opening of the company to new shareholders and the successful listing on the Swiss stock market (SIX), the company created a solid foundation for the transformation of its development pipeline and thus laid the cornerstone for further dynamic development. At the same time, the company continues to have stable anchor shareholders and combines the advantages of a family culture – with

long-term strategy, streamlined company structure and short decision paths – with the financial capacity and transparency of a listed company. With a total of CHF 122.6 million in revenue from the IPO, the bridge financing for acquisitions in Neuchâtel and Meyrin at the end of 2013 was repaid and other transaction processes in Cham and Dornach were pursued (completion in January 2015). With an equity ratio of 54.4%, the company has solid financing and enough elbowroom to promote the development of the portfolio on its own.

Increased operating income

All in all, HIAG Immobilien can look back on a successful business year. During the period under review, property income increased by 11.8% to 48.7 million, which is primarily attributable to the completion of the Leuchtturm and Spinnerkönig projects, the acquisition in Meyrin at the end of 2013 and rentals of vacant areas. At CHF 28.7 million, revaluation effects were, as expected, lower than the previous year (CHF 58.3 million), which turned out to be exceptionally high due to a revaluation in Baar (The Cloud). Operating income, which at CHF 78.9 million was about CHF 25.0 million lower than the previous year, was however increased by 10.1% without revaluation effects.

Operating expenses grew by about 13.3% compared to the previous year, primarily due to the change in personnel expenses as well as maintenance and repairs. The increase in full-time positions from 32.7 to 36.8 is mainly due to the insourcing of 3.3 full-time positions in the building maintenance and management division. The core team was only slightly reinforced by 0.8 full-time positions up to 24.2. In addition, provisions for approximately CHF 0.9 million were generated in 2015 for the Long Term Incentive Plan that runs until 2019. Approximately CHF 1.0 million more than in the previous year was spent on maintenance and repairs. Overall, maintenance and repairs of CHF 3.2 million (or about 3%) are reasonable for the size of the portfolio and correspond to our expectations. Financial expenses include non-recurring costs of CHF 1.5 million from the IPO.

The consolidated result for the 2014 business year amounted to CHF 48.9 million, which

corresponds to a result of CHF 6.84 per share (previous year: CHF 11.85). Cash flow of CHF 46.4 million was generated from profit realisation and sales of condominiums (previous year: CHF 47.7 million).

Solid equity base

HIAG Immobilien reported an equity ratio of 54.5% (previous year: 45.3%) at the end of 2014, and therefore has a solid equity base. The loan to value ratio was 37% (previous year: 46%). The weighted remaining maturity of financial liabilities was 2.1 years as at the reporting date (previous year: 1.3 years). The average interest rate for financial liabilities was 1.03% in the 2014 business year (previous year: 1.11%). The Group will continue to use the attractive interest rate environment to lock in low interest rates in the medium term.

As at the reporting date, the portfolio included 115 properties evaluated at CHF 1.151 billion. In the consolidated balance sheet, environmental risks are recorded at CHF 14.9 million, exactly as in the previous year. The weighted discount rate decreased slightly compared to the previous year from 4.86% to 4.83%; however, assessments for building land, building laws and power stations were excluded from this view. As at the reporting date, the yielding portfolio included 62 properties that were evaluated at CHF 704 million and yield a weighted discount rate of 4.73% (previous year: 4.79%). The redevelopment portfolio was composed of 53 properties with a market value of CHF 448 million. The weighted discount rate was 5.00% here (previous year: 4.96%).

Important value changes came from Baar, where on one hand, certification of flats started, and on the other hand, cost certainty increased as the allocation of flats progressed. In Cham, the total redevelopment potential increased significantly with the adoption of the master plan and the consolidation of land parcels. In Neuchâtel, with the long-term rental to the canton, the existing structure continued to be used without significant investments. An important negative value change took place in Windisch at the recruitment centre, where due to the communication of the Swiss Army's stationing plan, subletting to Armasuisse after 2018 has become less likely.

Dynamic portfolio development

The continuing development of the property portfolio led to an increase in property income of 11.8% to CHF 48.7 million during the period under review. Annualised property income increased by 6.9% from CHF 46.6 million to CHF 49.8 million since the last reporting date. The increase on a comparative basis (like for like) was 4.1%. Vacancies were reduced in the redevelopment portfolio and in properties being repositioned, so that the vacancy rate decreased slightly by 0.5% over the entire portfolio to 18.0%. The vacancy rate in the yielding portfolio increased to 11.7%, whereas net return was maintained at an attractive 5.4%.

Regrouping in the yielding portfolio

The most important changes arose from the completion of the Leuchtturm property in Aathal at the beginning of the year and the Spinnerkönig property in Windisch at the end of 2014, the rental rates at the end of the year being around 70% and 85% respectively. At the Kleindöttingen site, rented areas decreased by three tenants, which will lead to a reduction in annualised property income of CHF 0.7 million in 2015. Even though rent is still being collected for the time being, this has a direct impact on the vacancy statistics. Vacancies were further reduced at properties undergoing repositioning (Niederhasli, Birsfelden, Cham), and Tesla (Cham) and Spar (Niederhasli) have become important anchor tenants. Concerning properties that were vacant in Aigle and Füllinsdorf as at 31 December 2013, Aigle was fully rented at the end of 2014, and after restoration of the building, just under half of Füllinsdorf was delivered to new tenants. In Wädenswil, the rental contract with Blattmann was renewed for 10 years after adjustment and maintenance investments.

Further strengthening of the development portfolio

The main focus of construction activities in 2014 was concentrated in Baar and Windisch. Building is proceeding as planned in Baar. Starting from the end of November, the certification of the first apartments began and the first 13 reservations could therefore be

transformed into sales a year and a half before delivery. In Windisch, the features of a vibrant residential quarter became visible with the extensive completion of the Spinnerei III and Spinnerkönig projects – the buildings located in the heart of the former industrial site. At Spinnerkönig, the first tenants flowed in to more than 85% of the apartments upon completion. Sales of the Stegbünt and Spinnerei III projects pressed ahead with determination. Project Feinspinnerei, which was granted a building permit in the first half of 2014, can now be carried out following the development of the central square of the site. The start of sales is planned for the spring of 2015.

In Neuchâtel, important parts of the site were rented to the canton without interruption after rental contracts with the prior owners expired. Use concepts are currently being developed for the remaining 3'200 m² of well-exposed ground-level halls that allow for long-term use of the entire existing building structure. The first steps of site redevelopment were taken in Meyrin with the signing of a long-term rental contract with Hewlett Packard. An important anchor tenant has thus been secured for the site, which will shape the quality of further redevelopment. In Cham, the site on the Lorze river gained significant room for development following the purchase of an area of 26'231 m². The increase in redevelopment potential by 200 apartment units and approximately 25'000 m² of office and commercial space has a positive influence on the sales of the yielding properties at the site. In October, another redevelopment site was added to the portfolio with the purchase of the Swissmetal site in Dornach. HIAG Immobilien has therefore considerably strengthened its position in the Basel region. Since the transaction was only completed in January 2015, the site was not taken into account in the figures as at the reporting date at the end of 2014.

As at the reporting date, the redevelopment portfolio included a total of 51 redevelopment projects, totalling approximately 653'000 m² of usable area and representing an investment volume of about CHF 1.8 billion. Within a three-year time frame, 13 of these projects were advanced with a usable area of about 75'000 m² and an investment volume of around CHF 175 million. Project The Cloud in Baar was under construction as at the reporting date.

Market environment and future prospects

Last year was marked by many regulatory interventions, which tended to have a depressing effect on the real estate market. Not least, continually high building activity led to the first cooling-off tendencies in the sub-segments of office and retail space. At the same time, condominium ownership has remained attractive due to the decrease in long-term interest rates. HIAG Immobilien is well-positioned with its projects in Windisch and Baar in attractive quarters and in the mid-range price segment. We have clearly noticed that buyers carefully weigh their investment decisions, and customer care requires more time. However, we are convinced that high quality products will be able to assert themselves on the market.

The scrapping of the euro cap in January 2015 took market participants by surprise. Even though we do not expect any direct effects in our yielding portfolio, the new currency structure should have an effect on long-term investment decisions of export-oriented companies with high added value in Switzerland. We consider a cooling down to be possible in this demand segment in the coming year. The interest rate environment, which has decreased again with the introduction of negative interest rates, also makes it more probable that additional liquidity be directed towards the search for investment opportunities in the field of redevelopment sites. This could lead to transaction prices not allowing enough compensation

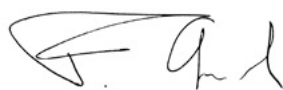
for redevelopment risks. We will continue to consistently make acquisition decisions according to our standards. Overall, we expect the slowing effect of the scrapping of the euro cap on Swiss business activity to fully unfold only during the course of the year, and these subsequent effects will indeed radiate on the real estate market.

With this in mind, the redevelopment potential will become more important within the existing portfolio. The low interest environment leads to more flexible schedules in aiming for the highest value-creating potential in our site redevelopment. It is our philosophy that sustainable, well thought-out quarter concepts create more attractive surrounding conditions capable of withstanding an increasingly tough market environment.

Attractive dividend of 4%

We will ask the General Assembly for the payout of a dividend of CHF 3.30 per share from capital contributions, corresponding to a return of about 4% of NAV and a dividend payout ratio of about 48% of the result per share. The payout will be made from capital reserves and is tax-free for Swiss private investors.

We would like to thank all our employees for their contribution to the solid business performance and the shareholders for their trust in our company.



Dr. Felix Grisard
President of the Board of Directors



Martin Durchschlag
Chief Executive Officer

Interview with the CEO



In an interview with Medard Meier, CEO Martin Durchschlag talks about HIAG Immobilien's IPO in 2014 and addresses the current market environment.

In your opinion, what was the high point of the 2014 business year?

Martin Durchschlag: **Definitely the initial public offering. An IPO is a decisive event for a company. It is a validation of the work that the team has put in over the previous years. But it was also an exciting process, bringing our business model out in the open for the first time and presenting it to the investors.**

Were there any critical moments during the process?

Martin Durchschlag: **The aim was to convince investors that there is a clear difference between HIAG Immobilien and other listed real estate companies. We don't just focus on regular property income, but instead create added value through long-term site redevelopment. The combination of use, interim use and added value from site redevelopment was a new perspective for investors.**

You obviously succeeded in convincing them.

Martin Durchschlag: **Yes, we were able to obtain the means necessary for the medium-term development of the company. We also found shareholders who matched our business model, such as pension funds, insurance companies and specialised real estate funds. These investors all fit together well with our anchor shareholders.**

The positive performance of the share was an excellent indicator as well.

Martin Durchschlag: **Share performance can not be conserved as the clock starts from zero for each new shareholder. Every investor who chooses HIAG Immobilien does so with certain expectations. That being said, investors who had the courage to invest in a new business model during our IPO should certainly be pleased.**

What else has the IPO done for you?

Martin Durchschlag: **We have become more transparent. It has clearly generated more trust – with our business partners, the users of our properties, but also with the local municipalities at our sites.**

Is your evaluation of the ordinary course of business equally positive?

Martin Durchschlag: **Our business model was confirmed. We succeeded in purchasing new sites and signing contracts with new anchor tenants, such as Tesla in Cham. That kind of tenant gives a site a positive appearance. Overall, we are very pleased with the development of the portfolio.**

Site redevelopments generally take many years. Nevertheless, how strongly dependent are you on the current real estate market?

Martin Durchschlag: **In project development, we are usually not as affected by short-term fluctuations in the overall market. Even though this is about users of real estate assets, our sites are essentially in competition with other potential locations. However, we are not completely disconnected from overall economic development. Though 2014 was still marked by very good business activity and high immigration, 2015 may certainly proceed differently under the effect of the new exchange rate reality. This could potentially have an attenuating effect on demand for new surfaces.**

What impact do you expect there to be on site redevelopment?

Martin Durchschlag: **With over 30 sites, we have a large site portfolio in inventory. Although these sites are already being used to some extent, they still have a large development potential that we can utilise. That will keep us busy for at least another ten years. That means that we are not under pressure to tie down other sites. Yet our portfolio breathes naturally. Certain projects are completed and migrate over to the inventory portfolio. Others are newly launched or we come upon new ones.**

How confident are you in the sales side?

Martin Durchschlag: **When it comes to important commercial use, we make long-term company and location decisions that can't really be jolted or overturned by short-term economic developments. We haven't noticed any cooling off in this segment. With regard to the purchase of condominiums, on the other hand, we clearly see that the buyer is no longer under pressure to close quickly, because there are alternatives. The quality of a project is crucial. If quality is good, the product can be marketed even in hard times.**

But has the market cooled down overall?

Martin Durchschlag: **Yes it has. The office market is particularly exposed, but we are only marginally active at most in that market.**

How have prices evolved?

Martin Durchschlag: **We are able to impose our target prices on the market.**

What are you doing exactly with the funds that were made available to you from the IPO?

Martin Durchschlag: **We made two strategic investments back in 2013. The interim loans have now been paid off thanks to the funds from the IPO. We can also tackle targeted redevelopment projects that are already in our pipeline.**

What points will you pay special attention to this year? With regard to risks as well as opportunities!

Martin Durchschlag: **The crux of our business is risk management: permit risks, sales risks, cost risks. Keeping sight of these kinds of risks throughout all the processes and sometimes mitigating them is an ongoing task. Fortunately, there is never only one way to reach an objective. And in turn, every project adjustment holds new opportunities, but also new risks. Thinking in variants and thinking in options is really crucial in our site redevelopment work. It makes our organisation resilient to unexpected events.**

Are you referring to decisions by the authorities or objections from organisations that make life difficult in the construction industry?

Martin Durchschlag: **We have a long road to walk together with municipal authorities and cantonal agencies. Communicating with them is essential. They have expectations and ideas about what can be done with a site. We in turn can point out what is marketable and what is not. And there are also neighbours and existing users who would like to join in the conversation. Feeling and channelling all of these expectations around a project is the really exciting and fascinating thing about site redevelopment.**

**Personal experience notwithstanding,
has dealing with the authorities become
easier or more confrontational?**

Martin Durchschlag: **No battle lines have been drawn. We have to deal with municipalities that have very clear ideas about a project and the restrictions that apply, as well as municipalities that are very open and unbiased to our ideas. On the other hand, building code restrictions, which are driving up costs, can be felt. But that has more to do with the general framework than with decisions by the authorities.**

Do I hear some criticism there?

Martin Durchschlag: **The effects of regulatory requirements are often underestimated. An example of this would be parking facilities at large manufacturing companies. Cost implications can very directly influence the decisions of companies, whether they decide on this site or that site, which can be located in another canton or even in another country. These kinds of indirect consequences can result from an ordinance and were of course never intended by the regulator.**

**What would you change right away if it
were in your power to do so?**

Martin Durchschlag: **Very often we see structures that have outlived their purpose. And no matter how good they may have been in the past, this decreases the potential for providing advantageous redevelopment areas or excessively delays the commissioning of certain sites. I would start with this.**



The HIAG name is almost never mentioned with regard to site occupation. What do you do better?

Martin Durchschlag: **We try to avoid down-time as much as possible, so we stimulate things with interim use. We often have the advantage of being an owner with local roots, so people have known us for a long time.**

To what extent does that also have to do with your company values?

Martin Durchschlag: **Trust is definitely very central in our business. However, in my opinion it is essential that the neighbourhood feel the passion with which we want to redevelop and promote a site. Our colleagues persevere until the project is sure to be a success.**

What role does the content of a project play in this?

Martin Durchschlag: **For us, each site is a prototype with its own history and very particular DNA. These things should continue to mark a site. Possibilities and ideas are a result of these factors, and are preferably born from a dialogue with the general public. The use concept and the path of development depend directly on the site – and not the other way around. To put it simply, we perpetuate the stories of entrepreneurial families such as the Leglers or Streiffs that have marked sites for over a hundred years. We do not impose our processes on anyone. With this attitude, we find many solutions that are generally widely accepted.**

Isn't that an expensive process?

Martin Durchschlag: **Not at all! Our organisation is able to act flexibly and respond to particular needs. Efficiency depends on the situation and not on the process.**

You are running a very big company with just 25 employees! How do you manage this?

Martin Durchschlag: **We are a team of entrepreneurs. And entrepreneurs don't need defined processes. They have clear ideas about which partners they can carry out a certain project with, be it the choice of architects, the building company, the sales people, etc. We, meaning in particular our five site CEOs, determine the strategy and manage the processes.**

What objectives are central for 2015?

Martin Durchschlag: **We want to actively take advantage of synergies in use concepts that we put into play at the sites. That way we can both scale and replicate our knowledge and services provided. The decision of the central bank will certainly impact our work. However, our partners and clients are pugnacious and optimistic, as they have assured us. We have the same attitude. That is why we see the currency shock as an opportunity – for us and for our clients.**

Strategy and Sustainability

Strategy

Combination of income source

HIAG Immobilien has many value drivers to generate attractive returns for shareholders. The yielding portfolio provides stable and projectable income thanks to a diversified and high quality group of tenants and therefore lays the groundwork for the payout of an attractive dividend. Progress in the redevelopment portfolio contributes to total revenue during the interim phase through positive revaluation effects. On one hand, this added value is skimmed from the sale of condominiums and made available in the form of equity capital for further investments. On the other hand, this added value created by the redevelopment process expands the collateral value for financing new projects. The company thereby manages to push forward with further redevelopments without significant additional capital requirements.

Differentiation

The Group disposes of a site portfolio at 40 locations that stretches over a surface area of 2.6 million m², 1.6 million m² of which is zoned. In addition to its existing property portfolio, the company currently plans to establish 653'000 m² of additional usable area in 51 redevelopment projects in the short, medium and long-term with an investment potential of approximately CHF 1.8 billion. This large "land bank", together with an impressive track record in site redevelopment, are important distinguishing features for the company. Furthermore, the company provides a broad mix of uses, which, compared to other portfolios, presents a good balance between residential and industrial/commercial use and features a comparatively low proportion of office space.

Focused organisation

HIAG Immobilien directs its strategic focus towards those activities that it considers to be the most intensive value creators in the redevelopment process. Core processes such as site acquisition, supervision 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 redevelopment activities at sites with an industrial background. Activities that are exposed to stiff competition, that have low margins or that 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 90% of the portfolio is located in the economic core regions of Switzerland around Baden/Brugg, Zurich/Zug, north-west Switzerland and Geneva. The scarce land resources in these regions and the recent legally instituted reduction in re-zoning of agricultural areas highlight the need for consolidation and conversion of former industrial sites.

Sustainability

Responsible development: creating space for life

As a long-term owner, HIAG Immobilien orients its decisions towards the long-term quality of the quarters that are being created. The main challenge is recognising the “soul” of a site, so that it can continue on as the identity of the new quarter. This results in responsibility in dealing with space for life. In this context, economic, ecological and social aspects of sustainability are mutually related.

Use of renewable energy sources

Due to their industrial history, some of HIAG Immobilien's sites are located on the courses of rivers, which were environmentally-friendly energy sources in the past as they are today. Small hydroelectric plants produce electricity at the sites of Aathal, Biberist, Windisch, Frauenfeld and Diesbach. For example, Axpo operates the hydroelectric plant in Windisch at the Kunzareal site, producing ten million kWh of electricity annually with three turbines on the Reuss river. At the same site, HIAG Immobilien built one of the largest photovoltaic facilities in the Windisch-Brugg region on the roof of the recruitment centre. The modules are barely visible from the other buildings of the site, but effective: in 2014, electricity production was over 204'000 kWh. Thanks to this facility, approximately 289'000 tons of CO₂ emissions were avoided in 2014. A special feature of the plant is the aerodynamically optimised elevation system. This was jointly developed by Solventure AG and the University of Applied Sciences of North-West Switzerland in Windisch. The facility has a total of 794 modules covering an area of 1'300 m².

Power engineering and management of protected historical buildings

HIAG Immobilien's portfolio includes protected historical buildings in many places. Through the conversion and redevelopment of buildings, the use of invested grey building energy contributes to the preservation of historic buildings and their aesthetic vibrancy. This is the case for Spinnerei III at the Kunzareal site, which involved the conversion of 50 lofts in core-and-shell construction, while keeping the existing structure more or less unchanged. Practical energy solutions were found in the renovation of historically protected buildings. By renovating the energy of the building shell and replacing heating systems based exclusively on fossil fuels, the entire building and the individual apartments obtained GEAK® (building energy certificate of the Swiss cantons) energy efficiency in the category “B-B”. This energy efficiency corresponds to requirements that are placed on new buildings. Compared to the old building, this represents a five-category increase. The Spinnerei III site at Kunzareal obtains primary heating energy from ground water. Monitoring and maintenance of the necessary equipment is ensured through heat contracting.

Urban and architectural quality

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 ten 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 and expands site potential. For example, in 2014 an exploratory planning competition for the site of the former paper mill in Biberist and the “Vision Aathal” master plan were completed.

Residential projects also benefit from the consistent use of architecture competitions. Specific degrees of freedom can be identified and translated into quality living. At the Kunzareal, urban measures such as the design of parks and the opening of thoroughfares contribute significantly to the positive development of the quarter. In addition, as part of the

construction work, a flood protection project was implemented and protective embankments integrated into the environment to provide protection against a 300-year flood.

Personal and direct

HIAG Immobilien's clientele includes private and commercial tenants as well as condominium purchasers. During sales, value is placed on personal and direct service. Interested parties are looked after by the same contact person from the moment they express interest to the time they sign a contract and beyond. Condominiums are a life-long investment for private individuals, which is why buying decisions are well thought-out. HIAG Immobilien employees accompany this process during condominium sales, so that client needs can be quickly taken into account. Having a direct relationship with the owners also provides buyers with advantages after their purchase, such as the final warranty inspection. In addition, HIAG Immobilien remains invested in its locations, becoming the client's neighbour. This gives rise to trust-based dialogue with the client that is at the forefront of sales activities.

The sites are largely managed in collaboration with external service providers, which are mostly local and which implement our philosophy of personal tenant care. HIAG Immobilien's portfolio management fosters close and long-term relationships with industrial anchor tenants, which also hones our view of the "Swiss workplace". Company-specific requirements can be brought in line with multi-purpose products, such as in Kleindöttingen, where ABB Switzerland rents 11 multifunctional production halls. The supporting structure of the production halls was made of wood, contributing to the attractiveness of the workplace. Residential quarters are located in a green environment not far from the site on the banks of the Aare river. Our tenants' employees can take advantage of a short commute and good connections to public transport.

Locally-created value

If a suitable range of services is available, HIAG Immobilien tries to consider local businesses for site redevelopment. As part of the construction work for the Newport project in Kleindöttingen, contracts were awarded directly and within a radius of about 35 kilometres. In newly developed sites such as Kunzareal, HIAG Immobilien promotes selected quarter projects that are directly connected to the identity of the site. A theatre performance of the quarter association and an artfully staged exhibition on the textile history of the site were supported in 2014 and met with wide approval in the region.

2014 at a Glance



1

January

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The Cloud, a project featuring 99 condominiums, is undergoing construction on the outskirts of Baar (ZG). Resources and information on the project are available from its website, launched in January. ⁽¹⁾

2



February

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The sales phase of the Spinnerkönig project on Kunzareal in Windisch (AG) is officially launched. A total of 61 apartments with 2½ to 4½ rooms in a newly constructed building are available for rent. ⁽²⁾

/

The newly launched website for the Schönauf site in Wetzikon (ZH) provides an overview of the redevelopment of the former spinning mill located in the Zurich highlands, as well as information on the individual subprojects.

March

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HIAG Immobilien offers 30 first-semester students of Interior Design at Lucerne University the opportunity to create a loft in the historic Spinnerei III at the Kunzareal site in Windisch (AG). The results are exhibited at the Kunzareal site from 12 March 2014 and at the "Stilhaus" in Rothrist (AG) in May.

3



April

/

The building permit for the Feinspinnerei project at the Kunzareal site in Windisch (AG) is granted. A total of 29 condominiums, located directly along the Reuss river, are to be created and will be ready for occupation starting in 2017. ⁽³⁾

/

On 15 April HIAG Immobilien announces its plan to go public on the stock exchange.



4

May

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On 6 May 2014 the Leuchtturm site celebrates its grand opening with around 70 guests invited to participate in the event. Once the speeches are concluded, Marco Pezzatti, Mayor of Seegräben, and Felix Grisard, President of the Board of Directors of HIAG Immobilien, cut the red ribbon together. The tenants have now opened their businesses. (4)

/

Following restaurant Neue Spinnerei, retail shops Möbel Ferrari and Outlet Qualiposten, which were already serving patrons and customers, OTTO's and Bingo Shoes also open for business as of 7 May at the Leuchtturm site at Aathal-Seegräben (ZH).

/

On 16 May HIAG Immobilien sets the offer price for its IPO and is listed on the SIX Swiss Exchange.

/

On 24 and 25 May 2014, an exhibition of the results of the study "Vision 2033" is held at the former paper mill site in Biberist (SO). At the same time the newly launched website of the former paper mill site goes online offering information about the redevelopment, the location and the history of the site.

/

The website for the 75'000 m² Reichholdareal site goes online, offering up-to-date information and answering questions concerning the master plan.

/

Leading manufacturer and distributor of organic starches Blattmann Schweiz AG invests in the Wädenswil (ZH) site and signs a new rental agreement with HIAG Immobilien running until 2029. In doing so, Blattmann confirms its long-term occupancy of the production site.

5



June

/

The public participation phase for the master plan concerning the Reichholdareal is held from 2 June to 2 July 2014. On 10 and 17 June events are held in the municipalities to inform the public.

/

The new website for the Stegbünt project at the Kunzareal site in Windisch (AG) goes online, providing information on the building complex and its environs.

/

On 17 June 2014 the foundation stone for the new building project "The Cloud" is laid in Baar (ZG). The 99 condominiums, located to the north of Zug, are ready to be occupied starting in 2016. (5)

/

The Kunzareal site in Windisch (AG) opens its doors to the public on 21 June 2014. In addition to guided tours of the site and the Spinnerei III, Stegbünt and Spinnerkönig projects, entertainment is provided for young and old.

/

HIAG Immobilien acquires Cham Nord Immobilien AG on 25 June 2014. With this purchase, HIAG Immobilien takes over the 26'231 m² site formerly held by Cham Nord Immobilien AG, thereby becoming the sole land owner in the "Cham Nord" area, one of the largest building land reserves in central Switzerland.



6

July

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On 2 July 2014 the results of the "Vision Aathal" competition for the comprehensive and long-term redevelopment of the sites in Aathal are presented to the public at the Leuchtturm site (ZH). The designs submitted by six architectural firms foresee a redevelopment timeline of approximately 30 years. The project submitted by Knapkiewicz & Fickert is recommended unanimously by the jury for further development. (6)

August

/

The new website for the Mandach property in Niederhasli (ZH) goes online, providing information on the available rental spaces and on existing tenants. The site is located directly on the main road connecting Bülach and Regensdorf and only a few minutes from Zurich Airport. (7)

/

At the Schönauf site in Wetzikon (ZH) vacant office and commercial spaces are to be used for a limited interim period of at least two years starting in August 2014 by Projekt Interim. The existing leasing agreements on the site remain unchanged.



7

8



September

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Since the beginning of September 2014 Bigla AG has occupied over 300 m² of space at the Leuchtturm site in Aathal (ZH). Bigla provides innovative table and organisational systems, as well as comprehensive spatial designs for offices and other working areas.

/

The Kunzareal site in Windisch (AG) experiences a revival. The first 25 apartments of the Spinnerkönig project are occupied as of the beginning of September. At the same time, the first 20 lofts of the Spinnerei III project are handed over to their new owners for individual interior finishing. (8)

/

On 8 September 2014 HIAG Immobilien publishes its financial statement for the first half year of 2014, presented at 10 am the same day by Martin Durchschlag (CEO) and Laurent Spindler (CFO) in a webcast with conference call.

9



/ In September 2014, BL Fenster AG moves into the approximately 6'500 m² of commercial space on the 44'585 m² M+S site in Brugg. The company previously based in Veltheim manufactures PVC windows on the M+S site and employs around 25 people. (9)

/ In the context of their project work, master's degree students from the Swiss Federal Institute of technology (ETH) in Zurich, are assigned to work on a "real case" on the basis of the building excavation in Baar. The students, who are trained construction engineers, are working toward a master's degree specialising in geotechnical engineering. HIAG Immobilien provides the documents forming the foundation of the project and expert contact persons for consultation purposes. The project is headed up by Dr. Pierre Andre Mayor from the ETH's Institute for Geotechnical Engineering.

/ The Swiss Circle Briefing, held annually to prepare for the EXPO REAL international real estate trade fair in Munich, takes place at the beginning of September at the Leuchtturm site in Aathal (ZH). At the event, site developer Thorsten Eberle provides insights into the redevelopment of HIAG Immobilien's properties in the Zurich highlands.



10

October

/ On 2 October 2014 Martin Durchschlag (CEO) and Laurent Spindler (CFO) present HIAG Immobilien's business model, financial performance indicators and property redevelopment focal areas at the Investora conference in Zurich.

/ The acquisition of the approximately 130'000 m² Swissmetal site in Dornach (SO) allows HIAG Immobilien to take over a key redevelopment zone in the greater Basel area.

/ As of October the last three properties in the Spinnerkönig project surrounding the central square on the Kunzareal site in Windisch (AG) are occupied. The project encompasses a total of 61 apartments with 2½ to 4½ rooms.

/ In October HIAG Immobilien acquires Swissfiberinvest Menziken AG. The company owns former production halls belonging to Alu Menziken and an administrative building in Menziken (AG) with approximately 14'400 m² of usable space. A building permit for the construction of a data centre was granted at the end of June 2014.

/ Plans for the redevelopment of the Walzmühle site in Frauenfeld (TG) are presented to the tenants and residents of the area on 23 October 2014. At the same time the new website www.walzmuehle.ch is launched. (10)



11

November

/

On 20 November 2014 the Spinnerei III show loft at the Kunzareal site in Windisch (AG) is opened. The loft apartment was designed by Adrian Streich Architekten and decorated by interior designers Frei & Kepenek to provide inspiration for prospects and buyers looking into the interior decoration of a loft unit in core-and-shell construction. ⁽¹¹⁾

12



December

/

As of 1 December 2014, the space of the property on the Aigle site has been fully leased. The 1'500 m² area had been vacant since 31 December 2013. Galimentar Sàrl, a food distribution company, signed a ten-year rental contract with a renewal option.

/

The website for Project Feinspinnerei is now online, providing initial information on the 29 condominiums there.

/

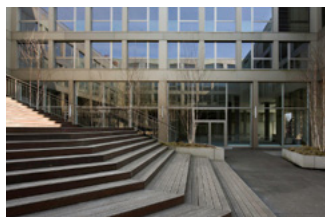
In December 2014 8'418 m² of property adjacent to the Meyrin site is acquired. In this context, HIAG Immobilien signed a long-term lease agreement with Hewlett-Packard International Sàrl for its EMEA headquarters at the Meyrin site (GE) in October 2014. This agreement will allow HIAG Immobilien to create an administrative building with 8'264 m² of usable space for Hewlett-Packard by the end of 2016. During the construction phase Hewlett-Packard will continue to occupy the existing building at the site. After the move to the new building at the beginning of 2017, the existing building is to be converted and leased to a number of new tenants. ⁽¹²⁾

/

Tesla Motors Switzerland GmbH, specialising in the distribution, sale and maintenance of electric vehicles, decides in favour of the Lorzenpark location in Cham (ZG) for its expansion and signs a lease agreement with HIAG Immobilien in December 2014. The 1'200 m² will be handed over to the tenant in the second quarter of 2015. ⁽¹³⁾

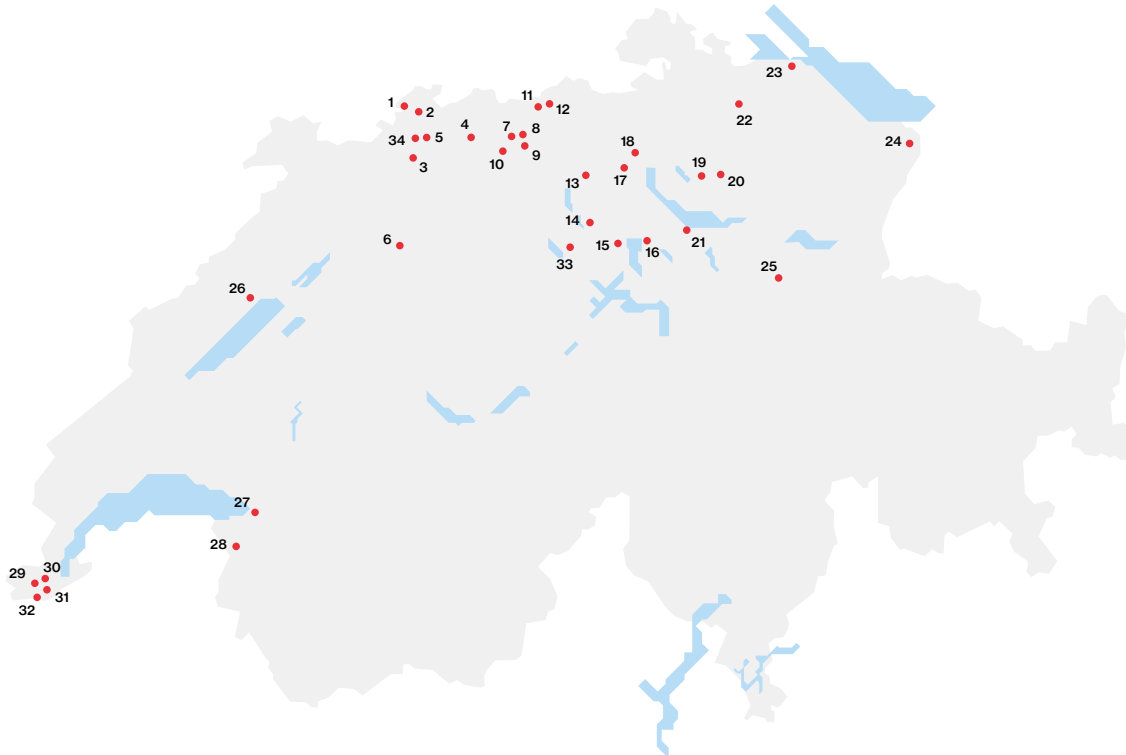
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On 18 December 2014 HIAG Immobilien signs a lease agreement with the Canton of Neuchâtel for office space (1'595 m²) and a warehouse and garage building (632 m²) starting from 1 January 2015, as well as for a 3'245 m² production hall starting from 1 July 2015.



13

Site Redevelopment Locations



1 Allschwil
2 Birsfelden
3 Aesch
4 Füllinsdorf
5 Gempen
6 Biberist
7 Brugg
8 Windisch
9 Hausen-Lupfig

10 Buchs
11 Kleindöttingen
12 Klingnau
13 Brunegg
14 Bremgarten
15 Cham
16 Baar
17 Dietikon
18 Niederhasli

19 Aathal
20 Wetzikon
21 Wädenswil
22 Frauenfeld
23 Ermatingen
24 St. Margrethen
25 Diesbach
26 Neuchâtel
27 Aigle

28 Saint-Maurice
29 Vernier
30 Meyrin
31 Carouge
32 Lancy
33 Menziken
34 Dornach

Project Pipeline

	2014	2015	2016	2017	2018
completed projects in 2014					
Aathal, Neue Spinnerei/commercial 5'372 m ²					
Windisch, Spinnerei III/residential, 50 lofts, 8'324 m ²					
Windisch, Spinnerkönig/residential, 61 rental units, 5'317 m ²					
under construction					
Baar, The Cloud		residential, 99 condos			
upcoming (3-year horizon)					
Biberist, HRL*		commercial			
Menziken phase 1*		commercial			
Brugg, administrative building*		commercial			
Neuchâtel		commercial			
Bremgarten*		commercial			
Niederhasli new building phase 1		commercial			
Meyrin, Headquarter HP		office			
Windisch, Feinspinnerei		residential, 29 condos			
Windisch, Heinrich*		commercial			
Wetzikon, Schönaue Mitte*		residential			
Frauenfeld, Walzmühle phase 1*		residential & commercial			
Frauenfeld, Walzmühle phase 2*		residential & commercial			
Cham Nord, phase 1		residential & commercial, approx. 30 condos			
other/long-term					
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Dornach Site

Gateway to the Basel Economic Catchment Area

In 2014 HIAG Immobilien expanded its portfolio to include the industrial site in Dornach (SO), a key redevelopment zone for the greater Basel area.

Located just outside of Basel is the 130'000 m² site that HIAG Immobilien acquired from Weidenareal Metall AG. Once the contractually intended conditions of execution were met, the property was transferred on 12 January 2015. The location's industrial roots date all the way back to the founding of the company Metallwerke AG in 1895. Even today the Dornach site is synonymous with metalworking. Baoshida Swissmetal AG, a tenant of HIAG Immobilien,

develops, manufactures and distributes copper products on the site. For HIAG Immobilien the company is a potential long-term anchor tenant. The site could also be developed for additional uses farther into the future as illustrated by the "Birsbogen" master plan, which was drawn up over the last several years in the context of the sale of the property and provides for the possible conversion of the site to create a mixed use quarter. In this context, larger-scale property development issues, were examined and taken into account such as making the site accessible for private motor vehicles via the motorway feeder H18 and connecting it to the public transport network via the suburban train station "Apfelsee".



Based on this master plan, the municipality, in coordination with the canton, developed partial regional planning guidelines, which provide for a rezoning of this area to allow for residential and commercial uses. On 28 September 2014 the people of Dornach voted to approve the regional planning guidelines, thereby paving the way for rezoning. In the next step, a design plan is to be drawn up, which will specify and ensure the site's future use. According to Michele Muccioli, HIAG Immobilien site developer: "The master plan and the approval of the resulting regional guidelines will allow for the creation of modern infrastructure enabling a high-quality mixture of living and working spaces. The unique location and the dynamic environment in the economic catchment area of Basel form an excellent basis for the redevelopment of the site."

Sustainability at the Dornach site:

Three questions for HIAG Immobilien site developer Michele Muccioli:

1. What does sustainable development mean in the context of the Dornach site?

We took on the site in January 2015 and are still at the very beginning of redevelopment. But I think that the site already offers a solid basis for sustainable development. The partial regional guideline adopted by the voters set the course for re-zoning, creating mixed use composed of apartments and work space. It will do justice to the site, with its attractive location in front of the gates of Basel. Its accessibility is to be consolidated and adapted to the future use. In addition, contaminated sites can be cleaned up or made non-hazardous through the redevelopment.

2. A large user is active at the site. What role does this user play in the long-term?

Baoshida Swissmetal is a potential anchor tenant for us in the long-term. We have begun talks with the tenant and are examining in what way and to what extent the current use can also be integrated in the restructuring. One thing is for sure: through its current use, the site is alive today and is "animated" in certain ways. It has clear added value compared to waste land. This allows us to take on the redevelopment with the necessary calm and care.

3. What will the redevelopment mean for the region?

The mixed use should open the site up and make it accessible to the local population and therefore also facilitate access to the recreational area along the Birs river. The planned suburban railway station "Apfelsee" and the H18 highway access will tie the site and also the adjacent quarters more closely in with the region. Optimal accessibility offers additional possibilities with regard to transport, mobility and use. It is therefore important that the needs of the canton and municipality are taken into account early on in the redevelopment.

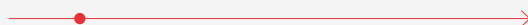
Dornach Site



Total surface area: Approx. 130'000 m²

Project status:

Acquisition Planning Realisation Completion



Site developer: Michele Muccioli

www.birsbogen.ch

Cham Site



Urban Density Brought Down to Earth

The Cham Nord site, measuring 46'282 m², is located on the northern outskirts of the city of Cham. Since its acquisition of an adjacent property in June 2014, HIAG Immobilien has been the sole owner of the building land reserve. Back in 2012 a competition was held to create the urban planning underpinnings for redeveloping the future quarter.

In 2012 HIAG Immobilien and the then owner of the adjacent property, Seewarte Holding AG, commissioned a competition to examine the redevelopment options for the Cham Nord area. From the very beginning, the joint focus was to think beyond the boundaries of the land parcels in order to better tap into the potential afforded by the site as a whole. In the meantime HIAG Immobilien was able to acquire the adjacent 26'231 m² area, thereby becoming the sole property owner of one of the key building land reserves in central Switzerland. The acquisition will enable the single-source redevelopment of the entire area and help unlock potential for synergy. This constellation also dovetails with the objective of the competition: developing a

holistic urban planning vision that would give the new quarter an identity of its very own.

Study results form the basis for sales

Five architectural firms were invited to participate in the competition, which provided them with an exciting challenge for their urban planning vision. The Cham Nord site is situated in a residential and working zone between the city centre of Cham and the Knonaurstrasse section of the A4 motorway, which is to accommodate the Cham-Hünenberg bypass planned for 2019. However, even today the southern outskirts of Zurich are only 20 minutes away by car.

In the future the motorway exit will be connected directly to the property, making the site a veritable "gateway to Cham". The slightly sloping topography down to the Lorze river is a key feature of the location, as is the current industrial character of the neighbouring sites, some of which are undergoing rezoning. The architectural firms submitted their competition contributions incorporating these elements.

Sustainability at the Cham site:

The development process was undertaken in close collaboration with the municipality and the adjacent owner, from which HIAG Immobilien was able to acquire the area in 2014. The urban studies emphasise the design of open areas, particularly the boulevard and residential alleys. High design quality and compact buildings give the new quarter identifiable spatial unity. The boulevard is the starting point for the new quarter and the social and spatial development. Collaboration with energy consultants took place during the study phase. Integration into the Cham local heating network, which is under construction, is currently being studied. Open areas, roads and buildings are ecologically tied in with the quarter and the greater surroundings and create an environmental balance.

The entries were judged according to a number of factors such as urban landscape integration, quality of exterior and open spaces, architectural quality, usage mix and spatial composition, energy efficiency and profitability. At a subsequent interview, the participating firms received feedback from the jury, which was made up of external and in-house experts and municipal representatives. The final results incorporated the pre-defined competition objectives, demonstrating how a broad mix of uses could be blended to create an independent identity for the new quarter. For example, the use of the ground-level floors of buildings and their spatial relationship to the yet-to-be-developed central square and the streetscapes are geared towards establishing the public character of the quarter. The results of the competition have also laid the groundwork for sales activities.

First step on the horizon

The architectural firm Züst Gübeli Gambetti Architekten from Zurich was chosen as the winner of the competition. Its design provides for a timeline of five to ten years for realising the creation of 200 apartments and a 25'000 m² office and commercial space. A mixed quarter for living and working spaces together with the existing building "Lorzenpark" is to be developed as a result. The existing building will see the addition of two new structures, which will be connected by way of a centrally located promenade. The high density inherent in the design provides the necessary framework for

ensuring a quarter that is full of life, while at the same time allowing for peace and quiet along the adjacent nature conservation area. In the design, the central feature on the site will be a 60 metre tall building that "will contribute to the creation of a unique skyline for the quarter and bring urban density back down to earth," says HIAG Immobilien's site developer Lukas Fehr. But before the overall project can be realised, the current design plan must first be adapted; however, the initial development stage is ready to be implemented within the context of the prevailing building code.

Over the next several years, approximately 60 apartments and well as several commercial and retail spaces could potentially be created. Parallel to that, anchor tenants for the high rise and the commercial spaces are to be identified. Yet another project in the context of the initial development stage has already been outlined: the Horbach day school is planning to set up a weekly boarding school and a day school at the site. The school has already held its own architectural competition for this purpose.

On the basis of the competition results, HIAG Immobilien is working together with the municipality of Cham to transform the site into a quarter that is harmoniously embedded in the environment.

Cham Site



Redevelopment timeline:	5–10 years
Office and commercial space:	Approx. 25'000 m ²
Apartments:	200
Project status:	
<div><div>Acquisition</div><div>Planning</div><div>Realisation</div><div>Completion</div></div>	
Site developer:	Lukas Fehr

Meyrin Site

A Technology Centre in Geneva

At the end of October 2013, HIAG Immobilien purchased the 34'547 m² site in Meyrin (canton of Geneva), and in December 2014, another 8'418 m² of directly adjacent land was acquired. Along with this purchase, Hewlett-Packard has also been secured as a long-term tenant.

The industrial park of Meyrin, with 22'431 residents the fourth largest city in the canton of Geneva, has been home to the head office of Hewlett-Packard as well as its office, research and development sites since 1982. The three-storey, modern-looking building with a building core that is brightly lit thanks to its glass ceiling has 9'654 m² of usable space. On 31 October 2013, HIAG Immobilien acquired the site with a total surface area of 34'547 m². The site is located north of the Rhone and about seven kilometres away from the city centre of Geneva.

The next development stage for the Meyrin site was confirmed in 2014. In September 2014, HIAG Immobilien's development project was awarded a contract following a call for tenders for Hewlett-Packard's new head office for the Europe, Middle East and Africa (EMEA) regions. In this context, HIAG Immobilien also acquired the area adjacent to the site purchased in 2013. The completion of the new building is planned for the end of 2016. HP will move from the existing building at that time. The new rental agreement was signed for 10 and 15 years, respectively. The new building for Hewlett-Packard's EMEA head office, with prominent neighbours such as Audemars Piguet, Richemont Campus, Chopard and the European Organization for Nuclear Research (CERN), will fit in perfectly at the site. The total surface area of the site allows for gradual development of over 58'000 m² of gross floor area based on a general model and FTI (Fondation des Terrains Industriels) guidelines.

The Meyrin site is also very attractive to companies in terms of accessibility: the train and bus stations are within a five-minute walking distance and Geneva International Airport is just four kilometres away. The centre of Geneva can be reached by car in about 15 minutes and 460 parking spaces are currently available at the site for visitors and commuters.

Sustainability at the Meyrin site:

The Fondation des Terrains Industriels (FTI) and HIAG Immobilien share an interest in attracting technology companies to the Meyrin site. In order to exploit the potential of the site to the full in the future, the FTI, the city of Meyrin, the canton of Geneva and external specialists worked as a team from the start of planning. The FTI's requirements include sustainability criteria with regard to the environment, urbanisation and mobility, among other things. The gradual redevelopment of the total surface area of the site, which includes over 58'000 m² of gross floor space, is now possible in accordance with the provisions of the FTI. It is intended for companies with high added value. The long-term contract with Hewlett-Packard, a renowned technology company, confirms the strategic vision of HIAG Immobilien for the site and will help make Meyrin a quality site in the future as well.



Meyrin Site



Total surface area: Approx. 49'965 m²

Gross floor area to be developed (total): Approx. 58'000 m²

Construction of new building: 2015/2016

Project status:

Acquisition **Planning** Realisation Completion

Site developer: Yves Perrin

Temporary Use of Schönauf

A Taste of Italy in the Zurich Highlands

The historic rooms at the Schönauf site in the Zurich Highlands have been used for a limited two-year interim period starting 2014. HIAG Immobilien entrusted the site to the company Projekt Interim, which temporarily rents out cost-efficient floor space. Among the interim users of the old Schönauf factory is a culinary attraction.

In the summer of 2013, residents of Wetzikon, who call themselves “homesick Italians”, founded the cultural association “La Famiglia – Associazione Culturale Schönauf” in the Zurich highlands. The objective of the association is to promote Italian culture, and particularly Italian cuisine. Since the autumn of 2013, this mission

has been carried out at the former Schönauf factory. Through this temporary culinary use, life has returned to the premises, which were most recently used as a print shop. The site has been newly decorated, and various events take place at irregular intervals. These events mainly include so-called “tavolatas”, during which everything revolves around traditional Italian food, wine and conviviality. Anyone who can get hold of a spot at these well-loved events can expect an enjoyable break in beautiful Italy. The historic charm and idyllic environment create a perfect setting for the festive atmosphere. The first meeting and “tavolata” of the association took place in the autumn of 2013. After a short hiatus in the summer, a new series of culinary events started in the autumn of 2014.



Sustainability at the Schönauf site:

- In collaboration with Projekt Interim, associations or start-ups can use a total of 900 m² on a lend-to-use basis. In this way, the Schönauf site remains a vibrant place even during the phase before the beginning of renovation.
- A preliminary agreement has been signed with the “Sunnige Hof” housing cooperative to take possession of the fully renovated property. Public utility apartments would therefore be guaranteed in the long term for the Schönauf site.
- The protected historical buildings of Schönauf will be gently renovated. The planning was carried out in close collaboration with the historic preservation office. An architectural competition was conducted for the former spinning mill with a high quality pool of participants. The results were then presented to the public.

Infobox Projekt Interim:

Projekt Interim structures, organises and manages interim use of commercial and residential properties, stores and entire sites. The company's focus is on properties throughout Switzerland that are available before conversion, renovation or demolition or that temporarily cannot be rented. Vacancies are flexibly bridged until the exact time when the property can be used permanently again.



In addition to the association “La Famiglia”, other associations, temporary gastronomy projects, start-ups and non-profit organisations can use a total of 900 m² office and commercial space cost-efficiently through Projekt Interim on a lend-to-use basis until the start of renovation work, which will take place in the summer of 2016 at the earliest. Other users have already invested in the Schönauf site; for example, the association Abri, which organises discovery days and dog training sessions for children, adolescents and families. In support of Abri, a “scout lodge” was made available free of charge. Maintenance and incidental costs are covered by the temporary use, and the Schönauf site remains a lively and versatile place during the phase preceding conversion work.

Schönauf



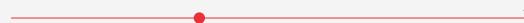
Total surface area: Approx. 48'000 m²

Effective area to be developed: Approx. 16'000 m²

Interim phase: 2014 until presumably summer of 2016

Project status:

Acquisition Planning Realisation Completion



Site developer: Lukas Fehr

www.schoenau-wetzikon.ch

Kunzareal



A Quarter with Identity

The Kunzareal site in Windisch (canton of Aargau) is well into its development. In the last five years, a vibrant and mixed quarter of 47'000 m² has been created, bringing the industrial heritage to life.

The development of the Kunzareal site in Windisch transformed the former spinning mill into an open quarter. The overall landscape of the site today has visibly changed since the start of redevelopment by HIAG Immobilien in 2009. Anyone going from the Brugg train station to Unterwindisch by bus can momentarily view the full extent of the Kunzareal site from a hill halfway there. The Reuss and Aare rivers make up the perimeter. The flags of the Swiss Army Recruitment Centre on the northern side of the site greet 9'500 men and women every year for two-day recruitment sessions.

All other residents, visitors and workers are welcomed to the Kunzareal site by the landmark Kunzareal sign at the business park building, which can be recognised from afar. Completed in 2014, Spinnerei III shines at the centre of the site with 50 lofts and a new look. The west-east axis was blocked back in the days when the site was still under industrial use. It was reopened by HIAG Immobilien only in 2012. Today, the thoroughfare in the eastern part of the site leads to the Stegbünt and Spinnererkönig housing developments and to the adjacent lodging houses. The 29 planned condominiums of Feinspinnerei are located in the south, bringing the site to a close at the Reuss river.

Growing quarter structures

The central square, which was created instead of another building, is a meeting space enabling mutual exchange among the residents. In addition, the so-called Diesellokal ("Machine Room") with its historic rooms and two decommissioned diesel engines is used for cultural events. A number of exhibitions and art performances have already taken place there and attracted many visitors to the site. With their architecture and selected materials, the buildings make reference to the industrial heritage of the site. Raw concrete, authentic façades and details such as historic cobblestones, which were reused in the forecourt to the building after the conversion work, create flair and bring the industrial heritage to life. In addition, the signage installed on the outer façades of the individual buildings in 2013 has been harmoniously integrated and makes it easier for visitors to find their way around the site. The Feinspinnerei site, where the 29 condominiums are expected to be completed by 2017, will also benefit from the developing quarter structures and returning activities.



Sustainability at the Kunzareal:

- Renewable energy sources are used at the Kunzareal site. In 2014, one of the largest photovoltaic facilities in the Windisch-Brugg region generated over 204'000 kWh with a module surface area of 1'300 m². Thanks to this facility, approximately 289 tons of CO₂ emissions have been avoided. The hydroelectric plant at the site is operated by Axpo and produces approximately 10 million kWh of electricity annually. The heating energy for the entire Kunzareal site is generated from ground water using a district heating network and a heat pump.

- The site is connected to public transport via a bus stop on the north side of Spinnerei III. A Mobility vehicle has been stationed at the business park.

- A flood protection project was implemented in coordination with cantonal authorities. Protective embankments were integrated into the surrounding landscape design to provide protection against a 300-year flood threat.

- Urban measures such as the opening of the east-west axis and the design of parks with playgrounds for children contribute to the positive development of the quarter.

- HIAG Immobilien promotes selected projects that have a connection to the identity and history of the site. In the last two years, it has supported art exhibitions and a theatre production. The historic Diesellokal ("Machine Room") serves as a cultural meeting point for the quarter.





An office location at the reservoir

Kunzareal has become a home for service providers and companies. Tenants of the business park make use of the infrastructure at the approximately 2'500 m² site and sometimes also take advantage of the proximity of nature: in the summer, jogging along the Reuss river during lunchtime is an enjoyable counterweight to everyday business life. The proximity to Zurich and Basel make the reservoir an attractive place to work. The bus shuttles back and forth to the nearby train station regularly. In order to provide environmentally-friendly mobility that goes beyond the very good bus and train connections, a mobility vehicle has been based here. This also benefits the tenants of the other approximately 300 m² of converted office space in the electrical station. A total of 200 people are expected to do business at the Kunzareal site one day and 500 people will live there. Many of them already live or work at the site. Today, people are already breathing life into a quarter where cotton was once transformed into thread, and providing urban flair in natural surroundings.

Renewable energy sources

Renewable energy sources supply the electricity and heating at the Kunzareal site. The recruitment centre, for example, helps produce electricity: a total of 794 modules on the roof of the building have been producing about 195'000 kWh since 2012. The solar cells, with their shimmering blue surface, can generate electricity for about 50 households. The photovoltaic panels are virtually invisible from the surrounding buildings thanks to a support system developed by Solventure AG and the University of Applied Sciences of North-West Switzerland. Additional energy is also supplied by the ground: the primary heating energy for the Kunzareal site is generated from ground water using a heat pump. As it was in the time of the spinning mill, hydraulic power from the rivers is used to produce energy: Axpo operates a hydroelectric power station that generates 10 million kWh annually. Yet the location near the water is both an opportunity and a challenge. The proximity of the Reuss river created a need for embankments, which were integrated into the environment and provide protection against a potential 300-year flood threat.

Kunzareal



Total surface area:	Approx. 47'000 m ²
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Office space:	Approx. 2'800 m ²
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Number of planned apartments:	29
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Number of built apartments:	174
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Photovoltaic facility:	195'000 kWh/year, maximum output of 200 kW peak
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Site developer:	Alex Römer
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www.kunzareal.ch

Kunzareal Spinnerkönig Project

Legacy of the “Spinner King”

When people talked about the industrial magnate Heinrich Kunz 150 years ago, it was not rare for him to be referred to as the “Spinner King”. This “title” is rightly his, based on the 19th-century textile empire he built. Now, with a silent wink, the new construction project in the eastern part of the Kunzareal site has inherited a legacy: the royal reference reigns over that part of the site as a proud project name.

Live like modern royalty – the Spinnerkönig project provides a total of 61 modern rental units with 2½ to 4½ rooms, offering their future residents a home that brings together urban living and nature. The three buildings of the project are located on the north and east sides of the leafy and lively central square, which will be a meeting place for the entire quarter. The ground floor apartments each have a private garden. The apartments on the upper floors, on the other hand, have a balcony or parapet terrace as an outside area. hls Architekts wanted the architectural design to clearly connect the site to its history. Raw concrete beams as elements of style, for example, are reminiscent of the industrial era of the site and the former warehouses, which were dismantled in favour of the new construction.



Energy opportunities offered by a new construction were seized: the residence was built to Minergie construction standards and certified accordingly. The tenants can therefore take advantage of low heating costs. All the apartments have individually adjustable floor heating. Heat is generated by an IBB geothermal heat pump and an indoor air-source heat pump. A controlled ventilation system with fresh air supplies provides a healthy home. High-quality materials were selected for the finishing work to create a modern and pleasant living ambience. Exposed concrete ceilings and oak parquet flooring create an impressive setting. Parking spaces with direct access to the building, bike racks and basement storage round off the facilities at the Spinnerkönig site. In the autumn of 2014, the first apartments were filled with life as the new tenants moved in. A show apartment was set up during the sales process, allowing interested parties to get a first impression of the “royal” living spaces.



Spinnerkönig Project

Number of apartments:	61 rental units
Construction:	2013–2014
Delivery:	Autumn 2014
Project status:	
<div>Acquisition Planning Realisation Completion</div> <div><div></div></div>	
Site developer:	Alex Römer
Marketing:	Primus Property AG
www.spinnerkoenig.ch	

Sustainability at the Spinnerkönig project:

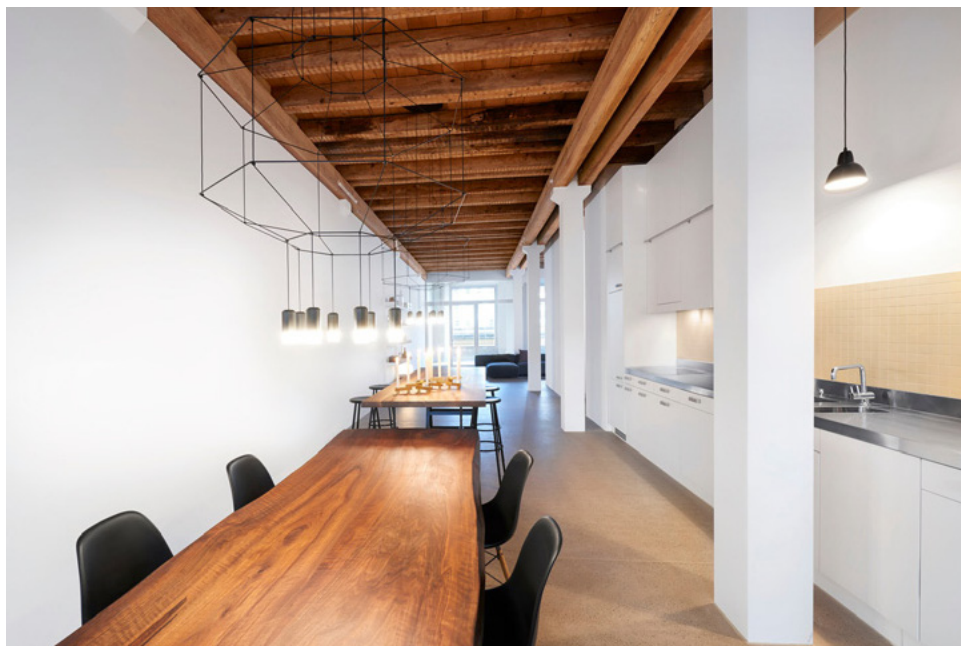
- The Spinnerkönig buildings are Minergie certified.

Kunzareal Spinnerei III Project

Modern Living with Industrial Flair

Spinnerei III was built alongside the river Reuss in 1864. The factory building contained many spinning machines at the time, which spun cotton into thread. Today, the building is protected as a local historic landmark and shines in new splendour.

The new loft residents are now enjoying the historic charm of Spinnerei III, which was converted over the last two years according to a design concept by Adrian Streich Architekten from Zurich. Through stripping down to its basic structure, the original effect of the imposing five-storey block as a solitary building was restored and the façade plastered with limestone according to historical records. Now, the building at the centre of the site has been given a new look. Despite the old fabric of the building, practical energy solutions were found: the walls, up to one metre thick, act as a natural energy reserve both in winter and summer. Along with double and triple glazing and interior insulation, very good energy efficiency was therefore achieved.





Sustainability at the Spinnerei III project:

- The historic buildings of Spinnerei III were renovated in compliance with rules for the preservation of historic buildings. A category B GEAK certification (building energy certificate of the Swiss cantons) could therefore be obtained, which represents a five-category increase compared to the old building.
- The grey energy already invested in the original Spinneri III building will not be expended again due to the extensive preservation of the building, so no “ecological debt” will be incurred. The grey energy of the Spinnerei III building's shell amounts to 10'800'000 kWh, which would be enough to heat the renovated building for about 150 years. This shows that the preservation of historic buildings can also be worthwhile from an environmental point of view.

Since September 2014, the interiors have gradually been taking shape, as the first 24 of a total of 50 lofts were handed over to the new owners for individual finishing. The lofts, with ceilings up to four metres high, will be handed over in core-and-shell construction, giving buyers a considerable degree of design freedom. There were no fully defined floor plans or built-in components. Site developer Alex Römer of HIAG Immobilien is convinced that “every wall we divided the loft with would have been in the wrong place by definition. The decision to sell the lofts in core-and-shell construction was therefore obvious.” The finishing work requires considerable individual skill – or an architectural firm's know-how. HIAG Immobilien coordinates all on-site activities to ensure that the finishing of the lofts runs smoothly. As an inspiration for buyers and interested parties, a total of three show lofts were set up, which could not be more different: with lofts for singles, couples or

families, all the variations of utilisation have been implemented. A show loft by Adrian Streich Architekten, which was opened in the presence of buyers, experts and the specialised press, set the tone. The furnishing and home staging concept came from the design studio Frei & Kepenek, making contemporary living in an industrial building from 1864 an impressively vibrant reality. High-quality designer furniture, such as a wingback chair by Fritz Hansen or a Vitra dining table, were stylish accents contributing to a sophisticated atmosphere that suited the loft. The other two show lofts were set up by December 2014. There should be no lack of ideas for buyers, some of whom have already started to implement their own ideas for their homes.

Cooperation with Lucerne University

HIAG Immobilien set up a collaboration project with Lucerne University's Bachelor of Arts degree programme in Interior Design for the Kunzareal site in Windisch (Aargau). Students had the opportunity to design a loft in the historic Spinnerei III building. Twenty-eight different concepts for a loft were created, displaying a wide variety of design ideas. The finished projects were on public display in the summer of 2014 and also served as an inspiration to potential buyers. The exhibition was covered in multiple media. In addition, this collaboration resulted in a book that was jointly compiled and given out to buyers and interested parties as part of the sales effort.

Spinnerei III Project

Number of apartments:	50 lofts in core-and-shell construction
Construction:	2012–2014
Handover to buyers for finishing:	2014/2015
Project status:	
<div>Acquisition Planning Realisation Completion</div> <div><div></div><div></div><div></div><div></div></div>	
Site developer:	Alex Römer
Sales:	Jacqueline Wechsler
www.spinnerei-drei.ch	



Kunzareal Feinspinnerei Project

Apartments with a View Over the Water

Twenty-nine condominiums are planned south of the Kunzareal site in Windisch (AG), located directly at the bend of the river Reuss. In April 2014, the building permit for the project was granted. Future residents will enjoy an extraordinary view of the outdoors and a location within a quarter that will be largely developed by the time of its delivery.

Sustainability at the Feinspinnerei project:

- The building is planned as a Minergie-certified building.

As early as 2013, a design competition took place for the last area left to be developed at the Kunzareal site. A total of four architecture firms were invited to submit proposals for a building structure with condominium apartments and its integration in a high-quality environment. The one-stage competition was won by LGZ Liechti Graf Zumsteg Architekten from Brugg, offering a local presence, along with Osterhage Riesen Architekten GmbH from Zurich. The jury, which was composed of external and in-house members, recommended their project for further development. The project plans for 29 condominiums, from an urban development standpoint also providing the perfect finishing touch to the overall development of the Kunzareal site towards the spinnery canal.





The building's integration into the central square that lies to the north, its access via a main entrance as well as a semi-public entrance hall convey its representative function. A special effort has been made to ensure privacy: apartments on upper floors have been developed with two staircases, therefore avoiding too many apartment units sharing the same service shaft. The Feinspinnerei housing offer differs from the types of apartments that are already available at the site: generously-sized living and dining areas with southern-facing outer areas located directly in front, as well as walk-in closets that separate day and night areas, provide especially high-quality living.

As the other residential projects Stegbünt, Spinnerei III and Spinnerkönig will be delivered by 2014/2015, the Feinspinnerei part is the final development phase of the Kunzareal site. With the delivery of the apartments planned for 2017, the transformation of a former textile industrial site into a living and working quarter is drawing to a close.

Feinspinnerei Project

Number of apartments: 29 condominiums

Construction: 2015 – 2017

Delivery: 2017

Project status:

Acquisition Planning **Realisation** Completion

Site developer: Alex Römer

Sales: Karin Fischli

www.feinspinnerei.ch

Kunzareal

Interview Feinspinnerei Project



Interview with Liechti Graf Zumsteg Architekten and Osterhage Riesen Architekten

Liechti Graf Zumsteg Architekten and Osterhage Riesen Architekten came together in a working partnership for the Feinspinnerei project and together won the design competition. In this interview, Lukas Zumsteg and Jan Osterhagen clarify their architectural vision for the project and explain why Milan was an inspiration to them.

Your architectural firms joined forces for the Feinspinnerei project. How did this happen and what did it mean for your work?

Jan Osterhage: We had contacts with the organiser of the competition. As a relatively young architectural firm from Zurich, we were advised to consider a collaboration with an experienced local partner and thus came into contact with LGZ Architekten. Cooperation is profitable for the quality of architecture, but involves more effort and redundancies overall. In practice, it means that there are in-house project sessions and additional meetings with both offices. We were aware of that beforehand. Still, we did not divide up the work into project phases. Instead, we wanted to cooperate from start to finish.

Lukas Zumsteg: We afforded ourselves the luxury of inter-office collaboration on the project. These discussions were very interesting. Various opinions and views were shared, which was enriching.

Originally, a transformation of the existing structure had been planned, but in the end you decided in favour of a new building. How do you evaluate this decision today?

Lukas Zumsteg: The conversion turned out to be somewhat of an overload due to the additional floors, though the structure was very interesting. The challenge of the new construction was to transform the industrial character into a new building and create a new place that is harmonious. How do you pull off making the body of the building a natural part of the site?

Jan Osterhage: We liked the idea of the conversion project as well. With a predetermined structure, achieving optimal results is challenging, but at the same time there are also limitations. The new building gives us more freedom.

What appeals to you as architects in the Feinspinnerei project?

Jan Osterhage: It isn't every day that a project is such a part of the topography. On the one hand, there is the connection with the former industrial site, and, on the other, there is pure nature. Our plan was based on this opposition. The Feinspinnerei site has an exclusive location that was also reflected in the particular standards of living of the apartments.

Lukas Zumsteg: I always find it interesting to transform industrial sites into new spaces. We have already been able to work a little on the twin buildings at the site. The Kunzareal site is known for the natural charm of its scenery. The location at the bend in the river is rather special.

What influence does this location have on the architecture?

Lukas Zumsteg: One side of the building faces the quarter, with its historic industrial character, and one side faces the river bend – these two sides are not the same. This gave rise to a spatial structure in which the pattern of the rear side extends through an orthogonal system into the site, but the structure in front of the river bend fans out and the scenic component plays a part in the plan. This creates tension in the ground plan between both sides: on one side, the intimate and orthogonal rooms, and on the other, the fanning out at oblique angles, directed towards the river.

Jan Osterhage: With regard to the industrial buildings, we not only included orthogonality on the north side of the building, but we also created a grid in the façade structure. For this, an element size was defined in the design process, which in turn impacted the inner walls.

The Feinspinnerei site brings together three types of apartments – what did you have to be mindful of?

Jan Osterhage: We have diameter-type apartments, corner-type apartments and smaller apartments. It was important for the quality of all types of apartments to be equally high. This was achieved through the use of corner situations, for example. That way, the deeper apartments receive light from various directions. The smaller apartments get this quality from balconies, also creating corner situations. In our opinion, this is essential for light exposure and a feeling of space.

Lukas Zumsteg: The corner situation projects the apartments diagonally into the empty space, instead of frontally onto the neighbouring building.

What type of buyer are the apartments aimed at?

Lukas Zumsteg: The buyer profile was very clearly laid out by HIAG Immobilien. Each of the apartments is aimed at buyers who appreciate high-quality design as well as both urban and natural scenery. The apartment sizes provide space for all ways of life. In particular, residents can turn to the north side towards the site itself, and find peace and quiet in contemplating nature on the south side. The future residents will appreciate high-quality materials such as raw concrete, which is reminiscent of the industrial times, or classy travertine on the floors. The premium craftsmanship will please all potential buyers.

Did you use references for this project?

Lukas Zumsteg: We took a trip to Milan as a team. The buildings and shapes, mainly those from the 1960s, were an inspiration.

Jan Osterhage: What's interesting about Milan's buildings is that their concept is often very modern and up-to-date, but their floor plans are largely traditional. We therefore included this timeless mix in the Feinspinnerei site.

The architects

Lukas Zumsteg is the co-owner of Liechti Graf Zumsteg. Together with Peggy Liechti and Andreas Graf and their 15 to 20 employees, he designs and develops public, service and residential buildings. Lukas Zumsteg also regularly participates in architecture competitions as a jury member.

Jan Osterhage founded the architectural office Osterhage Riesen Architekten along with Philipp Riesen after several years of professional experience. They design public and private buildings with six staff members. Having spent a year abroad during their studies at the Berlin University of the Arts, both graduated in 2003 from Zurich University in Winterthur.

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2014

Annual Report
Financial Report



Online Version



Annual Report (pdf)



Short Version

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.

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Consolidated Financial Statements

Consolidated Balance Sheet

in TCHF		31.12.2014	31.12.2013
Cash and cash equivalents		62'155	18'967
Securities		–	6
Trade receivables	1	568	2'141
Receivables from related parties/shareholders		507	126
Other current receivables	2	6'701	5'711
Properties for sale	3	102'375	94'228
Prepayments and accrued income		2'306	463
Current assets		174'612	121'642
Real estate properties	3	1'048'729	971'038
Other property, plant and equipment	4	2'253	2'842
Intangible fixed assets	4	20	33
Financial assets	5.1	1'308	217
Financial assets from related parties/from shareholders	5.2	15'631	15'862
Non-current assets		1'067'941	989'992
Total assets		1'242'553	1'111'634

in TCHF		31.12.2014	31.12.2013
Current financial liabilities	8	11'272	40'312
Trade payables		1'979	4'845
Other current liabilities	6	7'403	18'111
Current provisions	7	83	935
Tax liabilities		819	2'897
Accrued liabilities and deferred income		4'778	7'884
Current liabilities		26'334	74'984
Non-current financial liabilities	8	476'488	467'361
Other non-current liabilities		4'750	4'750
Non-current provisions	7	2'469	11'494
Deferred taxes	9	56'938	49'764
Non-current liabilities		540'645	533'369
Total liabilities		566'979	608'353
Share capital		8'000	7'000
Capital reserves		132'195	53'311
Treasury shares	25	-	-44'240
Retained earnings		535'379	487'210
Shareholders' equity	23	675'574	503'281
Total liabilities and shareholders' equity		1'242'553	1'111'634

Consolidated Income Statement

in TCHF		2014	2013
Property income	11	48'669	43'528
Revaluation of properties (net)	13	28'701	58'275
Other operating income	12	1'569	2'108
Total operating income		78'939	103'911
Personnel expenses	10, 14	-6'419	-5'125
Maintenance and repairs		-3'183	-2'162
Insurance and fees		-1'027	-1'126
Energy costs and building maintenance	15	-2'533	-2'445
General operating expenses		-842	-1'070
Office and administrative expenses	16	-3'686	-3'889
Marketing and selling expenses		-642	-487
Rent and leases	17	-1'289	-993
Total operating expenses		-19'621	-17'297
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		59'318	86'614
Amortisation		-624	-641
Earnings before interest and taxes (EBIT)		58'694	85'973
Financial income	18	370	69
Financial expenses	¹ , 20	-7'224	-5'184
Earnings before taxes (EBT)		51'841	80'859
Taxes	21	-2'955	-2'948
Net income for the period		48'886	77'911
Undiluted earnings per share (in CHF)	² , 23	6.64	11.28
Diluted earnings per share (in CHF)	² , 23	6.64	11.28

1 thereof CHF 1'532 thousand listing costs

2 The share split of 1 to 10 ahead of the IPO was also taken into account for calculating the earnings per share in 2013 for reasons of comparability.

Consolidated Cash-Flow Statement

in TCHF	2014	2013
Net income for the period	48'886	77'911
Amortisation	624	641
Listing costs	1'532	
Increase/decrease in trade receivables	1'608	-1'595
Increase/decrease in trade payables	100	-4'253
Increase/decrease other receivables	80	1'506
Increase/decrease other liabilities	-3'693	-4'411
Increase/decrease accrued income	-1'950	1'777
Increase/decrease in non-current provisions	-9'025	-1'306
Increase/decrease in deferred taxes	3'139	8'655
Increase valuation of properties (net)	-23'614	-58'275
Cash flow from operating activities	17'687	20'650
Purchase of real estate properties	-73'634	-103'866
Purchase of other property, plant and equipment	-21	-209
Proceeds from disposal of properties	30'856	39'628
Issuance of financial assets	-250	-12'200
Repayments of financial assets	563	386
Acquisition of new companies	-27'917	-2'990
Cash flow from investment activities	-70'403	-79'251
Acquisition of financial liabilities	57'324	91'001
Amortisation and repayment of financial liabilities	-84'012	-13'214
Changes in other non-current liabilities	0	-300
Capital increase	69'393	9'670
Purchase of treasury shares	0	-44'240
Sale of treasury shares	53'200	0
Dividend payment	0	0
Cash flow from financing activities	95'904	42'917
Currency effects	0	-5
Increase/decrease in cash and cash equivalents	43'188	-15'689

in TCHF	2014	2013
Cash and cash equivalents at 1 January	18'967	34'656
Cash and cash equivalents at 31 December	62'155	18'967
Increase/decrease in cash and cash equivalents	43'188	-15'689

There were no non-cash investment or financing activities.

Statement of Shareholders' Equity

	Share capital ¹	Treasury shares ²	Capital reserves ³	Consolidated reserves ⁴	Shareholders' equity
Shareholders' equity at 01.01.2013	6'847	-	43'794	409'299	459'940
Capital increase	153	-	9'517	-	9'670
Purchase of treasury shares	-	-44'240	-	-	-44'240
Translation differences	-	-	-	0	0
Net income for the period	-	-	-	77'911	77'911
Shareholders' equity at 31.12.2013	7'000	-44'240	53'311	487'210	503'281
Capital increase	1'000	-	69'924	-	70'924
Sale of treasury shares	-	44'240	8'960	-	53'200
Share-based compensation programmes ⁵	-	-	-	559	559
Goodwill	-	-	-	(1'276)	(1'276)
Net income for the period	-	-	-	48'886	48'886
Shareholders' equity at 31.12.2014	8'000	-	132'195	535'379	675'574

1 On 31 December 2014 share capital consisted of 8'000'000 registered shares at a nominal value of CHF 1.

2 On 17 December 2013 700'000 shares of HIAG Immobilien Holding AG were purchased by the company at a nominal value of CHF 1 for a total amount of CHF 44'240 thousand. During the IPO, 700'000 shares in the company were sold at CHF 53'200 thousand. The company held no treasury shares as at 31 December 2014.

3 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 CHF 5'076 thousand as at 31 December 2014. The profit from the sale of treasury shares (CHF 8'960 thousand) was recognised under capital reserves.

4 The non-distributable legal reserves come to CHF 1'400 thousand (2013: CHF 1'369 thousand).

5 See paragraph 15 of the Notes to the Consolidated Financial Statements

Notes to Consolidated Financial Statements

Listing on the six swiss exchange

HIAG Immobilien Holding AG shares were listed and traded for the first time on the SIX Swiss Exchange on 16 May 2014.

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), as well as 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. For reasons of comparability and consistency, adjustments were made for both the reporting year and the previous year.

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 (CHF thousand) 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 intercompany 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 2014 ¹ in %	Stake 2013 ¹ in %	Location
HIAG Biberist AG	10'000	100	100	Biberist
HIAG Immobilien Schweiz AG	11'000	100	100	Baar
HIAG AG	150	100	100	Basel
B-Immobilien GmbH	EUR thousand 3'498	100	100	Germany
HIAG Immobilien AG	5'000	100	100	Sankt Margrethen
HIAG Immobilien 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	100	100	–	Cham
Swissfiberinvest Menziken AG	100	100	–	Menziken
Swiss Datahall AG	100	100	–	Menziken
Trans Fiber Systems SA	107	100	–	Menziken

1 Voting rights and share capital

HIAG AG performs services in the areas of employee pension funds and human resources. All other enterprises are real estate companies within the scope of HIAG Immobilien's strategy with the purposes of maintaining and developing as well as 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 the control to HIAG Immobilien.

Changes in the Scope of Consolidation

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

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

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

The acquisition of Swissfiberinvest Menziken resulted in a goodwill amounting to CHF 1'276 thousand. The goodwill was recorded under retained earnings at the time of purchase.

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

Consolidated companies		Stake in %
Promo-Praille SA, Lancy	By purchase as at 31 May 2013	100

The acquired company recorded the following key balance sheet items at the time of purchase:

Cash and cash equivalents	10
Other current assets	11
Real estate properties	4'523
Other fixed assets	5
Current liabilities	11
Other non-current liabilities	817
Shareholders' equity	3'720

Neither goodwill nor badwill resulted in this acquisition.

Translation of foreign currencies

All of 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. 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. Foreign currency differences were not recognised separately on the statement of changes in shareholder's equity, as these are insignificant.

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

	Balance Sheet		Income statement / Cash-flow statement	
	2014	2013	2014	2013
Euros	1.20272	1.22562	1.20230	1.23080

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, adding up the individual items may result in rounding differences over the reported item totals.

The disclosure required by Swiss GAAP FER can be found in the explanations provided in the Notes to the Balance Sheet, Income Statement, Cash-Flow Statement and Statement of Changes in Shareholders' Equity (see chapter "Notes to Consolidated Financial Statements").

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.

Securities

Securities consist of investments in stocks, bonds and long-term time deposits. These are stated at fair value.

Trade receivables and other current receivables

Trade receivables and other current receivables are reported either at their realisable value or at nominal value minus any necessary value adjustment for potential bad debts.

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 updated annually by an independent expert and reviewed at least once every three years. No scheduled depreciation is carried out. Increases and decreases in value are reported in the net profit for the period. 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. Interests on construction loans are 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 those properties which are to undergo development in the medium term and/or for which development planning is currently underway.

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, 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 only capitalised if there is a 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 significant offsetting possibilities. Currently no tax loss carry forward is capitalised or offset against the provisions for deferred taxes.

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 those amounts due within one year. Those 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 and other collateralised financing are reported as "Current financial liabilities" and "Non-current financial liabilities". Mortgages and fixed advances which are not repaid within twelve months but renewed are reported under "Non-current financial liabilities" to reflect the economic reality. Borrowings to be repaid within a period of twelve months are classified as "Current financial liabilities".

Current and Non-current provisions

Provisions are set up to cover all of the risks and obligations recognised at the balance sheet date. Provisions are made when an obligation to a third party exists which 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 while distinguishing between current income taxes and 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. Where a detailed tax statement is lacking a tax rate of 23% is applied uniformly for properties. Provisions for deferred taxes are discounted. A discount rate of 2.50% was applied as at 31 December 2014 (previous year 2.75%).

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.

Financial result

This item consists of interest income, interest expense, 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 and levies, income taxes, property taxes and minimum taxes are recorded under "General operating expenses". Current taxes on income are calculated on the basis of the taxable result.

Transactions with related parties / shareholders

The 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.

Listing costs

Pursuant to Swiss GAAP FER 24 para 22, the costs of listing existing shares are to be recognised as financial expenses, provided that these do not result in capital procurement. The costs recognised as financial expenses came to CHF 1'532 thousand as at 31 December 2014. The costs in connection with the capital increase in the sale of treasury shares, which was recognised as a reduction of capital reserves, amounted to CHF 5'076 thousand as at 31 December 2014.

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.

Risk Management

HIAG Immobilien Holding AG has an implemented standardised risk management system. A comprehensive risk survey is carried out on an annual basis, which is used to identify and document all business risks according to uniform criteria. An assessment of the identified risks is carried out to determine the probability of their occurrence and their impact, which includes both financial repercussions as well as repercussions of a general nature. The Board of Directors adopts appropriate measures to absorb, avoid, mitigate or overcome these risks.

Events after the Balance Sheet date

The Consolidated Financial Statements were approved by the Board of Directors on 6 March 2015.

As announced on 8 October 2014, HIAG Immobilien had concluded a purchase agreement with Weidenmetall AG, in liquidation with voluntary assignment for the approx. 130'000 m² site of Swissmetal. The property transfer has taken place on 12 January 2015 after the fulfilment of the contractually designated conditions of execution.

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

Notes to the consolidated financial statements

1 Trade receivables

	2014	2013
Trade receivables	693	2'253
Provision for bad debts	-125	-112
Total	568	2'141

Trade receivables in 2013 include CHF 1'684 thousand from the sale of a condominium from the Aretshalden project (CHF 784 thousand) and the sale of the Zelglistrasse site in the canton of Zurich (CHF 900 thousand). The incoming cash-inflow from these receivables was received in January 2014.

Losses on accounts receivable in 2014 come to CHF 45 thousand (0.1% of property income) compared to CHF 33 thousand (0.1% of property income) the previous year.

2 Other current receivables

	2014	2013
Value-added tax receivables	1'887	70
Lump sum charges	3'842	4'088
Other current receivables	972	1'553
Total	6'701	5'711

The value-added tax receivables include in 2014 the reclaim for the recovery of value-added tax for investments made for the project Leuchtturm/Neue Spinnerei in Aathal.

3 Real estate properties

	2014	2013
Fire insurance value	1'418'776	1'406'328
Pledges to secure mortgage loans	636'785	584'105

In the reporting period, the acquisition of other companies and the purchase of properties entailed the addition of real estate with fire insurance values totalling CHF 33'697 thousand to the scope of consolidation.

	Undeveloped land	Properties	Properties currently under development	Total Real estate properties
Balance at 01.01.2013	28'622	762'597	145'056	936'275
Reclassifications	0	64'518	-64'518	0
Additions	0	61'973	41'893	103'866
Disposals	0	-20'516	-19'112	-39'628
Changes in the scope of consolidation	0	4'523	0	4'523
Currency translation effects	0	5	0	5
Revaluation of properties	1'953	26'663	27'990	56'606
Change of costs for environmental risks	0	3'569	50	3'619
Balance at 31.12.2013	30'575	903'332	131'359	1'065'266
Reclassifications properties held for sale	0	0	-94'228	-94'228
Balance after reclassification as at 31.12.2013	30'575	903'332	37'132	971'038
Balance at 01.01.2014	30'575	903'332	131'359	1'065'266
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)
Balance at 31.12.2014	72'095	983'899	95'110	1'151'104
Reclassifications properties held for sale	-	(7'265)	(95'110)	(102'375)
Balance after reclassification as at 31.12.2014	72'095	976'634	-	1'048'729

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 at the reporting date (31 December 2013: 3.5% to 6.3%).

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 CHF 14'938 thousand (2013: CHF 14'937 thousand) under "Real estate properties". 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 a reduction in environmental risks of CHF 1 thousand in the current year (2013: CHF -3'619 thousand). The expected additional costs were discounted. A discount rate of 2.5% was applied as at 31 December 2014 (previous year 2.75%).

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.

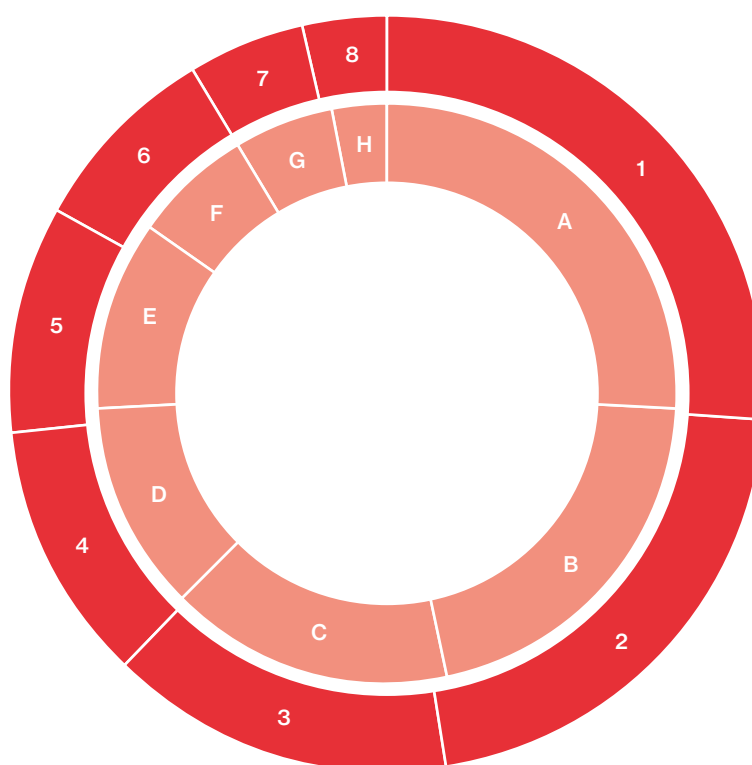
New additions in 2014 came to CHF 93'081 thousand resulting from investments in 52 sites amounting to CHF 52'535 thousand and the acquisition of 3 sites amounting to CHF 40'546 thousand. The largest investments were in Windisch (CHF 27'231 thousand, chiefly for the Spinnerei III and Spinnerkönig projects), Baar (CHF 13'457 thousand for the project "The Cloud"), Aathal (CHF 4'885 thousand for the Leuchtturm project) and Seegräben (CHF 1'889 thousand). The acquisitions amounting to CHF 40'546 thousand refers to the acquired companies Cham Nord Immobilien AG in Cham and Swissfiberinvest Menziken AG in Menziken, and the acquisition of a land in Aathal.

Disposals amounting to CHF 24'543 thousand concerned the sale of condominiums at the sites Spinnerei III and Stegbünt in Windisch, CHF 3'293 thousand from "The Cloud" in Baar, CHF 870 thousand from the Aretshaldenstrasse 30 site in Seegräben, as well as the sale of the residential properties Schöneegg 1 and Muttenerstrasse 1–5 for CHF 2'150 thousand.

Properties held for sale

	2014	2013
Project Stegbünt	6'404	12'080
Project Aretshalden	–	389
Project Spinnerei III	15'060	15'200
Project The Cloud	80'050	64'320
Property Gstalderstrasse 59	861	–
Property Schöneegg 1	–	1'709
Property Muttenerstrasse 1-5	–	530
Total	102'375	94'228

As at the balance sheet date, condominiums in Windisch (projects: Stegbünt and Spinnerei III) and in Baar (project: The Cloud), as well as properties in Seegräben were for sale. The Schöneegg 1 and Muttenerstrasse 1–5 sites were sold in 2014.



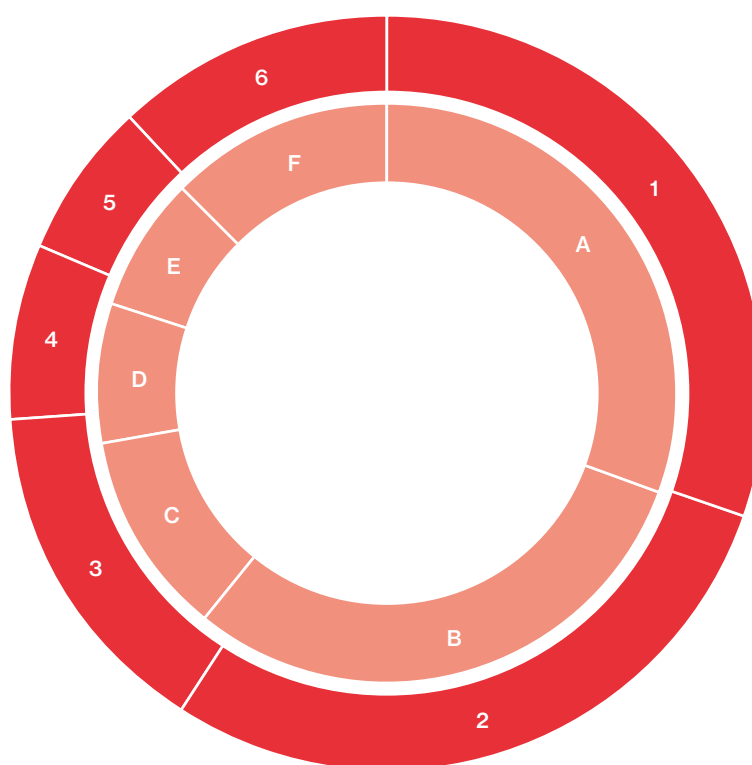
2014 ■
2013 ■

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

1	Industry, commercial	26.3%
2	Residential	21.3%
3	Retail	14.8%
4	Distribution, logistics	11.1%
5	Office	9.7%
6	Building land	8.2%
7	Residential, commercial	5.2%
8	Miscellaneous	3.5%

Market value of real estate properties according to use as at 31 December 2013

A	Industry, commercial	26.0%
B	Residential	20.8%
C	Retail	15.8%
D	Office	11.6%
E	Distribution, logistics	10.6%
F	Residential, commercial	6.7%
G	Building land	5.5%
H	Miscellaneous	3.0%



2014 ■
2013 ■

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

1	Aargau	30.5%
2	Zurich	28.7%
3	Zug	14.9%
4	Basel-Country	7.4%
5	Geneva	6.8%
6	Miscellaneous	11.8%

Market value of real estate properties according to canton as at 31 December 2013

A	Aargau	30.7%
B	Zurich	30.2%
C	Zug	11.4%
D	Basel-Country	7.9%
E	Geneva	7.3%
F	Miscellaneous	12.5%

4 Other property, plant and equipment and Intangible fixed assets

	Other property, plant and equipment	Intangible fixed assets
Book value at 01.01.2013	3'776	81
Additions	209	0
Book value at 31.12.2013/01.01.2014	3'985	81
Additions	21	0
Book value at 31.12.2014	4'006	81
Cumulative amortisation at 01.01.2013	524	26
Amortisation	619	22
At 31.12.2013/01.01.2014	1'143	48
Amortisation	611	13
Cumulative amortisation at 31.12.2014	1'754	61
Net book value at 01.01.2013	3'252	55
Net book value at 31.12.2013/01.01.2014	2'842	33
Net book value at 31.12.2014	2'252	20

5 Financial assets and Financial assets from related parties/from shareholders

5.1 Financial assets

	2014	2013
Employer contribution reserve	56	106
Other financial assets	1'173	32
Non-consolidated investments	79	79
Total	1'308	217

As at 31 December 2014 the item "Other financial assets" includes CHF 1'141 thousand WIR shares, which were acquired together with the company Swissfiberinvest Menziken AG. These shares listed at market prices are valued at their listed stock market price as of the balance sheet date.

"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 CHF 79 thousand as at 31 December 2014 (2013: CHF 79 thousand). The business of Schwert AG consists of operating the "Schwert" hotel and restaurant in Netstal, and 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 operative activities of EBAG are stopped since the shutdown of the Biberist paper mill.

5.2 Financial assets from related parties / from shareholders

	2014	2013
Financial assets from related parties	0	114
Financial assets from shareholders	15'631	15'748
Total	15'631	15'862

Financial assets due from shareholders concerned three loans:

- One loan to a member of the Extended Executive Board. The loan is subject to market rate interest and has been secured by means of employee shares. The loan came to CHF 231 thousand as at 31 December 2014 (previous year: CHF 0).
- One loan in the amount of CHF 3'200 thousand (previous year: CHF 3'548 thousand) was granted for the purposes of acquiring an employee participation of 15'000 registered shares at a nominal value of CHF 10 per share (previous year: 15'000 shares). The loan is subject to market rate interest.
- Shareholder SFAG Holding AG was granted a loan in the amount of CHF 12'200 thousand in December 2013 (previous year: CHF 12'200 thousand), which is also subject to market rate interest. The loan is to be repaid in 2015.

6 Other current liabilities

	2014	2013
To third parties	4'370	12'202
Value-added tax	409	703
Advance payments	2'624	5'206
Total	7'403	18'111

“Other current liabilities to third parties” includes lump sum charges amounting to CHF 3'095 thousand (2013: CHF 3'171 thousand) and outstanding payments for acquisitions during the period under review in the amount of CHF 993 thousand (previous year: CHF 8'891 thousand).

Advance payments take into consideration property income paid in advance amounting to CHF 2'624 thousand (2013: CHF 2'120 thousand) and deposit payments for the sale of condominium property amounting to CHF 0 (2013: CHF 3'086 thousand).

7 Provisions

	Tax provisions	Other provisions	Total
Book value at 1 January 2013	6'660	16'216	22'876
Increase	0	14	14
Utilisation	0	-1'820	-1'820
Release	-6'660	-1'981	-8'641
Book value at 31 December 2013/ 1 January 2014	0	12'429	12'429
- thereof current	0	935	935
Increase	-	419	419
Utilisation	-	-4'275	-4'275
Release	-	-6'021	-6'021
Book value at 31 December 2014	-	2'552	2'552
- thereof current	-	83	83

There were uncertainties regarding the use of a property respectively of its facilities surrounding companies acquired in the past. These uncertainties were resolved during the period under review due to negotiations with a potential user and due to legal clarifications, enabling these provisions to be released.

As at 31 December 2014 provisions were established for the Incentive Plan (see paragraph 15).

No provisions for pension plan obligations or restructuring were made, either in the period under review or in the previous period. Only those risks are recognised which have at least a 50% probability of occurring.

8 Non-current financial liabilities

"Non-current financial liabilities" amounting to CHF 476'488 thousand (2013: CHF 467'361 thousand) are mortgage loans with a remaining maturity of more than one year as at the reporting date. Most of these mortgage loans are secured. The loan-to-value ratio comes to 37% (previous year: 46%) and the debt ratio calculated at fair value of the property is 42% (previous year: 44%). The average interest rates paid for financial liabilities came to 1.03% in the period under review (2013: 1.11%). Financial liabilities to be repaid within a period of twelve months amount to CHF 11'272 thousand (2013: CHF 40'312 thousand) and are classified as "Current financial liabilities".

Conditions of financial liabilities as at 31 December 2014

Item	Book value	Currency	Due date	Interest rate
			See chart "Due date in TCHF as at 31 Dec. 2014"	between 0.5% and 4.0%
Mortgages	487'760	CHF		
Loans from third parties	4'500	CHF	31 December 2019	3%
Total	492'260			

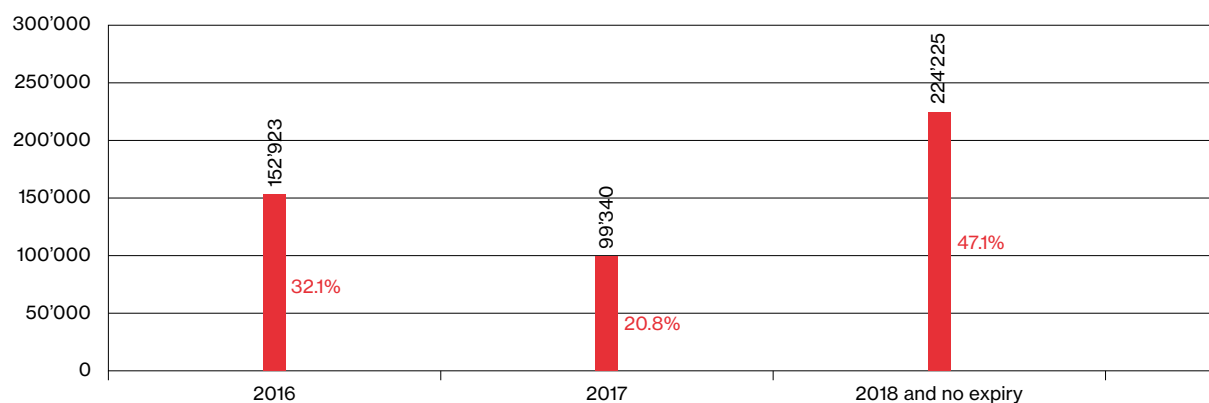
Financial liabilities are recorded and valued at nominal value.
As at 31 December 2014 the HIAG Immobilien Group had concluded no hybrid financial instruments.

Conditions of financial liabilities as at 31 December 2013

Item	Book value	Currency	Due date	Interest rate
			See chart "Due date in TCHF as at 31 Dec. 2013"	between 0.6% and 4.55%
Mortgages	507'674	CHF		
Loans from third parties	4'500	CHF	31 December 2019	3%
Total	512'174			

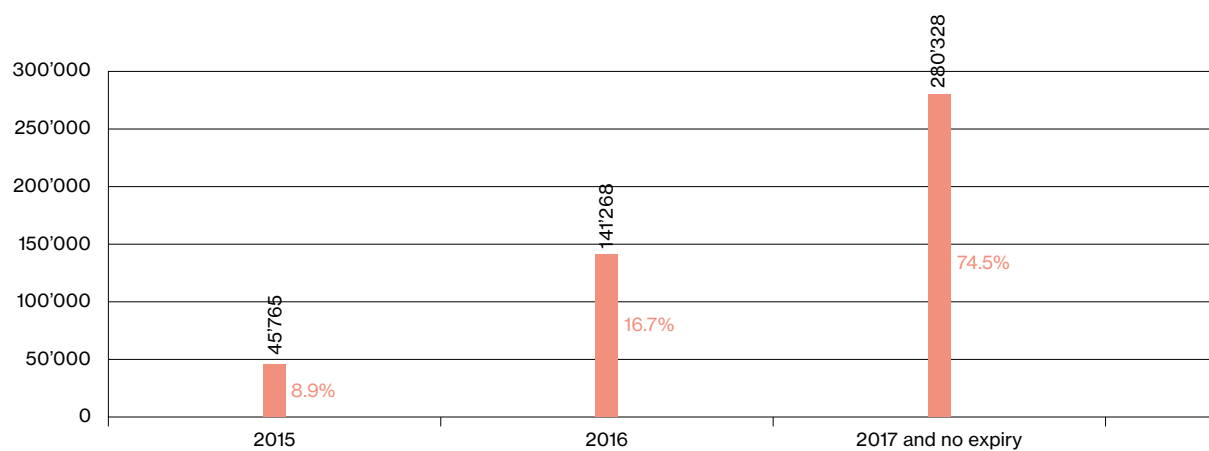
Financial liabilities are recorded and valued at nominal value.
As at December 2013 the HIAG Immobilien Group had concluded no hybrid financial instruments.

Due dates in TCHF as at 31 December 2014



Total: CHF 479'488 thousand = 100%

Due dates in TCHF as at 31 December 2013



Total: CHF 467'361 thousand = 100%

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

Up to one year	224'810	47%
2016	145'423	31%
2017	74'613	15%
2018 and	31'642	7%
Total	476'488	100%

Interest rates were fixed as follows as at 31 December 2013
(until the next interest rate adjustment):

Up to one year	258'355	55%
2015	45'765	10%
2016	141'268	30%
2017	21'100	5%
2018	873	0%
Total	467'361	100%

9 Deferred taxes

	2014	2013
Deferred Tax Liabilities as at 1 January	49'764	40'724
Changes in the scope of consolidation	4'035	385
Net increase recognised through profit or loss	3'139	8'655
Net decrease recognised through profit or loss	–	–
Deferred Tax Liabilities as at 31 December	56'938	49'764

The provisions for deferred taxes are discounted. A discount rate of 2.5% was applied as at 31 December 2014 (previous year: 2.75%).

As at the balance sheet date the companies belonging to the group disposed of losses carried forward totalling CHF 107'267 thousand (2013: CHF 99'913 thousand). The potential tax reductions made possible by these loss carryforwards came to CHF 15'277 thousand as at 31 December 2014 (2013: CHF 14'824 thousand). These loss carryforwards have not been capitalised, as it is uncertain whether or not they will be realised.

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 "Fürsorgetiftung" foundation belonging to the 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, and there is no intention obtaining any future economic benefit from the unrestricted reserves.

	Nominal value	Renounced use	Balance sheet	Accumulation	Balance sheet	Result from ECR	
	31 Dec. 2014	31 Dec. 2014	31 Dec. 2014	31 Dec. 2014	31 Dec. 2013	2014	2013
Patronage pension institutions ¹	1'530	–	–	–	–	–	–
Pension institution	56	–	56	–	106	52	54
Total	1'586	–	56	–	106	52	54

1 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 Dec. 2014	31 Dec. 2014			31 Dec. 2014
Patronage pension institutions	–	–	–	–	–
Pension institution	3'342	–	–	–	233
Total	3'342	–	–	–	233

Composition of employee pension expenses	31 Dec. 2014
Contributions to pension funds at the expense of the company	181
Contributions to pension plans made from the employer contribution reserve	52
Total contributions	233
Changes in the employer contribution reserve stemming from asset performance, impairment, discounts, assessment of interest, etc.	–
Total contributions and changes to employer contribution reserve	233
Changes in the economic benefit of the company as to surplus coverage	–
Changes in the economic benefit of the company as to deficit coverage	–
Total changes in the economic impacts from surplus/deficit coverage	–
Total pension expenses in terms of employee benefit expenses during the period under review	233

Composition of employee pension expenses	31 Dec. 2013
Contributions to pension funds at the expense of the company	134
Contributions to pension plans made from the employer contribution reserve	54
Total contributions	188
Changes in the employer contribution reserve stemming from asset performance, impairment, discounts, assessment of interest, etc.	0
Total contributions and changes to employer contribution reserve	188
Changes in the economic benefit of the company as to surplus coverage	0
Changes in the economic benefit of the company as to deficit coverage	0
Total changes in the economic impacts from surplus/deficit coverage	0
Total pension expenses in terms of employee benefit expenses during the period under review	188

11 Property income

	2014	2013
Rental income excl. lump sum charges	46'663	41'290
Lump sum charges	1'351	1'279
Other property income	702	958
Decrease in income	(46)	1
Total	48'669	43'528

Other property income includes the sale of electricity from owned power stations in the amount of CHF 662 thousand in 2014 (previous year: CHF 839 thousand).

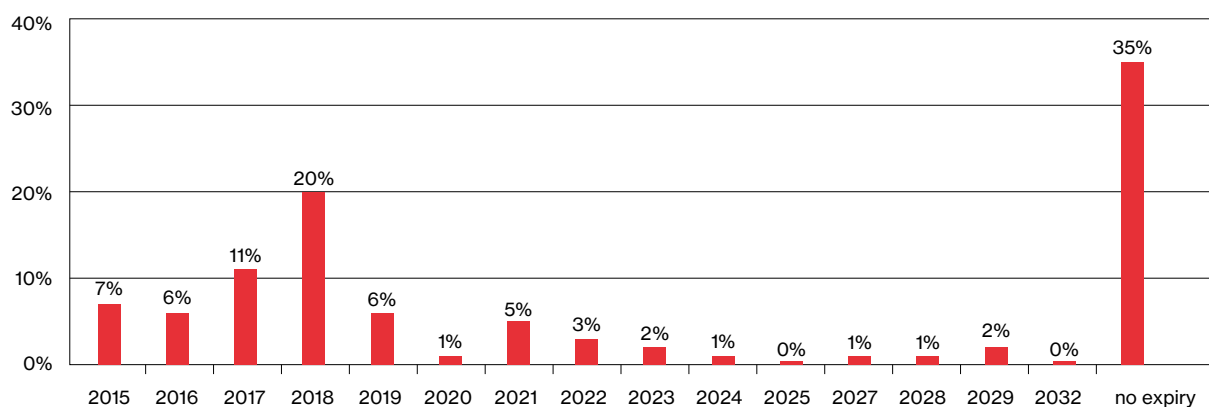
Most important tenants

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.

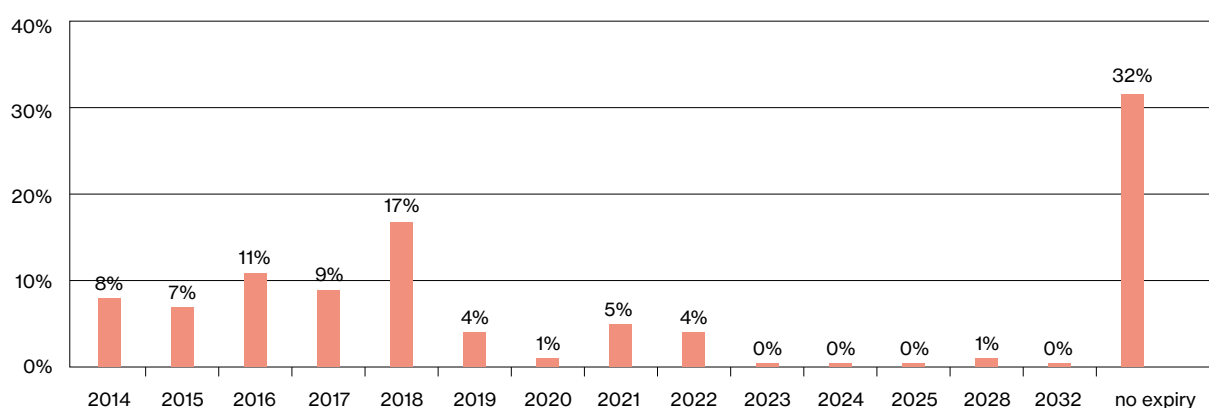
Percent of property income represented by (%):	2014	2013
The largest tenant	5%	6%
The three largest tenants	13%	14%
The five largest tenants	20%	21%
The ten largest tenants	34%	34%

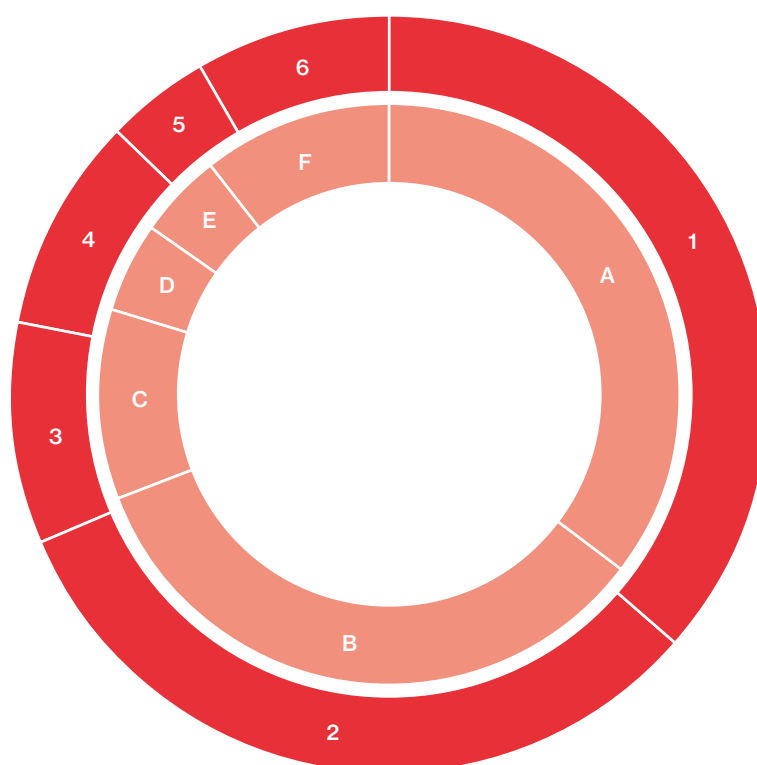
The overview of the expiry profile of rental agreements shows when the agreements can be terminated at the earliest.

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



Overview of expiry profile of rental agreements as at 31 December 2013





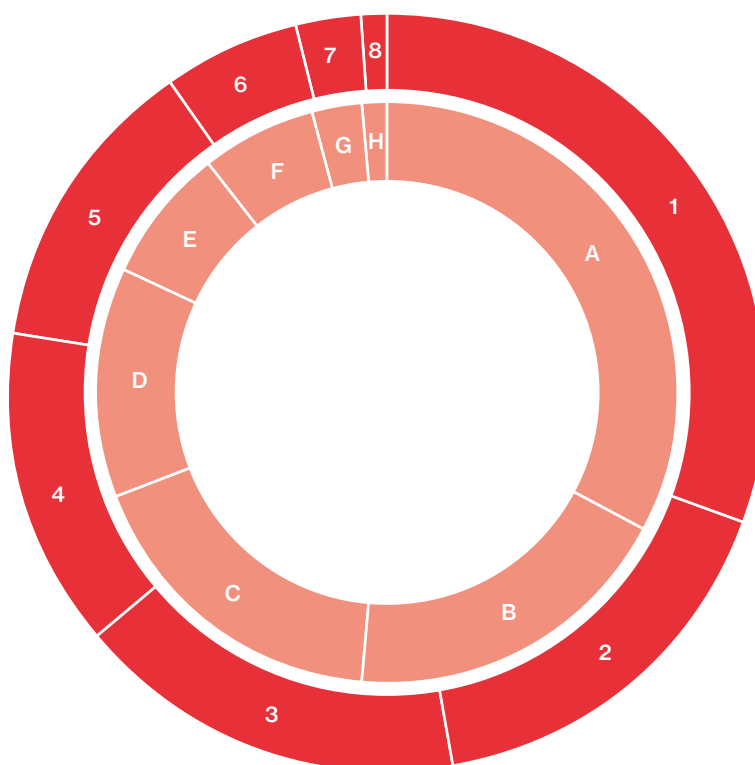
2014 ■
2013 ■

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

1	Aargau	36.5%
2	Zurich	32.2%
3	Geneva	9.6%
4	Basel-Country	9.1%
5	Zug	4.5%
6	Miscellaneous	8.2 %

**Property income:
according to canton as at 31 December 2013**

A	Aargau	35.5%
B	Zurich	33.8%
C	Basel-Country	10.6%
D	Geneva	5.0%
E	Zug	4.8%
F	Miscellaneous	10.3%



2014 ■
2013 ■

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

1	Industry, Commercial	30.8%
2	Distribution, Logistics	16.6%
3	Retail	16.5%
4	Residential	13.7%
5	Office	12.7%
6	Residential, Commercial	6.0%
7	Miscellaneous	3.0%
8	Land	0.8%

**Property income:
according to use as at 31 December 2013**

A	Industry, Commercial	33.0%
B	Distribution, Logistics	18.5%
C	Retail	17.8%
D	Residential	12.7%
E	Office	7.5%
F	Residential, Commercial	6.4%
G	Miscellaneous	3.2%
H	Land	0.9%

Vacancy rate

	2014	2013
Yielding properties	11.7%	6.2%
Yielding properties undergoing repositioning*	33.8%	39.9%
Redevelopment properties	24.9%	33.0%
Total portfolio	18.0%	18.5%

1 Properties Mandachstrasse (Niederhasli), Lorzenparkstrasse (Cham) and Sternenfeldpark (Birsfelden)

The increase in the vacancy rate for yielding properties as at 31 December 2014 is due on one hand to the completion of the projects Leuchtturm/ Neue Spinnerei (property 30401) and Spinnerkönig (property 32102). The properties were recorded in the property redevelopment portfolio as at 31 December 2013 and were added in the yielding property portfolio upon their completion. In a “like-for-like” approach (assuming that the properties had been listed in the property redevelopment portfolio as at 31 December 2014) the vacancy rate for yielding properties would have come to 10.1%, down from 11.7%. Secondly, tenants at the Industriestrasse 3 site in Kleindöttingen (property 10203) have terminated their lease from March, April and June 2015. In a “like-for-like” approach (without the properties 30401, 32102 and 10203) the vacancy rate for yielding properties would have come to 7.8% in 2014 in comparison with 8.2% in 2013.

12 Other operating income

	2014	2013
Services rendered to third parties	1'244	1'195
Other operating income	325	913
Total	1'569	2'108

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

In 2013 the item “Other operating income” includes income amounting to CHF 800 thousand from the sale of CO₂ certificates taken over with the purchase of HIAG Biberist AG.

13 Revaluation of properties (net)

	2014	2013
Positive adjustments	35'091	43'447
Negative adjustments	-15'552	-10'766
Adjustments to properties to be sold	9'163	21'975
Adjustments of costs for environmental risks	-1	3'619
Total	28'701	58'275

The most significant adjustments were carried out in connection with the sites in Cham (CHF 6'954 thousand), Baar (Project The Cloud) (CHF 5'566 thousand), Neuchâtel (CHF 5'290 thousand) and Windisch (Spitzmattstrasse 6) (CHF -3'436 thousand). Out of a total of 123 properties, 65 underwent positive adjustments, while 54 properties were affected by negative adjustments.

14 Personnel expenses

	2014	2013
Wages and salaries	5'021	3'966
Social security contributions	998	762
Other personnel expenses	400	397
Total	6'419	5'125

	2014	2013
Employee headcount	42	38
– Thereof insourced facility management	15	13
Full-time employees	36.8	32.7
– Thereof insourced facility management	12.6	9.3

As at the reporting date, 25 persons were employed at the company's Basel, Zurich and Geneva locations (previous year: 25), of whom 7 employees are active in site development, 4 in portfolio management, 3 in accounting and 2 in site marketing/selling.

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 in proportion to return on equity. For the Extended Executive Board (site developers and the head of portfolio management) the LTIP is calculated on the revaluation of properties of the real estate portfolio of the HIAG Immobilien Group during the relevant time period. 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 relevant time period. 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 CHF 50 million) with an upper limit of CHF 70 million (cumulated CHF 350 million) for the relevant time period. The current incentive plan for the Management Board is limited to CHF 12.65 million. The upper limit represents a participation of nearly 2.6% to 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 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, meaning return on equity for the CEO and the CFO and the increase in value of the real estate portfolio of the HIAG Immobilien Group for the Extended Executive Board. 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 accordingly to the proportional incentive programme for members of the Management Board at a discount of 25.274%. The other 50% of the LTIP, which represents a cash component, is only paid out if the members of the Management Board are regularly employed as at 30 June 2019.

The basis for calculating the share component are the estimated figures for 2014; for the cash component, the expected return on capital for the entire relevant period.

The LTIP represents an impact of CHF 978 thousand on the annual results, of which the cash component constitutes CHF 419 thousand (with provisions as the corresponding opposite item) and the share component CHF 559 thousand (with shareholders' equity as the corresponding opposite item). The acquisition of employee shares with regard to the results of the 2014 business year is to take place in 2015.

16 Energy and building maintenance

"Energy and building maintenance" includes lump sum charges amounting to CHF 1'351 thousand which were billed to tenants (2013: CHF 1'279 thousand). These billings to tenants are recorded under "Property income".

17 Office and administrative expenses

	2014	2013
Office and administrative expenses	3'686	3'889
– Thereof property expenses	2'189	2'091

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

18 Rent and leases

	2014	2013
Office rent and leases	533	572
Building rights	756	421
Total	1'289	993

19 Financial income

	2014	2013
Interest income	356	56
Other financial income	14	13
Total	370	69

20 Financial expenses

	2014	2013
Interest expense	5'148	4'877
Bank fees and bank interests	363	112
Adjustment of securities at market prices	32	–
Exchange rate loss	–	2
Other interest expenses	149	191
Listing expenses	1'532	–
Total	7'224	5'184

The average interest rates paid for liabilities to banks came to 1.03% in the period under review (2013: 1.11%). The fluctuation corridor for interest rates was between 0.5% and 4.0% (previous year: from 0.60% to 4.55%). Interest rates for construction loans for site development projects amounting to CHF 264 thousand were capitalised (2013: CHF 136 thousand).

Pursuant to Swiss GAAP FER 24 para. 22, the costs of listing existing shares are to be recognised as financial expenses, provided that these do not result in capital procurement. The costs recognised as financial expenses came to CHF 1'532 thousand as at 31 December 2014.

21 Taxes

	2014	2013
Income taxes	-184	953
Deferred taxes	3'139	8'655
Released tax risk provisions	-	-6'660
Total	2'955	2'948

In the reporting period provisions for deferred taxes of CHF 3'139 thousand were recorded (previous year: CHF 8'655 thousand).

There were legal uncertainties surrounding a company acquired in 2012. The uncertainties concerning tax risks were resolved in 2013, enabling provisions in the amount of CHF 6'660 thousand to be released.

The weighted average tax rate, calculated based on the ordinary profit before taxes, amounts to 16.7% in 2014 (16.1% in 2013). The use of tax loss carry forwards resulted in a reduction of the tax expense of CHF 26 thousand in 2014 (CHF 523 thousand in 2013).

22 Leasing liabilities

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

	2014	2013
Up to 1 year	488	435
Up to 3 years	898	666
Over 3 years	311	-
Total	1'696	1'101

23 Shareholders' equity

Composition of share capital

	Nominal value CHF	2014	2013
Registered shares as at 31 December	1.00	8'000'000	700'000 ¹
Total		8'000'000	700'000

1 nominal value CHF 10

On 31 May 2013 an ordinary increase in share capital by 15'300 registered shares was conducted at a nominal value of CHF 10. On 17 December 2013 70'000 shares in HIAG Immobilien Holding AG were purchased by the company at a nominal value of CHF 10 for a total amount of CHF 44'240 thousand. On 31 December 2013 share capital consisted of 700'000 registered shares at a nominal value of CHF 10.

A share split of 1 to 10 was carried out ahead of the IPO. With the IPO the number of registered shares was increased by 1'000'000.

On 31 December 2014 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 Art. 3 of the Articles of Incorporation the Board of Directors is authorised to increase the share capital of the company by a maximum of CHF 1'600 thousand until 15 April 2016. As at 31 December 2014 conditional share capital came to CHF 400 thousand. As at 31 December 2014 no exercising of rights had taken place.

The non-distributable statutory and legal reserves come to CHF 1'400 thousand (2013: CHF 1'369 thousand).

Earnings and shareholders' equity (NAV) per share

in CHF	1 Jan. 2014–31 Dec. 2014	1 Jan. 2013–31 Dec. 2013
Net income	48'886	77'911
Time-weighted average number of shares outstanding	7'362'500	6'907'083
Earnings per average registered share outstanding	6.84	11.85
Undiluted earnings per share	6.64	11.28
Diluted earnings per share	6.64	11.28
in CHF	31 Dec. 2014	31 Dec. 2013 ¹
Shareholders' equity (NAV) per outstanding registered share, before deferred taxes	91.56	87.78
Shareholders' equity (NAV) per outstanding registered share, after deferred taxes	84.45	79.89

1 For reasons of comparability, the share split of 1 to 10 ahead of the IPO was also taken into account for calculating the earnings per share in 2013.

As at 31 December 2014 there were no dilutive effects.

24 Significant shareholders

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

	Voting rights
Lock-up group composed of:	67.8%
SFAG Holding AG	
Felix Grisard	
Salome Grisard Varnholt	
Andrea Grisard	
Martin Durchschlag	

The members of the lock-up group have individual lock-up contracts with the lead bank within the framework of the IPO of the company, by which they commit to uphold certain lock-up obligations for 12 months starting from the first trading day of the shares of the company (16 May 2014). By signing these lock-up contracts, these shareholders became a group within the meaning of Art. 10 of the FINMA (Swiss Financial Market Supervisory Authority) Stock Exchange Ordinance.

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

1 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. 10 of the FINMA Stock Exchange Ordinance.

Shares held by current members of the executive and supervisory bodies

	31.12.2014
Dr. Felix Grisard, President of the Board of Directors ¹	554'995
Salome Grisard Varnholt, member of the Board of Directors ¹	282'896
Dr. Walter Jakob, member of the Board of Directors	2'500
John Manser, member of the Board of Directors	–
Martin Durchschlag, CEO	204'000
Laurent Spindler, Chief Financial Officer	2'200
Ralf Küng, member of the Extended Executive Board	4'540
Lukas Fehr, member of the Extended Executive Board	4'540
Alex Römer, member of the Extended Executive Board	4'540
Thorsten Eberle, member of the Extended Executive Board	2'270
Michele Muccioli, member of the Extended Executive Board	1'450
Yves Perrin, member of the Extended Executive Board	4'540
Total	1'068'471

- 1 Dr Felix Grisard and Salome Grisard Varnholt are shareholders in the Board of Directors of SFAG Holding AG, which holds 4'000'020 shares in HIAG Immobilien Holding AG. With 50.01% of shares, SFAG Holding AG is the majority shareholder of HIAG Immobilien Holding AG. Dr Felix Grisard and Salome Grisard Varnholt jointly hold $\frac{2}{3}$ of the shares of SFAG Holding AG directly and indirectly.

25 Treasury shares

On 17 December 2013 70'000 shares of HIAG Immobilien Holding AG were purchased by the company at a nominal value of CHF 10 for a total amount of CHF 44'240 thousand. On 15 April 2014 there was a split of the share capital consisting of 700'000 shares with a nominal value of CHF 10 each into 7'000'000 new shares with a nominal value of CHF 1 each. During the IPO on 16 May 2014, 700'000 shares in the company were sold at CHF 53'200 thousand. The company held no treasury shares as at 31 December 2014.

26 Pledged assets

Shares of subsidiaries in the amount of CHF 106'349 thousand (investment value) were pledged as at 31 December 2014 as part of financing agreements (previous year: CHF 132'504 thousand).

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:

The impact of a theoretical capitalisation of goodwill on the balance sheet:

	2014	2013
Reported shareholders' equity	675'574	503'281
Equity ratio	54.4%	45.3%
Acquisition value of goodwill		
As at the beginning of the business year	–	–
Additions	1'276	–
Disposals	–	–
As at the end of the business year	1'276	–
Accumulated amortisation		
As at the beginning of the business year	–	–
Amortisations for the current year	64	–
Disposals	–	–
As at the end of the business year	64	–
Theoretical net book value of goodwill	1'212	–
Theoretical shareholders' equity including net book value of goodwill	676'786	503'281
Theoretical equity ratio	54.5%	45.3%

The impact of a theoretical capitalisation of goodwill on earnings:

	2014	2013
Net income	48'886	77'911
Theoretical amortisation of goodwill	(64)	–
Net income after amortisation of goodwill	48'822	77'911

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, as well as expenditure 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 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
Total operating income	43'928	33'767	1'244	–	78'939
Total operating expenses	8'226	8'004	959	2'432	19'621
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	35'703	25'763	285	–2'432	59'319
EBITDA before revaluation of properties	29'728	3'037	285	–2'432	30'618

Segments 1 January 2013 to 31 December 2013

	Yielding portfolio	Redevelopment portfolio	Services	Corporate	Group
Property income	35'333	8'195	–	–	43'528
Other operating income	26	804	1'197	81	2'108
Revaluation of properties	11'033	47'241	–	–	58'275
Total operating income	46'393	56'240	1'197	81	103'911
Total operating expenses	6'888	6'045	966	3'397	17'296
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	39'505	50'196	231	–3'316	86'615
EBITDA before revaluation of properties	28'471	2'954	231	–3'316	28'340

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, 6 March 2015

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 2014.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Swiss GAAP FER and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation and fair presentation 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 and fair presentation 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 2014 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 Swiss law.



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

A handwritten signature in black ink, appearing to read 'ASchaub', written over a horizontal line.

André Schaub
Licensed audit expert
(Auditor in charge)

A handwritten signature in black ink, appearing to read 'Chiomento', written over a horizontal line.

Bruno Chiomento
Licensed audit expert

Independent Valuer's Report

HIAG Immobilien Holding
Aeschenplatz 7
4052 Basel

3 March 2015

Ref.: 104390.1 to 104390.8

Independent valuer's report
Real Estate Property Valuation as at 31.12.2014

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 2014 (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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Jan Bärthel
Nabil Aziz
Patrick Schnorf
Mario Grubenmann
Patrik Schmid
Gino Fiorentin
Stefan Meier
Hervé Froidevaux
Ronny Haase
Pascal Marazzi-de Lima
Andreas Keller

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 2014 to 31 December 2014, Wüest & Partner visited 38 properties belonging to HIAG Immobilien.

Results

A total of 122 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 2014 by Wüest & Partner. The fair value of the property portfolio of HIAG Immobilien (before deduction of contamination) is estimated as at 31 December 2014 at 1,166,042,300 Swiss Francs.

Changes during reporting period

Within the review period from 1 January 2014 to 31 December 2014 properties in Menziken, and Cham (building plot) were acquired. At the same time, properties in Birsfelden and Egerkingen were sold. Furthermore, the number of valua-

tions of Biberist were reduced from 24 to 16. The property in Frauenfeld was split into four and the property in Brugg into two valuations.

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, 3 March 2015
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 2015 and were received during the period of September 2014 and October 2014.
- 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	2014	2013
Earnings per Swiss GAAP FER income statement	48'886	77'911
(i) Changes in value of Property	(19'353)	(35'013)
(ii) Changes in value of promotion Property (condominiums for sale)	(9'348)	(23'262)
(iii) Tax on profits or losses on disposals	189	268
(iv) Acquisition costs on share deals and non-controlling joint venture interests	148	75
(v) Deferred tax in respect of EPRA adjustments	3'139	8'655
(vi) one time effect listing costs	1'531	–
EPRA Earnings	25'192	28'635
Average number of Shares	7'150'000	6'923'500
EPRA earnings per Share (EPS)	3.5	4.1

B. EPRA net asset value and EPRA equity ratio

in TCHF	2014	2013
NAV per the consolidated financial statements	675'574	503'281
(i) Effect of exercise of options, convertibles and other equity interests	(559)	44'240
(ii) Deferred taxes	56'938	49'764
EPRA NAV	731'953	597'285
Number of Shares	8'000'000	7'000'000
EPRA NAV per Share	91.5	85.3
Total assets	1'242'553	1'111'634
EPRA equity ratio	58.91%	53.73%

C. Triple net asset value (NNNAV)

in TCHF	2014	2013
EPRA NAV	731'953	597'285
(i) Deferred taxes	(56'938)	(49'764)
EPRA NNNAV	675'015	547'521
Number of Shares (diluted)	8'000'000	7'000'000
EPRA NNNAV per Share	84.4	78.2

D. EPRA NIY and “topped up” NIY disclosure

in TCHF	2014	2013
Yielding Property excl. promotion projects (condominiums for sale)	1'049'590	973'277
Promotion projects (condominiums for sale)	101'514	91'989
Less Redevelopment Properties	(447'869)	(428'871)
Completed Property Portfolio	703'235	636'395
Gross up completed Property Portfolio valuation	703'235	636'395
Annualised cash passing rental income	37'729	35'245
Direct property expenses	(8'226)	(6'888)
Annualised net rents	29'503	28'357
“Topped-up” net annualised rent	29'503	28'357
EPRA NIY	4.20%	4.46%
– EPRA “topped up” NIY	4.20%	4.46%

E. EPRA vacancy rate

in TCHF	2014	2013
Estimated potential rental income from vacant Sites	7'062	5'203
– Estimated potential rental income from Yielding Portfolio	44'792	40'448
– EPRA vacancy rate (Yielding Portfolio)	15.77%	12.86%

The increase in the EPRA vacancy rate for yielding properties as at 31 December 2014 is due on one hand to the completion of the projects Leuchtturm/Neue Spinnerei (property 30401) and Spinnkönig (property 32102). The properties were recorded in the property redevelopment portfolio as at 31 December 2013 and were added to the list of properties in the yielding property portfolio upon their completion. In a “like-for-like” approach (assuming that the properties had been listed in the property redevelopment portfolio as at 31 December 2014) the EPRA vacancy rate for yielding properties would have come to 14.82%, down from 15.77%. Secondly, tenants at the Industriestrasse 3 site in Kleindöttingen (property 10203) have terminated their lease from March, April and June 2015. In a “like-for-like” approach (without the properties 30401, 32102 and 10203) the EPRA vacancy rate for yielding properties would have come to 13.8% in 2014.

EPRA-vacancy rate (Yielding Portfolio excl. Properties under repositioning)¹

in TCHF	2014	2013
Estimated potential rental income from vacant Sites	4'271	2'025
Estimated potential rental income from Yielding Portfolio	36'530	32'485
EPRA vacancy rate	11.69%	6.23%

¹ Including the Properties Mandachstrasse 50–56 ZH, Lorzenparkstrasse 2–16 ZG and Sternenfeldpark 14 BL

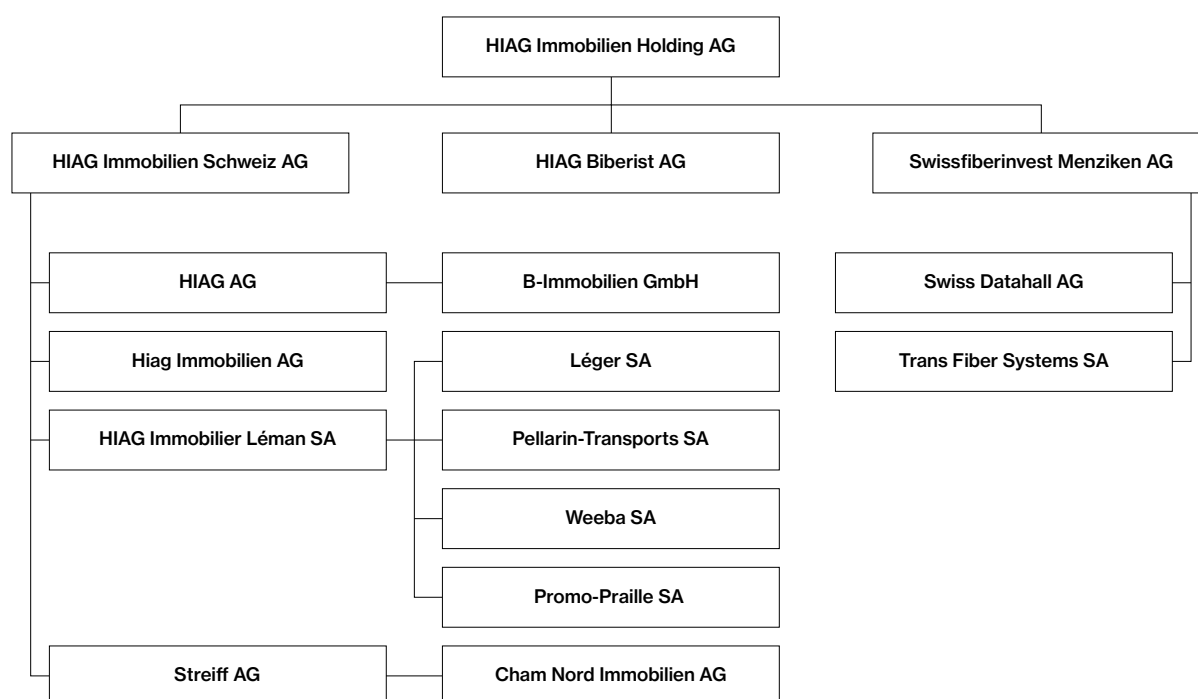
In a “like-for-like” approach (without the properties 30401, 32102 and 10203) the EPRA vacancy rate for yielding properties excl. Properties under repositioning would have come to 7.8% in 2014.

If there is any ambiguity regarding the terms, the information at 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 2014	CHF 667.6 million
Symbol	HIAG
Valor	23'951'877
ISIN	CH0239518779

Unlisted equity holdings (with information on extent of interest)
Please refer to the annual financial statement of HIAG Immobilien Holding AG, page 9 and page 10.

2 Key shareholders as at 31 December 2014

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

	Voting rights
Lock-up group composed of:	67.8%
SFAG Holding AG	
Felix Grisard	
Salome Grisard Varnholt	
Andrea Grisard	
Martin Durchschlag	

The members of the lock-up group have individual lock-up contracts with the lead bank within the framework of the IPO of the company, by which they commit to uphold certain lock-up obligations for 12 months starting from the first trading day of the shares of the company (16 May 2014). By signing these lock-up contracts, these shareholders became a group within the meaning of Art. 10 of the FINMA (Swiss Financial Market Supervisory Authority) Stock Exchange Ordinance.

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

¹ 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. 10 of the FINMA Stock Exchange Ordinance.

HIAG Immobilien Holding is unaware of any other shareholders with 3% or more of the voting rights as at 31 December 2014.

Detailed information on disclosure notifications can be accessed at

http://www.six-swiss-exchange.com/shares/companies/major_shareholders_de.html

3 Shareholder structure at 31 December 2014

Share distribution for HIAG Immobilien Holding AG

Number of registered shares	Registered shareholders		Registered shares		Non-registered shares		Total number of shares issued
	Number	%	Number	% of issued shares	Number	% of issued shares	
1 to 100	93	17.0%	5'241	0.1%			
101 to 1'000	273	50.0%	115'782	1.4%			
1'001 to 10'000	138	25.3%	442'273	5.5%			
10'001 to 100'000	34	6.2%	888'082	11.1%			
100'001 to 1'000'000	7	1.3%	1'751'143	21.9%			
1'000'001 and over	1	0.2%	4'000'020	50.0%			
Total number of registered shareholders / shares	546	100.0%	7'202'541	90.0%			7'202'541
Total number of non-registered shares					797'459	10.0%	797'459
Total			7'202'541		797'459		8'000'000

Registered shareholders and shares	Registered shareholders		Registered shares	
	Number	%	Number	%
Natural persons	363	66.5%	1'466'699	20.4%
Legal persons	29	5.3%	4'125'709	57.3%
Pension funds	83	15.2%	1'139'995	15.8%
Insurance companies	11	2.0%	66'629	0.9%
Funds	35	6.4%	301'086	4.2%
Other foundations	19	3.5%	69'732	1.0%
Banks	6	1.1%	32'691	0.5%
Total	546	100.0%	7'202'541	100.0%
Switzerland	500	91.6%	7'129'938	99.0%
Europe (excluding Switzerland)	44	8.1%	62'648	0.9%
North America	2	0.4%	9'955	0.1%
Other countries	0	0.0%	0	0.0%
Total	546	100.0%	7'202'541	100.0%

4 Cross-shareholdings

As at 31 December 2014 there were no cross-shareholdings.

Capital structure of HIAG Immobilien Holding AG

1 Share capital at 31 December 2014

As at 31 December 2014 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, as well as 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 TCHF
Share capital, issued and fully paid, as at 31 December 2012	684'700	10	6'847
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
Legal Reserves (General Reserves)			in TCHF
31 December 2012			1'210
31 December 2013			1'369
31 December 2014			1'400
Legal Reserves (Reserves From Capital Contributions)			in TCHF
31 December 2012			42'837
31 December 2013			52'354
31 December 2014			127'354
Legal Reserves (Reserves For Own Shares)			in TCHF
31 December 2012			0
31 December 2013			44'240
31 December 2014			0
Freely Distributable Reserves			in TCHF
31 December 2012			108'000
31 December 2013			63'760
31 December 2014			108'000
Net Profit			in TCHF
31 December 2012			41'236
31 December 2013			43'834
31 December 2014			36'756

4 Shares, participation certificates, dividend rights certificates

The 8'000'000 issued registered shares mentioned under paragraph 2.1 on page 57 have been fully paid up. Each share is entitled to receive a dividend. Paragraph 6.1 on page 72 contains the information concerning voting rights. There are no preferential rights or similar rights.

As at 31 December 2014 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 upon 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 those acquiring these rights 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 2014 no convertible bonds or options were outstanding.

Board of Directors



Dr. oec. Felix Grisard, Salome Grisard, John Manser,
Dr. oec. Walter Jakob (from left to right)

1 Members of the Board of Directors

	Initial election	Elected until
Dr. Felix Grisard, CH, 1968, President of the Board of Directors (non-executive)	2010	2015
Salome Grisard Varnholt, CH, 1966, Member of the Board of Directors (non-executive)	2009	2015
Dr. Walter Jakob, CH, 1949, Member of the Board of Directors (non-executive)	2010	2015
John Manser, CH, 1947, Vice-President of the Board of Directors and Lead Director (non-executive, independent)	2014	2015

Dr. oec. HSG Felix Grisard

President of the Board of Directors

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

Professional background:

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

Previous activities for the HIAG Immobilien Group:

2002–2010 CEO HIAG Immobilien
1999–2001 COO HIAG Immobilien

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

Member of the Board of Directors

Education: Licensed Architect ETH/SIA, Zurich

Professional background:

1999–heute present 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, Member of the Board of Directors of HIAG Immobilien 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 grisardarchitektur AG – Zurich. No executive operating responsibilities for HIAG Immobilien Holding AG or any of its group companies in the three business years prior to the reporting period.

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

Dr. oec. HSG Walter Jakob

Member of the Board of Directors

Education: Tax advisor, HSG Dr. oec. HSG

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 – Teufen (AG), 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 prior to the reporting period.

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

John Manser

Member 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:

Activities on executive or supervisory boards: Member of the Board of Directors of Helvetia Insurance, Member of the Board of Directors of Union Bancaire Privée, Member of the Investment Commission of the University of Basel. No executive operating responsibilities for HIAG Immobilien Holding AG or any of its group companies in the three business years prior to 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 prior to 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 she/he is replacing. 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 2014 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 of 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, as well as 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, as well as 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 regarding the compensation of individual members of the Board of Directors, the Executive Board and Extended Executive Board, as well as regarding 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

As a rule, four ordinary meetings of the Board of Directors take place every year. 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 remaining members of the Board of Directors.

Consultations among the Compensation Committee members takes place as needed; 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 requires the prior approval of the Board of Directors.

In the 2014 business year, four ordinary meetings of the Board of Directors took place, with an average duration of three hours.

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.

The Compensation Committee held one meeting lasting three 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 requires the prior approval of the Board of Directors.

The Audit Committee held two meetings with an average duration of two hours.

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 supervises 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 on 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 on all levels of the company any signing is to be done 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 Executive Board (subject to approval by the General Assembly) and the Extended Executive Board;
 - 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, as well as 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 over 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, as well as 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, including the risk management system covering financial, operating and reputation-related risks. There is currently no internal auditing department. However, 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 is currently being drawn up.

Executive Board



Michele Muccioli, Martin Durchschlag, Alex Römer, Hans-Lukas Fehr,
Yves Perrin, Thorsten Eberle, Laurent Spindler, Ralf Küng (from left to right)

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: Degree (Dipl. Ing.) in industrial engineering-mechanical engineering from the Vienna University of Technology, HBP & OWP – IMD Lausanne

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

Activities on executive or supervisory boards: Member of the Foundation Board of Pensimo and the CEO of the HIAG Pensionskasse 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 (F) 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 HIAG Immobilien he worked in a senior management position of the real estate services provider Gribi Theurilla.

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 HIAG Immobilien he worked as an architect in Zurich for ten 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 (E)

Professional experience: Before joining HIAG Immobilien he was responsible for the expansion of the retailer Lidl Switzerland on the Central Plateau and in 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 HIAG Immobilien, 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 HIAG Immobilien 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 (SO)

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 (F), 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, which 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 restriction are mandates held in legal entities which 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 2014 there were no management agreements with companies outside of the group.

Remuneration, participations and loans

1 Components and assessment procedure of remuneration

The Board of Directors determines the amount of corresponding compensation 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 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. Compensation can be paid by the company or by a Group company, insofar as it is covered under the total compensation approved 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 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 in line with prevailing market practices.

The compensation of members of the Management Board is composed of fixed and variable remuneration. Reimbursement of expenses is not considered compensation. 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. The fixed compensation is made up of a base salary as well as possible other compensation components that are not performance-related and that are paid in cash. Variable compensation includes one component that is determined based on the annual individual performance of the Executive Board member and paid in cash. The performance objectives and whether or not they are met are determined by the CEO. The annual performance of the CEO is determined by the Compensation Committee.

In addition, there is a variable component for the Management Board in the form of Long Term Incentive Plans (LTIPs). The time period of the current LTIP is five years (2014-2018). The variable remuneration according to the LTIP is calculated on the basis of the return on equity for the CEO and the CFO, or according to the increase in value of the real estate portfolio of the HIAG Immobilien Group for Site Developers and for the head of Portfolio

Management for the corresponding period on a pro rata basis. The threshold for the incentive based on return on equity is an average ROE of 6% with an upper limit of nearly 13%. The threshold for the incentive based on increase in value of the real estate portfolio is an average annual increase in value of CHF 10 million with a cumulative upper limit of 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 12.65 million. Fifty percent of the incentive is set aside annually in the form of restricted employee shares. The shares may be acquired by the members of the Management Board with a retention period of five years from the date of acquisition. Shares are allocated according to the proportional incentive programme for members of the Management Board at a discount of 25.274%.

The other 50% of the LTIP incentive, which represents a cash component, is only paid out 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 notice period for open-ended employment contracts is 12 months. The agreements do not contain any unusual provisions; in particular they stipulate no termination benefits or special clauses pertaining to any changes in the 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 only be granted 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 2014 business year

Please refer to the Compensation Report, pages 75 to 83, for information on remuneration, equity holdings and loans in 2014.

Shareholders' participation rights

1 Restrictions on voting rights and proxies

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.

There are no statutory restrictions on voting rights.

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 which 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 as well as 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 his/her representative. Natural or legal persons or partnerships are eligible for election. The terms in office of the independent proxy holder and his/her representative terminate with the conclusion of the subsequent Ordinary General Assembly. The independent proxy holder and his/her 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 his/her 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 his/her representative, as well as 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 registrations 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 shall remain closed for around 14 days from 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 to be made. The exact dates and deadlines are to be 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 change 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 Basel-City on 26 January 2001). The company was most recently re-elected statutory auditor for the 2014 business year by the Ordinary General Assembly on 15 April 2014.

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 2014 came to CHF 0.16 million (previous year: CHF 0.16 million).

3 Additional fees

For the 2014 reporting period, Ernst & Young AG invoiced CHF 1.02 million in additional fees (CHF 0.80 million in connection with the initial public offering and CHF 0.22 million for legal consulting services). (Previous year CHF 0.23 million, of which CHF 0.06 million in connection with the IPO and CHF 0.16 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 auditors 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 as well as the provisions of the listing rules of the SIX Swiss Exchange.

Up-to-date releases, the most important dates as well as general information on HIAG Immobilien Holding AG and/or the HIAG Immobilien Group can be found at www.hiag.com.

Contact addresses, dates as well as information on the shares of HIAG Immobilien Holding AG can also be found on pages 100 to 103 of this annual report.

Investor Relations
Martin Durchschlag, CEO
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Further information, as well as all publications (in particular the 2014 Annual Report) are available for download at www.hiag.com. The publications can also be sent by mail; simply send a request to the above Investor Relations address.

Compensation Report

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 for the first time for the 2014 business year 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 the Executive Board if an approved total amount is insufficient (Art. 23), as well as 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:

http://www.hiag.com/media/294697/140515_Statuten-HIMHO.pdf

Paid compensation is disclosed according to the accrual principle of the accounting standards, 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 the 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 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 authorized by the General Meeting.

3 Principles and components as well as 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 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. 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 the member of the Management Board for expenses in the form and amount of flat-rate allowances recognised for tax purposes.

The fixed compensation is made up of a base salary as well as possible other compensation components that are not performance-dependent and that are paid in cash.

3.2.1 Variable compensation of the Management Board

As per the Articles of Incorporation, the variable compensation is made up of two components, an annual bonus and a Long Term Incentive Plan, and depends on whether management goals are reached. For the year 2014, the percentage part of the variable compensation for the highest paid member is 90% of the fixed compensation and 184% for the remaining members of the Executive Board whereas an important part of this variable compensation is related to the expired former incentive plan.

Individual bonus

The individual bonus is based on the annual individual performance of the individual Executive Board member, assessed by the CEO and paid in cash. The individual bonus of the CEO is determined by the Compensation Committee. In the year under review, the performance goals of the CEO were 100% met and those of the remaining members of the Executive Board were 100% met on average.

Long Term Incentive Plan (LTIP)

In addition, there is a variable component for the Management Board in the form of Long Term Incentive Plans (LTIPs). 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 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 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 relevant time period. 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 CHF 50 million) with an upper limit of CHF 70 million (cumulated CHF 350 million) for the relevant time period. The current incentive plan for the Management Board is limited to CHF 12.65 million. The upper limit represents a participation of nearly 2.6% to the value created for the shareholders.

The bonus envelope for the Management Board under the current LTIP is limited to a total of CHF 12.65 million.

A total of 50% of the incentives are 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, again, measuring return on equity for the CEO and the CFO, and the increase in value of the real estate portfolio of the HIAG Immobilien Group for the members of the Extended Executive Board. 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 own holdings of treasury shares of the company.

The other 50% of the LTIP incentive, which represents a cash component, is only paid out if the members of the Management Board are regularly employed as at 30 June 2019.

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 Board of Directors has no discretionary power to adjust the amounts paid if the objectives were reached.

3.2.2 Additional benefits

Additional benefits are primarily social and pension plans, which provide a suitable pension contribution as well as 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. The employer pays the same contribution as the employee under the BVG plan and the basic plan. 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 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.

As per the organisational rules of HIAG Immobilien Holding AG, 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;
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- 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 year under review, the Compensation Committee met for one three-hour session. The content of the session is summarised as follows:

- Explanation and discussion of compensation 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

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.

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 include notice periods of six months. The maximum termination period for unlimited employment agreements is twelve 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 last 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. These plans do not contain any provisions for members of the Management Board that 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 provides a gross presentation of compensation, i.e. inclusive of employer contributions.

4.1 Compensation of the Board of Directors

2014 in TCHF	Fixed compensation in cash	Compensation for additional services	Other compensation components	Employer social security contributions (AHV/IV)	Gross compensation	Flat-rate expense allowance
Dr. Felix Grisard	300	–	10	44 ¹	354	–
Salome Grisard Varnholt	70	–	–	5	75	–
Dr. Walter Jakob	70	26	–	–	96	–
John Manser	70	25	–	5	100	–
Total compensation of the Board of Directors (gross)	510	51	10	54	625	–

1 includes pension plans

No compensation other than what is shown here was paid in 2014.

2013 in TCHF	Fixed compensation in cash	Compensation for additional services	Other compensation components	Employer social security contributions (AHV/IV)	Gross compensation	Flat-rate expense allowance
Dr. Felix Grisard	300	32	6	46 ¹	384	–
Salome Grisard Varnholt	21	32	–	4	57	–
Dr. Walter Jakob	20	118	–	–	138	–
John Manser ²	–	–	–	–	–	–
Total compensation of the Board of Directors (gross)	341	182	6	50	579	–

1 includes pension plans

2 M. Manser is member of the Board of Directors since Februar 2014

No compensation other than what is shown here was paid in 2013.

4.2 Compensation of the Management Board

2014 in TCHF	Management Board Total	thereof Martin Durchschlag (CEO)
Fixed compensation in cash (gross)	1'637	390
Variable compensation in cash (bonus) (gross) ³	2'092	150
Variable compensation in cash (LTIP) (gross) ²	391	85
Share-based variable compensation (LTIP) ²	531	115
Other compensation components ¹	71	18
Pension benefits	186	27
Other social benefits	339	52
Total compensation of the Management Board (gross)	5'248	838
Flat-rate expense allowance	66	12

1 includes all compensation components not listed separately as per Art. 14 Par. 2 of the VegÜV, for example the provision of SBB GA travelcards (gross)

2 these amounts were accrued as at 31 December 2014 and not paid out

3 includes TCHF 1'587 for the incentive plan 2011–2013 thereof TCHF 0 for Martin Durchschlag

No compensation other than what is shown here was paid in 2014.

2013 in TCHF	Management Board Total	thereof Martin Durchschlag (CEO)
Fixed compensation in cash (gross)	1'395	325
Variable compensation in cash (bonus) (gross) ²	1'175	400
Variable compensation in cash (LTIP) (gross)	–	–
Share-based variable compensation (LTIP)	–	–
Other compensation components ¹	63	20
Pension benefits	139	27
Other social benefits	139	50
Total compensation of the Management Board (gross)	2'911	822
Flat-rate expense allowance	60	12

1 includes all compensation components not listed separately as per Art. 14 Par. 2 of the VegÜV, for example the provision of SBB GA travelcards (gross)

2 includes TCHF 950 for the incentive plan 2011–2013 thereof TCHF 250 for Martin Durchschlag

No compensation other than what is shown here was paid in 2013.

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

Except for those explicitly mentioned below, in 2014 no other credits or loans were granted to the Board of Directors and Management Board and no such credits or loans were still outstanding as at 31 December 2014.

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 231 as at 31 December 2014. The loan was secured through pledging of all of the employee shares of the borrower and is due to be paid back by 31 December 2019 at the latest.

As at 31 December 2014, one loan to Martin Durchschlag, the CEO, was outstanding. The TCHF 3'200 loan 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 of 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 2014, 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 2014.

In 2014, 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 provided with a loan of TCHF 12'200, which is subject to interest in keeping with market rates. The loan is scheduled to be fully repaid by the end of 2016.

5 Further information and remarks

No further information or remarks.

Report of the statutory auditor on the remuneration report



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To the General Meeting of
HIAG Immobilien Holding AG, Basle

Basle, 6 March 2015

Report of the statutory auditor on the remuneration report

We have audited the accompanying remuneration report (chapter 4 pages 75 to 83) dated 6 March 2015 of HIAG Immobilien Holding AG for the year ended 31 December 2014.

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 against Excessive Compensation in Stock Exchange Listed Companies (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 2014 of HIAG Immobilien Holding AG complies with Swiss law and articles 14 – 16 of the Ordinance.

Ernst & Young Ltd

A stylized, handwritten signature in black ink, consisting of several loops and a long horizontal stroke.

André Schaub
Licensed audit expert
(Auditor in charge)

A stylized, handwritten signature in black ink, featuring a prominent 'C' and 'h'.

Bruno Chiomento
Licensed audit expert

2014 Individual Financial Statement

Balance Sheet

in TCHF	31.12.2014	31.12.2013
Cash and cash equivalents	14'612	615
Receivables		
Group	1'499	3'565
Related parties/Shareholders	507	126
Other current receivables	124	70
Prepayments and accrued income	55	6
Current assets	16'797	4'382
Financial assets Group		
Group	257'959	185'049
Related parties/Shareholders	15'400	15'748
Participations	80'209	78'373
Treasury shares	0	44'240
Fixed assets	353'568	323'410
Assets	370'365	327'792
Current interest-bearing liabilities to banks	0	30'000
Trade payables	28	182
Current interest-bearing liabilities Group	220	1'447
Other current liabilities	4	0
Tax liabilities	16	858
Accrued expenses and deferred income	627	394
Current liabilities	895	32'881
Non-current interest-bearing liabilities to banks	55'000	55'000
Non-current interest-bearing liabilities Group	19'500	22'854
Other non-current liabilities	4'500	4'500
Non-current liabilities	79'000	82'354
Liabilities	79'894	115'235
Share capital	8'000	7'000
Statutory capital reserves	128'754	53'723
Statutory capital reserves	1'400	1'369
Statutory reserves from capital contribution ¹	127'354	52'354
Statutory retained earnings	8'960	0
Statutory retained earnings	8'960	0
Reserves for own shares	0	44'240
Voluntary retained earnings	108'000	63'760
Voluntary retained earnings	108'000	63'760

in TCHF	31.12.2014	31.12.2013
Distributable profit	36'756	43'834
Amount carried forward from previous year	43'803	41'077
Net income	(7'047)	2'757
Shareholders' equity	290'470	212'557
Liabilities and shareholders' equity	370'365	327'792

1 See notes

Income Statement

in TCHF	2014	2013
Operating Income	0	81
Personnel expenses	1'717	67
Insurance and fees	129	110
General operating expenses	154	111
Office and administrative expenses	481	715
Communication expenses	340	236
Operating expenses	2'821	1'239
Operating income before depreciation and amortisation (EBITDA)	(2'821)	(1'157)
Operating income (EBIT)	(2'821)	(1'157)
Financial income	3'874	5'405
Financial expenses	8'096	1'234
Financial result	(4'222)	4'171
Earnings before taxes (EBT)	(7'043)	3'014
Taxes	4	257
Net income	(7'047)	2'757

Notes to the Income Statement

Accounting Principles Applied in this Financial Statement

Participations

Participations are recorded at acquisition cost minus possible value impairment.

Financial Assets

Financial Assets include long term intercompany loans, long term loan with the Executive Board and a long term loan with SFAG Holding AG.

Definition "Group" / "Related parties/Shareholders"

"Group" is related to companies of the HIAG Immobilien Holding Group and "Related parties/Shareholders" is related to the Executive Board and SFAG Holding AG

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

Tax on earnings or income and tax on real estate gains are listed as "Direct taxes" whereas capital or property taxes are listed as "Other 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.

Financial Reporting Law Applied

This financial statement was established in accordance with the commercial accounting provisions of the Swiss Code of Obligations (Art. 957–963b OR, valid as of 1 January 2013).

First Use of New Financial Reporting Law

The 2014 financial statement was established for the first time as per the provisions of Swiss financial reporting law (Title 32 of the Code of Obligations). In accordance with Art. 2 Par. 4 of the transitional provisions, the consistency of the presentation of the balance sheet and income statement has not been maintained with regard to the figures from the previous year. Information from the previous year is therefore only comparable to a limited extent. This should be borne in mind for the item “Reserves for own shares” in particular.

Statutory Reserves from Capital Contribution

The capital contributions in the amount of CHF 42'837 thousand reported to the Swiss Federal Tax Administration (ESTV) as of 31 December 2012 were recognised by the ESTV in the amount of CHF 42'398 thousand (decision issued on 15 October 2013). The statutory reserves from capital contribution rose to CHF 52'354 thousand as a result of the capital increase carried out in 2013. The statutory reserves from capital contribution rose to CHF 127'354 thousand as a result of the capital increase carried out in 2014.

Information, Break-Downs and Explanations regarding Items in the Balance Sheet and Income Statement

	31.12.2014	31.12.2013
Personnel expenses	1'717	67
thereof discount related to the sale of HIAG Immobilien Holding treasury shares to Group employees	1'701	0
HIAG Immobilien Holding AG has no employees.		
Financial expenses	8'096	1'234
thereof non-recurring listing expenses	6'608	0
	31.12.2014	31.12.2013
Participations	80'209	78'373

Summary of HIAG Immobilien Holding AG participations at 31.12.2014

Company	City	Country	Share capital in TCHF	Participation in %	Book value of the participation in TCHF
HIAG Immobilien Schweiz AG	Zug	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
Total					80'209

Most important indirect participations as at 31.12.2014

Company	City	Country	Share capital in TCHF	Participation in %
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%

The companies are real estate companies within the scope of HIAG Immobilien's strategy and with the purposes of maintaining, development and selling properties.

Summary of HIAG Immobilien Holding AG participations at 31.12.2013

Company	City	Country	Share capital in TCHF	Participation 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
Total					78'373

Most important indirect participations as at 31.12.2013

Company	City	Country	Share capital in TCHF	Participation in %
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%
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 and developing as well as selling properties.

Treasury shares

	Number	2014	2013
Book value at 1 Jan.	700'000	44'240	0
Purchase	–	0	44'240
Sale	700'000	44'240	0
Book value at 31 Dec.	0	0	44'240

On 17 December 2013 700'000 shares in HIAG Immobilien Holding AG were purchased by the company at a nominal value of CHF 1 for a total amount of CHF 44'240 thousand. During the IPO, 700'000 shares in the company were sold at CHF 53'200 thousand. The company held no treasury shares as at 31 December 2014.

Contingent Liabilities

	31.12.2014	31.12.2013
Joint security for loans extended to the Group	7'500	7'500

Pledged Assets

	31.12.2014	31.12.2013
Other pledged assets	0	70'395

Significant shareholders

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

	Voting rights
Lock-up group composed of:	67.8%
SFAG Holding AG	
Felix Grisard	
Salome Grisard Varnholt	
Andrea Grisard	
Martin Durchschlag	

The members of the lock-up group have individual lock-up contracts with the lead bank within the framework of the IPO of the company, by which they commit to uphold certain lock-up obligations for 12 months starting from the first trading day of the shares of the company (16 May 2014). By signing these lock-up contracts, these shareholders became a group within the meaning of Art. 10 of the FINMA (Swiss Financial Market Supervisory Authority) Stock Exchange Ordinance.

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

1 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. 10 of the FINMA Stock Exchange Ordinance.

Shares held by current members of the executive and supervisory bodies

	31.12.2014
Dr. Felix Grisard, President of the Board of Directors ¹	554'995
Salome Grisard Varnholt, member of the Board of Directors ¹	282'896
Dr. Walter Jakob, member of the Board of Directors	2'500
John Manser, member of the Board of Directors	–
Martin Durchschlag, CEO	204'000
Laurent Spindler, Chief Financial Officer	2'200
Total	1'046'591

1 Dr Felix Grisard and Salome Grisard Varnholt are shareholders in the Board of Directors of SFAG Holding AG, which holds 4'000'020 shares in HIAG Immobilien Holding AG. With 50.01% of shares, SFAG Holding AG is the majority shareholder of HIAG Immobilien Holding AG. Dr Felix Grisard and Salome Grisard Varnholt jointly hold $\frac{2}{3}$ of the shares of SFAG Holding AG directly and indirectly.

The shares held by the Extended Executive Board are disclosed in the Consolidated Financial Statements.

Subsequent event

The Individual Financial Statements were approved by the Board of Directors on 6 March 2015. At this point in time there have been no significant events after the balance sheet date.

Profit Appropriation

in TCHF	31.12.2014	31.12.2013
Proposed appropriation of distributable profit:		
Net income	(7'047)	2'757
Amount carried forward from previous year	43'803	41'077
Distributable profit	36'756	43'834
Attribution to the general statutory capital reserves	–	31
Amount carried forward to next year	36'756	43'803

For the business year 2014, the Board of Directors will propose to the annual General Meeting on 21 April 2015 a cash distribution out of the capital contribution reserves of CHF 3.30 per share respectively a maximum of TCHF 26'400 in total.

Report of the statutory auditor with financial statements



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To the General Meeting of
HIAG Immobilien Holding AG, Basle

Basle, 6 March 2015

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 86 to 93), for the year ended 31 December 2014.

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 2014 comply with Swiss law and the company's articles of incorporation.



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)

Bruno Chiomento
Licensed audit expert

General Property Details

Yielding Portfolio

Property ID	Canton	Municipality	Property	Main use ¹	Market value (CHFm)	Full occupancy property rent (CHFm)	Annualised property rent (CHFm)	Occupancy rate (%)	Net site area (sqm) ²	Year of construction	Year of construction ²	Partial renovation	Discount factor (%)
10101	ZH	Dietikon	Riedstrasse 3	Retail	53.9	3.0	2.7	88.4%	13'690	1982	2002	2007	4.6
10102	ZH	Dietikon	Riedstrasse 5	Retail	45.6	2.2	2.2	100.0%	13'500	1982	–	1993	4.7
10103	ZH	Dietikon	Riedstrasse 7–9	Retail	28.8	1.6	1.4	90.5%	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	29.3	1.4	1.4	98.5%	65'356	1997	2007	–	5.1
10202	AG	Kleindöttingen	Industriestrasse 14/20/26/30/34/46	Industrial	33.6	2.1	2.0	97.6%	38'314	1971	2012	–	5.0
10203	AG	Kleindöttingen	Industriestrasse 3	Logistics	21.0	1.6	0.7	45.2%	14'517	1971	1999	2008	5.3
10204	AG	Kleindöttingen	Hauptstrasse 70	Industrial	2.5	0.3	0.3	81.8%	6'625	1961	1977	–	5.5
10207	AG	Kleindöttingen	Industriestrasse 21	Industrial	5.4	0.7	0.4	63.2%	12'849	1969	1974	–	5.7
10301	ZH	Niederhasli	Mandachstrasse 50–56	Office	44.3	3.2	2.3	71.4%	10'918	1992	2007	–	4.9
10302	ZH	Niederhasli	Stationsstrasse 25	Logistics	21.7	1.4	1.4	100.0%	16'691	1991	–	–	4.9
10303	ZH	Niederhasli	Stationsstrasse 32	Industrial	8.4	0.8	0.5	64.3%	16'122	2001	1955	–	5.3
10502	TG	Ermatingen	Hauptstrasse 189	Logistics	4.2	0.4	0.4	100.0%	12'257	1994	–	–	5.4
10701	GE	Carouge	Rue Baylon 13–15	Logistics	19.2	1.7	1.7	100.0%	10'871	1970	2003	2021	5.1
10801	BS	Riehen	plot no. 1700	Others	1.8	0.2	0.2	100.0%	5'486	–	–	–	3.5
12801	SG	St. Margrethen	plot no. 2957	Others	2.3	0.1	0.1	100.0%	13'880	–	–	–	4.0
13401	AG	Klingnau	Weierstrasse 5/Kanalstrasse 8	Industrial	16.8	1.0	1.0	100.0%	12'992	1965	2008	–	4.8
13402	AG	Klingnau	Industriestrasse 7	Industrial	5.8	0.4	0.3	72.1%	5'526	1955	–	–	5.6
13403	AG	Klingnau	Industriestrasse 4/10, Brühlstrasse 46–50	Industrial	14.0	0.9	0.8	82.6%	13'028	1955	1960	–	5.1
13404	AG	Klingnau	Brühlstrasse 33–41	Industrial	4.3	0.4	0.3	74.3%	6'174	1953	1955	–	5.4
13405	AG	Klingnau	Schützenmattstrasse 7, Parkstrasse 14	Industrial	5.0	0.4	0.2	46.5%	11'016	1961	1949	–	5.7
13406	AG	Klingnau	Parkstrasse 15–29	Residential	24.5	1.3	1.1	90.4%	13'071	1999	2008	–	4.0
13407	AG	Klingnau	Parkstrasse 7–13	Residential	11.1	0.6	0.5	90.9%	6'075	1999	2008	–	4.1
18101	ZG	Cham	Lorzenparkstrasse 2–16	Res. mixed	50.3	3.4	2.3	66.8%	13'537	2008	–	–	4.9
30001	ZH	Aathal	Zürichstrasse 66–80	Residential	3.8	0.3	0.3	100.0%	7'861	1870	1915	1988	4.6
30002	ZH	Aathal	Zürichstrasse 50–62/192	Res. mixed	1.7	0.1	0.1	100.0%	6'639	1849	1880	1985	4.8
30301	ZH	Seegräben	Gstaldenstrasse 59	Residential	0.9	0.0	0.0	0.0%	559	1981	–	–	2.5
30401	ZH	Aathal	Zürichstrasse 13–25	Retail	36.2	2.3	1.5	67.3%	16'597	1862	2014	–	4.8
30402	ZH	Aathal	Gstaldenstrasse 5	Industrial	4.3	0.3	0.2	68.8%	16'250	1960	1964	–	5.2
30404	ZH	Aathal	Zürichstrasse 1–7	Residential	1.1	0.1	0.1	100.0%	4'375	1900	–	1995	4.4
30501	ZH	Aathal/Wetzikon	Agricultural land / land without use	Others	1.4	0.0	0.0	–	196	–	–	–	2.5
30601	ZH	Aathal	Zürichstrasse 34	Res. mixed	0.2	0.0	0.0	100.0%	257	1860	–	1990	5.0
30802	ZH	Wetzikon	Zürcherstrasse 130–132/131–133	Residential	0.5	0.1	0.1	100.0%	0	1839	–	2003	4.4
30901	ZH	Wetzikon	Grundstrasse 6–10	Residential	1.0	0.1	0.1	100.0%	1'745	1895	–	1990	4.1
30902	ZH	Wetzikon	Schulhausstrasse 42–44	Residential	1.5	0.1	0.1	100.0%	2'076	1840	–	1982	4.2
30904	ZH	Wetzikon	Usterstrasse 128	Residential	4.1	0.2	0.2	100.0%	1'569	1870	2007	–	4.0
30905	ZH	Wetzikon	Haldenstrasse 20	Residential	2.8	0.2	0.2	100.0%	1'741	1971	–	1991	4.0
30909	ZH	Wetzikon	Florastrasse 9	Residential	5.3	0.3	0.3	96.4%	1'899	1990	–	–	4.2
30910	ZH	Wetzikon	Usterstrasse 88–104	Residential	0.6	0.1	0.1	100.0%	2'078	1791	–	1990	4.5
32102	AG	Windisch	Spinnereistrasse 10–12/15	Residential	30.3	1.4	1.2	84.2%	5'122	2014	–	–	4.1
32106	AG	Windisch	Dorfstrasse 69	Office	9.0	0.5	0.4	76.1%	2'466	1959	–	2008	5.1
32108	AG	Windisch	Spitzmattstrasse 6	Others	18.8	1.4	1.4	97.9%	5'115	1960	–	2003	5.0
33101	ZH	Wädenswil	Seestrasse 205/219, Bürglistrasse 43	Industrial	11.6	0.9	0.9	100.0%	10'993	1916	–	–	4.2
33102	ZH	Wädenswil	Seestrasse 201	Office	0.9	0.1	0.0	0.0%	1'799	1908	1919	–	5.6
35001	GL	Diesbach	Legler-Fabrik	Industrial	-0.4	–	–	–	9'890	1996	1910	–	4.6
35002	GL	Diesbach	Hauptstrasse 38–40	Office	0.4	0.0	0.0	100.0%	7'683	1961	1970	–	5.0
35003	GL	Diesbach	Hauptstrasse 25	Residential	0.4	0.1	0.0	50.0%	1'225	1974	–	2009	4.9
35004	GL	Diesbach	Kraftwerk	Others	9.0	0.6	0.6	100.0%	–	1996	–	–	4.7
36110	SO	Biberist	MEG Emenkanal, Bauland	Others	-0.2	–	–	–	–	–	–	–	5.0
36112	SO	Biberist	Kraftwerk	Others	3.4	0.2	0.2	100.0%	–	1984	–	–	5.0
36201	SO	Biberist	Herrenweg 1–7	Residential	2.0	0.2	0.2	100.0%	5'000	1920	–	–	4.4
36202	SO	Biberist	Derendingerstrasse 18–40, Herrenweg 6	Residential	4.0	0.3	0.3	100.0%	16'394	1920	–	–	4.5
36203	SO	Biberist	Herrenweg 4/8/10, Derendingerstr. 16	Residential	2.4	0.0	0.0	100.0%	0	1928	–	1992	4.4
60101	BS	Basel	Rosentalstrasse 27	Residential	4.0	0.2	0.2	100.0%	574	1938	–	–	3.8
60301	BL	Birsfelden	Weidenweg 8–10	Residential	10.6	0.5	0.5	98.1%	3'798	1989	–	–	4.2
60302	BL	Birsfelden	Hauptstrasse 84–88	Residential	10.6	0.6	0.5	85.7%	1'787	1989	–	–	4.4
60401	BL	Birsfelden	Sternenfeldpark 14	Office	24.23	1.7	0.9	54.8%	3'554	2009	–	–	5.2
60402	BL	Birsfelden	Langenhagstrasse 6/10/18	Logistics	13.77	0.9	0.9	100.0%	8'383	1960	2006	2006	5.0
60601	SO	Gempen	Schartenhof	Others	2.45	0.0	0.0	100.0%	2'331	1950	–	2006	5.0
62001	BL	Allschwil	Binningerstrasse 87–89	Industrial	5.17	0.4	0.4	100.0%	1'999	1809	1957	–	4.4
70001	AG	Brunegg	Industriestrasse 1	Logistics	17.26	1.4	1.4	100.0%	15'293	1974	1985	2001	4.7
70401	AG	Buchs	Fabrikweg	Retail	4.72	0.4	0.4	100.0%	18'211	1988	–	2007	5.2
Total					428.9	15.5	10.4	67.0%	888'762				

1 Others refer to land, building rights, parking, official use; 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 sqm)

3 Second building phase

Ownership (%)		Register of polluted sites (KbS)	Compulsory surveillance	Obligatory remediation	Lettable area (% , sqm)							Full occupancy property income (CHF 1'000)						
					Resi- dential	Office	Retail	Logistics	Storage	Others	Total	Resi- dential	Office	Retail	Logistics	Storage	Others	Total
Sole ownership	100%	Yes	–	–	–	13%	37%	8%	5%	38%	17'003	–	374	1'327	211	103	1'016	3'031
Sole ownership	100%	No	–	–	–	7%	80%	–	13%	–	9'240	–	120	1'903	–	24	192	2'239
Sole ownership	100%	No	–	–	–	–	94%	–	6%	–	11'854	–	–	1'320	60	59	138	1'577
Sole ownership	100%	No	–	–	–	–	–	–	–	–	–	–	–	–	–	–	12	12
Sole ownership	100%	Yes	No	No	–	20%	–	79%	1%	–	16'113	–	192	–	752	8	421	1'373
Sole ownership	100%	Yes	No	No	–	14%	–	68%	17%	–	17'006	–	376	–	1'638	2	62	2'078
Sole ownership	100%	Yes	No	No	–	19%	–	74%	7%	–	15'461	–	413	–	1'067	52	18	1'550
Sole ownership	100%	No	–	–	–	–	–	83%	17%	–	4'775	–	47	–	261	1	20	'329
Sole ownership	100%	No	–	–	–	6%	–	48%	39%	6%	11'359	–	52	–	509	68	47	'676
Sole ownership	100%	No	–	–	–	41%	24%	22%	12%	–	19'187	–	629	726	1'229	372	260	3'216
Sole ownership	100%	No	–	–	–	–	–	100%	–	–	7'883	–	–	–	1'287	–	111	1'398
Sole ownership	100%	No	–	–	8%	11%	–	31%	50%	–	4'608	75	–	–	464	–	305	844
Sole ownership	100%	No	–	–	–	–	–	–	100%	–	3'301	–	–	–	343	–	12	355
Building right	100%	No	–	–	–	10%	–	89%	1%	–	10'749	–	217	–	1'379	24	26	1'646
Building right	100%	No	–	–	–	–	–	–	–	–	–	–	–	–	–	–	171	171
Building right	100%	No	–	–	–	–	–	–	–	–	–	–	–	–	–	–	102	102
Sole ownership	100%	No	–	–	–	10%	–	75%	15%	–	9'015	–	132	–	851	–	19	1'002
Sole ownership	100%	Yes	No	No	–	4%	–	90%	5%	–	5'914	–	19	–	400	5	10	434
Sole ownership	100%	Yes	No	No	–	3%	–	73%	23%	–	10'428	–	87	–	786	7	39	919
Sole ownership	100%	No	–	–	–	11%	–	43%	46%	–	5'741	–	83	–	258	2	11	354
Sole ownership	100%	Yes	No	No	–	7%	–	43%	51%	–	5'526	–	39	–	330	12	48	429
Sole ownership	100%	No	–	–	91%	–	–	–	–	9%	6'309	1'137	–	–	–	–	116	1'253
Sole ownership	100%	No	–	–	92%	–	–	–	–	8%	2'911	501	–	–	–	–	53	554
Sole ownership	100%	No	–	–	38%	26%	–	23%	6%	7%	14'812	1'191	1'225	–	605	91	273	3'385
Sole ownership	100%	No	–	–	100%	–	–	–	–	–	2'139	264	–	–	–	10	27	301
Sole ownership	100%	No	–	–	100%	–	–	–	–	–	1'096	136	–	–	–	–	1	137
Sole ownership	100%	No	–	–	–	–	–	–	–	–	–	28	–	–	–	–	–	28
Sole ownership	100%	Yes	No	No	2%	29%	36%	3%	18%	11%	13'757	22	520	724	253	370	373	2'262
Sole ownership	100%	No	–	–	–	–	–	–	100%	–	4'753	–	–	–	–	265	51	316
Sole ownership	100%	No	–	–	100%	–	–	–	–	–	729	99	–	–	–	–	2	101
Sole ownership	100%	No	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Sole ownership	100%	No	–	–	66%	–	–	34%	–	–	94	6	–	–	1	–	–	7
Sole ownership	100%	No	–	–	100%	–	–	–	–	–	551	62	–	–	–	–	2	64
Sole ownership	100%	No	–	–	100%	–	–	–	–	–	433	53	–	–	–	–	2	55
Sole ownership	100%	No	–	–	100%	–	–	–	–	–	500	78	–	–	–	–	3	81
Sole ownership	100%	No	–	–	98%	–	–	–	–	2%	1'065	203	–	–	–	–	9	212
Sole ownership	100%	No	–	–	100%	–	–	–	–	–	904	156	–	–	–	–	12	167
Sole ownership	100%	No	–	–	100%	–	–	–	–	–	1'347	254	–	–	–	–	20	274
Sole ownership	100%	No	–	–	100%	–	–	–	–	–	627	56	–	–	–	–	7	62
Sole ownership	100%	No	–	–	100%	–	–	–	–	–	5'317	1'393	–	–	–	–	–	1'393
Sole ownership	100%	No	–	–	–	89%	–	–	10%	1%	3'147	–	392	–	–	17	54	463
Sole ownership	100%	No	–	–	2%	–	–	–	–	98%	8'380	36	–	–	–	–	1'386	1'422
Sole ownership	100%	Yes	No	No	–	3%	–	67%	30%	–	11'986	–	62	–	617	165	9	853
Sole ownership	100%	No	–	–	–	76%	–	–	24%	–	522	–	67	–	–	6	12	84
Sole ownership	100%	No	–	–	–	–	–	100%	–	–	170	–	–	–	1	–	–	1
Sole ownership	100%	No	–	–	100%	–	–	–	–	–	200	11	–	–	–	–	–	11
Sole ownership	100%	No	–	–	100%	–	–	–	–	–	390	57	–	–	–	–	6	63
Sole ownership	100%	No	–	–	–	–	–	–	–	–	–	–	–	–	–	–	600	600
Sole ownership	100%	Np	No	No	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Sole ownership	100%	No	No	No	–	–	–	–	–	–	–	–	–	–	–	–	250	250
Sole ownership	100%	Yes	No	No	100%	–	–	–	–	–	1'732	148	–	–	–	–	–	148
Sole ownership	100%	No	–	–	100%	–	–	–	–	–	2'610	236	–	–	–	–	34	270
Sole ownership	100%	No	–	–	–	–	–	–	–	–	–	–	–	–	–	–	42	42
Sole ownership	100%	No	–	–	100%	–	–	–	–	–	1'121	217	–	–	–	–	–	217
Sole ownership	100%	No	–	–	100%	–	–	–	–	–	1'976	441	–	–	–	–	98	539
Sole ownership	100%	No	–	–	28%	24%	19%	11%	18%	–	3'157	169	183	130	50	43	52	627
Sole ownership	100%	Yes	No	No	–	58%	–	42%	–	–	10'165	–	926	–	514	70	152	1'662
Sole ownership	100%	Yes	No	No	–	14%	–	82%	5%	–	6'992	–	159	–	681	17	9	866
Sole ownership	100%	No	–	–	100%	–	–	–	–	–	162	10	–	–	–	–	5	15
Sole ownership	100%	No	–	–	11%	16%	–	73%	–	–	2'443	56	86	–	204	–	10	355
Sole ownership	100%	No	–	–	–	12%	–	74%	14%	–	10'635	–	164	–	1'066	148	35	1'413
Building right	100%	No	–	–	–	39%	–	61%	–	–	4'950	–	215	–	219	–	–	434
					11%	15%	11%	42%	14%	6%	313'245	7'094	6'779	6'130	16'036	1'942	6'744	44'723

Redevelopment Portfolio

Property ID	Canton	Municipality	Property	Main use ¹	Market value (CHFm)	Full occupancy property rent (CHFm)	Annualised property rent (CHFm)	Occupancy rate (%)	Net site area (sqm) ²	Year of construction	Year of construction ² ³
10208	AG	Kleindöttingen	plot no. 420	Others	9.8	–	–	–	43'400	–	–
10304	ZH	Niederhasli	plot no. 3131	Others	3.5	–	–	–	12'000	–	–
10501	TG	Ermatingen	Hauptstrasse 181/185	Logistics	5.3	0.4	0.4	100.0%	12'125	1968	1997
10601	BL	Füllinsdorf	Wölferstrasse 27/27a	Logistics	12.4	1.0	0.5	45.9%	16'000	1971	1983
12802	SG	St. Margrethen	Altfeldstrasse West	Res. mixed	8.8	0.4	0.1	24.4%	38'741	1951	2016
12803	SG	St. Margrethen	Altfeldstrasse Ost	Industrial	4.1	0.3	0.2	46.9%	31'710	1937	–
13408	AG	Klingnau	Weierstrasse 8	Others	0.9	–	–	–	2'137	–	–
16101	ZG	Baar	lbelweg 18	Residential	80.1	–	–	–	9'218	1964	2015
18102	ZG	Cham	plot no. 2794	Others	7.3	–	0.0	–	6'514	–	–
18103	ZG	Cham	plot no. 3195	Others	33.7	–	0.0	–	26'231	–	–
20101	VS	St-Maurice	Bois-Noir	Industrial	1.6	0.7	0.3	44.8%	35'366	1960	1970
22101	VD	Aigle	Route Industrielle 18	Industrial	3.4	0.2	0.2	83.3%	11'410	1991	2015
22201	GE	Vernier	Chemin de la Verseuse 1–3	Industrial	6.7	0.1	0.0	8.3%	4'507	1964	2014
22301	GE	Lancy	Route des Jeunes 20–26	Industrial	17.9	0.7	0.5	76.1%	8'783	2017	–
26101	AG	Bremgarten	Luzernerstrasse 48–50	Industrial	10.8	0.8	0.8	100.0%	20'613	1962	1983
29001	GE	Meyrin	Route du Nant d'Avril 150	Office	35.0	2.5	2.4	95.7%	36'296	1981	–
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	5.8	0.2	0.2	100.0%	21'302	1850	1870
30403	ZH	Aathal	Gstalderstrasse 3	Res. mixed	1.0	0.2	0.0	6.7%	1'067	1870	–
30602	ZH	Aathal	Chälenweg 1/11/164, Aretsh. 1–7/11–21/158	Residential	2.5	0.2	0.2	100.0%	10'069	1440	–
30603	ZH	Aathal	Zürichstrasse 22–24	Res. mixed	2.2	0.2	0.2	75.0%	3'580	1870	1860
30701	ZH	Seegräben	Aretshaldenstrasse 30	Residential	1.2	0.0	0.0	100.0%	14'762	1700	1850
30801	ZH	Wetzikon	Usterstr. 200–202/206, Zürichstr. 119–121	Industrial	6.7	0.6	0.3	42.4%	14'653	1872	1900
30906	ZH	Wetzikon	Schönaustrasse 5–13	Residential	5.1	0.3	0.2	71.9%	13'223	2016	–
30907	ZH	Wetzikon	Schönaustrasse 9	Others	18.3	0.0	0.0	33.3%	11'312	2016	–
30908	ZH	Wetzikon	Weststrasse 26–28	Residential	1.6	0.0	0.0	75.0%	1'908	1800	1896
31501	TG	Frauenfeld	Walzmühlestrasse 47	Res. mixed	1.9	0.1	0.0	37.5%	4'564	1926	–
31502	TG	Frauenfeld	Walzmühlestrasse 49	Res. mixed	1.4	0.1	0.0	25.0%	2'043	1922	–
31503	TG	Frauenfeld	Walzmühlestrasse 51	Res. mixed	2.9	0.2	0.2	85.7%	10'863	1832	–
31504	TG	Frauenfeld	Walzmühlestrasse Parking	Res. mixed	1.3	0.1	0.0	33.3%	3'340	–	–
31601	NE	Neuchâtel	Rue du Plan 30	Industrial	16.0	1.2	0.8	71.3%	11'397	1963	1967
32101	AG	Windisch	Spitzmattstrasse 41–45	Residential	6.4	–	–	–	16'076	2012	–
32103	AG	Windisch	Kunzareal – Feinspinnerei	Residential	8.3	–	–	–	2'081	1951	–
32104	AG	Windisch	Spinnereistrasse 6	Residential	15.1	–	–	–	8'400	1864	–
32105	AG	Windisch	Kunzareal – Zentrum West	Industrial	0.6	0.1	0.1	100.0%	2'481	1827	1890
32107	AG	Windisch	Kunzareal – Heinrich	Others	1.5	0.1	0.1	81.8%	3'252	1960	–
34001	AG	Brugg	Wildschachenstrasse 12–14	Industrial	4.4	0.6	0.5	91.4%	11'080	1960	–
34002	AG	Brugg	Wildschachenstrasse 6	Office	17.5	1.1	1.0	91.2%	33'505	1960	–
36101	SO	Biberist	Fabrikstrasse 2–8	Office	2.8	0.4	0.0	0.0%	22'524	1937	–
36102	SO	Biberist	Fabrikstrasse 14–34	Industrial	15.8	–	–	–	44'000	1972	1990
36103	SO	Biberist	Fabrikstrasse 57–115 – Ausrüstung	Industrial	6.7	0.1	0.1	100.0%	40'000	1946	1991
36104	SO	Biberist	Fabrikstrasse 36–38	Logistics	9.8	0.2	0.2	100.0%	23'000	1991	–
36105	SO	Biberist	Fabrikstrasse 1–29	Industrial	5.1	0.3	0.3	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	0.3	0.1	0.1	100.0%	16'000	1946	–
36108	SO	Biberist	Fabrikstrasse Insel	Others	4.9	–	–	–	60'400	1991	–
36109	SO	Biberist	Derendingerstrasse 27–29	Others	5.8	–	–	–	44'183	–	–
36111	SO	Biberist	Deponie Schachen, Bauland	Others	0.1	–	–	–	–	–	–
36204	SO	Biberist	plot no. 944, 1172, 1179	Others	0.5	–	–	–	–	–	–
40101	AG	Menziken	Hauptstrasse 85	Others	10.1	0.1	0.1	100.0%	9'611	1911	–
61101	BL	Aesch	Industriestrasse 45–61	Industrial	8.39	0.8	0.8	98.8%	35'932	1900	1940
72001	AG	Hausen	Hauptstrasse 96	Others	8.58	–	0.0	–	27'235	2017	–
72002	AG	Lupfig	Hauptstrasse 98–100	Others	3.52	–	0.0	–	34'933	2018	–
Total				Total	447.9	14.4	10.8	75.1%	919'952		

1 Others refer to land, building rights, parking, official use; 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 sqm)

3 Second building phase

Partial reno- vation	Discount factor (%)	Ownership (%)	Register of polluted sites (KbS)	Compulsory surveillance	Obligatory remediation	Effective area to be developed (sqm)								
						Residential (sale)	Residential (rent)	Office	Retail	Industry/ Logistics	Storage	Others	Total	
–	4.1	Sole ownership	100%	No	–	–	4'200	16'800	–	–	16'392	–	–	37'392
–	4.6	Sole ownership	100%	No	–	–	–	–	–	7'800	–	–	–	7'800
–	5.4	Sole ownership	100%	No	–	–	–	6'643	–	483	85	262	–	7'473
–	5.8	Sole ownership	100%	No	–	–	–	–	–	–	–	–	–	–
–	2.5	Sole ownership	100%	No	–	–	3'500	3'250	–	5'000	15'000	2'000	8'300	37'050
–	2.5	Sole ownership	100%	Yes	No	No	–	–	–	–	–	–	–	–
–	4.2	Sole ownership	100%	No	–	–	–	–	–	–	–	–	–	–
–	4.0	Condominium	100%	No	–	–	11'785	–	–	–	420	–	–	12'205
–	2.5	Sole ownership	100%	No	–	–	–	1'300	15'000	2'000	–	–	–	18'300
–	2.5	Sole ownership	100%	No	–	–	8'633	13'867	–	2'500	–	–	–	25'000
–	5.8	Sole ownership	100%	Yes	No	No	–	–	–	12'600	7'470	–	–	20'070
–	5.3	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
–	5.2	Sole ownership	100%	Yes	No	No	–	–	1'935	–	11'535	–	–	13'470
–	4.5	Building right	100%	No	–	–	–	–	32'474	–	23'700	–	–	56'174
–	5.2	Sole ownership	100%	No	–	–	–	–	–	–	–	–	–	–
1990	4.7	Sole ownership	100%	No	–	–	–	2'400	1'000	4'800	2'250	–	–	10'450
1993	5.3	Sole ownership	100%	No	–	–	–	–	–	–	–	–	–	–
1988	4.8	Sole ownership	100%	Yes	No	No	–	–	–	–	–	–	–	–
1989	5.0	Sole ownership	100%	No	–	–	–	–	–	–	–	–	–	–
–	5.0	Sole ownership	100%	No	–	–	–	–	–	–	–	–	–	–
1993	5.5	Sole ownership	100%	Yes	No	No	1'899	298	1'669	1'569	–	772	–	6'207
1943	4.2	Sole ownership	100%	No	–	–	6'282	–	–	–	120	–	740	7'142
–	4.0	Sole ownership	100%	Yes	No	No	8'727	–	–	–	–	–	–	8'727
–	4.4	Sole ownership	100%	No	–	–	–	–	–	–	–	–	–	–
–	4.2	Sole ownership	100%	Yes	No	No	1'463	–	–	561	–	423	61	2'508
–	4.6	Sole ownership	100%	Yes	No	No	–	1'545	1'348	–	350	61	–	3'304
–	4.0	Sole ownership	100%	Yes	No	No	4'235	–	–	–	–	–	–	4'235
–	4.8	Sole ownership	100%	Yes	No	No	–	–	6'263	–	–	–	–	6'263
–	4.7	Sole ownership	100%	Yes	No	No	–	–	–	3'200	–	–	–	3'200
–	4.0	Condominium	100%	No	–	–	–	–	–	–	–	–	–	–
2014	4.0	Sole ownership	100%	No	–	–	2'987	–	–	–	–	–	–	2'987
2012	4.0	Condominium	100%	No	–	–	8'324	–	–	–	–	–	–	8'324
2015	4.8	Sole ownership	100%	No	–	–	–	–	2'437	–	–	–	–	2'437
2015	4.7	Sole ownership	100%	No	–	–	–	–	–	–	–	–	3'252	3'252
–	5.0	Sole ownership	100%	Yes	No	No	–	–	3'441	–	–	341	–	3'782
–	5.2	Sole ownership	100%	Yes	No	No	–	–	–	13'520	–	–	–	13'520
–	5.8	Sole ownership	100%	No	–	–	–	–	1'416	–	–	472	–	1'888
–	6.1	Sole ownership	100%	No	–	–	–	–	–	–	30'954	15'000	–	45'954
–	6.1	Sole ownership	100%	No	–	–	–	–	–	–	33'952	14'000	–	47'952
–	5.1	Sole ownership	100%	Yes	No	No	–	–	386	–	4'457	6'804	3'000	14'647
–	6.0	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	No	No	–	–	–	–	11'000	–	–	11'000
–	6.2	Sole ownership	100%	No	No	No	–	–	–	–	17'700	–	–	17'700
–	2.5	Sole ownership	100%	No	No	No	–	–	–	–	–	–	–	–
–	2.5	Sole ownership	100%	Yes	No	No	–	–	–	–	–	–	–	–
–	2.5	Sole ownership	100%	No	–	–	–	–	–	–	–	–	–	–
–	7.0	Sole ownership	100%	Yes	No	No	–	–	–	–	–	–	9'100	9'100
–	5.1	Sole ownership	100%	Yes	No	No	–	–	27'000	–	27'000	–	–	54'000
–	4.9	Sole ownership	100%	Yes	No	No	–	–	4'320	–	11'990	–	–	16'310
–	4.9	Sole ownership	100%	Yes	Yes	Yes	–	–	2'600	–	13'500	–	–	16'100
							62'035	46'103	130'291	47'765	246'164	82'994	45'696	661'049

Share information

HIAG Immobilien 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.

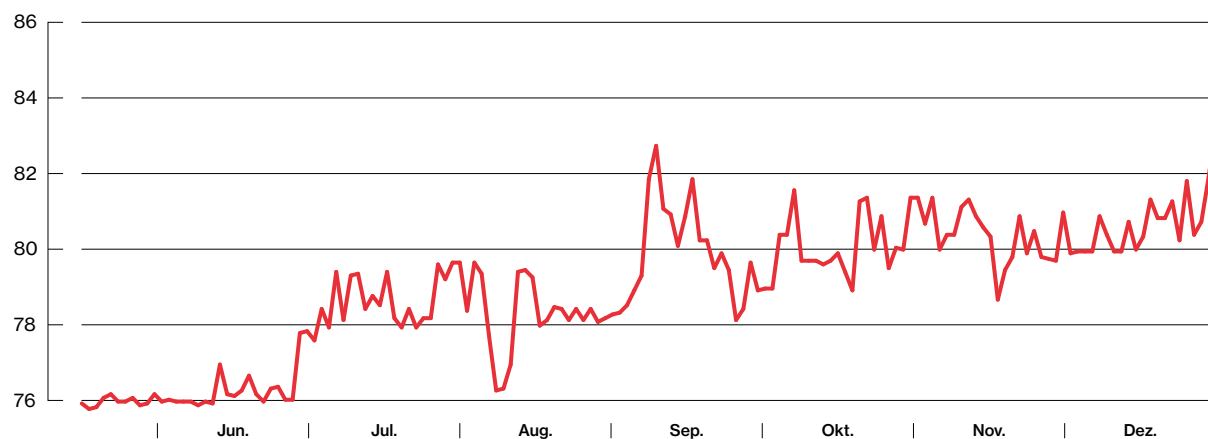
2 Repayment of capital contributions

As at the end of 2014, reserves from capital contribution amounted to CHF 127'354 thousand.

The capital contributions in the amount of CHF 42'837 thousand reported to the the Swiss Federal Tax Administration (ESTV) as of 31 December 2012 were recognised by the ESTV in the amount of CHF 42'398 thousand (decision issued on 15 October 2013). The statutory reserves from capital contribution rose to CHF 52'354 thousand as a result of the capital increase carried out in 2013. The statutory reserves from capital contribution rose to CHF 127'354 thousand as a result of the capital increase carried out in 2014.

These reserves can be paid back to shareholders and benefit from tax advantages.

3 Share price development



The HIAG Immobilien Holding share price rose 9.8% from CHF 76.00 to CHF 83.45 since the IPO on 16 May 2014. Shareholders' equity (NAV) was CHF 84.45 as at 31 December 2014. The HIAG Immobilien Holding share was thus traded at the end of the year with a discount of 1.18%.

In 2014, an average of 4'875 shares were traded daily.

4 Key figures

SIX Swiss Exchange: Symbol HIAG, Valor 23951877, ISIN CH0239518779

Share performance in CHF	31.12.2014	31.12.2013
High	83.45	–
Low	75.80	–
End of period	83.45	–

Market capitalisation in CHF Mio	31.12.2014	31.12.2013
High	667.60	–
Low	606.40	–
End of Period	667.60	–

Number of shares	31.12.2014	31.12.2013
Issued shares	8'000'000	700'000
Treasury shares	0	70'000
Outstanding shares	8'000'000	630'000
Average outstanding shares	7'220'833	697'083

On 15 April 2014 there was a split of the share capital consisting of 700'000 shares with a nominal value of CHF 10 each into 7'000'000 new shares with a nominal value of CHF 1 each.

Key figures per share in CHF	31.12.2014	31.12.2013
Earnings per share	6.84	11.85
Earnings per share without revaluation of properties	2.82	2.99
Earnings per share without revaluation of properties incl. revaluation of promotion	4.13	6.53
Dividends payout ¹	3.30	–
Payout ratio ²	79.90%	–
Cash yield ³	3.95%	–
Net asset value per share (NAV)	84.45	–
Premium (discount) to NAV	–1.18%	–
NAV per share before deduction of deferred taxes	91.56	–
(Discount) to NAV before deduction of deferred taxes	–8.86%	–

1 Proposal to the Annual General Meeting on 21 April 2015 for the financial year 2014: distribution out of reserves from capital contributions

2 Dividends per share compared to Earnings per share without revaluation of properties incl. revaluation of promotion

3 Dividends per share compared to share price at the end of period

5 Significant shareholders

Information related to the main shareholders can be found in the Consolidated Financial Statements note 24 on page 40.

6 Investor Relations

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