

# Half-year Report 2006

**allreal**

**holding**



# Key figures at a glance

		1 <sup>st</sup> half-year 2006 30.06.2006*	1 <sup>st</sup> half-year 2005 31.12.2005*	Change in % <sup>1</sup>
<b>Group</b>				
Total sales <sup>2</sup>	CHF million	324.8	259.3	+25.3
Total income incl. revaluation effect	CHF million	105.6	85.9	+22.9
Operating profit (EBIT) incl. revaluation effect	CHF million	69.7	51.9	+34.3
Net profit incl. revaluation effect	CHF million	43.4	34.5	+25.8
<hr/>				
Total income excl. revaluation gains	CHF million	95.5	87.4	+9.3
Operating profit (EBIT) excl. revaluation gains	CHF million	59.6	53.4	+11.6
Net profit excl. revaluation gains	CHF million	35.2	35.6	-1.1
Cashflow	CHF million	46.5	50.0	-7.0
<hr/>				
Return on equity incl. revaluation effect (annualised)	%	8.9	7.4	+1.5
Return on equity excl. revaluation effect (annualised)	%	7.2	7.7	-0.5
Equity ratio	%	43.3	42.9	+0.4
Net gearing <sup>4</sup>	%	105.1	109.1	-4.0
<hr/>				
Market value real estate investments	CHF million	1 809.0	1 834.3	-1.4
Sales Projects & Development division	CHF million	271.0	211.3	+28.3
Employees (number) on cut-off date	full-time equivalents	241	238	+1.3
<hr/>				
<b>Share</b>				
Earnings per share incl. revaluation effect	CHF	4.46	4.02	+10.9
Earnings per share excl. revaluation effect	CHF	3.62	4.15	-12.8
Net asset value (NAV) per share	CHF	101.90	99.80	+2.1
Share price on cut-off date	CHF	126.00	116.00	+8.6
<hr/>				
<b>Operating key figures</b>				
Net yield real estate portfolio <sup>5</sup>	%	4.8	5.0	-0.2
Average interest rate on financial liabilities on cut-off date	%	2.77	2.79	-
Operating margin Projects & Development division <sup>6</sup>	%	40.4	47.2	-6.8
<hr/>				
<b>Valuation on cut-off date</b>				
Market capitalisation <sup>7</sup>	CHF million	1 221.6	1 131.6	+8.0
Enterprise value (EV) <sup>8</sup>	CHF million	2 260.4	2 193.7	+3.0

\* Should no further particulars be given, values referring to the income statement concern the 1<sup>st</sup> half-year and balance sheet value the cut-off dates on 30.06.2005 or 31.12.2004

<sup>1</sup> Changes in percentage values shown as absolute difference

<sup>2</sup> Income resulting from rental of investment real estate plus completed project volume by Projects & Development division

<sup>3</sup> Rental income and earnings from sale of investment real estate plus earnings from Projects & Development

<sup>4</sup> Finance liabilities minus cash and marketable securities as percentage of equity

<sup>5</sup> Real estate profit as percentage of continued market value at 1 January

<sup>6</sup> EBIT excl. revaluation and restoration of value adjustments on projects as percentage of profit from business activity

<sup>7</sup> Stock price at balance sheet date multiplied by the number of outstanding shares

<sup>8</sup> Market capitalisation plus net debts

# Real estate at a glance

	City of Zurich		Remaining Canton of Zurich		Other regions		Total real estate	
	2006*	2005*	2006*	2005*	2006*	2005*	2006*	2005*
<b>Commercial real estate</b>								
<b>Portfolio</b>								
Number of properties	27	28	10	10	7	7	44	45
Useable floor space '000 m <sup>2</sup>	251	254	64	64	31	31	346	349
Vacancy rate <sup>1</sup> %	2.8	5.9	1.0	5.1	15.7	11.3	3.6	6.2
Gross rental income CHF million	33.5	25.9	8.4	7.6	3.5	3.7	45.4	38.9
Real estate profit <sup>2</sup> CHF million	26.5	19.2	6.1	6.7	3.0	3.0	35.6	30.6
Gross yield %	5.9	6.5	6.1	5.9	5.6	5.8	6.0	6.2
Net yield <sup>3</sup> %	4.7	5.6	4.7	4.9	4.8	4.7	4.7	5.1
Historical book value CHF million	1 111.6	1 112.0	234.7	234.7	135.3	135.3	1 481.6	1 482.0
Market value CHF million	1 139.0	1 135.6	242.7	242.7	128.0	126.9	1 509.7	1 505.2
Average market value <sup>4</sup> CHF million	42.2	40.6	24.3	24.3	18.3	18.1	34.3	33.4
Change in market value <sup>5</sup> CHF million	8.0	-1.6	0.0	0.1	1.1	0.0	9.1	-1.5
<b>Land reserves</b>								
Property area '000 m <sup>2</sup>	8	15	12	12	-	-	20	27
Investment volume CHF million	17.0	37.0	90.0	90.0	-	-	107.0	127.0
Book value CHF million	16.8	22.2	12.1	12.1	-	-	28.9	34.3
Change in market value <sup>5</sup> CHF Mio.	0.0	0.0	0.0	0.0	-	-	0.0	0.0
<b>Residential real estate</b>								
Number of properties	5	5	14	15	1	1	20	21
Useable floor space '000 m <sup>2</sup>	12	13	61	67	4	4	77	84
Vacancy rate <sup>1</sup> %	13.1	3.9	1.5	2.6	3.9	1.9	4.2	2.9
Rental income CHF million	1.7	1.9	6.0	6.7	0.5	0.5	8.2	9.1
Real estate profit <sup>2</sup> CHF million	1.5	1.7	5.2	4.7	0.4	0.3	7.1	6.7
Gross yield %	5.4	6.2	6.2	6.2	6.0	6.4	6.0	6.2
Net yield <sup>3</sup> %	4.9	5.1	5.4	4.8	4.8	4.2	5.3	4.6
Historical book value CHF million	59.1	61.9	182.1	200.9	15.6	15.6	256.8	278.4
Market value CHF million	59.3	61.3	194.6	217.0	16.5	16.5	270.4	294.8
Average market value <sup>4</sup> CHF million	11.9	12.3	13.9	14.5	16.5	16.5	13.5	14.0
Change in market value <sup>5</sup> CHF million	0.7	0.0	0.3	0.0	0.0	0.0	1.0	0.0
<b>Real estate for development</b>								
<b>Land reserves</b>								
Plot size '000 m <sup>2</sup>	14.2	4.5	165.8	151.3	26.8	32.7	206.8	188.5
Investment volume CHF million	72.0	27.0	545.0	524.0	80.0	70.0	697.0	621.0
Book value CHF million	11.9	6.0	48.5	40.9	0.8	6.0	61.2	52.9
<b>Buildings under construction</b>								
Investment volume CHF million	134.5	134.5	259.0	324.0	119.0	99.0	512.5	557.5
Book value CHF million	77.8	75.5	111.2	99.3	64.9	46.1	253.9	220.9

\* Should no further particulars be given, values referring to the income statement concern the 1<sup>st</sup> half-year and balance sheet value the cut-off dates on 30.06.2005 or 31.12.2004

<sup>1</sup> In percent of targeted rental income

<sup>2</sup> Rental income minus real estate expenditure

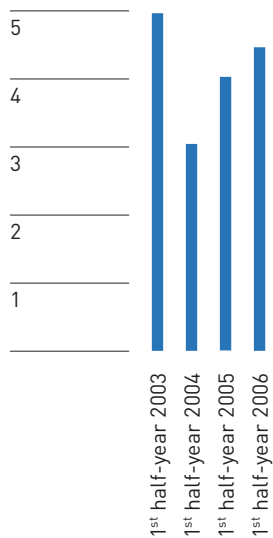
<sup>3</sup> In percent of market value [annualised]

<sup>4</sup> Per building

<sup>5</sup> Based on revaluation in 1<sup>st</sup> half-year

# Allreal builds value

Earnings per share incl. revaluation  
CHF



- Attractive stock due to stable share price
- Income-producing properties guarantee consistently high revenue
- Projects & Development division with stable income and high sales growth
- Scope for further investment

For the first half-year 2006 Allreal again reports convincing results. The stable results reflect the positive course of business, underlining the company's productivity in a demanding market for real estate services.

In an equity market characterised by volatility, the Allreal share price was able to hold its own. The shares again fulfilled investors' expectations concerning stability. On 30 June 2006 the Allreal share traded at CHF 126.00 (31.12.2005: 116.00). The overall performance for the first six months of the year amounted to a respectable 12.8%.

The 1.875% convertible loan of CHF 175 million, with a four-year maturity successfully placed during the second quarter of the year, allows Allreal to further expand its portfolio by acquiring additional residential and commercial properties and to finance own projects. Until such time as the full amount of the accrued proceeds has been invested, the surplus liquidity will be used to repay short-term debt.

## Further growth in net profit

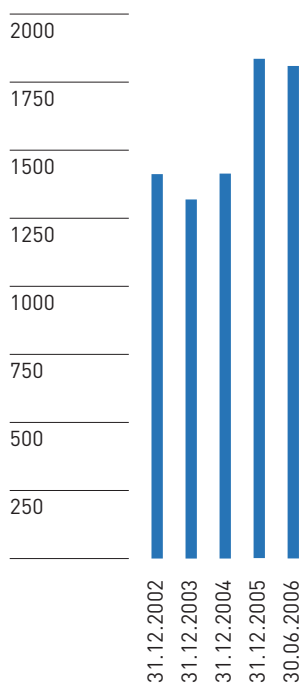
Owing to higher rental income resulting from the portfolio growth realised in 2005 and a distinct increase in the project volume transacted by the Projects & Development division, total sales for the half-year grew to CHF 324.8 million (1<sup>st</sup> half-year 2005: CHF 259.3 million).

Due to the fact that in the Projects & Development division a large share of profits from construction activity becomes available only after a delay following completion of a project, the significantly higher project volume is not yet reflected in the net profit (excluding revaluation effect). Consequently, net profit for the half-year of CHF 35.2 million remained below that of the previous year (1<sup>st</sup> half-year 2005: CHF 35.6 million), which was characterised by several project completions.

Due to the slightly higher valuation of the real estate portfolio by CHF 10.1 million (corresponding to 0.5% of the investment value of the total portfolio), net profit including revaluation effect again increased compared to the previous year to CHF 43.4 million (1<sup>st</sup> half-year 2005: CHF 34.5 million).

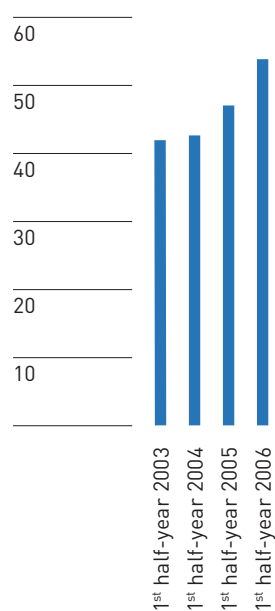
## Investment real estate

CHF million



## Income from investment real estate

CHF million



## Real Estate division

The leasehold building at Zollstrasse in Zurich has so far this year been the only addition to the portfolio. The sale of several commercial and residential properties during the period under review resulted in profits. Following the addition and sales the portfolio on the cut-off date comprised 64 income-producing properties at an average market value of CHF 28.3 million.

Following the sale of several properties and the revaluation of individual buildings carried out by an external real estate valuator, amounting to CHF 10.1 million in total, the market value of the investment properties amounted to CHF 1.81 billion (31.12.2005: CHF 1.834 billion).

After the balance sheet date the qualitative and quantitative expansion of the real estate portfolio continued with the acquisition of a residential property in Basel (entry into the portfolio on 1 August 2006) and a commercial property in Dietlikon (entry into the portfolio on 1 November 2006).

Due to the commercial properties acquired or added to the portfolio in 2005 ("Center Eleven", "Vulkanstrasse" and "Bändliweg"), rental income grew considerably compared to the first half-year 2005. The growth would have been even more pronounced without the sale of two properties.

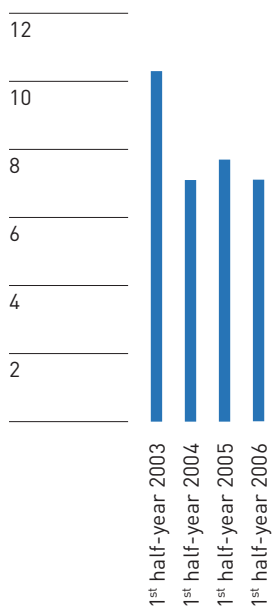
Net yield for the first half-year was a healthy 4.8%. This result is all the more satisfying as it is positive by industry comparison and was achieved despite increasing costs for first-time letting and re-letting and without value-maintaining and value-increasing measures.

A first-rate tenant, Swisscom, was found for the whole usable floor space of more than 10 000 square metres in the building at Hohlstrasse 600 in Zurich. Owing to the re-letting of this building the vacancy rate (in percent of the budgeted rental income on the cut-off date) was reported at a low 3.7%, well below the vacancy rate of 5.6% reported on 31 December 2005.

Due to the high excess availability of office space we expect the vacancy rate for the second half-year to rise.

With an operating result excluding revaluation effect (EBIT) of a satisfactory CHF 46.1 million (1st half-year 2005: CHF 34.5 million), the Real Estate division's contribution towards operating EBIT amounts to 76% (1st half-year 2005: 64%).

Return on equity (RoE) excl. revaluation  
in percent



## Projects & Development division

Profit derived from business activity in project development, project management and the sale of real estate during the first half-year amounts to CHF 35.6 million (1<sup>st</sup> half-year 2005: CHF 39.4 million).

The operating result of CHF 14.4 million (excluding revaluation effect) is reported below the comparable value for the previous year (1<sup>st</sup> half-year 2005: CHF 19.7 million).

The respectable operating margin of 40.4% and the good capacity utilisation and satisfactory order situation underline the Project & Development division's outstanding competitiveness.

Owing to fluctuations inherent in this field of business, the division's contribution toward the group's EBIT for the 1<sup>st</sup> half-year fell to 24% (1<sup>st</sup> half-year 2005: 36%).

Project Development, which is very well positioned in the market, achieved successful results for the first half-year 2006 and was able to progress several projects so far that implementation has already begun or construction is to start in due course. These projects include the residential estate "Eichwiesen" in Fällanden, the regional development "Lebern-Süd" in Adliswil and the condominium apartments "Im Blumenfeld" in Zurich-Affoltern.

The project volume handled by Project Management during the first half-year 2006 comprising new construction, conversions and refurbishment grew by an impressive 28% to CHF 271 million when compared to the first half in 2005. The share of construction volume for external customers increased further to a respectable 80%. Some 15% of construction volume was allocated to the realisation of projects for residential ownership. The share of projects for Allreal's own portfolio – an office building and a residential building in Opfikon and a commercial building in Zurich-Seefeld – amounted to 5%.

On the cut-off date, projects representing a construction volume of well above CHF 1 billion were under construction, guaranteeing full utilisation of the Project Management's capacity for approximately 20 months.

With 79 units, Allreal continued to successfully sell residential property developed and constructed by itself (1<sup>st</sup> half-year 2005: 50 units), thereby further reinforcing its strong position in a demanding market. The Buying/Selling department was also successful in terms of initial rentals of office space and flats. The department made a substantial contribution toward the half-year result by means of acquiring land suitable for residential construction and the profitable sale of a project in Regensdorf to be implemented by Project Management.

### **Scope thanks to low financing costs and a comfortable equity ratio**

At an average time to maturity of 52 months, the average interest rate for financial liability remained at a favourable 2.77%. A further increase in the general level of interest rates in the near future would, therefore, have only a marginal effect on Allreal's cost of financing.

At 43.3% the equity ratio remained nearly unchanged compared to that on 31 December 2005, resulting in a net gearing of 105.1% and an equally stable interest cover of 4.3.

Sound and well-hedged financing allows the company to take advantage of opportunities while safeguarding it against the negative effects of rising interest rates.

### **Positive outlook for the future**

Based on the secure earnings from income-producing properties and the good order situation of the Projects & Development division, Allreal expects business operations in the second half-year – and beyond – to remain satisfactory. Allreal therefore anticipates the 2006 results to remain within the parameters of the previous year.

Allreal combines a stable-income real estate portfolio with the activities of a general contractor. Projects can therefore be developed and realised in-house for subsequent inclusion in the company's portfolio. Due to the fact that own projects are financed in-house, Allreal is able to expand its own real estate portfolio with top-rated properties which today would be difficult to find on the market.

Despite demanding and challenging parameters in the market for real estate and general contracting, Allreal expects stable business activities and consistent added value in the future. Shareholders may therefore count on a dividend that is comparable to the yield obtained from a direct investment in real estate.

The Board of Directors and Group Management wish to take this opportunity to thank all members of staff for their contribution to the positive half-yearly results and the shareholders for their trust and support.



Dr. Thomas Lustenberger  
Chairman



Bruno Bettoni  
Chief Executive Officer



# Consolidated financial statements of Allreal Group

## Consolidated income statement

CHF million	1 <sup>st</sup> half-year 2006	1 <sup>st</sup> half-year 2005
Income from renting investment real estate	53.8	48.0
Direct expenses for rented investment real estate	-10.9	-10.7
<b>Earnings from renting investment real estate</b>	<b>42.9</b>	<b>37.3</b>
<b>Earnings from sale of investment real estate</b>	<b>6.1</b>	<b>0.0</b>
Higher valuation of investment real estate	11.6	1.8
Lower valuation of investment real estate	-1.5	-3.3
<b>Earnings from revaluation of investment real estate</b>	<b>10.1</b>	<b>-1.5</b>
Completed project volume by Projects & Development division	271.0	211.3
Direct expenses for completed project volume by Projects & Development division	-250.9	-186.9
Earnings from project development and sale of development real estate	7.6	9.1
Capitalised company produced assets	7.5	5.5
Diverse income	0.4	0.4
<b>Earnings from Projects &amp; Development division</b>	<b>35.6</b>	<b>39.4</b>
Personnel expenses	-18.8	-17.5
Other operating expenses	-6.0	-5.5
<b>EBITDA</b>	<b>69.9</b>	<b>52.2</b>
Amortisation of goodwill	-0.2	-0.3
<b>Operating profit (EBIT)</b>	<b>69.7</b>	<b>51.9</b>
Finance income	0.4	0.2
Finance expenses	-14.5	-12.5
<b>Net profit before tax</b>	<b>55.6</b>	<b>39.6</b>
Tax expenses	-12.2	-5.1
<b>Net profit</b>	<b>43.4</b>	<b>34.5</b>
Total sales	324.8	259.3
Total income excl. earnings from revaluation	95.5	87.4
EBITDA excl. earnings from revaluation	59.8	53.7
EBIT excl. earnings from revaluation	59.6	53.4
<b>Net profit excl. revaluation effect</b>	<b>35.2</b>	<b>35.6</b>
<b>Net profit per share in CHF</b>		
— incl. revaluation effect	4.46	4.02
— excl. revaluation effect	3.62	4.15
<b>Diluted earnings per share in CHF</b>		
— incl. revaluation effect	4.41	4.02
— excl. revaluation effect	3.58	4.15

## Consolidated balance sheet

CHF million	30.06.2006	31.12.2005
Real estate investments	1 802.1	1 788.3
Real estate for development	315.1	273.8
Other property, plant and equipment	1.1	0.4
Financial assets	15.8	8.4
Deferred tax assets	13.3	17.6
<b>Fixed assets</b>	<b>2 147.4</b>	<b>2 088.5</b>
Trade receivables	81.0	112.3
Other receivables	5.7	2.6
Cash	34.8	16.2
Subtotal	121.5	131.1
Investment properties designated for sale	6.9	46.0
Development properties designated for sale	4.8	5.5
<b>Current assets</b>	<b>133.2</b>	<b>182.6</b>
<b>Total assets</b>	<b>2 280.6</b>	<b>2 271.1</b>
Share capital	487.9	487.9
Capital reserves	283.1	283.1
Treasury shares	-7.7	-0.2
Retained earnings	224.6	203.0
<b>Total equity</b>	<b>987.9</b>	<b>973.8</b>
Long-term borrowings	314.5	176.7
Deferred tax liabilities	63.8	60.2
Long-term provisions	5.9	4.4
Other long-term liabilities	0.0	16.9
<b>Long-term liabilities</b>	<b>384.2</b>	<b>258.2</b>
Trade payables	102.9	92.7
Current tax liabilities	5.8	9.6
Other current liabilities	37.8	33.6
Short-term borrowings	2.9	1.6
Short-term provisions	759.1	901.6
<b>Short-term liabilities</b>	<b>908.5</b>	<b>1 039.1</b>
<b>Total liabilities</b>	<b>1 292.7</b>	<b>1 297.3</b>
<b>Total equity and liabilities</b>	<b>2 280.6</b>	<b>2 271.1</b>
<b>Equity (NAV) per share in CHF</b>		
— before deferred tax	107.10	104.20
— after deferred tax	101.90	99.80

## Consolidated statement of changes in shareholders' equity

CHF million	Share capital	Capital reserves	Treasury shares	Retained earnings			Total
				Hedging reserves	Revaluation reserves	Other retained earnings	
<b>As at 1 January 2005</b>	<b>406.6</b>	<b>210.6</b>	<b>-0.6</b>	<b>-18.4</b>	<b>25.3</b>	<b>158.9</b>	<b>782.4</b>
Dividend payment						-36.5	-36.5
Capital increase 2005	81.3	72.8					154.1
Valuation of financial instruments				-6.0			-6.0
Purchase treasury shares			-1.0				-1.0
Net profit						34.5	34.5
Reclassification		-0.3			-2.4	2.7	0.0
<b>As at 30 June 2005</b>	<b>487.9</b>	<b>283.1</b>	<b>-1.6</b>	<b>-24.4</b>	<b>22.9</b>	<b>159.6</b>	<b>927.5</b>
Valuation of financial instruments				9.4			9.4
Sale treasury shares			1.4				1.4
Net profit						35.5	35.5
Reclassification					-0.5	0.5	0.0
<b>As at 31 December 2005</b>	<b>487.9</b>	<b>283.1</b>	<b>-0.2</b>	<b>-15.0</b>	<b>22.4</b>	<b>195.6</b>	<b>973.8</b>
Dividend payment						-46.8	-46.8
Capital increase 2006						5.1	5.1
Valuation of financial instruments				19.9			19.9
Purchase treasury shares			-7.5				-7.5
Net profit						43.4	43.4
Reclassification					6.0	-6.0	0.0
<b>As at 30 June 2006</b>	<b>487.9</b>	<b>283.1</b>	<b>-7.7</b>	<b>4.9</b>	<b>28.4</b>	<b>191.3</b>	<b>987.9</b>

## Consolidated cash flow statement

CHF million	1 <sup>st</sup> half-year 2006	1 <sup>st</sup> half-year 2005
Earnings before tax	55.6	39.6
Net financial expense	14.1	12.3
Revaluation real estate investments	-10.1	1.5
Depreciation of tangible fixed assets	0.2	0.3
Change in proceeds from sale of real estate	-6.1	0.0
Capitalisation of company produced assets	-7.5	-5.5
Other items	0.3	1.8
<b>Operating cash flow before change in net current assets (cash flow)</b>	<b>46.5</b>	<b>50.0</b>
Change in trade receivables	31.3	-29.4
Change in other receivables	-3.1	-1.7
Change in provisions	2.6	-0.6
Change in trade payables	10.1	21.5
Change in other current liabilities	5.4	-0.5
<b>Operating cash flow after changes in net current assets</b>	<b>92.8</b>	<b>39.3</b>
Cost of finance paid	-14.9	-15.0
Financial income received	0.4	0.2
Income taxes paid	-13.8	-8.5
<b>Cash flow from operations</b>	<b>64.5</b>	<b>16.0</b>
Purchase of real estate investments	-18.7	-122.7
Disposal of real estate investments	54.7	0.0
Investments in real estate for development	-60.1	-32.9
Disposal of real estate for development	30.5	14.7
Investment property, plant and equipment	-0.9	-0.2
Increase financial assets	0.0	-1.5
Decrease in financial assets	0.2	2.3
<b>Cash flow from investing activities</b>	<b>5.7</b>	<b>-140.3</b>
Increase in borrowings	57.1	177.1
Decrease in borrowings	-225.7	-179.8
Capital increase	0.0	154.1
Placement convertible bond	171.2	0.0
Purchase treasury shares	-26.2	-11.5
Sale treasury shares	18.8	10.5
Dividend payment	-46.8	-36.5
<b>Cash flow from financing activities</b>	<b>-51.6</b>	<b>113.9</b>
Cash at 1 January	16.2	30.1
Cash at 30 June	34.8	19.7
<b>Change in cash</b>	<b>18.6</b>	<b>-10.4</b>

## Segment information 1<sup>st</sup> half-year 2006

CHF million	Real Estate	Projects & Development	Holding functions	Eliminations	Total
<b>Income statement</b>					
Income from operations	49.0	35.6	0.0	0.0	84.6
Income from intercompany services	-2.1	2.6	-0.4	-0.1	0.0
Revaluation on real estate investments	10.1	0.0	0.0	0.0	10.1
Expenses for staff, other	-0.8	-23.6	-0.4	0.0	-24.8
<b>EBITDA</b>	<b>56.2</b>	<b>14.6</b>	<b>-0.8</b>	<b>-0.1</b>	<b>69.9</b>
Depreciation	0.0	-0.2	0.0	0.0	-0.2
<b>EBIT</b>	<b>56.2</b>	<b>14.4</b>	<b>-0.8</b>	<b>-0.1</b>	<b>69.7</b>
Net finance expenses					-14.1
Taxes					-12.2
<b>Net profit</b>					<b>43.4</b>
EBITDA excl. revaluation gains	46.1	14.6	-0.8	-0.1	59.8
EBIT excl. revaluation gains	46.1	14.4	-0.8	-0.1	59.6
<b>Net profit excl. revaluation effect</b>					<b>35.2</b>
Operating margin <sup>1</sup>	94.1	40.4	-	-	70.4
Operating net cash flow <sup>2</sup>	46.1	13.7	-0.8	-0.1	58.9
Total sales	53.8	271.0	0.0	0.0	324.8
Of which with other segments	0.0	4.5	0.0	0.0	4.5
<b>Balance sheet as at 30 June 2006<sup>3</sup></b>					
Non-current assets	1 827.6	319.8	0.0	-	2 147.4
Current assets	16.2	111.6	5.4	-	133.2
<b>Total assets</b>	<b>1 843.8</b>	<b>431.4</b>	<b>5.4</b>	<b>-</b>	<b>2 280.6</b>
Provisions	0.7	8.1	0.0	-	8.8
Non-financial liabilities	88.8	119.4	2.1	-	210.3
Liabilities <sup>5</sup>	942.3	131.3	0.0	-	1 073.6
<b>Borrowings</b>	<b>1 031.8</b>	<b>258.8</b>	<b>2.1</b>	<b>-</b>	<b>1 292.7</b>
<b>Equity<sup>4</sup></b>	<b>812.0</b>	<b>172.6</b>	<b>3.3</b>	<b>-</b>	<b>987.9</b>
<b>Cash flow statement<sup>3</sup></b>					
Operational cash flow before change in net current assets	39.8	7.1	-0.4	-	46.5
Cash flow from operations	16.7	49.3	-1.5	-	64.5
Cash flow from investing activities	36.1	-30.4	0.0	-	5.7
Cash flow from financing activities <sup>5</sup>	-5.3	7.9	-54.2	-	-51.6
<b>Historical cost of tangible and intangible assets</b>	<b>0.1</b>	<b>3.1</b>	<b>0.0</b>	<b>0.0</b>	<b>3.3</b>
<b>Investments in tangible assets and real estate</b>	<b>0.1</b>	<b>1.2</b>	<b>0.0</b>	<b>0.0</b>	<b>1.3</b>

<sup>1</sup> EBIT less revaluation gains in percent of profit from operations

<sup>2</sup> EBITDA less revaluation gains, reversal of project write-downs, capital expenditures and purchase/sale of property, plant and equipment

<sup>3</sup> The segment figures of the balance sheet and cash flow statement are shown consolidated

<sup>4</sup> An equity ratio of 40% was determined for the Projects & Development segment, analogous to internal financial reporting.

Total liabilities from financing activity were assigned accordingly.

<sup>5</sup> The convertible bond is assigned to segment Real Estate as the proceeds will be invested in real estate

Allreal operates in Switzerland only. A break-down per geographical segment is therefore not required.

## Segment information 1<sup>st</sup> half-year 2005

CHF million	Real Estate	Projects & Development	Holding functions	Eliminations	Total
<b>Income statement</b>					
Income from operations	37.3	39.4	0.0	0.0	76.7
Income from intercompany services	-1.9	2.3	-0.3	0.1	0.0
Revaluation real estate investments	-1.5	0.0	0.0	0.0	-1.5
Expenses for staff, other	-0.9	-21.7	-0.4	0.0	-23.0
<b>EBITDA</b>	<b>33.0</b>	<b>20.0</b>	<b>-0.7</b>	<b>-0.1</b>	<b>52.2</b>
Depreciation	0.0	-0.3	0.0	0.0	-0.3
<b>EBIT</b>	<b>33.0</b>	<b>19.7</b>	<b>-0.7</b>	<b>-0.1</b>	<b>51.9</b>
Net finance expenses					-12.3
Taxes					-5.1
<b>Net profit</b>					<b>34.5</b>
EBITDA excl. revaluation gains	92.6	47.2	-	-	68.0
EBIT excl. revaluation gains	34.4	19.9	-0.7	-0.1	53.5
<b>Net profit excl. revaluation effect</b>					<b>35.6</b>
Operating margin <sup>1</sup>	99.4	469.3	0.0	0.0	259.3
Operating net cash flow <sup>2</sup>	0.0	49.2	0.0	0.0	49.2
Total sales	48.0	211.3	0.0	0.0	568.7
Of which with other segments	0.0	38.3	0.0	0.0	38.3
<b>Balance sheet as at 31 December 2005<sup>3</sup></b>					
Non-current assets	1 807.2	281.3	0.0	-	2 088.5
Current assets	56.0	123.3	3.3	-	182.6
<b>Total assets</b>	<b>1 863.2</b>	<b>404.6</b>	<b>3.3</b>	<b>-</b>	<b>2 271.1</b>
Provisions	0.2	5.8	0.0	-	6.0
Non-financial liabilities	96.7	113.6	2.7	-	213.0
Liabilities	954.9	123.4	0.0	-	1 078.3
<b>Borrowings</b>	<b>1 051.8</b>	<b>242.8</b>	<b>2.7</b>	<b>-</b>	<b>1 297.3</b>
<b>Equity<sup>4</sup></b>	<b>811.4</b>	<b>161.8</b>	<b>0.6</b>	<b>-</b>	<b>973.8</b>
<b>Cash flow statement<sup>3</sup></b>					
Operational cash flow before change in net current assets	36.2	14.5	-0.7	-	50.0
Cash flow from operations	18.9	-2.1	-0.8	-	16.0
Cash flow from investing activities	-124.1	-16.2	0.0	-	-140.3
Cash flow from financing activities	-27.1	24.4	116.6	-	113.9
<b>Historical cost of tangible and intangible assets</b>	<b>0.1</b>	<b>2.2</b>	<b>0.0</b>	<b>0.0</b>	<b>2.3</b>
<b>Investments in tangible assets and real estate</b>	<b>0.1</b>	<b>0.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.4</b>

<sup>1</sup> EBIT less revaluation gains in percent of profit from operations

<sup>2</sup> EBITDA less revaluation gains, reversal of project write-downs, capital expenditures and purchase/sale of property, plant and equipment

<sup>3</sup> The segment figures of the balance sheet and cash flow statement are shown consolidated

<sup>4</sup> An equity ratio of 40% was determined for the Projects & Development segment, analogous to internal financial reporting.

Total liabilities from financing activity were assigned accordingly.

Allreal operates in Switzerland only. A break-down per geographical segment is therefore not required.

# Adresses, contacts, schedule

## Structure and addresses

Allreal Holding AG  
Allreal Finance AG

Grabenstrasse 25  
6340 Baar

Allreal Home AG

Eggbühlstrasse 15  
8050 Zurich  
T 044 319 11 11

Allreal Office AG  
Allreal Vulkan AG  
Allreal West AG

Eggbühlstrasse 15  
8050 Zurich  
T 044 319 11 11

Allreal Generalunternehmung AG

Eggbühlstrasse 15  
8050 Zurich  
T 044 319 11 11

St. Alban-Vorstadt 80  
4052 Basel  
T 061 206 96 96

Talgut-Zentrum 25  
3063 Bern-Ittigen  
T 031 917 18 88

Gaiserwaldstrasse 14  
9015 St. Gallen  
T 071 314 08 20

## Contacts

**Bruno Bettoni**  
Chief Executive Officer

T 044 319 12 37  
F 044 319 15 35  
bruno.bettoni@allreal.ch

**Roger Herzog**  
Chief Financial Officer

T 044 319 12 04  
F 044 319 15 35  
roger.herzog@allreal.ch

**Matthias Meier**  
Chief Communications Officer

T 044 319 12 67  
F 044 319 14 77  
matthias.meier@allreal.ch

## Schedule

Annual results 2006  
Annual general meeting 2007  
Half-year results 2007

22 February 2007  
30 March 2007, 16.00 h  
30 August 2007

Allreal Holding AG  
Grabenstrasse 25  
CH-6340 Baar/Switzerland  
T +41 41 711 33 03  
F +41 41 711 33 09  
E-Mail: [info@allreal.ch](mailto:info@allreal.ch)  
[www.allreal.ch](http://www.allreal.ch)

**allreal**

building value