

# Half-year Report 2013

**allreal**

**holding**



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# Key figures at a glance

		1 <sup>st</sup> half-year 2013 or 30.06.2013*	1 <sup>st</sup> half-year 2012 or 31.12.2012*	Change in percent <sup>1</sup>
<b>Group</b>				
Total sales <sup>2</sup>	CHF million	612.4	483.1	+26.8
Operating profit (EBIT) incl. revaluation gains	CHF million	88.4	102.5	-13.8
Net profit incl. revaluation effect	CHF million	59.2	64.2	-7.8
Operating profit (EBIT) excl. revaluation gains	CHF million	83.2	83.5	-0.4
Net profit excl. revaluation effect	CHF million	55.5	49.7	+11.7
Cash flow from operating activities	CHF million	88.1	65.1	+35.3
Return on equity incl. revaluation effect (annualised)	%	6.2	7.4	-1.2
Return on equity excl. revaluation effect (annualised)	%	6.1	6.0	+0.1
Equity ratio on cut-off date	%	45.8	48.6	-2.8
Net gearing <sup>3</sup> on cut-off date	%	89.6	80.6	+9.0
Average interest rate on financial liabilities on cut-off date	%	1.96	2.13	-0.17
Average interest lock-in period of financial liabilities on cut-off date	months	43	54	-11
Sales Projects & Development division	CHF million	536.0	409.9	+30.8
Earnings from Projects & Development division <sup>4</sup>	CHF million	54.3	53.2	+2.1
Operating margin Projects & Development division <sup>5</sup>	%	38.7	44.5	-5.8
Employees on cut-off date	number of full-time positions	375	378	-3
<b>Share</b>				
Earnings per share incl. revaluation effect	CHF	3.72	4.36	-14.7
Earnings per share excl. revaluation effect	CHF	3.49	3.38	+3.3
Net asset value (NAV) per share before deferred taxes on cut-off date	CHF	126.70	125.80	+0.7
Net asset value (NAV) per share after deferred taxes on cut-off date	CHF	119.80	119.70	+0.1
Share price on cut-off date	CHF	132.80	141.10	-5.9
<b>Valuation on cut-off date</b>				
Market capitalisation <sup>6</sup>	CHF million	2 113.1	2 248.3	-6.0
Enterprise value (EV) <sup>7</sup>	CHF million	3 821.3	3 785.8	+0.9

\* Should no further particulars be given, values referring to the income statement concern the 1<sup>st</sup> half-year, and balance sheet values the cut-off date on 30.06.2013 or 31.12.2012.

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

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

<sup>3</sup> Borrowings minus cash and marketable securities as percentage of equity

<sup>4</sup> Income from realisation in Projects & Development, Sales Development, capitalised service and various revenues minus direct expenses from realisation in Projects & Development, Sales Development

<sup>5</sup> EBIT excl. revaluation and restoration of value adjustments on projects as percentage of profit from business activity

<sup>6</sup> Stock price at cut-off date multiplied by the number of outstanding shares

<sup>7</sup> Market capitalisation plus net debts

# Real estate at a glance

		1 <sup>st</sup> half-year 2013 or 30.06.2013*	1 <sup>st</sup> half-year 2012 or 31.12.2012	Change in percent <sup>1</sup>
<b>Yield-producing properties</b>				
Commercial real estate	number	45	45	-
Residential real estate	number	18	19	-1
Market value on cut-off date	CHF million	2 784.4	2 530.9	+10.0
Average market value by property	CHF million	44.2	39.5	+11.9
Rental income	CHF million	72.8	71.8	+1.4
Vacancy rate <sup>2</sup>	%	4.9	4.9	-
Real estate expenses	CHF million	-9.6	-9.7	-1.0
Real estate expenses	in % of rental income	13.2	13.5	-0.3
Gross yield <sup>3</sup>	%	5.6	5.7	-0.1
Net yield <sup>4</sup>	%	4.9	4.9	-
<b>Investment real estate under construction</b>				
Buildings	number	5	6	-1
Market value on cut-off date	CHF million	569.4	628.1	-9.3
Investment volume	CHF million	746.0	912.0	-18.2
<b>Real estate for development</b>				
Cost value land reserves on cut-off date	CHF million	49.3	149.4	-67.0
Estimated investment volume land reserves	CHF million	487.0	739.0	-34.1
Cost value buildings under construction on cut-off date	CHF million	485.3	396.3	+22.5
Estimated investment volume buildings under construction	CHF million	940.0	840.0	+11.9
Cost value completed buildings on cut-off date	CHF million	44.9	49.1	-8.6

\* Should no further particulars be given, values referring to the income statement concern the 1<sup>st</sup> half-year, and balance sheet values the cut-off date on 30.06.2013 or 31.12.2012.

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

<sup>2</sup> In percent of targeted rental income, cumulated at cut-off date

<sup>3</sup> Rental income from investment real estate in percent of continued market value as at 1 January

<sup>4</sup> Rental profit from investment real estate in percent of continued market value as at 1 January

# Sound results reported for first half of 2013

- Stable rental income and gratifying net yield
- Continued increase in project volume
- Favourable financing
- Confirmation of expectations for entire financial year

In the first half of 2013, net profit excluding revaluation effect amounting to CHF 55.5 million was 11.7% higher compared to the comparable period the previous year. Higher rental income and lower finance expenses contributed toward this gratifying financial result.

Net profit including revaluation effect for the period under review amounted to CHF 59.2 million. Despite improved operating results, the item is reported lower than the comparable period in 2012 as revaluation gains were lower.

In the period under review, earnings from rental of yield-producing properties and from property management grew as did the project volume handled by the Projects & Development division. Total operating performance in the first half-year grew by 26.8% to CHF 612.4 million.

In a volatile market, Allreal's share is considered defensive and stood its ground well. On the cut-off date, the share closed at CHF 132.80, or 5.9% below the 2012 year-end price. When taking into consideration profit distribution of CHF 5.50 per share, overall performance for the first half of 2013 was -2%, confirming the stability of the share with low price fluctuations and high earning power.

## Real Estate division

Rental income grew by 1.4 % to CHF 72.8 million in the first half of 2013 due to a lower loss in earnings related to vacancies and the extension of the portfolio of yield-producing properties.

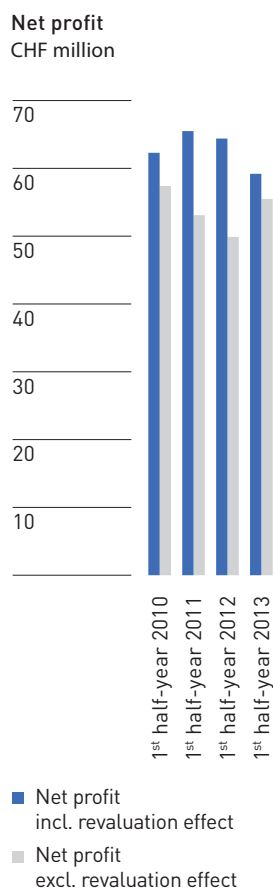
The vacancy rate during the period under review remained at a low 4.9%. A rise in vacancy rates is expected for office space as re-letting vacant space is proving increasingly demanding.

In the period under review, direct expenses related to letting of yield-producing properties amounted to 13.2%. The item includes initial expenses incurred by the comprehensive refurbishment of a residential building in Bülach. The building with 49 apartments was erected in 1979 and acquired by Allreal in 1999.

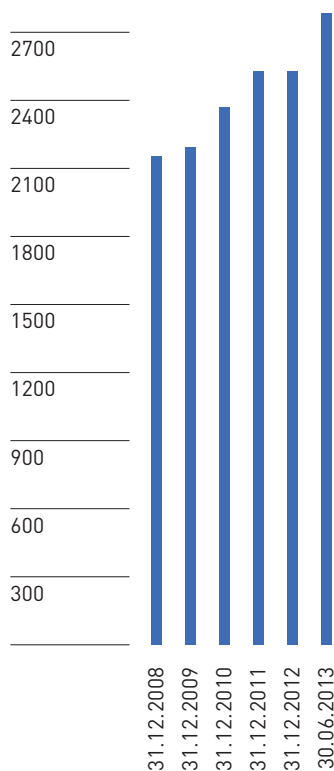
In the first half of 2013, rental of the portfolio, which comprises residential and commercial buildings, resulted in a consistently high respectable net yield of 4.9 %.

Earnings of CHF 3.6 million resulting from the acquisition of the Hammer Retex Group in 2012 are shown for the first time in the balance sheet as fully income-relevant. Thanks to the integration of the company's administration into Allreal's structures, Hammer Retex is taking on the administration of own properties according to schedule.

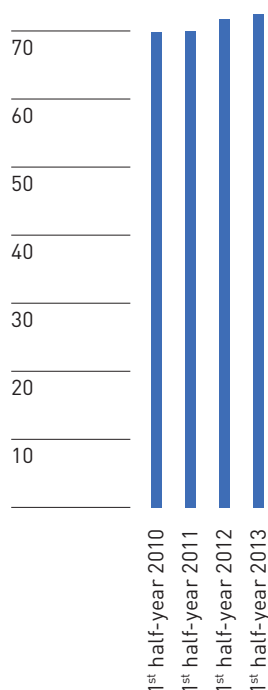
In the period under review, two investment properties under construction were transferred to the portfolio of yield-producing properties. The one property is a residential building located on Neunbrunnenstrasse in Zurich-Oerlikon (with



Investment real estate  
CHF million



Income from investment real estate  
CHF million



effect from 1 April 2013) and the other a commercial building at Richti-Areal in Wallisellen let to Allianz (with effect from 1 June 2013). Both properties will become fully income-relevant in the second half of 2013. Three properties in the portfolio of yield-producing properties were sold in the period under review: two older residential buildings located at Zürcherstrasse in Schlieren (with effect from 28 June 2013) and a commercial building located at Kronenstrasse in Dielsdorf (with effect from 1 April 2013). The sale of the two properties resulted in a profit of CHF 0.7 million, or 4% above market value.

The office building under construction since October 2012 at Lilienthal Boulevard in Opfikon was transferred to the portfolio of investment real estate under construction. Rental agreements have been signed before construction start for about half of the entire 13 100 square metres of floor space.

On the cut-off date, the portfolio of investment real estate comprised a total of 68 properties: 18 residential and 45 commercial buildings, and 5 investment properties under construction.

The valuation of Allreal's investment real estate as carried out by an external real estate valuation expert resulted in a positive correction of CHF 5.2 million. While appreciation and depreciation of yield-producing properties balanced out, construction progress of investment real estate under construction accounted for CHF 9.2 million. In the period under review, accounting standard IFRS 13 (which entered into force on 1 January 2013) requiring valuation in accordance with the concept of highest and best use was applied in valuing the portfolio for the first time. The resulting effects produced a higher valuation of yield-producing properties amounting to CHF 19 million in total.

As a result of acquisitions and disposals and the revaluation gains, investment real estate on the cut-off date was valued at CHF 3 353.8 million, 6% above the value reported on 31 December 2012. Yield-producing properties represent CHF 2 784.4 million (83%) and investment real estate under construction CHF 569.4 million (17%).

In the period under review, operating result excluding revaluation gains (EBIT) amounted to CHF 63.1 million (1<sup>st</sup> half-year 2012: CHF 60.4 million).

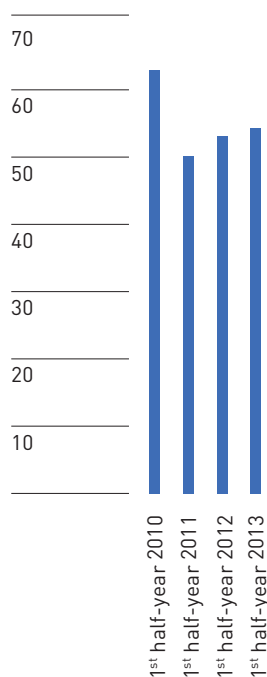
The Real Estate division's contribution toward the Group's operating result reported for the first half of 2013 represents a share of 73.1% (1<sup>st</sup> half-year 2012: 71.5%).

#### Projects & Development division

The Projects & Development division's result from business activity of CHF 54.3 million for the period under review corresponds to an increase of CHF 1.1 million when compared to the first half of the previous year.

The 2013 first half operating result is reported at CHF 21.0 million and, therefore, insignificantly below that of the previous year of CHF 23.7 million. Initial profit contributions from the sale of residential property in Wallisellen, which compensated for the higher operating expenses connected with the acquisition of the Hammer Retex Group, and related larger workforce represented a welcome contribution toward the gratifying result.

**Earnings from Projects & Development**  
CHF million



On the cut-off date, the division employed 405 members of staff, or 375 full-time positions (31.12. 2012: 409 staff/378 full-time positions).

During the period under review, the Projects & Development division worked at high capacity and handled a consistently high potential project volume of over CHF 1 billion consisting of third-party and own projects. The development of projects for large sites and individual properties made a substantial contribution toward the division's good level of capacity utilisation and continued portfolio expansion. The most significant projects worked on in the first half-year included the Escher-Wyss-Areal in Zurich, Bülachguss in Bülach, a site suitable for residential development in Dielsdorf, and the Grünhof site located in District 4 in Zurich. Moreover, were advanced several residential freehold projects in Zurich and Basel.

The project volume implemented by the Realisation department in the first six months of 2013 grew significantly to CHF 536.0 million, representing an increase of 30.8% over the comparable period the previous year. In the medium term, the volume of completed projects will probably decline due to the completion of several large projects by mid 2014, which will help defuse the current staff squeeze.

Toni-Areal in Zurich-West was the largest and most complex individual project under construction in the period under review. While the 100 rental apartments will be ready for occupation by April 2014, the two universities open their doors to students in summer 2014.

Raymond Cron was appointed Head of the Realisation department with effect from 1 August 2013. He succeeds Bruno Bettoni, who managed the division on an ad interim basis.

Of the completed project volume, third-party contracts account for 54.9% and own projects 45.1% (1<sup>st</sup> half-year 2012: 57.5% /42.5%), while newly constructed projects make up 87% and refurbishments and conversions 13% (1<sup>st</sup> half-year 2012: 89% /11%).

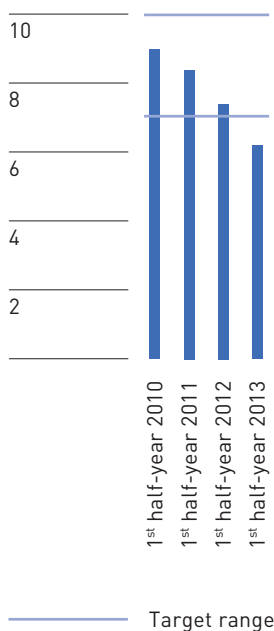
Secured order backlog on the cut-off date amounted to CHF 1.7 billion (31.12.2012: CHF 1.7 billion).

In the first half of 2013, 162 residential units from Allreal's own development and implementation were sold, representing an increase of 60 units compared to the first half of 2012. Three projects were well received in the market place, namely the Konradhof and Escherhof buildings that form part of the Richti-Areal in Wallisellen and the Guggach project in Zurich-Unterstrass. The value of development property sold in the first half-year of 2013 amounted to CHF 97.1 million. As at 30 June 2013, eight projects comprising a total of 288 freehold apartments were available for sale.

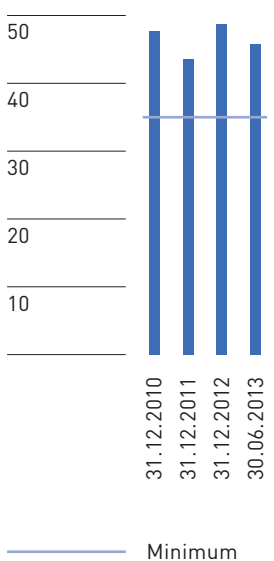
The Project & Development division's contribution toward the Group's operating result reported for the first half of 2013 represents a share of 26.9% (1<sup>st</sup> half-year 2013: 28.5%).



**Return on equity (RoE)**  
incl. revaluation effect  
in percent



**Equity ratio**  
in percent



### Advantageous financing

The average interest rate for financial liabilities on the cut-off date amounted to a low 1.96% with an average lock-in period of 43 months (31.12.2012: 2.13%/54 months) due to the short-term refinancing of new borrowings in an environment of historically low interest rates and by opting not to engage in interest-rate hedging in the period under review. Hedging of the current short-term interest-bearing debt for a longer period of time is foreseeable in the second half-year.

Credit lines of CHF 467 million available on the cut-off date and borrowing capacity amounting to a total of CHF 1.1 billion ensure that ongoing projects will remain financed and, moreover, advantage can be taken of short-term investment opportunities.

Compared to the cut-off date the previous year, Allreal's market capitalisation declined by 6% to CHF 2.11 billion. Equity share on the cut-off date was 45.8% with net gearing of 89.6% (31.12.2012: 48.6%/80.6%).

### Confirmation of expectations for the entire financial year

Thanks to its proven combination of a stable-income real estate portfolio with general contractor operations, Allreal is well positioned in an economic environment characterised by insecurity. Moreover, the continued growth of its real estate portfolio by means of own projects, the high order backlog of the Projects & Development division and advantageous financing represent a sound basis for the successful continuation of operations. Consequently, the Board of Directors and Group Management are confident that the company will successfully cope with the challenges it may meet.

Allreal expects business development in the second half of 2013 to remain stable and operating results for the entire financial year above the level reported the previous year.

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

Dr Thomas Lustenberger  
Chairman of the Board of Directors

Bruno Bettoni  
Chief Executive Officer

# Consolidated semi-annual financial statements of Allreal Group

## Consolidated statement of comprehensive income

CHF million	Notes	1 <sup>st</sup> half-year 2013 reviewed	1 <sup>st</sup> half-year 2012 <sup>1</sup> reviewed
Income from renting investment real estate	3	72.8	71.8
Income from real estate management services	4	3.6	1.4
Income from realisation Projects & Development	5	294.0	235.7
Income from sales Development	5	97.1	113.1
Diverse income	5	1.0	0.6
<b>Operating income</b>		<b>468.5</b>	<b>422.6</b>
Direct expenses for rented investment real estate	6	-9.6	-9.7
Direct expenses from realisation Projects & Development	5	-267.7	-207.7
Direct expenses from sales Development	5	-84.0	-102.8
<b>Direct operating expenses</b>		<b>-361.3</b>	<b>-320.2</b>
Personnel expenses		-30.5	-26.9
Other operating expenses		-6.7	-4.9
<b>Operating expenses</b>		<b>-37.2</b>	<b>-31.8</b>
<b>Capitalised company-produced assets</b>	5	<b>13.9</b>	<b>14.3</b>
<b>Earnings from sale of investment real estate</b>	7	<b>0.7</b>	<b>-0.4</b>
Higher valuation of yield-producing properties		24.7	14.7
Lower valuation of yield-producing properties		-28.7	-16.0
Higher valuation of investment real estate under construction		13.1	20.3
Lower valuation of investment real estate under construction		-3.9	0.0
<b>Earnings from revaluation of investment real estate</b>	8	<b>5.2</b>	<b>19.0</b>
<b>EBITDA</b>		<b>89.8</b>	<b>103.5</b>
Depreciation of other property, plant and equipment		-0.5	-0.5
Depreciation of intangible assets		-0.9	-0.5
<b>Operating profit (EBIT)</b>		<b>88.4</b>	<b>102.5</b>
Finance income		1.0	0.2
Finance expenses	9	-15.4	-19.2
<b>Net profit before tax</b>		<b>74.0</b>	<b>83.5</b>
Tax expense		-14.8	-19.3
<b>Net profit</b>		<b>59.2</b>	<b>64.2</b>
Items subsequently restated in earnings statement:			
Valuation of financial instruments		35.4	-2.6
Deferred taxes from valuation of financial instruments		-7.8	0.6
Items not subsequently restated in earnings statement:			
Changes in staff pension fund		3.3	-2.3
Deferred taxes from changes in staff pension fund		-0.7	0.5
<b>Other comprehensive income</b>		<b>30.2</b>	<b>-3.8</b>
<b>Total comprehensive income</b>		<b>89.4</b>	<b>60.4</b>
Earnings per share in CHF	10	3.72	4.36
Diluted earnings per share in CHF	10	3.57	4.14

<sup>1</sup> Adjusted values owing to restatement in accordance with IAS 19 (revised) to reflect pension fund assets and pension fund commitments, see Note 2

## Consolidated balance sheet

CHF million	Notes	30.06.2013 reviewed	31.12.2012 <sup>1</sup> reviewed	01.01.2012 <sup>1</sup> reviewed
Yield-producing properties	11	2 784.4	2 530.9	2 529.2
Investment real estate under construction	11	569.4	628.1	421.8
Other property, plant and equipment		2.1	2.3	2.4
Financial assets		14.2	11.9	10.5
Intangible assets		4.8	5.7	0.0
Deferred tax assets		42.8	48.9	43.0
<b>Fixed assets</b>		<b>3 417.7</b>	<b>3 227.8</b>	<b>3 006.9</b>
Development real estate	12	579.5	594.8	533.0
Trade receivables		104.5	76.8	85.1
Other receivables		4.2	2.9	3.6
Cash		57.3	26.1	71.9
<b>Current assets</b>		<b>745.5</b>	<b>700.6</b>	<b>693.6</b>
<b>Assets</b>		<b>4 163.2</b>	<b>3 928.4</b>	<b>3 700.5</b>
Share capital	13	797.1	797.1	683.2
Capital reserves		407.7	495.3	419.2
Treasury shares	13	-4.1	-1.0	-1.9
Retained earnings		705.4	615.9	513.8
<b>Equity</b>		<b>1 906.1</b>	<b>1 907.3</b>	<b>1 614.3</b>
Long-term borrowings	14	411.2	409.6	356.0
Provisions for deferred tax liabilities		152.6	146.0	141.4
Long-term provisions		4.1	3.8	4.2
Other long-term liabilities		44.1	76.8	77.4
<b>Long-term liabilities</b>		<b>612.0</b>	<b>636.2</b>	<b>579.0</b>
Trade payables		178.2	147.1	120.4
Payments for development real estate		38.6	32.4	18.2
Current tax liabilities		14.1	16.0	19.9
Other current liabilities		55.5	32.1	36.0
Short-term provisions		4.4	3.3	2.7
Short-term borrowings	14	1 354.3	1 154.0	1 310.0
<b>Short-term liabilities</b>		<b>1 645.1</b>	<b>1 384.9</b>	<b>1 507.2</b>
<b>Liabilities</b>		<b>2 257.1</b>	<b>2 021.1</b>	<b>2 086.2</b>
<b>Equity and liabilities</b>		<b>4 163.2</b>	<b>3 928.4</b>	<b>3 700.5</b>

<sup>1</sup> Adjusted values owing to restatement in accordance with IAS 19 (revised) to reflect pension fund assets and pension fund commitments, see Note 2

## Consolidated statement of changes in shareholders' equity

CHF million	Share capital	Capital reserves	Treasury shares	Retained earnings			Total
				Hedging reserves	Revaluation reserves	Other retained reserves	
<b>As at 31 December 2011 [reviewed]</b>	<b>683.2</b>	<b>419.2</b>	<b>-1.9</b>	<b>-63.3</b>	<b>83.1</b>	<b>494.0</b>	<b>1 614.3</b>
Adjusted values due to restatement <sup>1</sup>						0.0	0.0
<b>As at 1 January 2012 [adjusted and reviewed]</b>	<b>683.2</b>	<b>419.2</b>	<b>-1.9</b>	<b>-63.3</b>	<b>83.1</b>	<b>494.0</b>	<b>1 614.3</b>
Net profit <sup>1</sup>						64.2	64.2
Valuation of financial instruments				-2.0			-2.0
Changes in staff pension fund						-1.8	-1.8
Total comprehensive income <sup>1</sup>				-2.0		62.4	60.4
Purchase of treasury shares			-20.6				-20.6
Sale of treasury shares			19.9			0.1	20.0
Payout to shareholders		-75.0					-75.0
Capital increase	113.9	151.1					265.0
Reclassification					14.5	-14.5	0.0
<b>As at 30 June 2012 [adjusted and reviewed]</b>	<b>797.1</b>	<b>495.3</b>	<b>-2.6</b>	<b>-65.3</b>	<b>97.6</b>	<b>542.0</b>	<b>1 864.1</b>
Net profit <sup>1</sup>						33.3	33.3
Valuation of financial instruments				9.4			9.4
Changes in staff pension fund						-1.1	-1.1
Total comprehensive income <sup>1</sup>				9.4		32.2	41.6
Purchase of treasury shares			-18.1				-18.1
Sale of treasury shares			19.6				19.6
Share-based reimbursement			0.1				0.1
Reclassification					-21.6	21.6	0.0
<b>As at 31 December 2012 [reviewed]</b>	<b>797.1</b>	<b>495.3</b>	<b>-1.0</b>	<b>-55.9</b>	<b>76.0</b>	<b>595.8</b>	<b>1 907.3</b>
Net profit						59.2	59.2
Valuation of financial instruments				27.6			27.6
Changes in staff pension fund						2.6	2.6
Total comprehensive income				27.6		61.8	89.4
Purchase of treasury shares			-12.1				-12.1
Sale of treasury shares			8.9			0.1	9.0
Payout to shareholders		-87.6					-87.6
Share-based reimbursement			0.1				0.1
Creation of shares from convertible bond	0.0	0.0					0.0
Reclassification					3.7	-3.7	0.0
<b>As at 30 June 2013 [reviewed]</b>	<b>797.1</b>	<b>407.7</b>	<b>-4.1</b>	<b>-28.3</b>	<b>79.7</b>	<b>654.0</b>	<b>1 906.1</b>

<sup>1</sup> Adjusted values owing to restatement in accordance with IAS 19 (revised) to reflect pension fund assets and pension fund commitments, see Note 2

## Consolidated cash flow statement

CHF million	Notes	1 <sup>st</sup> half-year 2013 reviewed	1 <sup>st</sup> half-year 2012 <sup>1</sup> reviewed
Net profit before tax		74.0	83.5
Net finance expense		14.4	19.0
Earnings from revaluation of investment real estate	8	-5.2	-19.0
Depreciation other property, plant and equipment		0.5	0.5
Depreciation intangible assets		0.9	0.5
Earnings from sale of investment real estate	7	-0.7	0.4
Capitalised company-produced assets in development real estate		-10.4	-8.5
Share-based reimbursement		0.1	0.0
Change in staff pension fund commitments affecting net income		0.1	0.3
Other items		0.6	1.3
<b>Change in development real estate</b>		<b>6.4</b>	<b>1.3</b>
Change in trade receivables		-24.3	-20.8
Change in other receivables		-1.0	-4.6
Change in provisions		1.5	-1.0
Change in trade payables		31.1	41.5
Increase (decrease) in downpayments for development real estate		6.2	10.2
Change in other current liabilities		23.0	3.5
Cost of finance paid		-18.9	-22.8
Financial income received		1.0	0.1
Income taxes paid		-11.2	-20.3
<b>Cash flow from operating activities</b>		<b>88.1</b>	<b>65.1</b>
Investment in yield-producing properties	11	-2.3	-4.1
Divestment of yield-producing properties	7	21.3	6.9
Investment in investment real estate under construction	11	-184.4	-65.5
Divestment of investment real estate under construction		0.0	0.0
Investment in other property, plant and equipment		-0.3	-0.4
Divestment of other property, plant and equipment		0.0	0.0
Acquisition of companies (acquisition price minus liquid assets)		0.0	-1.8
Increase in financial assets		-1.3	-1.6
Decrease in financial assets		0.5	0.8
<b>Cash flow from investing activities</b>		<b>-166.5</b>	<b>-65.7</b>
Increase in borrowings		375.0	329.5
Decrease in borrowings		-174.7	-554.0
Capital increase		0.0	265.0
Purchase of treasury shares		-12.1	-20.6
Sale of treasury shares		9.0	20.0
Payout to shareholders		-87.6	-75.0
<b>Cash flow from financing activities</b>		<b>109.6</b>	<b>-35.1</b>
<b>Change in cash</b>		<b>31.2</b>	<b>-35.7</b>
Cash at 1 January		26.1	71.9
<b>Cash at 30 June</b>		<b>57.3</b>	<b>36.2</b>

<sup>1</sup> Adjusted values owing to restatement in accordance with IAS 19 (revised) to reflect pension fund assets and pension fund commitments, see Note 2

## Segment information for the first half-year 2013

CHF million	Real Estate	Projects & Development	Total Segments	Holding/ Eliminations	Total
<b>Earnings statement</b>					
Operating income	76.4	392.1	468.5	0.0	468.5
Profit from intercompany services	-2.4	2.7	0.3	-0.3	0.0
Direct operating expenses	-9.6	-351.7	-361.3	0.0	-361.3
Operating expenses	-1.6	-35.0	-36.6	-0.6	-37.2
Capitalised company-produced assets	0.0	13.9	13.9	0.0	13.9
Earnings from sale of investment real estate	0.7	0.0	0.7	0.0	0.7
Earnings from revaluation of investment real estate	5.2	0.0	5.2	0.0	5.2
<b>EBITDA</b>	<b>68.7</b>	<b>22.0</b>	<b>90.7</b>	<b>-0.9</b>	<b>89.8</b>
Depreciation and amortisation	-0.4	-1.0	-1.4	0.0	-1.4
<b>Operating profit (EBIT)</b>	<b>68.3</b>	<b>21.0</b>	<b>89.3</b>	<b>-0.9</b>	<b>88.4</b>
Net finance expense	-13.4	-1.8	-15.2	0.8	-14.4
Tax expense	-9.9	-4.0	-13.9	-0.9	-14.8
<b>Net profit</b>	<b>45.0</b>	<b>15.2</b>	<b>60.2</b>	<b>-1.0</b>	<b>59.2</b>
EBITDA excl. revaluation gains	63.5	22.0	85.5	-0.9	84.6
Operating profit (EBIT) excl. revaluation gains	63.1	21.0	84.1	-0.9	83.2
<b>Net profit excl. revaluation effect</b>	<b>41.3</b>	<b>15.2</b>	<b>56.5</b>	<b>-1.0</b>	<b>55.5</b>
Operating margin in percent <sup>1</sup>	93.5	38.7	69.9	-	69.1
Rental income and income from real estate management	76.4	0.0	76.4	0.0	76.4
Completed project volume third-party projects	0.0	294.0	294.0	0.0	294.0
Completed project volume own projects	0.0	242.0	242.0	0.0	242.0
Total sales (according to internal reporting)	76.4	536.0	612.4	0.0	612.4
less earnings from intergroup services	0.0	-100.4	-100.4	0.0	-100.4
Total sales to third parties (according to internal reporting)	76.4	435.6	512.0	0.0	512.0
less reconciliation item external reporting	0.0	-44.5	-44.5	0.0	-44.5
Diverse income	0.0	1.0	1.0	0.0	1.0
Operating income	76.4	392.1	468.5	0.0	468.5
<b>Balance sheet as at 30.06.2013</b>					
Fixed assets	3 411.5	6.2	3 417.7	0.0	3 417.7
Current assets	25.0	708.4	733.4	12.1	745.5
<b>Total assets</b>	<b>3 436.5</b>	<b>714.6</b>	<b>4 151.1</b>	<b>12.1</b>	<b>4 163.2</b>
Provisions	0.0	8.5	8.5	0.0	8.5
Other debt capital (excl. financing and taxes)	83.6	232.8	316.4	0.0	316.4
Financial liabilities	1 584.5	181.0	1 765.5	0.0	1 765.5
Tax liabilities	149.3	6.5	155.8	10.9	166.7
<b>Total debt</b>	<b>1 817.4</b>	<b>428.8</b>	<b>2 246.2</b>	<b>10.9</b>	<b>2 257.1</b>
<b>Total assigned equity<sup>2</sup></b>	<b>1 619.1</b>	<b>285.8</b>	<b>1 904.9</b>	<b>1.2</b>	<b>1 906.1</b>

<sup>1</sup> EBIT less revaluation gains in percent of income from business activity

<sup>2</sup> Assignment of equity to individual segments corresponds to internal financial reporting guidelines requiring an equity ratio of 40% for the Projects & Development division; financial and tax liabilities will be assigned accordingly.

Allreal operates in Switzerland only. A breakdown by sales and fixed assets is therefore not required.

## Segment information for the first half-year 2012<sup>1</sup>

CHF million	Real Estate	Projects & Development	Total Segments	Holding/ Eliminations	Total
<b>Earnings statement</b>					
Operating income	73.2	349.4	422.6	0.0	422.6
Profit from intercompany services	-2.4	2.7	0.3	-0.3	0.0
Direct operating expenses	-9.7	-310.5	-320.2	0.0	-320.2
Operating expenses	0.0	-31.5	-31.5	-0.3	-31.8
Capitalised company-produced assets	0.0	14.3	14.3	0.0	14.3
Earnings from sale of investment real estate	-0.4	0.0	-0.4	0.0	-0.4
Earnings from revaluation of investment real estate	19.0	0.0	19.0	0.0	19.0
<b>EBITDA</b>	<b>79.7</b>	<b>24.4</b>	<b>104.1</b>	<b>-0.6</b>	<b>103.5</b>
Depreciation and amortisation	-0.3	-0.7	-1.0	0.0	-1.0
<b>Operating profit (EBIT)</b>	<b>79.4</b>	<b>23.7</b>	<b>103.1</b>	<b>-0.6</b>	<b>102.5</b>
Net finance expense	-16.7	-2.3	-19.0	0.0	-19.0
Tax expense	-12.1	-7.0	-19.1	-0.2	-19.3
<b>Net profit</b>	<b>50.6</b>	<b>14.4</b>	<b>65.0</b>	<b>-0.8</b>	<b>64.2</b>
EBITDA excl. revaluation gains	60.7	24.4	85.1	-0.6	84.5
Operating profit (EBIT) excl. revaluation gains	60.4	23.7	84.1	-0.6	83.5
<b>Net profit excl. revaluation effect</b>	<b>36.1</b>	<b>14.4</b>	<b>50.5</b>	<b>-0.8</b>	<b>49.7</b>
Operating margin in percent <sup>2</sup>	95.7	44.5	72.3	-	71.8
Rental income and income from real estate management	73.2	0.0	73.2	0.0	73.2
Completed project volume third-party projects	0.0	235.7	235.7	0.0	235.7
Completed project volume own projects	0.0	174.2	174.2	0.0	174.2
Total sales (according to internal reporting)	73.2	409.9	483.1	0.0	483.1
less earnings from intergroup services	0.0	-50.7	-50.7	0.0	-50.7
Total sales to third parties (according to internal reporting)	73.2	359.2	432.4	0.0	432.4
less reconciliation item external reporting	0.0	-10.4	-10.4	0.0	-10.4
Diverse income	0.0	0.6	0.6	0.0	0.6
Operating income	73.2	349.4	422.6	0.0	422.6
<b>Balance sheet as at 31.12.2012</b>					
Fixed assets	3 216.5	11.3	3 227.8	0.0	3 227.8
Current assets	10.3	677.8	688.1	12.5	700.6
<b>Total assets</b>	<b>3 226.8</b>	<b>689.1</b>	<b>3 915.9</b>	<b>12.5</b>	<b>3 928.4</b>
Provisions	0.0	7.1	7.1	0.0	7.1
Other debt capital (excl. financing and taxes)	95.3	193.1	288.4	0.0	288.4
Financial liabilities	1 357.8	205.8	1 563.6	0.0	1 563.6
Tax liabilities	144.0	7.5	151.5	10.5	162.0
<b>Total debt</b>	<b>1 597.1</b>	<b>413.5</b>	<b>2 010.6</b>	<b>10.5</b>	<b>2 021.1</b>
<b>Total assigned equity<sup>3</sup></b>	<b>1 629.7</b>	<b>275.6</b>	<b>1 905.3</b>	<b>2.0</b>	<b>1 907.3</b>

<sup>1</sup> Adjusted values owing to restatement in accordance with IAS 19 (revised) to reflect pension fund assets and pension fund commitments, see Note 2

<sup>2</sup> EBIT less revaluation gains in percent of income from business activity

<sup>3</sup> Assignment of equity to individual segments corresponds to internal financial reporting guidelines requiring an equity ratio of 40% for the Projects & Development division; financial and tax liabilities will be assigned accordingly.

Allreal operates in Switzerland only. A breakdown by sales and fixed assets is therefore not required.

## Selected notes

### 1 Basic principles

The consolidated semi-annual financial statements 2013 were prepared in accordance with International Accounting Standard 34 on interim financial reporting and conform to the Listing Rules as well as Article 17 of the Directive on Financial Reporting (DFR) of the SIX Swiss Exchange. With the exception of the adjustments outlined under Note 2, the same principles of accounting shall apply as for the 2012 consolidated financial statements.

Since 1 January 2013, the following new or amended IFRS accounting standards and interpretations have been used in the consolidated financial statements for the first time:

Standard/Interpretation	Description	Entry into force	Application from financial year
IAS 1 (Amendment)	Presentation of Items of Other Comprehensive Income	1 July 2012	2013
IAS 19 (Amendment)	Employee Benefits	1 January 2013	2013
IAS 27	Separate Financial Instruments	1 January 2013	2013
IAS 28	Investments in Associates and Joint Ventures	1 January 2013	2013
IAS 7 (Amendment)	Disclosures – Offsetting Financial Assets and Financial Liabilities		2013
IFRS 10	Consolidated Financial Statements	1 January 2013	2013
IFRS 11	Joint Arrangements	1 January 2013	2013
IFRS 12	Disclosure of Interests in Other Entities	1 January 2013	2013
IFRS 10/IFRS 11/IFRS 12 (Amendment)	Consolidated Financial Statements, Joint Arrangements, Disclosure of Interests in Other Entities	1 January 2013	2013
IFRS 13	Fair Value Measurement	1 January 2013	2013
Improvements to IFRSs (May 2012)	–	1 January 2013	2013

In the first half of 2013, the scope of consolidation changed as a result of the merger of the two project companies Allreal Markthalle AG and PM Management AG under Allreal Generalunternehmung AG. As all said companies were held, either directly or indirectly, 100% by Allreal Holding AG, this had no financial impact on the consolidated semi-annual financial statements for 2013.

Seen over the course of the year, individual business activities of the Allreal Group are subject to fluctuations, in particular in the Projects & Development division; for instance, the planning and execution of construction projects or the sale of development real estate. In the first half of 2013, no unusual events occurred that had a material impact on the assets, financial position and earnings of the Allreal Group.

The consolidated semi-annual financial statements 2013 were approved by the Board of Directors of Allreal Holding AG on 12 August 2013.



## **2 Impact of new or amended IFRS standards and interpretations**

Only two of the new or amended IFRS standards and interpretations detailed under Note 1 have an impact on the consolidated semi-annual financial statements of the Allreal Group.

### **2.1 Fair Value Measurement (IFRS 13)**

The new standard replaces the requirements previously incorporated in IAS 40 for determining the fair value of investment real estate. The concept of "highest and best use", which entails a slightly modified definition of fair value, has been applied since 2013. Examples of cases potentially resulting in higher fair values are underused plots of land, future changes of use, replacement buildings and conversions of rental apartments into condominium properties. The external real estate valuer identified the Escher-Wyss-Areal Zurich and the residential property at Zollikerstrasse 185/187 Zurich as two yield-producing properties which meet the relevant criteria. The first-time application of the "highest and best use" concept led to a positive correction of CHF 19 million (before tax) and is contained in earnings from revaluation of investment real estate in the consolidated semi-annual statements.

### **2.2 Employee Benefits (IAS 19)**

The revised standard has resulted in a large number of changes in the treatment of pension fund assets and pension fund commitments. The main changes relate to the recalculation of pension fund commitments and past-service cost taking account of the apportionment of risk between the employer and the employees. In addition, the corridor method for recognising actuarial gains and losses will cease to be used and a net interest rate is to be introduced in place of interest costs and anticipated returns.

As the corridor method ceased to be applied as of 1 January 2013, actuarial gains and losses will be taken immediately to other earnings in equity (not recognised in income) and recognised immediately in past-service cost.

The first-time application of IAS 19 (revised) was made retrospectively. As a result, pension fund commitments as at 31 December 2012 increased by CHF 4.4 million and deferred taxes by CHF 1.0 million. Accordingly, equity was CHF 3.4 million lower. Application of the net interest method increases personnel expense by CHF 0.6 for the full 2012 financial year and by CHF 0.3 million for the first half of 2012.

The following tables summarise the impact of the adjustments on the prior-year period:

### Consolidated statement of comprehensive income

CHF million	1 <sup>st</sup> half-year 2013	1 <sup>st</sup> half-year 2012 adjusted	1 <sup>st</sup> half-year 2012 published	2012 adjusted	2012 published
Personnel expense	-30.5	-26.9	-26.6	-58.3	-57.7
Operating expenses	-37.2	-31.8	-31.5	-69.9	-69.3
EBITDA	89.8	103.5	103.8	164.2	164.8
Operating profit (EBIT)	88.4	102.5	102.8	161.7	162.3
Net profit before tax	74.0	83.5	83.8	127.6	128.2
Tax expense	-14.8	-19.3	-19.4	-30.1	-30.2
<b>Net profit</b>	<b>59.2</b>	<b>64.2</b>	<b>64.4</b>	<b>97.5</b>	<b>98.0</b>
Items subsequently restated in earnings statement:					
Valuation of financial instruments	35.4	-2.6	-2.6	9.4	9.4
Deferred taxes from valuation of financial instruments	-7.8	0.6	0.6	-2.0	-2.0
Items subsequently restated in earnings statement:					
Change in staff pension fund	3.3	-2.3	0.0	-3.8	0.0
Deferred taxes from change in staff pension fund	-0.7	0.5	0.0	0.9	0.0
<b>Other comprehensive income</b>	<b>30.2</b>	<b>-3.8</b>	<b>-2.0</b>	<b>4.5</b>	<b>7.4</b>
<b>Total comprehensive income</b>	<b>89.4</b>	<b>60.4</b>	<b>62.4</b>	<b>102.0</b>	<b>105.4</b>

### Consolidated balance sheet

CHF million	30.06.2013	31.12.2012 adjusted	31.12.2012 published	31.12.2011 adjusted	31.12.2011 published
<b>Fixed assets</b>					
Deferred tax assets	42.8	48.9	47.9	43.0	43.0
<b>Liabilities</b>					
Other long-term liabilities	44.1	76.8	72.4	77.4	77.4
<b>Equity</b>	<b>1 906.1</b>	<b>1 907.3</b>	<b>1 910.7</b>	<b>1 614.3</b>	<b>1 614.3</b>

### Consolidated statement of changes in shareholders' equity

CHF million	30.06.2013	31.12.2012 adjusted	31.12.2012 published	30.06.2012 adjusted	30.06.2012 published
Net profit	59.2	97.5	98.0	64.2	64.4
Change in staff pension fund	2.6	-2.9	0.0	-1.8	0.0
Total comprehensive income	89.4	102.0	105.4	60.4	62.4
<b>Other retained earnings</b>	<b>654.0</b>	<b>595.8</b>	<b>599.2</b>	<b>542.0</b>	<b>544.0</b>

### 3 Income from renting investment real estate

CHF million	1 <sup>st</sup> half-year 2013	1 <sup>st</sup> half-year 2012
Rental income from commercial properties	60.4	59.6
Rental income from residential properties	12.4	12.2
<b>Income from renting investment real estate</b>	<b>72.8</b>	<b>71.8</b>

Income from renting investment real estate increased year-on-year by 1.4% to CHF 72.8 million, which is essentially attributable to an increase in the portfolio of yield-producing properties through the transfer of investment real estate under construction.

The cumulative vacancy rate for the first half-year 2013 totalled 4.9% of target rental income (2012: 4.9%), broken down into 5.2% for commercial properties and 3.4% for residential properties (2012: 5.5% and 1.6%).

### 4 Income from real estate management services

CHF million	1 <sup>st</sup> half-year 2013	1 <sup>st</sup> half-year 2012
Income from administration and management	2.6	1.1
Income from sale and brokerage	1.0	0.3
<b>Income from real estate management services</b>	<b>3.6</b>	<b>1.4</b>

With the acquisition of the Hammer Retex Group as at 4 April 2012, the scope of business activity was expanded to include real estate management. The income posted in the period under review relates to the period from January to June 2013 (previous year: April to June 2012).

### 5 Earnings from Projects & Development division

	1 <sup>st</sup> half-year 2013	1 <sup>st</sup> half-year 2012
Income from realisation Projects & Development	294.0	235.7
Direct expenses from realisation Projects & Development	-267.7	-207.7
<b>Earnings from realisation Projects &amp; Development</b>	<b>26.3</b>	<b>28.0</b>
Income from sales Development	97.1	113.1
Direct expenses from sales Development	-84.0	-102.8
<b>Income from sales Development</b>	<b>13.1</b>	<b>10.3</b>
<b>Capitalised company-produced assets</b>	<b>13.9</b>	<b>14.3</b>
<b>Diverse income</b>	<b>1.0</b>	<b>0.6</b>
<b>Earnings from Projects &amp; Development division</b>	<b>54.3</b>	<b>53.2</b>

Income from realisation Projects & Development consists of architects' and project & development fees (CHF 22.5 million) and earnings from construction activity (CHF 5.9 million). This contrasts with directly offset sales deductions (CHF -2.1 million).

In the first half-year 2013, ownership of units under the projects Konradhof Wallisellen (selling price CHF 60.1 million), Schinebüel Birmenstorf (CHF 22.7 million), Aublickweg Au-Wädenswil (CHF 6.9 million), Nelkenstrasse Zurich (CHF 4.0 million) and Holengass Meilen (CHF 3.4 million) was transferred to third parties, resulting in gains on sales of CHF 13.1 million.

## 6 Direct expenses for rented investment real estate

CHF million	1 <sup>st</sup> half-year 2013	1 <sup>st</sup> half-year 2012
Administrative and operating expenses, commercial real estate	-3.2	-2.8
Administrative and operating expenses, residential real estate	-0.7	-0.6
Maintenance and repair expenses, commercial real estate	-4.1	-5.5
Maintenance and repair expenses, residential real estate	-1.6	-0.8
<b>Real estate expenses</b>	<b>-9.6</b>	<b>-9.7</b>

## 7 Earnings from sale of investment real estate

CHF million	1 <sup>st</sup> half-year 2013	1 <sup>st</sup> half-year 2012
Proceeds from sale	21.4	7.2
Transaction costs on sale	-0.1	-0.3
Balance sheet value = market value on 31.12. of the previous year	-20.6	-7.3
<b>Earnings from sale of investment real estate</b>	<b>0.7</b>	<b>-0.4</b>

As at 1 April 2013, the commercial building Kronenstrasse 10 in Dielsdorf was sold, and as at 28 June 2013, the two residential buildings Zürcherstrasse 52 and 64 in Schlieren. After deduction of transaction costs, the sale resulted in earnings of CHF 0.7 million on total selling prices of CHF 21.4 million.

In the first half of 2012, the sale of a commercial property in Muttenz produced earnings of CHF -0.4 million.

## 8 Earnings from revaluation of investment real estate

CHF million	1 <sup>st</sup> half-year 2013	1 <sup>st</sup> half-year 2012
Higher valuation of yield-producing properties	24.7	14.7
Higher valuation of investment real estate under construction	13.1	20.3
Lower valuation of yield-producing properties	-28.7	-16.0
Lower valuation of investment real estate under construction	-3.9	0.0
<b>Earnings from revaluation of investment real estate</b>	<b>5.2</b>	<b>19.0</b>

CHF 4.8 million of the higher valuation of yield-producing properties relates to commercial real estate and CHF 19.9 million to residential real estate (1<sup>st</sup> half-year 2012: CHF 9.3 million and CHF 5.4 million respectively). CHF -28.7 million of the lower valuation of yield-producing properties relates to commercial real estate and CHF 0.0 million to residential real estate (1<sup>st</sup> half-year 2012: CHF -16.0 million and CHF 0.0 million respectively).

The average capital-weighted discount rates as at 30 June 2013 for the entire portfolio of yield-producing properties amount to 4.91% (31.12.2012: 4.99%). The average capital-weighted capitalisation rates as at 30 June 2013 amount to 4.91% (31.12.2012: 5.04%).

As in the previous year, Jones Lang LaSalle AG acts as the real estate valuer on a contract basis.

## 9 Finance expense

CHF million	1 <sup>st</sup> half-year 2013	1 <sup>st</sup> half-year 2012
Finance expense for liabilities from financing and derivatives	-14.6	-18.1
Finance expense for bond issue	-2.0	-2.0
Finance expense for convertible bond	-3.6	-3.6
Capitalised building loan interest	4.8	4.5
<b>Finance expenses</b>	<b>-15.4</b>	<b>-19.2</b>

Capitalised building loan interest of CHF 4.8 million relates to directly attributable finance expense on development real estate under construction (CHF 1.6 million) and investment real estate under construction (CHF 3.2 million).

## 10 Earnings (NAV) per share

	1 <sup>st</sup> half- year 2013	1 <sup>st</sup> half- year 2012
Number of outstanding shares as at 01.01. (in thousands)	15 934	13 651
Change in holdings of treasury shares (in thousands)	-22.0	-5
Issuing of shares from capital increase (in thousands)	0	2 277
Number of outstanding shares as at 30.06. (in thousands)	15 912	15 923
Average number of outstanding shares (in thousands)	15 923	14 708
Net profit excl. revaluation effect (in CHF million)	55.5	49.7
Earnings from revaluation of investment real estate (in CHF million)	5.2	19.0
Deferred taxes on revaluation gains (in CHF million)	-1.5	-4.5
Net profit incl. revaluation effect (in CHF million)	59.2	64.2
<b>Earnings per share incl. revaluation effect (CHF)</b>	<b>3.72</b>	<b>4.36</b>
<b>Earnings per share excl. revaluation effect (CHF)</b>	<b>3.49</b>	<b>3.38</b>
<b>Diluted earnings per share</b>		
— incl. revaluation effect (CHF)	3.57	4.14
— excl. revaluation effect (CHF)	3.36	3.25

As a consequence of IAS 19 (revised), earnings per share for the first half of 2012 were recalculated, see Note 2.

The issuing of the 2009–2014 2.125% convertible bond and the share-based remuneration of members of Group Management has the effect of diluting the earnings per share. To calculate the dilution, the net profit was corrected for the effects resulting from the convertible bond and the share-based remunerations. This results in a diluted net profit of CHF 62.1 million including revaluation effect and CHF 58.4 million excluding revaluation effect. For this calculation, the average number of outstanding shares increases from 15 922 606 to 17 395 076.

If all the conversion rights arising from the 2009–2014 2.125% convertible bond issue were exercised at a conversion price of CHF 135.89 per registered share, this would result in the creation of 1 471 226 new shares from conditional capital.

	30.06.2013	31.12.2012
Outstanding shares (in thousands) on cut-off date	15 912	15 934
Equity on cut-off date (CHF million)	1 906.1	1 907.3
<b>Net asset value (NAV) per share after deferred taxes (CHF)</b>	<b>119.80</b>	<b>119.70</b>
Equity plus provision for deferred taxes less deferred tax assets (CHF million)	2 015.9	2 004.4
<b>Net asset value (NAV) per share before deferred taxes (CHF)</b>	<b>126.70</b>	<b>125.80</b>

## 11 Investment real estate

CHF million	30.06.2013	31.12.2012
Commercial properties	2 297.5	2 078.0
Residential properties	486.9	452.9
<b>Yield-producing properties</b>	<b>2 784.4</b>	<b>2 530.9</b>
Investment real estate under construction	569.4	628.1
<b>Investment real estate</b>	<b>3 353.8</b>	<b>3 159.0</b>

The changes in the first half-year of 2013 can be summarised as follows:

CHF million	Commercial real estate	Residential real estate	Total yield-producing properties	Investment real estate under construction	Total investment real estate
As at 01.01.2013	2 078.0	452.9	2 530.9	628.1	3 159.0
Purchases	0.0	0.0	0.0	0.0	0.0
Value-enhancing investments	1.2	1.1	2.3	184.4	186.7
Capitalised building loan interest	0.0	0.0	0.0	3.2	3.2
Disposals	-5.5	-15.6	-21.1	0.0	-21.1
Reclassifications	247.7	28.6	276.3	-255.5	20.8
Market value adjustments	-23.9	19.9	-4.0	9.2	5.2
<b>As at 30.06.2013</b>	<b>2 297.5</b>	<b>486.9</b>	<b>2 784.4</b>	<b>569.4</b>	<b>3 353.8</b>
of which pledged or subject to restricted disposability	2 191.0	456.9	2 647.9	485.2	3 133.1

### Value-enhancing investments in yield-producing properties

Within the commercial real estate portfolio, value-enhancing investments were made in the office building Hohlstrasse 600, Zurich (CHF 0.4 million), and in the Escher-Wyss-Areal Zurich (CHF 0.8 million). In connection with the refurbishment of a residential development in Bülach, capitalisable investments of CHF 1.1 million were made.

### Disposals of yield-producing properties

Place	Address	Type <sup>1</sup>	Year of construction	Transfer of use
Dielsdorf	Kronenstrasse 10	CP	1979	01.04.2013
Schlieren	Zürcherstrasse 52	RP	1972	28.06.2013
Schlieren	Zürcherstrasse 64	RP	1972	28.06.2013

<sup>1</sup> CP = commercial property, RP = residential property

In the case of the commercial property at Neugutstrasse 2-6/Bahnhofplatz 2/ Bahnhofstrasse 25 in Wallisellen, construction and project costs amounting to CHF 0.5 million stated under acquisition costs were derecognised through income and booked as a disposal as these expenses were no longer incurred.

### Reclassifications

Reclassifications of investment real estate under construction (CHF 276.3 million) relate to the transfer of the Allianz office building in Wallisellen and Neunbrunnenstrasse 47–53 Zurich to yield-producing properties. On the other hand, the projects Lilienthal-Boulevard Opfikon (CHF 19.9 million) and Schiffbau-/Hardstrasse Zurich (CHF 0.9 million), previously reported under development real estate, were reclassified as investment costs.

### Largest tenants, commercial real estate

Share in total rental income from commercial real estate:

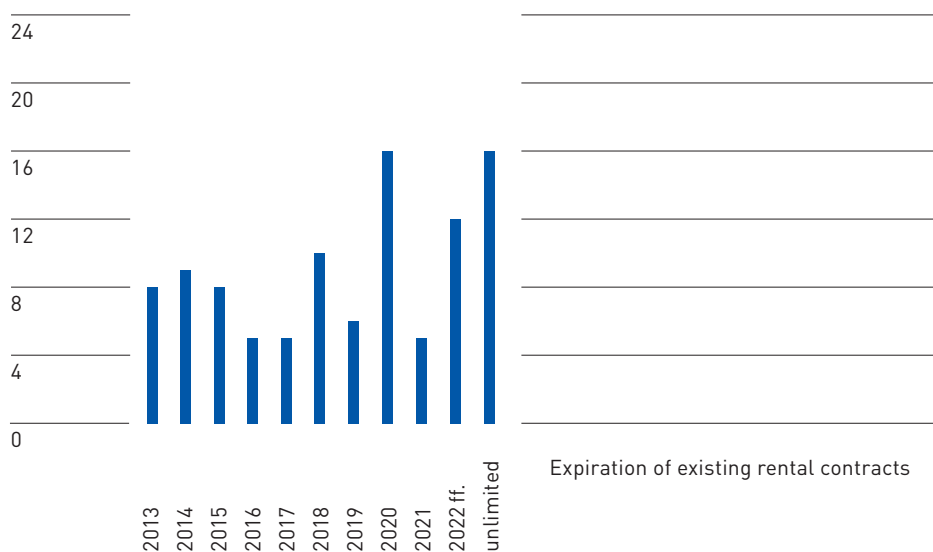
	30.06.2013	31.12.2012
IBM Switzerland AG	9%	9%
Canton Zurich	9%	5%
MAN Diesel & Turbo Switzerland AG	7%	7%
Partner Reinsurance Company Ltd. (PartnerRe)	5%	4%
Credit Suisse AG	4%	4%
<b>Total</b>	<b>34%</b>	<b>29%</b>

In the first half-year of 2013, the five largest tenants account for 34% of rental income from commercial real estate. The ten largest tenants generate 48% of rental income from commercial real estate.

The five largest tenants' share of total rental income from all yield-producing properties (commercial and residential) declined to 28% in the first half-year of 2013 (1<sup>st</sup> half-year 2012: 26%).

### Profile of terms of rental contracts for commercial real estate

In percent of outstanding rental income in CHF million



The weighted remaining term of fixed-term rental contracts is 6.0 years (31.12.2012: 6.4 years).



## Investment real estate under construction as at 30 June 2013

Place	Property	Acquisition/ project start	Area of property in m <sup>2</sup>	Register of suspected contaminated sites	Minergie	Market value CHF million <sup>1</sup>	Estimated investment volume CHF million <sup>2</sup>	Target rental income on completion p.a. CHF million	Expected completion
Gland	Eikenøtt	2011	1 173	no	yes	18.2	31.0	1.6	2013/2014
Opfikon	Lilienthal-Boulevard	2007	5 167	no	yes	20.3	72.0	3.8	2014
Wallisellen	Favrehof	2002	8 791	no	yes	45.8	60.0	3.7	2014
Zurich	Escher-Terrassen	2004	2 651	yes	yes	38.8	49.0	2.9	2014
Zurich	Toni-Areal	2007	25 104	yes	yes	446.3	534.0	28.7	2014
<b>Total investment real estate under construction</b>						<b>569.4</b>	<b>746.0</b>		

<sup>1</sup> According to valuation 30.06.2013

<sup>2</sup> Building and land costs

### Eikenøtt, Gland

New-build residential development comprising 65 rental apartments and 66 parking spaces, with an aggregate net living area of 4 958 square metres in Gland, Canton Vaud. The project is being built by Losinger Construction SA and, upon completion, will be transferred in stages in 2013 and 2014 to the portfolio of yield-producing properties. For the market valuation as at the balance sheet cut-off date, nominal discount and capitalisation rates of 4.60% were applied (31.12.2012: 4.90%).

### Lilienthal-Boulevard, Opfikon

New-build six-floor office building with conference facilities and cafeteria on the ground floor, total lettable floor space of 13 131 square metres and 124 parking spaces. A ten-year rental agreement has been signed with Mondelez International (Kraft Foods Europe GmbH) for 6 960 square metres of floor space. The project is being built by the Projects & Development division and, upon completion in 2014, will be reported under the portfolio of yield-producing properties. For the first-time market valuation as at the balance sheet cut-off date, nominal discount and capitalisation rates of 5.00% were applied.

### Favrehof, Wallisellen

New-build residential development comprising 118 rental apartments and 116 parking spaces. Together with the 1 173 square metres of lettable floor space for offices and retail outlets, this equates to total floor space of 13 815 square metres. The project is being built by the Projects & Development division and, upon completion in 2014, will be reported under the portfolio of yield-producing properties. For the market valuation as at the balance sheet cut-off date, nominal discount and capitalisation rates of 4.80% were applied (31.12.2012: 4.90%).

### Escher-Terrassen, Zurich

19-floor residential high-rise comprising 51 rental apartments with an aggregate net living area of 6 091 square metres, rehearsal facilities for the opera house and a 35-space basement car park on the Escher-Wyss-Areal in Zurich-West. The project is being built by the Projects & Development division and,

upon completion in 2014, will be transferred to the portfolio of yield-producing properties. For the market valuation as at the balance sheet cut-off date, nominal discount and capitalisation rates of 4.90% were applied (31.12.2012: 5.00%).

#### Toni-Areal, Zurich

University of applied sciences (Fachhochschule) development for some 5 000 students, lecturers and employees, including events venues, commercial premises and 100 rental apartments in Zurich-West, built by the Projects & Development division. The lettable floor space, including housing, totals around 87 500 square metres, of which at least 73 100 square metres will be occupied by Canton Zurich/Zurich University of Applied Sciences (on a 20-year rental contract). The aggregate net living area of the 100 rental apartments runs to 9 992 square metres. Of the annual CHF 28.7 million in target rental income after completion, CHF 6.9 million is attributable to the amortisation of tenant fit-outs prefinanced by Allreal, which are to be repaid over a term of 20 years. Upon completion in 2014, the Toni-Areal will be transferred to the portfolio of yield-producing properties. For the purposes of calculating the market value as at the balance sheet cut-off date, nominal discount and capitalisation rates of 4.70% were applied (31.12.2012: 4.80%).

All investment real estate properties under construction are 100% solely owned by Allreal.

Yield-producing properties (CHF 2784.4 million) and investment real estate under construction (CHF 569.4 million) are recognised as at 30 June 2013 at fair values according to category 3. No adjustments were made to valuation techniques or processes during the period under review.

## 12 Development real estate

CHF million	Development reserves	Buildings under construction	Completed buildings	Total development real estate
As at 01.01.2013	149.4	396.3	49.1	594.8
Purchases	0.0	0.0	0.0	0.0
From construction activity/ development	1.3	85.8	2.4	89.5
Income from sales development	0.7	10.5	1.9	13.1
Impairment	0.0	0.0	0.0	0.0
Disposals	-4.0	-82.8	-10.3	-97.1
Reclassifications	-98.1	75.5	1.8	-20.8
<b>As at 30.06.2013</b>	<b>49.3</b>	<b>485.3</b>	<b>44.9</b>	<b>579.5</b>

Reclassifications of CHF 20.8 million net to investment real estate relate to the projects Lilienthal-Boulevard Opfikon (CHF 19.9 million) and Schiffbau-/Hardstrasse Zurich (CHF 0.9 million) previously reported under development real estate.

## Development real estate as at 30 June 2013

Place	Property	Acquisition/ project start	Area of property in m <sup>2</sup>	Register of suspected contaminated sites	Book value CHF million	Estimated investment volume CHF million <sup>1</sup>	Project status	Expected completion
<b>Development reserves</b>								
Basel	Kirschblütenweg	2011	3 949	no	6.7 <sup>2</sup>	15.0	building application	open
Bassersdorf	Grindelstrasse	2008	6 000	no	3.7 <sup>2</sup>	15.0	in planning	open
Bülach	Fangleten/Solistrasse	2011	55 318	yes	2.6 <sup>3</sup>	260.0	in planning	open
Mettmenstetten,	Pfruendmatt	2012	6 989	no	10.4 <sup>2</sup>	34.0	in planning	open
Rümlang	Airport Business Park	1987	30 277	no	15.3 <sup>2</sup>	100.0	building permit	open
Steinen	Schwyzstrasse	2012	3 100	no	4.0 <sup>2</sup>	15.0	in planning	open
Volketswil	Guntenbachstrasse	2008	5 330	no	3.6 <sup>2</sup>	25.0	in planning	open
Zürich	Schiffbaustrasse	2010	1 610	yes	3.0 <sup>2</sup>	23.0	building permit	open
<b>Total development reserves</b>			<b>112 573</b>		<b>49.3</b>	<b>487.0</b>		
<b>Buildings under construction</b>								
Bülach	Cholplatz	2011	11 847	no	27.1	61.0	under completion	2014
Erlenbach	Lerchenbergstrasse	2009	13 614	no	68.7	94.0	under completion	2014
Kilchberg	Stockenstrasse	2011	1 496	no	10.2	13.0	under completion	2013
Mönchaltorf	Bruggächer	2010	14 382	no	25.5	44.0	under completion	2014
Wallisellen	Escherhof	2002	8 394	no	65.6	85.0	under completion	2013
Wallisellen	Konradhof	2002	19 373	no	51.1	120.0	under completion	2013
Wallisellen	Richtiring	2002	10 639	no	80.8	167.0	under completion	2014
Wallisellen	Ringhof	2002	9 409	no	39.0	66.0	under completion	2014
Zürich	Guggach	2011	20 045	no	100.0	240.0	under completion	2016
Zürich	Herostrasse	2010	4 027	no	17.3	50.0	under completion	2014
<b>Total buildings under construction</b>			<b>113 226</b>		<b>485.3</b>	<b>940.0</b>		
Au-Wädenswil	Aublickweg	2012 <sup>4</sup>			6.1			
Birmenstorf	Schinebüel	2013 <sup>4</sup>			1.7			
Meilen	Holengass	2012 <sup>4</sup>			37.1			
<b>Total completed real estate</b>					<b>44.9</b>			
<b>Total development real estate</b>					<b>579.5</b>	<b>1 427.0</b>		

<sup>1</sup> Land and building costs

<sup>2</sup> Book value includes acquisition costs for the land 100% owned by Allreal and accrued project costs of third parties

<sup>3</sup> Book value includes acquisition costs for downpayments made for land and accrued project costs of third parties (transfer of ownership for land pending)

<sup>4</sup> Completion

### 13 Share capital

As at the balance sheet cut-off date, the share capital of Allreal Holding AG comprises 15 941 829 registered shares with a par value of CHF 50 each. Each share carries one vote and confers entitlement to attend the general meeting if entered in the share register.

Shareholdings developed as follows:

Number of shares	Shares issued	Treasury shares	Outstanding shares
<b>2012</b>			
As at 1 January	13 664 271	13 463	13 650 808
Capital increase	2 277 378		
Purchase of treasury shares		280 698	
Sale of treasury shares		-285 572	
Share-based reimbursements		-928	
<b>As at 31 December</b>	<b>15 941 649</b>	<b>7 661</b>	<b>15 933 988</b>
<b>2013</b>			
As at 1 January	15 941 649	7 661	15 933 988
Conversion of convertible bond	180		
Purchase of treasury shares		89 146	
Sale of treasury shares		-66 054	
Share-based reimbursements		-470	
<b>As at 30 June</b>	<b>15 941 829</b>	<b>30 283</b>	<b>15 911 546</b>

On 30 June 2013, Allreal held 30 283 treasury shares (31.12.2012: 7 661 shares). The average purchase price per share stands at CHF 135.63 (31.12.2012: CHF 138.04). The total purchase price is deducted from consolidated equity.

The Board of Directors is authorised by the annual general meeting to increase the share capital – excluding the subscription rights of shareholders as applicable – until 28 March 2014 to acquire businesses, business units, participating interests or real estate through an exchange of shares, for financing or refinancing the acquisition of businesses, business units, participating interests or investment projects, or for the purpose of an international placement of shares worth up to CHF 200.0 million by issuing up to 4 000 000 registered shares each with a par value of CHF 50 (authorised capital). In May 2012, the authorised capital was reduced by CHF 113.9 million from CHF 200.0 million to CHF 86.1 million (as at 30 June 2013).

For the purpose of issuing convertible bonds, warrant bonds or other financial instruments, the annual general meeting of 31 March 2006 created – excluding the subscription rights of shareholders – conditional capital of up to CHF 125.0 million through the issue of up to 2 500 000 registered shares with a par value of CHF 50 each. Bearers of the convertible and/or warrant bonds are entitled to subscribe to the new shares. This conditional capital decreased by CHF 0.2 million to CHF 124.8 million (as at 30 June 2013) following the conversion of convertible bonds into shares.

Further, Allreal Holding AG has conditional capital of CHF 10.0 million (200,000 registered shares at a par value of CHF 50 each) at its disposal for the purposes of issuing options to the members of the Board of Directors and management. This conditional capital has not been drawn on.

The annual general meeting of Allreal Holding AG of 5 April 2013 voted in favour of making a distribution of CHF 5.50 per share, corresponding to a total amount of CHF 87.6 million, in the form of a repayment of reserves from contribution of capital.

## 14 Borrowings

### Maturity of the financing (capital lock-up at nominal values)

CHF million	<1 year	1–3 years	3–5 years	>5 years	Total
As at 31.12.2012	1 154.0	200.0	167.4	50.3	1 571.7
<b>As at 30.06.2013</b>	<b>1 354.3</b>	<b>367.4</b>	<b>0.0</b>	<b>50.3</b>	<b>1 772.0</b>
of which with repayment	116.6	367.4	0.0	50.3	534.3
Repayment p.a.	3.4	0.0	0.0	0.0	3.4

The financial liabilities of the Allreal group consist of bank loans secured by mortgage (fixed advances and fixed-rate mortgages), a convertible bond and a bond issue. The bank loans in the form of fixed advances are extended on a rolling basis. Apart from the 2.50% bond issue and the 2.125% convertible bond, only bank loans with contractually agreed remaining terms to maturity greater than twelve months are reported as long-term financial liabilities.

Long-term borrowings include a 2.50% bond issued in 2011 and a 2.125% convertible bond issued in 2009:

#### 2.50% bond 2011–2016

Amount	CHF 150.0 million
Issue price	100.45%
Coupon	2.50%, payable annually on 12 May
Maturity	5 years
Redemption	On 12 May 2016 at par

As at the balance sheet date, the 2.50% bond issue is recognised at CHF 149.2 million in long-term borrowings and during the period under review CHF 0.2 million was spent on the amortisation of issuing costs. In addition to the actual interest rate of 2.50% to be paid, the expense, which corresponds to an effective interest rate of 2.71%, is also deferred to the income statement.

#### 2.125% convertible bond 2009–2014

Amount	CHF 199.925 million (originally CHF 200.0 million)
Issue price	100%
Coupon	2.125% p.a., payable annually on 9 October
Maturity	5 years
Redemption	At latest by 9 October 2014 at par
Conversion price	CHF 135.89

Until 19 September 2014, each bearer bond at CHF 5000 nominal can be converted into 36 79447 registered shares of Allreal Holding AG. The bond may be redeemed early, and the bond terms customary for such capital market instruments shall apply. Specifically, this includes options for premature redemption either at any time at par, including accrued interest, provided more than 85% of the original principal amount has been converted and/or redeemed, or if the registered share of Allreal Holding AG closes at no lower than CHF 176.65 on 20 trading days within a period of 30 consecutive trading days. As at 30 June 2013 the conditions for premature redemption had not been met.

As at the balance sheet cut-off date, the 2.125% convertible bond is recognised as follows:

CHF million	30.06.2013	31.12.2012
Long-term borrowings before issuing costs	188.1	188.1
Dissolution of convertible bond as a result of conversion into registered shares	-0.1	-0.1
less pro rata issuing costs in debt	-4.4	-4.4
Amortisation of debt component/redemption amount	10.7	9.2
<b>Long-term borrowings (debt component)</b>	<b>194.3</b>	<b>192.8</b>
Allocation to equity before issuing costs	11.9	11.9
less pro-rata issuing costs in equity	-0.3	-0.3
less reclassification to deferred tax liabilities	-3.6	-3.6
<b>Allocation to equity net</b>	<b>8.0</b>	<b>8.0</b>
Reclassification for deferred tax liabilities	3.6	3.6
Write-back of deferred tax liabilities	-2.4	-2.0
<b>Deferred tax liabilities</b>	<b>1.2</b>	<b>1.6</b>

This means that during the period under review CHF 1.5 million was charged to financial expense for the amortisation of the difference between the debt component and the redemption amount.

The difference of CHF 5.6 million between the debt component (CHF 194.3 million) and the redemption amount (CHF 199.925 million) as at 30 June 2013 is amortised over the remaining term to maturity of the convertible bond until 2014 using the effective interest method.

Deferred tax liabilities at the consolidated tax rate of 22% are recognised on the difference between the tax value of the convertible bond and the book value of the debt component, plus proportionate issuing costs, and are written back to income over the term of the convertible bond. In the first half-year 2013 deferred taxes amounting to CHF 0.4 million were eliminated in favour of the tax expense.

In addition to the actual interest rate of 2.125% to be paid, the expense, which corresponds to an effective interest rate of 3.79%, is also deferred to the income statement.

#### Maturity of interest rates (interest lock-in period at nominal values)

CHF million	<1 year	1-3 years	3-5 years	>5 years	Total
<b>As at 31.12.2012</b>					
Borrowings	1 154.0	200.0	167.4	50.3	1 571.7
Effect of interest rate swaps	-970.0	270.0	100.0	600.0	0.0
<b>Total</b>	<b>184.0</b>	<b>470.0</b>	<b>267.4</b>	<b>650.3</b>	<b>1 571.7</b>
Total in %	11.7	29.9	17.0	41.4	100.0
<b>As at 30.06.2013</b>					
Borrowings	1 354.3	367.4	0.0	50.3	1 772.0
Effect of interest rate swaps	-850.0	150.0	100.0	600.0	0.0
<b>Total</b>	<b>504.3</b>	<b>517.4</b>	<b>100.0</b>	<b>650.3</b>	<b>1 772.0</b>
Total in %	28.5	29.2	5.6	36.7	100.0

The classification of financial liabilities by interest lock-in periods is done on the basis of the actual date of maturity of the underlying fixed advances and mortgages and the maturity of the bond issue and convertible bond. In calculating the capital lock-up and interest lock-in periods, the respective outstanding par values of the bonds and their 2.50%/2.125% coupons were taken.

As at 30 June 2013, fixed advances amounting to CHF 1 354.3 million and fixed-rate mortgages amounting to CHF 67.7 million (at nominal values) are in place, all of which were taken out with Swiss banks or insurance companies.

In the next twelve months, two interest rate swaps will mature with a value of CHF 50 million at 2.80% in August 2013 and CHF 120 million at 1.81% in February 2014.

The average interest rate of all financial liabilities as at 30 June 2013 is 1.96% (31 December 2012: 2.13%).

The average interest lock-in period for all financial liabilities as at 30 June 2013 is 43 months (31 December 2012: 54 months).

## 15 Fair value financial instruments

Financial instruments recognised at fair value break down into the following categories as at 30 June 2013:

CHF million	Category 1	Category 2	Category 3	Total
Receivables arising from derivative financial instruments	0.0	5.7	0.0	5.7
Liabilities from derivative financial instruments	0.0	44.5	0.0	44.5

During the period under review, no adjustments were made to valuation techniques or processes and there were no reclassifications within the categories.

## 16 Capital commitments, contingent liabilities and legal disputes

CHF million	30.06.2013	31.12.2012
Purchase commitments	39.4	2.9
Guarantees and sureties	0.0	0.0

The capital commitments relate to contractual agreements for the acquisition of development real estate.

There are no guarantees or sureties in favour of third parties that are not in connection with financing recognised in the balance sheet. Beyond this, in the individual financial statement, Allreal Holding AG has issued guarantees and sureties amounting to an additional CHF 802.5 million in connection with financings and derivative financial transactions on behalf of individual subsidiaries (31.12.2012: CHF 781.5 million).

As at 30 June 2013, there are no pending legal disputes of a nature liable to have a significant impact on the asset and income situation of the Allreal Group for which no corresponding provisions are in place.



#### **17 Transactions with related parties**

In the first half of 2013, the Projects & Development division carried out construction projects for a total of CHF 20.5 million for several parties to the shareholders' pooling agreement under standard market conditions, which corresponds to 7.0% of income from realisation Projects & Development.

The residential properties Zürcherstrasse 52 and 64 in Schlieren were sold on 28 June 2013 at a selling price of CHF 16.2 million to Raiffeisen Pensionskasse Genossenschaft, which is a party to the shareholders' pooling agreement.

#### **18 Events after the balance sheet date**

Between 30 June 2013 and 12 August 2013 (date on which the consolidated semi-annual financial statements were approved by the Board of Directors) no events took place which would result in any adjustments to the book values of the assets and liabilities or which would need to be disclosed here.

# Information on the real estate portfolio

## Commercial real estate as at 30 June 2013

Place	Address	Ownership status <sup>1</sup>	Year acquired	Year of construction	Renovation <sup>2</sup>	Area of property in m <sup>2</sup>
<b>City of Zurich</b>						
Zurich	Badenerstrasse 141	LO	2002	1968	2002 PR	713
Zurich	Bändliweg 21	SO	2005	1995		9 254
Zurich	Bellerivestrasse 30	SO	2004	1986		2 316
Zurich	Bellerivestrasse 36	SO	2004	1974	2009/2010 PR	10 494
Zurich	Binzmühlestrasse 95-99, Therese Giehse-Strasse 1, "Center Eleven"	SO	2005	2001		11 712
Zurich	Birmensdorferstrasse 108/Weststrasse 75	SO	2000	1983	2007/2008 TR	1 254
Zurich	Brandschenkestrasse 38/40	SO	2001	1992		1 402
Zurich	Buckhauserstrasse 32	SO	2003	1968	2006 PR	1 905
Zurich	Dreikönigstrasse 37	SO	2000	1990		1 264
Zurich	Eggbühlstrasse 21-25	SO	2008/2010	1993	2005 PR	6 221
Zurich	Grüngasse 27-31/Badenerstrasse 119-133	SO	2002	1925	2006/2007PR	7 870
Zurich	Hardstrasse 319 [Escher-Wyss-Areal] <sup>5</sup>	SO	2002	1945-2010		59 117
Zurich	Hohlstrasse 600	SO	2001	1986	2006/2012 TR	2 894
Zurich	Kalchbühlstrasse 22/24	SO	2000	1976		3 101
Zurich	Kreuzstrasse 5	LO	2004	2006		3 333
Zurich	Lagerstrasse 41+45	SO	2001	1954	2005 TR	1 909
Zurich	Max Högger-Strasse 2	SO	2003	1975	2012 PR	2 131
Zurich	Renggerstrasse 3	SO	1999	1966	2001 PR	1 389
Zurich	Thurgauerstrasse 39	SO	1999	1970	2000/2005 TR	3 195
Zurich	Vulkanstrasse 106	SO	2002	2005		12 295
Zurich	Weststrasse 74	SO	1996	1995		1 482
Zurich	Zollikerstrasse 183	SO	2008	1984	2007 PR	3 371
Zurich	Zollstrasse/Josefstrasse 23-29/Klingenstrasse 4	SO	1993/2006	1997		4 201
<b>Total city of Zurich</b>						<b>152 823</b>

<sup>1</sup> SO = sole ownership; LO = leasehold owned 100% by Allreal

<sup>2</sup> TR = total renovation; PR = part renovation

<sup>3</sup> Cumulative vacancy rate as a percentage of target rental income for the first half-year 2013

<sup>4</sup> As per 30.06.2013 valuation (nominal rates)

<sup>5</sup> Office space only

Register of suspected contamination sites	Minergie	Floor space in m <sup>2</sup>	Percentage of office space	Percentage of retail space	Percentage of residential space	Percentage of other uses	Target rental income in CHF million for 2013	Vacancy rate in % <sup>3</sup>	Discount/capitalisation rate in % <sup>4</sup>
yes	no	2 600	85.1	0.0	0.0	14.9	1.0	0.0	5.00/5.00
no	no	18 642	90.8	0.0	0.0	9.2	7.0	0.0	4.80/4.80
no	no	3 078	94.7	0.0	0.0	5.3	1.4	0.0	4.80/4.80
no	no	11 950	73.6	0.0	0.0	26.4	5.7	0.4	4.60/4.60
no	no	26 139	7.8	54.6	32.7	4.9	7.0	1.4	4.90/4.90
no	no	4 743	74.5	3.0	10.5	12.0	1.4	5.1	5.00/5.00
no	no	4 856	33.8	0.0	19.3	46.9	2.3	45.0	4.80/4.80
no	no	2 699	42.8	0.0	0.0	57.2	0.4	0.0	5.50/5.50
no	no	3 553	79.3	0.0	8.1	12.6	2.6	0.0	4.30/4.30
no	no	20 175	61.6	0.0	0.0	38.4	4.7	0.0	5.10/5.10
yes	no	12 847	16.5	7.6	32.8	43.1	3.1	3.0	5.43/5.43
yes	no	55 624	28.2	0.0	0.0	71.8	9.5	1.2	-/-
no	no	10 190	91.0	0.0	0.0	9.0	4.3	0.0	5.00/5.00
no	no	6 244	45.8	0.0	6.0	48.2	1.6	0.0	5.10/5.10
no	no	1 628	95.7	0.0	0.0	4.3	1.0 <sup>5</sup>	0.0	4.50/4.50
no	no	5 279	75.4	0.0	0.0	24.6	2.7	0.0	4.80/4.80
no	no	6 967	83.2	0.0	0.0	16.8	1.5	9.9	5.50/5.50
no	no	1 729	77.1	0.0	0.0	22.9	0.5	0.0	5.10/5.10
no	no	10 189	68.4	9.5	1.3	20.8	2.5	0.1	5.30/5.30
no	yes	36 311	95.1	0.0	0.0	4.9	11.0	0.0	4.90/4.90
no	no	3 277	33.5	0.0	55.3	11.2	0.9	17.1	5.20/5.20
no	no	2 777	81.7	0.0	0.0	18.3	1.3	0.0	4.90/4.90
no	no	10 703	56.9	3.3	29.8	9.9	4.1	0.1	4.70/4.70
		262 200	56.5	6.4	7.6	29.5	77.5	2.3	

## Commercial real estate as at 30 June 2013

Place	Address	Ownership status <sup>1</sup>	Year acquired	Year of construction	Renovation <sup>2</sup>	Area of property in m <sup>2</sup>
<b>Rest of Canton Zurich</b>						
Bassersdorf	Grindelstrasse 3/5	SO	2008	1988	2001 PR	6004
Dietlikon	Alte Dübendorferstrasse 17	SO	2006	2006		2 464
Glattbrugg	Thurgauerstrasse 111	SO	1997	1969	1995 PR	4 086
Kloten	Schaffhauserstrasse 115/121	SO	2001	1992		4 000
Opfikon	Lindbergh-Allee 1 <sup>5</sup>	SO	1987	2007		5 241
Schlieren	Bernstrasse 55	SO	2003	2003		7 089
Schlieren	Zürcherstrasse 104	SO	2002	1988	2012 TR	4 724
Urdorf	In der Luberzen 29	SO	2000	1993		4 667
Wallisellen	Allianz office building <sup>6</sup>	SO	2002	2013		14 470
Wallisellen	Neugutstrasse 2-6/Bahnhofplatz 2/ Bahnhofstrasse 25	SO	2007	2010		12 897
Winterthur	Schützenstrasse 2/Zürcherstrasse 12+14 <sup>7</sup>	SO	2002	1928/53/86		18 386
Zumikon	Farlifangstrasse 1	SO	2000	1986	2000/2001 TR	2 717
<b>Total rest of Canton Zurich</b>						<b>86 745</b>
<b>Other regions</b>						
Baar	Baarermatte	SO	2002	1981		17 960
Baar	Oberdorfstrasse 9-13	CO <sup>8</sup>	2000	1989		5 216
Basel	Missionsstrasse 60-62a	SO	1999	1972	2002 TR	1 811
Basel	Missionsstrasse 64-64a	SO	2007	1972		1 658
Basel	Steinenvorstadt 36	SO	1999	1982	2002/2012 PR	718
Basel	Viaduktstrasse 40-44/Binnergerstrasse 35	SO	2009	1998		5 454
Le Grand-Saconnex	Route François-Peyrot 10-14	SO	2011	2004		8 442
Petit-Lancy	Chemin des Olliquettes 4/Chemin du Gué 99	SO	2008	2010		1 417
<b>Total other regions</b>						<b>42 676</b>
<b>Total commercial real estate</b>						<b>282 244</b>

<sup>1</sup> SO = sole ownership; CO = condominium ownership

<sup>2</sup> TR = total renovation; PR = part renovation

<sup>3</sup> Cumulative vacancy rate as a percentage of target rental income for the first half-year 2013

<sup>4</sup> As per 30.06.2013 valuation (nominal rates)

<sup>5</sup> Lightcube office building and co-ownership rights to the TMC Galleria car park

<sup>6</sup> Allianz office building with retail space in Konradhof and Escherhof

<sup>7</sup> Three properties

<sup>8</sup> Condominium property owned 100% by Allreal

Register of suspected contamination sites	Minergie	Floor space in m <sup>2</sup>	Percentage of office space	Percentage of retail space	Percentage of residential space	Percentage of other uses	Target rental income in CHF million for 2013	Vacancy rate in % <sup>3</sup>	Discount/capitalisation rate in % <sup>4</sup>
no	no	12 586	55.9	0.0	0.0	44.1	1.9	6.9	5.70/5.70
no	no	2 730	0.0	75.8	0.0	24.2	1.2	0.0	5.20/5.20
no	no	7 417	9.0	74.7	0.0	16.3	2.0	26.5	5.50/5.50
no	no	4 343	97.5	0.0	0.0	2.5	1.1	20.7	5.40/5.40
no	yes	13 314	90.8	0.0	0.0	9.2	4.5	0.0	4.80/4.80
no	no	10 193	88.2	0.0	0.0	11.8	2.6	9.6	5.40/5.40
no	no	2 705	35.5	43.1	0.0	21.4	0.9	15.3	5.50/5.50
yes	no	9 456	74.1	0.0	0.0	25.9	2.1	72.4	5.70/5.70
no	yes	50 819	74.7	12.9	0.0	12.4	7.9	9.1	5.10/5.10
no	yes	19 317	24.1	23.4	33.9	18.6	6.4	17.4	5.00/5.00
no	no	24 319	82.1	0.0	0.0	17.9	5.6	5.0	5.31/5.31
no	no	2 356	51.4	0.0	0.0	48.6	0.6	0.0	5.50/5.50
		<b>159 555</b>	<b>65.5</b>	<b>12.4</b>	<b>4.1</b>	<b>18.0</b>	<b>36.8</b>	<b>15.4</b>	
no	no	10 112	76.4	0.0	0.0	23.6	2.7	0.2	5.30/5.30
no	no	6 231	63.0	12.4	11.1	13.5	1.5	15.9	5.50/5.50
no	no	3 985	81.8	0.0	8.0	10.2	1.2	1.5	5.20/5.20
no	no	2 829	71.9	0.0	3.4	24.7	0.5	6.4	5.20/5.20
no	no	4 292	37.5	27.8	30.3	4.4	1.5	0.5	4.80/4.80
no	no	20 213	61.8	20.2	0.0	18.0	5.4	4.5	5.00/5.00
no	no	5 498	92.8	0.0	0.0	7.2	3.6	5.6	4.70/4.70
yes	yes	5 516	91.8	0.0	0.0	8.2	2.3	0.0	4.80/4.80
		<b>58 676</b>	<b>70.2</b>	<b>10.3</b>	<b>4.1</b>	<b>15.4</b>	<b>18.7</b>	<b>4.0</b>	
		<b>480 431</b>	<b>61.1</b>	<b>8.9</b>	<b>6.0</b>	<b>24.0</b>	<b>133.0</b>	<b>5.2</b>	

## Residential real estate as at 30 June 2013

Place	Address	Ownership status <sup>1</sup>	Year acquired	Year of construction	Renovation <sup>2</sup>	Area of property in m <sup>2</sup>	Register of suspected contamination sites	Minergie	Area of property in m <sup>2</sup>
<b>City of Zurich</b>									
Zurich	Heerenwiesen 23-41	CoO <sup>5</sup>	2003	1996		6 970	no	no	4 670
Zurich	Neunbrunnenstrasse 47-53	SO	1993	2013		4 291	yes	yes	4 640
Zurich	Josefstrasse 137	SO	1999	1984		903	no	no	2 747
Zurich	Zollikerstrasse 185-187	SO	2008	1984		1 445	no	no	1 637
<b>Total city of Zurich</b>						<b>13 609</b>			<b>13 694</b>
<b>Rest of Canton Zurich</b>									
Adliswil	Moosstrasse 1-13/ Grütstrasse 33-39	SO	2005	2011		13 901	no	yes	13 299
Bülach	Hohfuristrasse 7-11/ Unterweg 55-59/Im Stumpen 2	SO	1999	1979	2013 TR	8 412	no	no	3 850
Effretikon	Im Lindenhof 7/9/11	SO	2007	1972	1997 PR	3 349	no	no	1 979
Fällanden	Unterdorfstrasse 2/4/ Unterdorfwäg 2-22	SO	2003	2008		23 691	no	no	14 903
Glattbrugg	Hohenstieglenstrasse 1-23, 2-16	SO	1999	1990		29 639	no	no	14 654
Kloten	Schaffhauserstrasse 117/119	SO	2001	1992		3 643	no	no	2 090
Oberglatt	Chlirietstrasse 6, 8, 10	SO	2003	1974	2006/2007 PR	2 028	no	no	2 479
Schlieren	Badenerstrasse 58-60	SO	2003	1955		1 408	no	no	1 184
Schlieren	Limmataustrasse 2-8/ Limmatstrasse 9-11/ Engstringermatte	SO	1999	1984		8 907	no	no	5 100
Schlieren	Schulstrasse 71-77/ Flöhrebenstrasse 6	CO <sup>6</sup>	2002	1988		2 543	no	no	3 332
Volketswil	Sunnebüelstrasse 1-17/ lfangstrasse 12-20/ Neufund 1/3	SO	1999	1968	2002/2003 TR	20 110	no	no	12 236
<b>Rest of Canton Zurich</b>						<b>117 631</b>			<b>75 106</b>
<b>Other regions</b>									
Allschwil	Kurzelängeweg 26-38+32a	SO	1999	1989	2010 PR	6 260	no	no	4 015
Basel	Achilles Bischoff-Strasse 2-10	SO	2006	1969	2009 TR	2 420	no	no	5 954
Basel	Grosspeterstrasse 45/ St.-Jakobs-Strasse 108	SO	2006	1995		2 067	no	no	3 022
<b>Total other regions</b>						<b>10 747</b>			<b>12 991</b>
<b>Total residential real estate</b>						<b>141 987</b>			<b>101 791</b>

<sup>1</sup> SO = sole ownership; CoO = co-ownership; CO = condominium ownership

<sup>2</sup> TR = total renovation; PR = part renovation

<sup>3</sup> Cumulative vacancy rate as a percentage of target rental income for the first half-year 2013

<sup>4</sup> As per 30.06.2013 valuation (nominal rates)

<sup>5</sup> 60% co-ownership Allreal

<sup>6</sup> Condominium property owned 100% by Allreal

1-1½- room apartments	2-2½- room apartments	3-3½- room apartments	4-4½- room apartments	≥5- room apartments	Total apartments	Other uses in m²	Target rental income in CHF million for 2013	Vacancy rate in % <sup>3</sup>	Discount/ capitalisation rate in % <sup>4</sup>
5	7	15	17	4	48	1 799	1.4	1.2	4.50/4.50
0	0	14	21	5	40	0	1.2	52.2	4.60/4.60
4	36	0	0	0	40	212	0.8	0.4	4.70/4.70
2	2	4	4	2	14	165	0.6	0.0	-/-
<b>11</b>	<b>45</b>	<b>33</b>	<b>42</b>	<b>11</b>	<b>142</b>	<b>2 176</b>	<b>4.0</b>	<b>13.5</b>	
0	27	62	38	10	137	350	3.8	1.4	4.30/4.30
0	9	16	18	6	49	50	0.8	14.0	4.80/4.80
0	8	18	0	0	26	71	0.4	0.1	4.90/4.90
0	20	41	56	22	139	2 392	4.1	3.1	4.50/4.50
18	30	71	41	0	160	659	3.0	1.6	4.60/4.60
0	4	0	10	4	18	200	0.5	0.7	4.80/4.80
0	17	17	0	0	34	9	0.5	0.1	4.90/4.90
4	16	4	0	0	24	28	0.3	1.4	4.90/4.90
0	18	24	12	0	54	286	0.9	0.0	4.80/4.80
0	0	24	16	0	40	354	0.8	2.0	4.80/4.80
0	0	48	60	40	148	110	2.4	0.0	4.80/4.80
<b>22</b>	<b>149</b>	<b>325</b>	<b>251</b>	<b>82</b>	<b>829</b>	<b>4 509</b>	<b>17.5</b>	<b>2.0</b>	
0	7	20	20	0	47	490	1.0	0.7	5.00/5.00
28	24	28	24	0	104	1 040	1.6	2.1	4.80/4.80
5	19	11	8	0	43	47	0.9	3.6	5.00/5.00
<b>33</b>	<b>50</b>	<b>59</b>	<b>52</b>	<b>0</b>	<b>194</b>	<b>1 577</b>	<b>3.5</b>	<b>2.1</b>	
<b>66</b>	<b>244</b>	<b>417</b>	<b>345</b>	<b>93</b>	<b>1 165</b>	<b>8 262</b>	<b>25.0</b>	<b>3.4</b>	





# Additional information

## Information on investment real estate properties

	City of Zurich		Rest of Canton Zurich		Other regions		Total real estate	
	2013*	2012*	2013*	2012*	2013*	2012*	2013*	2012*
<b>Commercial real estate</b>								
Number	23	23	14	14	8	8	45	45
Floor space 000 m <sup>2</sup>	262	262	159	110	59	59	480	431
Vacancy rate <sup>1</sup> %	2.3	3.1	15.4	12.1	4.0	4.5	5.2	5.5
Rental income CHF million	37.6	37.4	13.7	13.1	9.1	9.1	60.4	59.6
Earnings on property <sup>2</sup> CHF million	33.9	33.2	12.2	10.7	7.0	7.4	53.1	51.3
Gross yield %	5.8	5.8	5.5	5.7	5.6	5.6	5.7	5.7
Net yield <sup>3</sup> %	5.2	5.1	4.9	4.6	4.3	4.6	5.0	4.9
Acquisition value CHF million	1 195.4	1 192.0	716.7	489.0	329.7	329.7	2 241.8	2 010.7
Market value CHF million	1 280.3	1 299.2	698.8	456.6	318.4	322.2	2 297.5	2 078.0
Average market value by property CHF million	55.7	56.5	49.9	32.6	39.8	40.3	51.1	46.2
Change in market value <sup>4</sup> CHF million	-20.9	-7.8	0.8	1.0	-3.8	0.1	-23.9	-6.7
<b>Residential real estate</b>								
Number	4	3	11	13	3	3	18	19
Living space 000 m <sup>2</sup>	14	9	75	78	13	13	102	100
Vacancy rate <sup>1</sup> %	13.5	0.9	2.0	1.5	2.1	2.8	3.4	1.6
Rental income CHF million	1.6	1.4	9.0	9.1	1.8	1.7	12.4	12.2
Earnings on property <sup>2</sup> CHF million	1.4	1.1	7.2	8.2	1.5	1.5	10.1	10.8
Gross yield %	4.7	5.2	5.3	5.4	6.1	6.0	5.3	5.5
Net yield <sup>3</sup> %	4.0	4.5	4.3	4.9	5.1	5.2	4.3	4.9
Acquisition value CHF million	70.6	45.5	273.3	283.9	54.5	54.5	398.4	383.9
Market value CHF million	88.6	53.4	338.7	341.0	59.6	58.6	486.9	452.9
Average market value by property CHF million	22.2	17.8	30.8	26.2	19.9	19.5	27.1	23.8
Change in market value <sup>4</sup> CHF million	6.6	0.4	12.3	5.0	1.0	0.0	19.9	5.4
<b>Investment real estate under construction</b>								
Number	2	3	2	2	1	1	5	6
Land area 000 m <sup>2</sup>	28	32	14	23	1	1	43	56
Acquisition value CHF million	486.8	411.9	59.0	186.4	16.9	11.5	562.7	609.8
Market value CHF million	485.1	410.7	66.1	205.5	18.2	11.9	569.4	628.1
Change in market value <sup>4</sup> CHF million	5.0	11.7	3.4	7.8	0.8	0.8	9.2	20.3
Investment volume CHF million	583.0	606.0	132.0	276.0	31.0	30.0	746.0	912.0

\* Should no further particulars be given, values referring to the income statement concern the 1<sup>st</sup> half-year, and balance sheet values the cut-off date on 30.06.2013 or 31.12.2012.

<sup>1</sup> In percent of targeted rental income, cumulated at cut-off date

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

<sup>3</sup> Rental earnings in percent of continued market value on 1 January

<sup>4</sup> From revaluation in first half-year 2013 or 2012 respectively

## Key figures of Allreal share

		1 <sup>st</sup> half-year 2013 or 30.06.2013	1 <sup>st</sup> half-year 2012 or 31.12.2012
Issued share capital on cut-off date	CHF million	797.1	797.1
Authorised capital on cut-off date	CHF million	86.1	86.1
Conditional capital on cut-off date	CHF million	134.8	134.8
Issued shares on cut-off date	number	15 941 829	15 941 649
Treasury shares on cut-off date	number	30 283	7 661
Outstanding shares on cut-off date <sup>1</sup>	number	15 911 546	15 933 988
Outstanding shares on average <sup>2</sup>	number	15 922 606	15 481 040
Share price, high	CHF	141.60	149.40
Share price, low	CHF	129.30	134.50
Share price on cut-off date	CHF	132.80	141.10
Market capitalisation on cut-off date <sup>3</sup>	CHF million	2 113.1	2 248.3
Average trading volume per day (on-exchange)	number of shares	17 517	13 282

<sup>1</sup> Number of shares issued minus treasury shares

<sup>2</sup> Average number of shares outstanding according to IAS 33

<sup>3</sup> Share price on cut-off date multiplied by the number of outstanding shares on cut-off date

## Share statistics

Share type	Registered share
Par value per share	CHF 50
Securities number	883 756
SIX symbol	ALLN
ISIN	CH0008837566
Bloomberg	ALLN SW

## Shareholder structure as at 30 June 2013

Number of shares	Number of shareholders	Number of shares	%
>478 254 shares (>3%)	6	4 689 641	29
100 001–478 254 shares	19	4 693 608	30
10 001–100 000 shares	105	2 229 209	14
1001–10 000 shares	391	1 125 262	7
1–1000 shares	2 554	668 585	4
<b>Total registered</b>	<b>3 075</b>	<b>13 406 305</b>	<b>84</b>
Not registered		2 535 524	16
<b>Total shares</b>		<b>15 941 829</b>	<b>100</b>

54% of share capital is held by pension funds and insurance companies and 8.8% by individual persons. A further 21.3% is held by legal entities as well as funds, foundations and banks. 15.9% of share capital is not registered in the share register. 4.3% of share capital is held by non-Swiss shareholders (registered).

# Structure, contacts and schedule

## Structure and addresses

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Allreal Office AG  
Allreal Toni AG  
Allreal Vulkan AG  
Allreal West AG  
Apalux AG  
Hammer Retex AG  
Eggbühlstrasse 15, 8050 Zurich

Allreal Generalunternehmung AG  
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### Schedule

Annual results 2013  
27 February 2014  
Annual general meeting 2014  
28 March 2014

Half-year results 2014  
28 August 2014

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and other changes  
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