

# Annual Report Shortform

# 2016

**allreal**

# Key figures at a glance

		2016 31.12.2016*	2015 31.12.2015*	Change in % <sup>1</sup>
<b>Group</b>				
Total sales <sup>2</sup>	CHF million	671.7	793.9	-15.4
Operating profit (EBIT) incl. revaluation gains	CHF million	265.6	193.2	+37.5
Net profit incl. revaluation effect	CHF million	173.6	121.9	+42.4
Operating profit (EBIT) excl. revaluation gains	CHF million	180.6	177.4	+1.8
Net profit excl. revaluation effect	CHF million	112.2	109.7	+2.3
Cash flow	CHF million	246.7	33.7	-
Return on equity incl. revaluation effect	%	8.5	6.2	+2.3
Return on equity excl. revaluation effect	%	5.9	5.9	-
Equity ratio on cut-off date	%	52.3	48.2	+4.1
Net gearing on cut-off date <sup>3</sup>	%	75.7	88.0	-12.3
Average interest rate on financial liabilities on cut-off date	%	1.67	2.15	-0.48
Average duration of financial liability	months	36	52	-16
Sales Projects & Development division	CHF million	493.7	612.9	-19.4
Earnings from Projects & Development division <sup>4</sup>	CHF million	84.0	78.8	+6.6
Operating margin Projects & Development division <sup>5</sup>	%	41.0	27.4	+13.6
Employees on cut-off date	full-time equivalents	276	312	-36
<b>Allreal Holding AG</b>				
Net profit	CHF million	41.7	28.9	+44.3
Share capital	CHF million	797.1	797.1	-
<b>Share</b>				
Earnings per share incl. revaluation effect	CHF	10.90	7.66	+42.3
Earnings per share excl. revaluation effect	CHF	7.04	6.89	+2.2
Net asset value (NAV) per share before deferred tax on cut-off date	CHF	140.90	132.95	+6.0
Net asset value (NAV) per share after deferred tax on cut-off date	CHF	131.00	125.35	+4.5
Profit distribution per share <sup>6</sup>	CHF	5.75	5.75	-
Share price on cut-off date	CHF	151.30	133.60	+13.2
Dividend/Profit distribution yield <sup>6</sup>	%	3.8	4.3	-0.5
<b>Valuation on cut-off date</b>				
Market capitalisation <sup>7</sup>	CHF million	2 410.3	2 125.5	+13.4
Enterprise value <sup>8</sup>	CHF million	3 989.6	3 879.7	+2.8

\* Should no further particulars be given, values referring to the income statement concern the full year and balance sheet value the cut-off dates 31.12.2016 resp. 31.12.2015

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

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

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

<sup>4</sup> Income from realisation in Projects & Development, Sales Development, capitalised company-produced assets 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 (balance of operating income, direct operating expenses and capitalised company-produced)

<sup>6</sup> Board of directors proposal of CHF 5.75 per share for the 2016 financial year by means of repayment of reserves from capital contributions

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

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

# Real estate at a glance

		2016 31.12.2016*	2015 31.12.2015*	Change in % <sup>1</sup>
<b>Yield-producing properties</b>				
Residential real estate	number	20	19	+1
Commercial real estate	number	39	43	-4
Market value on cut-off date	CHF million	3 505.0	3 475.3	+0.9
Rental income from investment real estate	CHF million	173.3	174.9	-0.9
Vacancy rate <sup>2</sup>	%	5.1	7.5	-2.4
Real estate expenses	CHF million	-24.4	-31.8	-23.3
Real estate expenses	in % of rental income	14.1	18.2	-4.1
Gross yield <sup>3</sup>	%	5.1	5.1	-
Net yield <sup>4</sup>	%	4.4	4.2	+0.2
<b>Investment real estate under construction</b>				
Buildings	number	2	2	-
Market value on cut-off date	CHF million	69.5	49.9	+39.3
Investment volume	CHF million	113.0	96.0	+17.7
<b>Development real estate</b>				
Book value development reserves on cut-off date	CHF million	101.6	71.4	+42.3
Estimated investment volume development reserves	CHF million	615.0	637.0	-3.5
Book value buildings under construction on cut-off date	CHF million	8.3	171.4	-95.2
Estimated investment volume buildings under construction	CHF million	16.0	268.0	-94.0
Book value completed real estate on cut-off date	CHF million	55.8	52.7	+5.9

\* Should no further particulars be given, values referring to the income statement concern the full year and balance sheet value the cut-off dates 31.12.2016 resp. 31.12.2015

<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

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# Successful 2015 financial year

- Convincing operating net profit
- Continued and ongoing reduction of vacancy rate
- Projects & Development division profitable despite lower project volume
- Proposal for unchanged profit distribution of CHF 5.75 per share

Net profit including revaluation gains for the 2016 financial year amounted to CHF 173.6 million. This is the highest profit ever reported in the company's history and is based on the contribution made by its two divisions, Real Estate and the Projects & Development, and the positive value correction of the portfolio.

Net profit excluding revaluation gains amounted to CHF 112.2 million. The operating result is characterised, on the one hand, by the favourable contribution made by earnings from real estate in the Real Estate division and, on the other hand, by earnings realised from the sale of development real estate and the realisation of third-party projects in the Projects & Development division.

Earnings derived from the rental and management of investment properties plus the completed project volume amounted to an overall performance of CHF 671.7 million.

The number of employees as at 31 December 2016 amounted to 276 full-time positions. The decline compared to the comparable number the previous year is due to the Project & Development division's lower project volume.

## The Allreal share confirmed as a sound and long-term investment maintaining its value

As at 31 December 2016, the Allreal share closed at CHF 151.30, or 13.2% above the comparable value the previous year. The positive price increase and the profit distribution of CHF 5.75 per share represent an overall performance for the period under review of 17.5%. At the shareholders' meeting scheduled for 21 April 2017, the board of directors will propose the disbursement of CHF 5.75 per share, which is unchanged compared to the previous year and tax free for private investors. Taking into consideration the year-end share price, this corresponds to a cash yield of 3.8%.

## Real Estate division with successful rental of commercial space

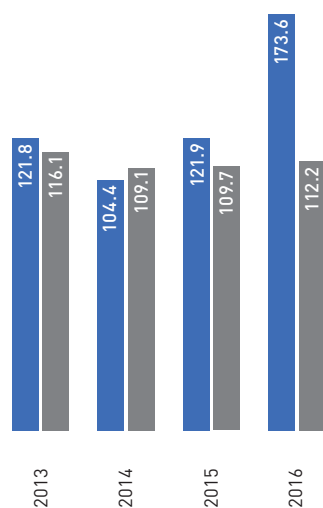
Despite the lower vacancy rate in the period under review, downsizing the portfolio resulted in a slight decrease in rental income of 0.9% to CHF 173.3 million.

Based on numerous newly concluded rental contracts and the stable situation concerning existing rental agreements, the cumulative vacancy rate decreased distinctly from 7.5% to 5.1%.

Real estate expenses in the year under review decreased by 4.1 percentage points to 14.1% owing to the completion of larger refurbishment projects the previous year.

The reduction of vacancy-related earnings losses and the lower real estate expenses resulted in a respectable net yield of 4.4%.

Net profit  
CHF million



■ Net profit  
incl. revaluation effect

■ Net profit  
excl. revaluation effect

In the period under review, the portfolio of yield-producing properties recorded one addition owing to reclassification and four departures due to sale. The portfolio of yield-producing properties on the cut-off date thus comprised 20 residential and 39 commercial properties.

Owing to market participants' expectations of decreasing yield (yield compression) and the lower vacancy rate, the valuation of all investment properties carried out by an external real estate valuator resulted in a strongly positive revaluation by CHF 85 million.

The market value on the cut-off date of the entire portfolio amounted to CHF 3.57 billion.

### Projects & Development division with a very gratifying result

Earnings from the Projects & Development division in the period under review amounted to CHF 84.0 million, or 6.6% above the comparable value the previous year. The result reflects one-off profits resulting from the sale of development real estate.

As a result of lower personnel costs Allreal's operating expenses of CHF 54.8 million fell by 10.3% compared to the previous year.

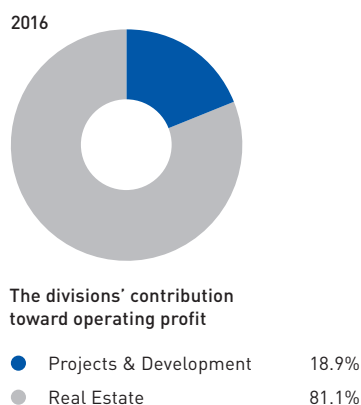
Owing to higher income from operating activities and lower operating expenses, earnings before interest and taxes (EBIT) of CHF 34.4 million exceeded the previous year's comparable result by a respectable 59.3%.

In the period under review the Project Development department again made a substantial contribution toward the good result of the division and of the entire group by developing successful projects both for third parties and for Allreal's own portfolio. In this regard, the transfer of the Bülachguss site development to the Realisation department represented a significant milestone. Moreover, a larger section of the complex was sold to an institutional investor during the period under review.

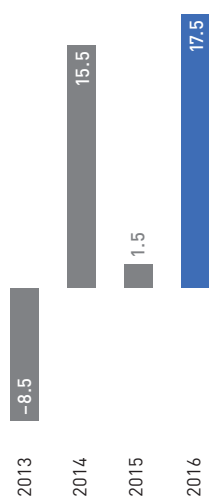
The Realisation department implemented a project volume amounting to CHF 493.7 million. This amount is 19.4% below that reported the previous year owing to the restriction to projects with a sound profit potential, realistic schedules and existing profit potential.

The share of third-party projects in the completed project volume amounted to 84% and the share of own projects to 16%. Owing to the construction start of the large project in Bülach in October 2016, the share of own projects will grow in the medium term.

The order backlog of some CHF 700 million will allow the Realisation department's capacity utilisation for more than twelve months.



#### Overview of share performance



Overall performance: Price change plus profit distribution in percent of share price as on 1 January

#### Adjustment to financing structure

Owing to the income from the sale of yield-producing and development properties, Allreal's financial debt fell by approximately 10% to CHF 1.6 billion.

In the period under review, a 2.50% debenture loan of CHF 150 million was refinanced by a 0.625% debenture loan covering the same amount with time to maturity of eight years (2024), resulting in substantially lower financial charges.

In December 2016, all outstanding interest swaps were terminated prematurely owing to the burden on financial expenses resulting from the effects of negative interest rates. Consequently, related expenses will become plannable for the succeeding years as the hedging reserves shown in equity will be released across the coming years affecting net income. As a result, Allreal will gain complete freedom of action in terms of financing while, in addition, eliminating the risk of higher negative interest.

On the cut-off date, the average interest rate for debt amounted to 1.67% with an average time to maturity of 36 months. Allreal expects this period to increase in the years to come.

Disposable credit limits on the cut-off date amounted to CHF 589 million. With the resulting debt capacity of CHF 1.5 billion, opportunities in the market can be taken advantage of.

#### Carefully optimistic assessment of future perspectives

Owing to the development unfolding in both divisions, Allreal expects business activity to remain stable. The company anticipates operating net profit for the 2017 financial year to be reported slightly below that of the year under review.

With their trust and support, shareholders as well as employees have created the precondition for successful business operations based on their commitment and competence. The Board of Directors and Group Management express their gratitude for their contribution toward the outstanding result.

Bruno Bettoni  
Chairman

Roger Herzog  
Chief Executive Officer

# Consolidated financial statements of Allreal Group

## Consolidated statement of comprehensive income

CHF million	2016	2015
Income from renting investment real estate	173.3	174.9
Income from real estate management services	4.7	6.1
Income from realisation Projects & Development	414.7	467.0
Income from sales Development	232.1	126.3
Diverse income	0.6	0.9
<b>Operating income</b>	<b>825.4</b>	<b>775.2</b>
Direct expenses for rented investment real estate	-24.4	-31.8
Direct expenses from realisation Projects & Development	-372.0	-418.6
Direct expenses from sales Development	-197.5	-108.3
<b>Direct operating expenses</b>	<b>-593.9</b>	<b>-558.7</b>
Personnel expenses	-49.4	-55.5
Other operating expenses	-12.8	-13.9
<b>Operating expenses</b>	<b>-62.2</b>	<b>-69.4</b>
<b>Capitalised company-produced assets</b>	<b>6.1</b>	<b>11.5</b>
<b>Earnings from sale of investment real estate</b>	<b>5.6</b>	<b>21.1</b>
Higher valuation of yield-producing properties	108.4	54.0
Lower valuation of yield-producing properties	-30.1	-52.0
Higher valuation of investment real estate under construction	8.6	13.8
Lower valuation of investment real estate under construction	-1.9	0.0
<b>Earnings from revaluation of investment real estate</b>	<b>85.0</b>	<b>15.8</b>
<b>EBITDA</b>	<b>266.0</b>	<b>195.5</b>
Depreciation of other property, plant and equipment	-0.4	-0.4
Depreciation of intangible assets	0.0	-1.9
<b>Operating profit (EBIT)</b>	<b>265.6</b>	<b>193.2</b>
Financial income	1.8	1.8
Financial expense	-39.5	-43.6
<b>Net profit before tax</b>	<b>227.9</b>	<b>151.4</b>
Tax expense	-54.3	-29.5
<b>Net profit</b>	<b>173.6</b>	<b>121.9</b>
Items subsequently restated in earnings statement:		
Valuation of financial instruments	17.9	1.5
Deferred taxes from valuation of financial instruments	-3.9	-0.3
Items not subsequently restated in earnings statement:		
Changes in staff pension fund	-7.9	11.4
Deferred taxes from changes in staff pension fund	1.7	-2.5
<b>Other comprehensive income</b>	<b>7.8</b>	<b>10.1</b>
<b>Total comprehensive income</b>	<b>181.4</b>	<b>132.0</b>
Earnings per share in CHF	10.90	7.66
Diluted earnings per share in CHF	10.90	7.65



## Consolidated balance sheet

CHF million	31.12.2016	31.12.2015
Yield-producing properties	3 505.0	3 475.3
Investment real estate under construction	69.5	49.9
Other property, plant and equipment	1.1	1.6
Financial assets	136.8	143.4
Intangible assets	0.2	0.0
Deferred tax assets	34.6	42.2
<b>Non-current assets</b>	<b>3 747.2</b>	<b>3 712.4</b>
Development real estate	165.7	295.5
Trade receivables	55.3	96.4
Other receivables	3.3	8.3
Cash	21.4	23.4
<b>Current assets</b>	<b>245.7</b>	<b>423.6</b>
<b>Assets</b>	<b>3 992.9</b>	<b>4 136.0</b>
Share capital	797.1	797.1
Capital reserves	141.1	232.7
Treasury shares	-1.7	-4.4
Retained earnings	1 150.3	968.7
<b>Equity</b>	<b>2 086.8</b>	<b>1 994.1</b>
Long-term borrowings	917.7	774.1
Deferred tax liabilities	192.5	163.4
Long-term provisions	15.2	7.2
Other long-term liabilities	0.0	71.8
<b>Long-term liabilities</b>	<b>1 125.4</b>	<b>1 016.5</b>
Trade payables	55.5	62.7
Prepayments for development real estate	6.8	24.1
Current tax liabilities	7.4	9.1
Other current liabilities	22.2	21.9
Short-term provisions	5.8	4.1
Short-term borrowings	683.0	1 003.5
<b>Short-term liabilities</b>	<b>780.7</b>	<b>1 125.4</b>
<b>Liabilities</b>	<b>1 906.1</b>	<b>2 141.9</b>
<b>Equity and liabilities</b>	<b>3 992.9</b>	<b>4 136.0</b>

## 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 31 December 2014</b>	<b>797.1</b>	<b>320.2</b>	<b>-0.1</b>	<b>-50.6</b>	<b>85.1</b>	<b>802.3</b>	<b>1 954.0</b>
Net profit						121.9	121.9
Valuation of financial instruments				1.2			1.2
Changes in staff pension fund						8.9	8.9
Total comprehensive income				1.2		130.8	132.0
Purchase treasury shares			-27.6				-27.6
Sale treasury shares			23.1			-0.1	23.0
Payout to shareholders		-87.5					-87.5
Share-based reimbursement			0.2				0.2
Reclassification					31.3	-31.3	0.0
<b>As at 31 December 2015</b>	<b>797.1</b>	<b>232.7</b>	<b>-4.4</b>	<b>-49.4</b>	<b>116.4</b>	<b>901.7</b>	<b>1 994.1</b>
Net profit						173.6	173.6
Valuation of financial instruments				14.0			14.0
Changes in staff pension fund						-6.2	-6.2
Total comprehensive income				14.0		167.4	181.4
Purchase treasury shares			-18.3				-18.3
Sale treasury shares			20.9			0.2	21.1
Payout to shareholders		-91.6					-91.6
Share-based reimbursement			0.1				0.1
Reclassification					76.5	-76.5	0.0
<b>As at 31 December 2016</b>	<b>797.1</b>	<b>141.1</b>	<b>-1.7</b>	<b>-35.4</b>	<b>192.9</b>	<b>992.8</b>	<b>2 086.8</b>

## Consolidated cash flow statement

CHF million	2016	2015
Net profit before tax	227.9	151.4
Net financial expenses	37.7	41.8
Earnings from revaluation of investment real estate	-85.0	-15.8
Depreciation other property, plant and equipment	0.4	0.4
Depreciation intangible assets	0.0	1.9
Earnings from sale of investment real estate	-5.6	-21.1
Capitalisation of company produced assets	-2.5	-10.2
Share-based reimbursement	0.1	0.2
Change in pension fund obligations affecting net income	0.7	1.5
Other items	0.7	2.2
Change in development real estate	163.8	13.5
Change in trade receivables	41.1	-20.6
Change in other receivables	5.0	-0.4
Change in provisions	9.7	-2.5
Change in trade payables	-7.2	-16.8
Increase (decrease) of prepayments for development real estate	-17.3	-2.7
Change in other current liabilities	0.3	-24.1
Cost of finance paid	-99.5	-38.0
Financial income received	1.8	1.7
Income taxes paid	-25.4	-28.7
<b>Cash flow from operating activities</b>	<b>246.7</b>	<b>33.7</b>
Investment in yield-producing properties	-18.2	-73.4
Proceeds from sale of yield-producing properties	98.8	115.3
Investment in investment real estate under construction	-31.8	-16.7
Divestment of investment real estate under construction	0.0	0.0
Acquisition other property, plant and equipment	-0.1	-0.4
Divestment of other property, plant and equipment	0.0	0.0
Investment intangible assets	-0.2	0.0
Divestment intangible assets	0.0	0.0
Acquisition companies (purchase price less cash and cash equivalents)	-35.2	0.0
Increase financial assets	-4.5	-11.2
Decrease in financial assets	8.4	9.1
<b>Cash flow from investing activities</b>	<b>17.2</b>	<b>22.7</b>
Increase in borrowings	205.0	159.0
Decrease in borrowings	-381.5	-353.2
Issue of bond loan	149.4	221.1
Repayment convertible bond	-150.0	0.0
Purchase treasury shares	-18.3	-27.6
Sale treasury shares	21.1	23.3
Payout of capital reserves	-91.6	-87.5
<b>Cash flow from financing activities</b>	<b>-265.9</b>	<b>-64.9</b>
<b>Change in cash</b>	<b>-2.0</b>	<b>-8.5</b>
Cash at 1 January	23.4	31.9
<b>Cash at 31 December</b>	<b>21.4</b>	<b>23.4</b>

# Annual financial statements of Allreal Holding AG

## Income statement

CHF million	2016	2015
Income from investments	36.0	30.0
Financial income	17.5	20.3
<b>Income</b>	<b>53.5</b>	<b>50.3</b>
Personnel expenses	-0.7	-0.6
Other expense	-1.0	-1.2
<b>Expense</b>	<b>-1.7</b>	<b>-1.8</b>
<b>Operating result</b>	<b>51.8</b>	<b>48.5</b>
Depreciation and amortisation	0.0	-9.2
<b>Operating profit (EBIT)</b>	<b>51.8</b>	<b>39.3</b>
Financial expense	-9.5	-10.2
<b>Profit before tax</b>	<b>42.3</b>	<b>29.1</b>
Tax expense	-0.6	-0.2
<b>Net profit</b>	<b>41.7</b>	<b>28.9</b>

## Balance sheet as at 31 December

Cash	2.4	2.6
Other short-term accounts receivable from Group companies	5.1	1.8
Other short-term accounts receivable from third parties	0.3	0.0
<b>Current assets</b>	<b>7.8</b>	<b>4.4</b>
Financial assets held in investments	1 051.9	1 106.5
Investments	906.7	904.6
<b>Non-current assets</b>	<b>1 958.6</b>	<b>2 011.1</b>
<b>Assets</b>	<b>1 966.4</b>	<b>2 015.5</b>
Short-term interest-bearing liabilities	0.0	150.0
Other short-term liabilities towards third parties	0.0	0.3
Accrued expenses and prepaid income	5.0	6.7
<b>Short-term liabilities</b>	<b>5.0</b>	<b>157.0</b>
Long-term interest-bearing liabilities	645.0	495.0
<b>Long-term liabilities</b>	<b>645.0</b>	<b>495.0</b>
<b>Liabilities</b>	<b>650.0</b>	<b>652.0</b>
Share capital	797.1	797.1
Statutory capital reserves		
Reserves from contribution of capital	141.1	797.1
Other capital reserves	7.1	7.1
Statutory retained earnings		
General statutory retained earnings	21.1	12.2
Voluntary retained earnings		
Profit carried forward	310.0	290.0
Net profit	41.7	28.9
<b>Balance sheet profit</b>	<b>351.7</b>	<b>318.9</b>
Treasury shares	-1.7	-4.5
<b>Equity</b>	<b>1 316.4</b>	<b>1 363.5</b>
<b>Equity and liabilities</b>	<b>1 966.4</b>	<b>2 015.5</b>

# Share information

## Details of the share and distribution to shareholders

In 2016, an overall performance of 17.5% was achieved with the Allreal share, based on the market price of 31 December 2016. This performance comprises the increase in share price (13.2%) and the distribution to shareholders (4.3%).

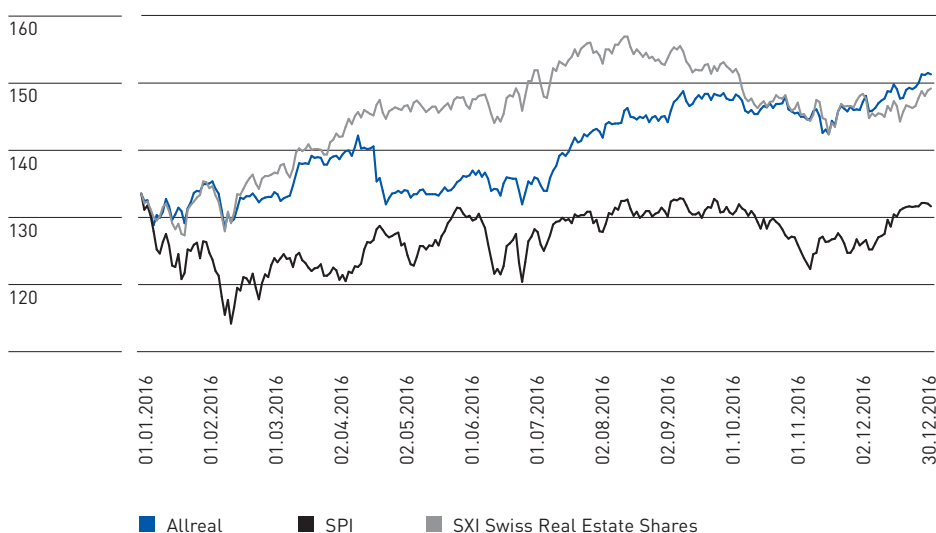
In the past three years, investors obtained an annualised overall performance of 15.5% (2014), 1.5% (2015) and 17.5% (2016) with the Allreal share, corresponding to an average constant return of 12.6% p.a.

On 31 December 2016, the Allreal Group's market capitalisation stood at CHF 2410.3 million. As at the balance sheet date, consolidated equity came to CHF 2086.8 million, resulting in a premium (difference between the market price and equity per share) of 15.5% (31.12.2015: 6.6%).

The Board of Directors will propose to the annual general meeting of 21 April 2017 an unchanged distribution of CHF 5.75 per registered share in the form of a repayment of reserves from contribution of capital ("capital contribution principle").

The distribution amounts to 81.7% of the net profit excl. profit from revaluation effect, corresponding to a cash yield of 3.8%, based on the closing price of the registered share on 31 December 2016.

Share price (indexed)  
January 2016 to December 2016



## Key share data

		2016	2015
Issued share capital on 31 December	CHF million	797.1	797.1
Approved capital on 31 December	CHF million	50.0	100.0
Conditional capital on 31 December	CHF million	134.8	134.8
Issued shares on 31 December	number	15 942 821	15 942 821
Treasury shares on 31 December	number	12 000	33 220
Outstanding shares on 31 December <sup>1</sup>	number	15 930 821	15 909 601
Annual average of outstanding shares <sup>2</sup>	number	15 928 818	15 907 369
Market price high	CHF	152.10	149.20
Market price low	CHF	128.20	126.60
Market price on 31 December (tax value)	CHF	151.30	133.60
Market capitalisation on 31 December <sup>3</sup>	CHF million	2 410.3	2 125.5
Average trading volume per day (on-exchange)	number of shares	13 386	14 224

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

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

<sup>3</sup> Market price on 31 December multiplied by number of outstanding shares on 31 December

## Share statistics

Share type	Registered share
Par value per share	CHF 50
Securities number	883 756
SIX symbol	ALLN
ISIN	CH0008837566
Bloomberg	ALLN SW
Reuters	ALLN. S
Ex date	25 April 2017
Record date	26 April 2017
Payment date	as from 27 April 2017

## Shareholder structure as at 31 December 2016

Number of shares	Number of shareholders	Number of shares	%
> 478 284 shares (>3%)	6	4 365 701	27.4
100 001–478 254 shares	21	4 444 429	27.9
10 001–100 000 shares	127	2 437 137	15.3
1001–10 000 shares	406	1 198 197	7.5
1–1000 shares	2 984	712 107	4.4
<b>Total registered</b>	<b>3 544</b>	<b>13 157 571</b>	<b>82.5</b>
Not registered		2 785 250	17.5
<b>Total shares</b>		<b>15 942 821</b>	<b>100</b>

51.0% of the share capital is owned by pension funds and insurance companies and 9.1% by natural persons. A further 22.4% is owned by other legal entities as well as investment funds, foundations and banks. 17.5% of the share capital has not been submitted for registration in the share register. Foreign investors own 5.5% (registered shares).

## Multi-year overview

Key financial figures (in CHF million)	2016	2015	2014	2013	2012
Total sales	671.7	793.9	1 036.4	1 242.3	1 086.1
Earnings from rental and sale of investment real estate	154.5	164.2	137.2	146.2	122.1
Earnings from real estate management services	4.7	6.1	6.6	6.8	4.4
Earnings from Projects & Development division	84.0	78.8	102.8	110.7	115.8
Completed project volume Projects & Development division	493.7	612.9	870.6	1 087.0	939.6
Operating profit (EBIT) incl. revaluation gains	265.6	193.2	170.9	192.8	161.7
Operating profit (EBIT) excl. revaluation gains	180.6	177.4	176.8	184.7	169.9
Net profit incl. revaluation effect	173.6	121.9	104.4	121.8	97.5
Net profit excl. revaluation effect	112.2	109.7	109.1	116.1	104.6
Cash flow from operating activities	246.7	33.7	158.5	157.6	72.2
Cash flow from investing activities	17.2	22.7	-198.5	-116.3	-203.2
Cash flow from financing activities	-265.9	-64.9	46.9	-42.4	85.2
Total assets as at 31 December	3 992.9	4 136.0	4 108.2	3 994.7	3 928.4
Market value of investment real estate on 31 December	3 574.5	3 525.2	3 513.6	3 445.8	3 159.0
Balance sheet value development real estate as at 31 December	165.7	295.5	301.2	382.5	594.8
Net yield investment real estate (%)	4.4	4.2	4.5	4.8	4.9
Operating margin Projects & Development division (%)	41.0	27.4	44.9	40.8	46.7
Average interest rate on financial liabilities (%)	1.67	2.15	1.93	2.13	2.13
Average remaining term of financial liabilities (months)	36	52	50	56	54
Return on equity incl. revaluation effect (%)	8.5	6.2	5.3	6.3	5.5
Return on equity excl. revaluation effect (%)	5.9	5.9	5.4	6.2	6.0
Share of equity on 31 December (%)	52.3	48.2	47.6	49.3	48.6
Net gearing on 31 December (%)	75.7	88.0	87.9	80.8	80.6
Market capitalisation on 31 December	2 410.3	2 125.5	2 185.5	1 964.7	2 248.3
<b>Share (in CHF)</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Earnings per share incl. revaluation effect	10.90	7.66	6.56	7.66	6.30
Earnings per share excl. revaluation effect	7.04	6.89	6.85	7.29	6.76
Payout per share	5.75 <sup>1</sup>	5.75 <sup>1</sup>	5.50	5.50	5.50
Net asset value (NAV) per share before deferred taxes on 31 December	140.90	132.90	129.10	130.90	125.80
Net asset value (NAV) per share after deferred taxes on 31 December	131.00	125.35	122.55	123.80	119.70
Market price high	152.10	149.20	138.20	141.60	149.40
Market price low	128.20	126.60	120.20	120.80	134.00
Market price on 31 December	151.30	133.60	137.10	123.50	141.10
Cash yield payout (%)	3.8	4.3	4.0	4.5	3.9
Payout ratio (%)	81.7	83.6	80.4	75.6	83.4

<sup>1</sup> Proposal of the Board of Directors to the annual general meeting of 21 April 2017 by means of repayment of reserves from contribution of capital

# Organisation and schedule

## Board of Directors

<b>Bruno Bettoni</b> (*1949, Swiss) Chairman, member since 2014	<b>Dr. Ralph-Thomas Honegger</b> (*1959, Swiss) Vice Chairman, member since 2012	<b>Albert Leiser</b> (*1957, Swiss) Member since 2005	<b>Olivier Steimer</b> (*1955, Swiss) Member since 2013	<b>Peter Spuhler</b> (*1959, Swiss) Member since 2013	<b>Andrea Sieber</b> (*1976, Swiss) Member since 2016	<b>Thomas Stenz</b> (*1959, Swiss) Member since 2016
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All members of the Board of Directors of Allreal Holding AG are non-executive in the company and, with the exception of the disclosed mandates, they especially hold no official roles or political offices. None of the Board members in the past held operating management functions within the Allreal Group, with the exception of Bruno Bettoni. There are two Board of Directors committees (Risk and Audit Committee, and Nomination and Compensation Committee). The Board members are appointed individually for one-year tenure which lasts until the following annual Shareholders' Meeting.

## Group Management

<b>Roger Herzog</b> (*1972, Swiss) Chief Executive Officer since 2015 Member of Group Management since 2004	<b>Thomas Wapp</b> (*1972, CH) Chief Financial Officer Member of Group Management as from 1 April 2017	<b>Hans Engel</b> (*1955, Swiss) Head of Investments Member of Group Management since 1999	<b>Alain Paratte</b> (*1964, Swiss) Head of Real Estate Member of Group Management since 2013	<b>Nigel Woolfson</b> (*1958, Swiss) Head Project Development, Member of Group Management since 2013
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## Auditors

Ernst & Young AG, Zurich

## External real estate valuer

Jones Lang LaSalle AG, Zurich

The full version of the Annual Report is available online at <http://ir.allreal.ch>

## Contacts

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**Matthias Meier**  
Chief Communications Officer  
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## Schedule

Annual general meeting 2017  
21 April 2017, 4 p.m.  
Kaufleutensaal  
Pelikanplatz  
8001 Zurich

Half-year results 2017  
29 August 2017

Annual results 2017  
27 February 2018

Annual general meeting 2018  
20 April 2018

Half-year results 2018  
28 August 2018

## Share register

Responsibility for address  
changes and other changes in  
the share register lies with:

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