

# Annual Report Shortform

2017

**allreal**

# Key figures at a glance

		2017* 31.12.2017	2016* 31.12.2016	Change in % <sup>1</sup>
<b>Group</b>				
Total sales <sup>2</sup>	CHF million	603.4	671.7	-10.2
Operating profit (EBIT) incl. revaluation gains	CHF million	187.5	265.6	-29.4
Net profit incl. revaluation effect	CHF million	129.2	173.6	-25.6
Operating profit (EBIT) excl. revaluation gains	CHF million	165.7	180.6	-8.3
Net profit excl. revaluation effect	CHF million	113.3	112.2	+1.0
Cash flow	CHF million	172.2	246.7	-36.1
Return on equity incl. revaluation effect	%	6.0	8.5	-2.5
Return on equity excl. revaluation effect	%	5.9	5.9	-
Equity ratio on cut-off date	%	49.3	52.3	-3.0
Net gearing on cut-off date <sup>3</sup>	%	87.2	75.7	+11.5
Average duration of financial liability	%	1.53	1.67	-0.14
Average interest rate on financial liabilities on cut-off date	months	49	36	+13
Sales Projects & Development division	CHF million	420.0	493.7	-14.9
Earnings from Projects & Development division <sup>4</sup>	CHF million	66.7	84.0	-20.6
Operating margin Projects & Development division <sup>5</sup>	%	31.6	41.0	-9.4
Employees on cut-off date	full-time equivalents	259	276	-17
<b>Allreal Holding AG</b>				
Net profit	CHF million	41.0	41.7	-1.7
Share capital	CHF million	797.1	797.1	-
<b>Share</b>				
Earnings per share incl. revaluation effect	CHF	8.11	10.90	-25.6
Earnings per share excl. revaluation effect	CHF	7.11	7.04	+1.0
Net asset value (NAV) per share before deferred tax on cut-off date	CHF	146.45	140.90	+3.9
Net asset value (NAV) per share after deferred tax on cut-off date	CHF	135.15	131.00	+3.2
Profit distribution per share <sup>6</sup>	CHF	6.25	5.75	+8.7
Share price on cut-off date	CHF	164.80	151.30	+8.9
Dividend/Profit distribution yield <sup>7</sup>	%	3.8	3.8	-
<b>Valuation on cut-off date</b>				
Market capitalisation <sup>8</sup>	CHF million	2 622.5	2 410.3	+8.8
Enterprise value <sup>9</sup>	CHF million	4 497.4	3 989.6	+12.7

\* Should no further particulars be given, values referring to the income statement concern the full year and balance sheet value the cut-off dates 31.12.2017 resp. 31.12.2016

<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 6.25 per share for the 2017 financial year in the form of a par value reduction

<sup>7</sup> Yield corresponds to the distribution per share in percent of the market price on the cut-off date

<sup>8</sup> Stock price at balance sheet date multiplied by the number of outstanding shares

<sup>9</sup> Market capitalisation plus net finance debts

# Real estate at a glance

		2017*	2016*	Change
		31.12.2017	31.12.2016	in % <sup>1</sup>
<b>Yield-producing properties</b>				
Residential real estate	number	20	20	-
Commercial real estate	number	43	39	+4
Market value on cut-off date	CHF million	3 931.2	3 505.0	+12.2
Rental income from investment real estate	CHF million	179.2	173.3	+3.4
Vacancy rate <sup>2</sup>	%	2.6	5.1	-2.5
Real estate expenses	CHF million	-24.6	-24.4	+0.8
Real estate expenses	in % of rental income	13.7	14.1	-0.4
Gross yield <sup>3</sup>	%	5.0	5.1	-0.1
Net yield <sup>4</sup>	%	4.3	4.4	-0.1
<b>Investment real estate under construction</b>				
Buildings	number	1	2	-1
Market value on cut-off date	CHF million	25.4	69.5	-63.5
Investment volume	CHF million	38.5	113.0	-65.9
<b>Development real estate</b>				
Book value development reserves on cut-off date	CHF million	78.3	101.6	-22.9
Estimated investment volume development reserves	CHF million	427.0	615.0	-30.6
Book value buildings under construction on cut-off date	CHF million	29.9	8.3	+260.2
Estimated investment volume buildings under construction	CHF million	71.0	16.0	+343.8
Book value completed real estate on cut-off date	CHF million	8.2	55.8	-85.3

\* Should no further particulars be given, values referring to the income statement concern the full year and balance sheet value the cut-off dates 31.12.2017 resp. 31.12.2016

<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

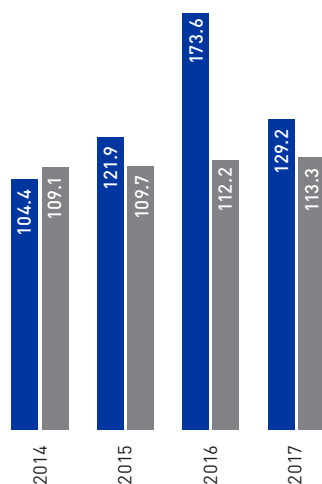
<sup>4</sup> Rental profit from investment real estate in percent of continued market value as at 1 January

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# Convincing Result for 2017 Financial Year

Net profit  
CHF million



■ Net profit incl. revaluation effect  
■ Net profit excl. revaluation effect

- Stable operating net profit
- Portfolio growth based on own projects and acquisitions
- Projects & Development with sound profitability in a demanding environment
- Proposal for higher profit distribution of CHF 6.25 per share

Allreal reported a very gratifying net profit excluding revaluation gains in the year under review of CHF 113.3 million. Thanks to higher rental income, the increased profitability of the Projects & Development division and lower cost of financing, the operating result is shown slightly above that of the previous year despite clearly lower earnings resulting from the sale of development real estate.

Net profit including revaluation gains for the 2017 financial year amounted to CHF 129.9 million, or 25.6% below that of the previous year which was characterised by extraordinarily high appreciation gains and the sale of development real estate.

Earnings generated by the Real Estate division and the project volume completed by the Projects & Development division resulted in an overall performance of CHF 603.4 million.

Allreal provided work for 274 employees as at 31 December 2017.

## Proposal for clearly higher profit distribution

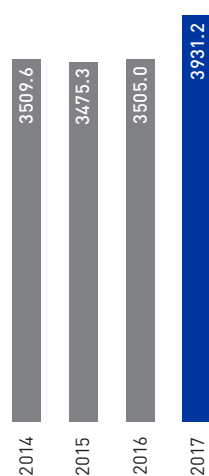
The shareholder agreement of many years was terminated on 25 April 2017, resulting in a marked increase of free float shares and, consequently, a clearly higher trading volume. Allreal's share on 31 December 2017 closed at CHF 164.80. Compared to the reference period the previous year, this corresponds to a value increase of 8.9%. The value gain and the profit distribution of CHF 5.75 per share in April 2017 represent an overall performance for the 2017 financial year of 12.7%, which is above the average value in the real estate industry. Owing to the good result for the period under review and the stable business development expected for the coming years, the Board of Directors at the Shareholders' Meeting scheduled for 20 April 2018 will propose a higher profit distribution of CHF 6.25 per share in the form of a par value reduction. Compared to the closing price on 31 December 2017 this corresponds to a cash yield of 3.8%. The pay-out is tax-free for private investors.

## Real Estate division with higher rental income and historically low vacancy rate

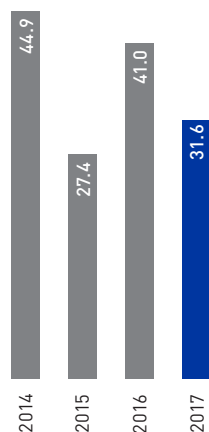
The growth of the portfolio of Yield-producing properties experienced in the second half of 2017 and the reduction of vacancy-related earnings losses in the period under review resulted in 3.4% growth in rental income to CHF 179.2 million.

The cumulated vacancy rate decreased by 2.5 percentage points in the year under review to a very low 2.6%. Real-estate expenses amounted to CHF 24.6 million corresponding to a 13.7% reduction in the expense ratio compared to the previous year. Net yield resulting from letting residential and commercial real estate amounted to a gratifying 4.3%.

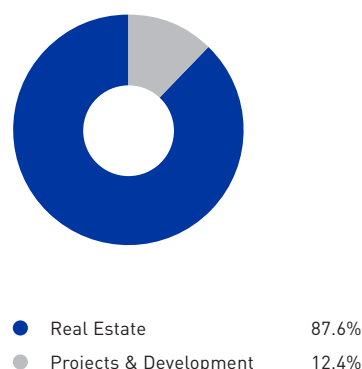
Yield-producing properties  
CHF million



**Operating margin  
Projects & Development division  
in percent**



**The divisions' contribution  
toward operating profit**



On 31 December 2017, the portfolio of yield-producing properties included a total of 63 buildings, 20 residential and 43 commercial, reflecting four additions and one divestment owing to reclassification.

The valuation of all yield-producing properties carried out as at the end of 2017 by an external real estate valuer resulted in a revaluation gain of CHF 21.8 million.

The market value of the entire portfolio as at 31 December 2017 amounted to CHF 3.96 billion.

### Projects & Development division with higher profitability

As expected, the earnings of CHF 66.7 million reported by the Projects & Development division for the year under review are below the comparable value the previous year which was characterised by high profits from the sale of development real estate.

In 2017, adjustment of both project volume and workforce introduced in previous years in view of enhancing profitability resulted in a decline of operating expenses compared to the previous year by 6.6% or CHF 51.2 million.

The operating profit (EBIT) reported by Projects & Development, therefore, amounted to a gratifying CHF 20.8 million.

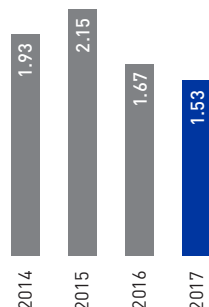
Several of the projects for third parties and for the own portfolio processed by the Project Development department in the year under review were transferred to the Realisation department. Project Development secured a significant project in 2017 by winning the competition held for the construction of the Basel School of Business. In a market environment characterised by high pressure on prices and margins, Project Development is increasingly gaining importance in terms of acquiring projects for the Realisation department. The projects processed by the department correspond to a potential construction volume of several hundred million francs.

In the period under review the Realisation department implemented a project volume CHF 420.0 million. The projects are designated for Allreal's own portfolio and for third parties. The amount is lower compared to the previous year owing to Allreal's consistent focus on the acquisition and realisation of projects with predictable risk and existing profit potential.

The share of third-party projects in the completed project volume processed in the period under review amounted to 81.7%, while that of own projects increased to 18.3 % as expected.

The order backlog as at 31 December 2017 of about CHF 710 million will secure capacity utilisation for about one-and-a-half years.

**Average interest costs**  
as at 31 December in percent



### Sound financing

Financial liabilities grew by 19.5% to CHF 1.9 billion owing, especially, to the acquisition of four commercial properties during the fourth quarter 2017.

By issuing a 0.875% bond worth CHF 160 million with maturity in 2027 plus a 0.75% bond worth CHF 150 million with maturity in 2026, about 50% of financial liabilities on the cut-off date were refinanced via the capital market, as desired.

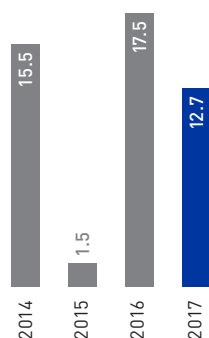
On the cut-off date, the average interest rate for debt amounted to 1.53%, while the average fixed-interest duration was 49 months. Credit facilities available short-term of some CHF 544 million ensure consistently high scope for financial action.

In a multi-year comparison the operating tax expenses in the period under review amounted to CHF 24.9 million corresponding to a slightly below-average tax rate of 18.0%.

The Group's equity increased by CHF 63.9 million in the period under review to CHF 2.15 billion corresponding to a net asset value (NAV) per share of CHF 135.15.

As at 31 December 2017, Allreal's equity ratio was reported at 49.3%, net gearing at 87.2%, and the interest coverage ratio at 6.0.

**Overview of share performance**



### A solid platform for continued successful business development

Higher rental income and the positive order situation in Projects & Development will ensure continuation of the stable business development.

Consequently, the company expects operating net profit for the 2018 financial year to be reported slightly above that of the period under review.

The trust and support of the shareholders and the commitment of our employees are and remain indispensable building blocks for the company's success. The Board of Directors and Group Management express their gratitude for the contribution toward the outstanding result.

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

Bruno Bettoni  
Chairman

Roger Herzog  
Chief Executive Officer

# Consolidated financial statements of Allreal Group

## Consolidated statement of comprehensive income

CHF million	2017	2016
Income from renting investment real estate	179.2	173.3
Income from real estate management services	4.2	4.7
Income from realisation Projects & Development	343.2	414.7
Income from sales Development	86.4	232.1
Diverse income	2.4	0.6
<b>Operating income</b>	<b>615.4</b>	<b>825.4</b>
Direct expenses for rented investment real estate	-24.6	-24.4
Direct expenses from realisation Projects & Development	-298.2	-372.0
Direct expenses from sales Development	-74.6	-197.5
<b>Direct operating expenses</b>	<b>-397.4</b>	<b>-593.9</b>
Personnel expenses	-47.6	-49.4
Other operating expenses	-11.9	-12.8
<b>Operating expenses</b>	<b>-59.5</b>	<b>-62.2</b>
<b>Capitalised company-produced assets</b>	<b>7.5</b>	<b>6.1</b>
<b>Earnings from sale of investment real estate</b>	<b>0.0</b>	<b>5.6</b>
Higher valuation of yield-producing properties	66.2	108.4
Lower valuation of yield-producing properties	-49.8	-30.1
Higher valuation of investment real estate under construction	5.4	8.6
Lower valuation of investment real estate under construction	0.0	-1.9
<b>Earnings from revaluation of investment real estate</b>	<b>21.8</b>	<b>85.0</b>
<b>EBITDA</b>	<b>187.8</b>	<b>266.0</b>
Depreciation other property, plant and equipment	-0.2	-0.4
Depreciation intangible assets	-0.1	0.0
<b>Operating profit (EBIT)</b>	<b>187.5</b>	<b>265.6</b>
Financial income	1.7	1.8
Financial expenses	-29.2	-39.5
<b>Earnings before tax</b>	<b>160.0</b>	<b>227.9</b>
Tax expenses	-30.8	-54.3
<b>Net profit</b>	<b>129.2</b>	<b>173.6</b>
Items subsequently restated in profit or loss statement:		
Valuation of financial instruments	13.3	17.9
Deferred taxes resulting from valuation of financial instruments	-3.0	-3.9
Items not subsequently restated in profit or loss statement:		
Changes in employee benefits	24.5	-7.9
Deferred taxes from changes in employee benefits	-5.4	1.7
<b>Other comprehensive income</b>	<b>29.4</b>	<b>7.8</b>
<b>Total comprehensive income</b>	<b>158.6</b>	<b>181.4</b>
Earnings per share in CHF	8.11	10.90
Diluted earnings per share in CHF	8.11	10.90



## Consolidated balance sheet

CHF million	31.12.2017	31.12.2016
Yield-producing properties	3 931.2	3 505.0
Investment real estate under construction	25.4	69.5
Other property, plant and equipment	1.1	1.1
Financial assets	143.1	136.8
Intangible assets	0.4	0.2
Deferred tax assets	23.3	34.6
<b>Non-current assets</b>	<b>4 124.5</b>	<b>3 747.2</b>
Development real estate	116.5	165.7
Trade receivables	78.6	55.3
Other receivables	1.9	3.3
Cash	38.1	21.4
<b>Current assets</b>	<b>235.1</b>	<b>245.7</b>
<b>Assets</b>	<b>4 359.6</b>	<b>3 992.9</b>
Share capital	797.1	797.1
Capital reserves	49.4	141.1
Treasury shares	-4.9	-1.7
Retained earnings	1 309.1	1 150.3
<b>Equity</b>	<b>2 150.7</b>	<b>2 086.8</b>
Long-term borrowings	1 355.0	917.7
Deferred tax liabilities	202.6	192.5
Long-term provisions	2.0	15.2
<b>Long-term liabilities</b>	<b>1 559.6</b>	<b>1 125.4</b>
Trade payables	54.2	55.5
Prepayments for development real estate	5.0	6.8
Current tax liabilities	10.1	7.4
Other current liabilities	17.0	22.2
Short-term provisions	5.0	5.8
Short-term borrowings	558.0	683.0
<b>Short-term liabilities</b>	<b>649.3</b>	<b>780.7</b>
<b>Liabilities</b>	<b>2 208.9</b>	<b>1 906.1</b>
<b>Equity and liabilities</b>	<b>4 359.6</b>	<b>3 992.9</b>

## Consolidated statement of changes in shareholders' equity

CHF million	Retained earnings						Total
	Share capital	Capital reserves	Treasury shares	Hedging reserves	Revaluation reserves	Other retained earnings	
<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 employee benefits						-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 of reserves from capital contributions		-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>
Net profit						129.2	129.2
Valuation of financial instruments				10.3			10.3
Changes in employee benefits						19.1	19.1
Total comprehensive income				10.3		148.3	158.6
Purchase treasury shares			-27.6				-27.6
Sale treasury shares			24.3			0.2	24.5
Payout of reserves from capital contributions		-91.7					-91.7
Share-based reimbursement			0.1				0.1
Reclassification					21.3	-21.3	-
<b>As at 31 December 2017</b>	<b>797.1</b>	<b>49.4</b>	<b>-4.9</b>	<b>-25.1</b>	<b>214.2</b>	<b>1 120.0</b>	<b>2 150.7</b>

## Consolidated cash flow statement

CHF million	2017	2016
Net profit before tax	160.0	227.9
Net financial expenses	27.5	37.7
Earnings from revaluation of investment real estate	-21.8	-85.0
Depreciation other property, plant and equipment	0.2	0.4
Depreciation intangible assets	0.1	0.0
Earnings from sale of investment real estate	0.0	-5.6
Capitalisation of company produced assets in development real estate	-5.2	-2.5
Share-based reimbursement	0.1	0.1
Change in pension fund obligations affecting net income	1.7	0.7
Other items	2.7	0.7
<b>Change in development real estate</b>	<b>70.0</b>	<b>163.8</b>
Change in trade receivables	-23.4	41.1
Change in other receivables	1.4	5.0
Change in provisions	-1.3	9.7
Change in trade payables	-1.3	-7.2
Change in down payments for development real estate	-1.8	-17.3
Change in other current liabilities	-5.3	0.3
Cost of finance paid	-15.7	-99.5
Financial income received	1.3	1.8
Income tax paid	-17.2	-25.4
<b>Cash flow from operating activities</b>	<b>172.2</b>	<b>246.7</b>
Investment in yield-producing properties	-346.4	-18.2
Proceeds from sale of yield-producing properties	0.0	98.8
Investment in investment real estate under construction	-29.5	-31.8
Divestment of investment real estate under construction	0.0	0.0
Acquisition of other property, plant and equipment	-0.2	-0.1
Investment in intangible assets	-0.2	-0.2
Purchase of companies (purchase price minus cash)	0.0	-35.2
Increase financial assets	-5.3	-4.5
Decrease in financial assets	8.8	8.4
<b>Cash flow from investing activities</b>	<b>-372.8</b>	<b>17.2</b>
Increase in borrowings	709.9	205.0
Decrease in borrowings	-708.0	-381.5
Issue of bond loan	310.1	149.4
Repayment bond loan	0.0	-150.0
Purchase treasury shares	-27.6	-18.3
Sale treasury shares	24.6	21.1
Payout of reserves from capital contributions	-91.7	-91.6
<b>Cash flow from financing activities</b>	<b>217.3</b>	<b>-265.9</b>
<b>Change in cash</b>	<b>16.7</b>	<b>-2.0</b>
Cash at 1 January	21.4	23.4
<b>Cash at 31 December</b>	<b>38.1</b>	<b>21.4</b>

# Allreal Holding AG annual accounts

## Income statement

CHF million	2017	2016
Income from investments	35.0	36.0
Financial income	17.5	17.5
<b>Income</b>	<b>52.5</b>	<b>53.5</b>
Personnel expenses	-0.7	-0.7
Other expenses	-1.1	-1.0
<b>Expenses</b>	<b>-1.8</b>	<b>-1.7</b>
<b>Operating result</b>	<b>50.7</b>	<b>51.8</b>
Depreciation and amortisation	0.0	0.0
<b>Operating profit (EBIT)</b>	<b>50.7</b>	<b>51.8</b>
Financial expenses	-9.0	-9.5
<b>Profit before tax</b>	<b>41.7</b>	<b>42.3</b>
Tax expense	-0.7	-0.6
<b>Net profit</b>	<b>41.0</b>	<b>41.7</b>

## Balance sheet as at 31 December

Cash	1.5	2.4
Short-term accounts receivable from Group companies	5.7	5.1
Short-term accounts receivable from third parties	0.1	0.3
<b>Current assets</b>	<b>7.3</b>	<b>7.8</b>
Financial assets held in investments	1 310.2	1 051.9
Investments	906.7	906.7
<b>Non-current assets</b>	<b>2 216.9</b>	<b>1 958.6</b>
<b>Assets</b>	<b>2 224.2</b>	<b>1 966.4</b>
Short-term liabilities towards third parties	0.7	0.0
Accrued expenses and prepaid income	6.0	5.0
<b>Short-term liabilities</b>	<b>6.7</b>	<b>5.0</b>
Long-term interest-bearing liabilities	955.0	645.0
<b>Long-term liabilities</b>	<b>955.0</b>	<b>645.0</b>
<b>Liabilities</b>	<b>961.7</b>	<b>650.0</b>
Share capital	797.1	797.1
Statutory capital reserves		
Reserves from contribution of capital	49.4	141.1
Other capital reserves	7.1	7.1
Statutory retained earnings		
General statutory retained earnings	122.8	21.1
Voluntary retained earnings		
Profit carried forward	250.0	310.0
Net profit	41.0	41.7
<b>Balance sheet profit</b>	<b>291.0</b>	<b>351.7</b>
Treasury shares	-4.9	-1.7
<b>Equity</b>	<b>1 262.5</b>	<b>1 316.4</b>
<b>Equity and liabilities</b>	<b>2 224.2</b>	<b>1 966.4</b>

# Additional information

## Details of the share and distribution to shareholders

In 2017, an overall performance of 12.7% was achieved with the Allreal share, based on the market price of 31 December 2017. This performance comprises the increase in share price (8.9%) and the distribution to shareholders (3.8%).

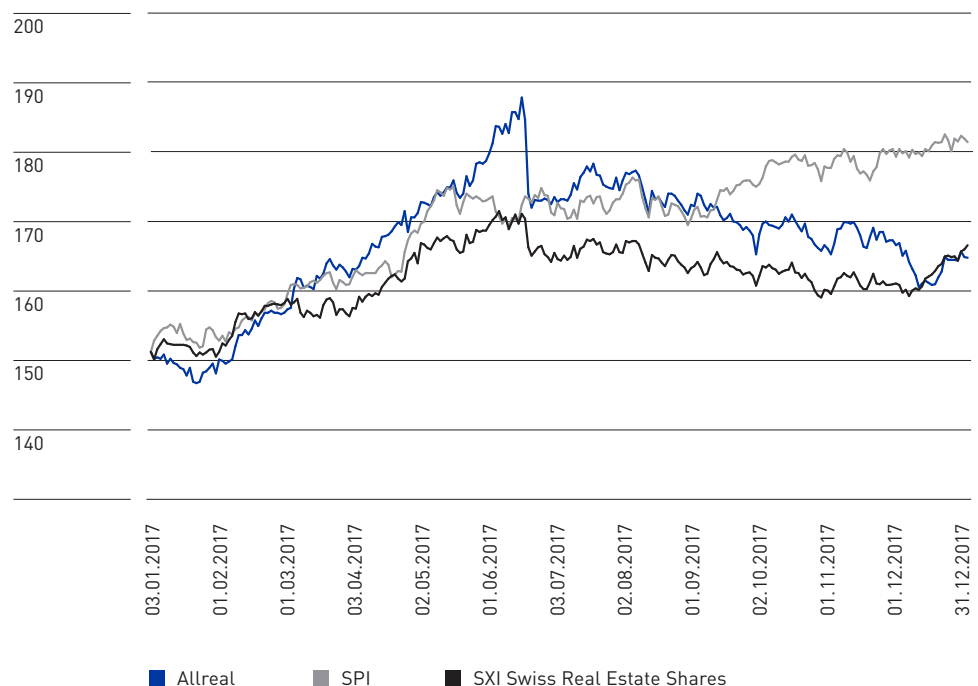
In the past three years, investors obtained an annualised overall performance of 1.5% (2015), 17.5% (2016) and 12.7% (2017) with the Allreal share, corresponding to an average constant return of 11.5% p.a.

On 31 December 2017, the Allreal Group's market capitalisation stood at CHF 2622.5 million. As at the balance sheet date, consolidated equity came to CHF 2150.7 million, resulting in a premium (difference between the market price and equity per share) of 21.9% (31.12.2016: 15.5%).

The Board of Directors will propose to the annual general meeting of 20 April 2018 an unchanged distribution of CHF 6.25 per registered share in the form of a par value reduction.

The distribution amounts to 98.7% of the Real Estate division's operating 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 2017.

Share price (indexed)  
January 2017 to December 2017



## Key share data

		2017	2016
Issued share capital on 31 December	CHF million	797.1	797.1
Approved capital on 31 December	CHF million	50.0	50.0
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	29 528	12 000
Outstanding shares on 31 December <sup>1</sup>	number	15 913 293	15 930 821
Annual average of outstanding shares <sup>2</sup>	number	15 928 874	15 928 818
Market price high	CHF	187.80	152.10
Market price low	CHF	146.80	128.20
Market price on 31 December (tax value)	CHF	164.80	151.30
Market capitalisation on 31 December <sup>3</sup>	CHF million	2 622.5	2 410.3
Average trading volume per day (on-exchange)	number of shares	25 766	13 386

<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	3 July 2018
Record date	4 July 2018
Payment date	5 July 2018

## Shareholder structure as at 31 December 2017

Number of shares	Number of shareholders	Number of shares	%
>478 284 shares (>3%)	6	4 515 451	28.4
100 001–478 284 shares	18	3 318 798	20.0
10 001–100 000 shares	109	3 017 979	18.9
1001–10 000 shares	383	1 022 226	6.4
1–1000 shares	2 473	559 239	3.5
<b>Total registered</b>	<b>2 989</b>	<b>12 433 693</b>	<b>78.0</b>
Not registered		3 509 128	22.0
<b>Total shares</b>		<b>15 942 821</b>	<b>100</b>

46.6% of the share capital is owned by pension funds and insurance companies and 7.9% by natural persons. A further 23.5% is owned by other legal entities as well as investment funds, foundations and banks. 22.0% of the share capital has not been submitted for registration in the share register. Foreign investors own 8.2% (registered shares).

## Multi-year overview

Key financial figures (in CHF million)	2017	2016	2015	2014	2013
Total sales	603.4	671.7	793.9	1 036.4	1 242.3
Earnings from rental and sale of investment real estate	154.6	154.5	164.2	137.2	146.2
Earnings from real estate management services	4.2	4.7	6.1	6.6	6.8
Earnings from Projects & Development division	66.7	84.0	78.8	102.8	110.7
Completed project volume Projects & Development division	420.0	493.7	612.9	870.6	1 087.0
Operating profit (EBIT) incl. revaluation gains	187.5	265.6	193.2	170.9	192.8
Operating profit (EBIT) excl. revaluation gains	165.7	180.6	177.4	176.8	184.7
Net profit incl. revaluation effect	129.2	173.6	121.9	104.4	121.8
Net profit excl. revaluation effect	113.3	112.2	109.7	109.1	116.1
Cash flow from operating activities	172.2	246.7	33.7	158.5	157.6
Cash flow from investing activities	-372.8	17.2	22.7	-198.5	-116.3
Cash flow from financing activities	217.3	-265.9	-64.9	46.9	-42.4
Total assets as at 31 December	4 359.6	3 992.9	4 136.0	4 108.2	3 994.7
Market value of investment real estate on 31 December	3 956.6	3 574.5	3 525.2	3 513.6	3 445.8
Balance sheet value development real estate as at 31 December	116.5	165.7	295.5	301.2	382.5
Net yield investment real estate (%)	4.3	4.4	4.2	4.5	4.8
Operating margin Projects & Development division (%)	31.6	41.0	27.4	44.9	40.8
Average interest rate on financial liabilities (%)	1.53	1.67	2.15	1.93	2.13
Average remaining term of financial liabilities (months)	49	36	52	50	56
Return on equity incl. revaluation effect (%)	6.0	8.5	6.2	5.3	6.3
Return on equity excl. revaluation effect (%)	5.9	5.9	5.9	5.4	6.2
Share of equity on 31 December (%)	49.3	52.3	48.2	47.6	49.3
Net gearing on 31 December (%)	87.2	75.7	88.0	87.9	80.8
Market capitalisation on 31 December	2 622.5	2 410.3	2 125.5	2 185.5	1 964.7
<b>Share (in CHF)</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Earnings per share incl. revaluation effect	8.11	10.90	7.66	6.56	7.66
Earnings per share excl. revaluation effect	7.11	7.04	6.89	6.85	7.29
Payout per share <sup>1</sup>	6.25 <sup>1</sup>	5.75	5.75	5.50	5.50
Net asset value (NAV) per share before deferred taxes on 31 December	146.45	140.90	132.95	129.10	130.90
Net asset value (NAV) per share after deferred taxes on 31 December	135.15	131.00	125.35	122.55	123.80
Market price high	187.80	152.10	149.20	138.20	141.60
Market price low	146.80	128.20	126.60	120.20	120.80
Market price on 31 December	164.80	151.30	133.60	137.10	123.50
Cash yield payout (%)	3.8	3.8	4.3	4.0	4.5
Payout ratio (%) <sup>2</sup>	98.7	98.0	95.9	107.3	97.8

<sup>1</sup> Proposal of the Board of Directors to the annual general meeting of 20 April 2018 in the form of a par value reduction

<sup>2</sup> in percent of the Real Estate division's Net profit excl. revaluation effect

# 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	<b>Thomas Wapp</b> (*1972, Swiss) Chief Financial Officer, member since 1 April 2017	<b>Hans Engel</b> (*1955, Swiss) Head of Investments, member since 1999	<b>Alain Paratte</b> (*1964, Swiss) Head of Real Estate, member since 2013	<b>Stefan Dambacher</b> (*1975, Swiss) Head Project Development, member since 1 January 2018
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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>

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

Annual general meeting 2018  
20 April 2018, 4 p.m.  
Kaufleutensaal  
Pelikanplatz  
8001 Zurich

Half-year results 2018  
28 August 2018

Annual results 2018  
26 February 2019

Annual general meeting 2019  
12 April 2019

Half-year results 2019  
27 August 2019

## Share register

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changes and other changes in  
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