

Media release

Zurich, 23. November 2010

Successful growth and solid result 2010

The Helvetica Property Group has developed continuously since it was founded and posted a solid result for the first three quarters of 2010. According to an independent study, the Swiss Real Estate Danmark ApS fund it manages is by far the most successful real estate fund in Norway, with a three-year record return of +36%. The fund is 100% owned by the Norwegian real estate fund Swiss Real Estate AS. The fund's portfolio currently comprises 12 attractive commercial properties with a focus on the economic areas of Zurich and Basel, valued at CHF 327 million.

Solid fund performance over the last 3 years

The Swiss Real Estate Danmark ApS fund achieved a record return of +36% in the period from 30.6.2007 to 30.6.2010, with around 13% coming from currency gains. According to a study by Edge Capital Markets, a leading Norwegian provider of independent investment analysis, the fund thus clearly ranks first in a comparison of all Norwegian real estate funds, which show returns of between minus 70% and plus 36%.

The main factors that contributed to the above-average performance of the real estate fund are the strength of the Swiss franc, which had clearly appreciated against the Norwegian krone, the reference currency relevant for the fund, as well as favourable conditions in purchasing the properties, low financing costs and efficient asset management of the properties. The fund has shown continuous growth since its inception. In 2010, the Hotel Mövenpick in Regensdorf and the former production facility and administration building of the Danish toy manufacturer LEGO in Baar, Canton Zug, were acquired.

Outlook

Although similarly favourable currency conditions cannot be expected every year, Helvetica Property is convinced of its strategy of investing in selected Swiss real estate and will continue to focus on Swiss real estate in the coming years, with the aim of further expanding its market share and consolidating its brand in the field of leading real estate funds in Switzerland.

Following this striking development, the Group is now focusing on optimising its portfolio and on its strategic development. In particular, various scenarios for the fund scheduled to be launched by 2013 are being examined. The focus is on extending it by a further three years until 2016, selling the portfolio or going public in Switzerland. This should create the conditions for increasing the fund value in the long term.

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Key figures

At the end of September 2010, the portfolio comprised 12 commercial properties in the economic areas of Zurich and Basel with a rentable area of around 115,000 m² and a market value of CHF 327 million. Compared to the second quarter, the vacancy rate was reduced from 7.2% to 6.2%. The weighted duration of the rental contracts decreased slightly from 4.95 to 4.76 years. Mortgage financing amounted to CHF 203 million, corresponding to a consolidated loan-to-value ratio of around 62%. The average weighted contractual maturity of the mortgages was extended from 2.9 years at the end of the second quarter to 3.1 years, and the average interest rate was optimised to 3.0% from 3.1% in the previous quarter.

Reconstitution of the management team

Against this background, the real estate trading department was reorganised. Contact persons for attractive real estate offers are Hans R. Holdener, Managing Partner, and Hans-Peter Wasser, Country Manager.

Information

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Brief portrait of the Helvetica Property Group

Helvetica Property Investors AG, Zurich, is the fund advisor for Swiss Real Estate Danmark ApS, a real estate fund under Danish law that operates in Switzerland under the Helvetica Property brand with its own subsidiaries. The fund is 100% owned by the real estate fund Swiss Real Estate AS, Oslo. The real estate fund invests exclusively in Swiss real estate according to clearly defined criteria. The investors are made up of 2500 companies, private and institutional investors. The properties currently managed by the Helvetica Property Group are worth around CHF 400 million, of which CHF 327 million is attributable to the properties of the Swiss Real Estate Danmark ApS fund, spread across 12 attractive commercial properties with a focus on the economic areas of Zurich and Basel.