

# 2016 Half-year Report Shortform

**allreal**

**holding**

# Key figures at a glance

		1 <sup>st</sup> half-year 2016 as at 30.06.2016*	1 <sup>st</sup> half-year 2015 as at 31.12.2015*	Change in % <sup>1</sup>
<b>Group</b>				
Total sales <sup>2</sup>	CHF million	348.9	395.5	-11.8
Operating profit (EBIT) incl. revaluation gains	CHF million	110.4	103.7	+6.5
Net profit incl. revaluation effect	CHF million	69.8	67.2	+3.9
Operating profit (EBIT) excl. revaluation gains	CHF million	100.1	93.2	+7.4
Net profit excl. revaluation effect	CHF million	61.4	59.1	+3.9
Cash flow	CHF million	181.4	14.0	-
Return on equity incl. revaluation effect (annualised)	%	7.1	6.9	+0.2
Return on equity excl. revaluation effect (annualised)	%	6.6	6.4	+0.2
Equity ratio on cut-off date	%	49.9	48.2	+1.7
Net gearing <sup>3</sup> on cut-off date	%	80.4	88.0	-7.6
Average interest rate on financial liabilities on cut-off date	%	2.14	2.15	-0.01
Average duration of financial liabilities	months	61	52	+9
Sales Projects & Development division	CHF million	260.2	303.8	-14.4
Earnings from Projects & Development division <sup>4</sup>	CHF million	49.8	36.1	+38.0
Operating margin Projects & Development division <sup>5</sup>	%	48.8	16.6	+32.2
Employees on cut-off date	number of full-time equivalents	286	312	-26
<b>Share</b>				
Earnings per share incl. revaluation effect	CHF	4.38	4.22	+3.8
Earnings per share excl. revaluation effect	CHF	3.85	3.71	+3.8
Net asset value (NAV) per share before deferred taxes on cut-off date	CHF	130.90	132.95	-1.5
Net asset value (NAV) per share after deferred taxes on cut-off date	CHF	123.20	125.35	-1.7
Share price on cut-off date	CHF	135.00	133.60	+1.0
<b>Valuation on cut-off date</b>				
Market capitalisation <sup>6</sup>	CHF million	2 151.2	2 125.5	+1.2
Enterprise value (EV) <sup>7</sup>	CHF million	3 730.7	3 879.7	-3.8

\* Should no further particulars be given, values referring to the income statement concern the 1<sup>st</sup> half-year and balance sheet value the cut-off dates on 30.06.2016 as at 31.12.2015.

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

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

<sup>3</sup> Financial liabilities minus cash as percentage of equity

<sup>4</sup> Income from realisation Projects & Development, sales development, capitalised company-produced assets and diverse income minus direct expenses for realisation Projects & Development and 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, capitalised company-produced assets and earnings from sale of investment real estate)

<sup>6</sup> Stock price at balance sheet 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 2016 as at 30.06.2016*	1 <sup>st</sup> half-year 2015 as at 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	3 418.6	3 475.3	-1.6
Rental income from investment real estate	CHF million	86.5	88.5	-2.3
Vacancy rate <sup>2</sup>	%	6.2	7.6	-1.4
Real estate expenses	CHF million	-11.5	-15.9	-27.7
Real estate expenses	in % of rental income	13.3	18.0	-4.7
Gross yield <sup>3</sup>	%	5.2	5.2	-
Net yield <sup>4</sup>	%	4.3	4.2	+0.1
<b>Real estate under construction</b>				
Buildings	number	2	2	-
Market value on cut-off date	CHF million	45.8	49.9	-8.2
Investment volume	CHF million	111.0	96.0	+15.6
<b>Investment real estate for development</b>				
Book value development reserves on cut-off date	CHF million	64.0	71.4	-10.4
Estimated investment volume development reserves	CHF million	559.0	637.0	-12.2
Book value buildings under construction on cut-off date	CHF million	69.3	171.4	-59.6
Estimated investment volume buildings under construction	CHF million	283.0	268.0	+5.6
Book value completed real estate on cut-off date	CHF million	28.2	52.7	-46.5

\* Should no further particulars be given, values referring to the income statement concern the 1<sup>st</sup> half-year and balance sheet value the cut-off dates on 30.06.2016 as at 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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# Strong 2016 Half-year Result

- Convincing real-estate operating result
- Continued and sustained reduction of vacancy rate
- Gratifying Projects and Development result thanks to earnings from sales and consistent profitability in third-party business
- Confirmation of expectations for entire 2016 financial year

Allreal very successfully held its own in an increasingly demanding market environment. Net profit including revaluation effect for the first half year in 2016 amounted to CHF 69.8 million, or 3.9% above the comparable result the previous year (1<sup>st</sup> half 2015: CHF 67.2 million). The gratifying result is characterised by good real-estate earnings in the Real Estate division on the one hand, and by earnings from the sale of development real estate and pleasing earnings from third-party business in the Projects & Development division on the other.

Valuation of the properties held in investment real estate resulted in a value increase comparable to that of the previous year of CHF 10.3 million in total. Adjusted for the positive value correction, net profit of CHF 61.4 million was reported slightly above the very good result of the comparable period the previous year of CHF 59.1 million.

In the first six months of the year, revenue derived from the rental and management of properties and from the activity as a general contractor represents a total performance of CHF 348.9 million. As expected, this amount is 11.8% below that of the comparable period the previous year (1<sup>st</sup> half 2015: CHF 395.5 million). The decline is due mainly to the reduced project volume handled by the Projects & Development division.

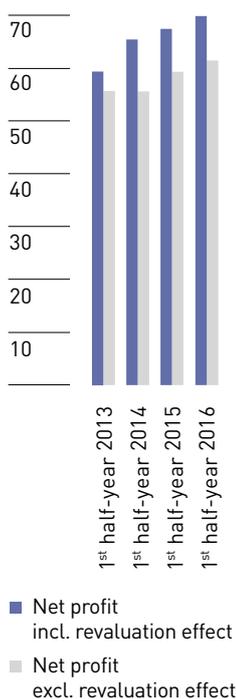
On the cut-off date, Allreal employed a total of 308 employees (31.12.2015: 337 employees) in Basel, Bern, Cham and Zurich. The lower number of employees reflects the company's consistent focus on projects with calculable risks and a sound profit potential and the ensuing lower project volume.

## Real Estate division

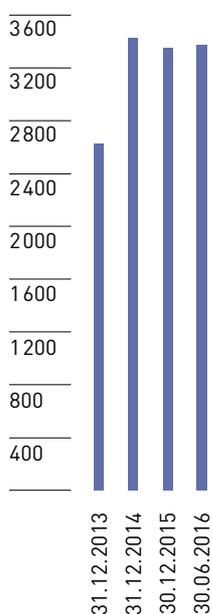
Owing to the sale of yield-producing properties in the second half of 2015 and in the period under review, rental income declined slightly by 2.3% to CHF 86.5 million when compared to the comparable period the previous year (1<sup>st</sup> half 2015: CHF 88.5 million). Compared to the second half of 2015, rental income in the period under review grew as a result of the lower vacancy rate and despite the reduced inventory of yield-producing properties.

Thanks to numerous achievements concerning initial letting and re-letting of both residential and commercial real estate, the cumulative vacancy rate declined by 1.4 percentage points to 6.2% of target rental income (1<sup>st</sup> half 2015: 7.6%). Owing to positive negotiations with various prospective tenants, Allreal expects the vacancy rate to continue to decline in the second half of 2016. This is based, not least, on a rental agreement signed after the cut-off date concerning the office building on Lilienthal Boulevard 2–8 in Opfikon ZH comprising 13,400 square metres of useful space. As a result, the building is fully let.

Net profit  
CHF million



**Yield-producing properties**  
CHF million



Real-estate expenses for the first half of 2016 amounted to CHF 11.5 million which, in terms of total rental income, represents an expense rate of 13.3% (1<sup>st</sup> half 2015: CHF 15.9 million/18.0%). The value is therefore clearly below the standard range of 15% to 17% but is expected to approach the 15% level in the second half of 2016.

The reduced loss in revenue connected with the decreasing vacancy rate and the lower real-estate expenses resulted in a net yield of 4.3%.

In the period under review, Hammer Retex recorded sales of CHF 2.2 million (1<sup>st</sup> half 2015: CHF 3.2 million) by means of management, maintenance and marketing of real estate. The decline is primarily due to the higher share of work for the group.

Operating profit excluding revaluation gains of CHF 77.0 million reported by the Real Estate division for the first half of 2016 is 12.8% below that of the comparable period the previous year (1<sup>st</sup> half 2015: CHF 88.3 million) which was characterised by extraordinary sales profits.

The portfolio of yield-producing properties experienced one addition and four divestments in the first half of 2016.

The addition concerns a residential and commercial building from Allreal's own development and realisation located on Schiffbaustrasse in Zurich-West; at the time of completion in June 2016, all apartments and a considerable share of the commercial space in the building were let.

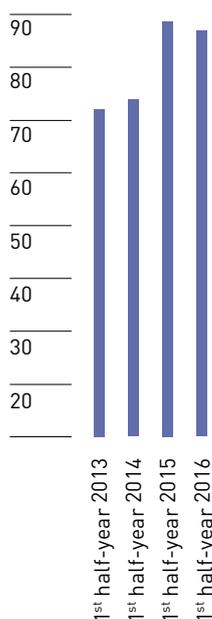
In the period under review, three commercial properties in Zurich and Dietlikon with total floor space of 15,000 square metres were sold to an institutional investor and an office building in Zurich Aussersihl. The profit resulting from the sale amounts to CHF 5.6 million (1<sup>st</sup> half 2015: CHF 18.4 million) or 6.0% above the total book value of the four divested buildings.

The portfolio of yield-producing properties as at 30 June 2016 comprised 20 residential and 39 commercial buildings.

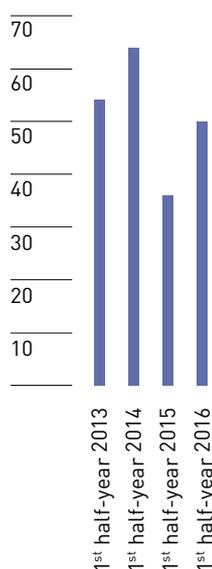
Following the addition of a planned commercial building in Bülach ZH and the divestment of a residential and commercial building in Zurich-West – both by means of reclassification – the portfolio of investment real estate under construction comprised two projects representing a total market value on the cut-off date of CHF 45.8 million, an estimated investment volume of CHF 111.0 million and annual target rental income of CHF 6.7 million.

The valuation of the investment properties by an external estimator as at 30 June 2016 resulted in a positive total value adjustment before tax of CHF 10.3 million (1<sup>st</sup> half 2015: CHF 10.5 million). Of this amount, CHF 3.8 million applied to yield-producing properties and CHF 6.5 million to investment real estate under construction.

**Income from investment real estate**  
CHF million



**Earnings from Projects & Development**  
CHF million



The total value of the portfolio including divestments and reclassifications effected in the period under review and the positive value adjustments as at the cut-off date amounted to CHF 3.42 billion (1<sup>st</sup> half 2015: CHF 3.53 billion).

The Real Estate division's share in the group's net operating result was 70.8% (1<sup>st</sup> half 2015: 94.2%).

### Projects & Development division

Earnings generated by the Projects & Development division in the first half of 2016 from the development and realisation for third parties, sale of development real estate and capitalised performance of own projects amounted to CHF 49.8 million (1<sup>st</sup> half 2015: CHF 36.1 million).

Gains resulting from the sale of development real estate of CHF 22.1 million – of which a share of more than 80% relates to the ownership transfer of 90 units in the Guggach residential project in Zurich Unterstrass – represent a significant contribution toward the earnings result reported 38% above the comparable value the previous year.

Earnings of CHF 24.4 million generated by the Realisation department – development and realisation for third parties – remained at the previous year's level representing a pleasingly stable gross margin of 11.3% (1<sup>st</sup> half 2015: 11.6%).

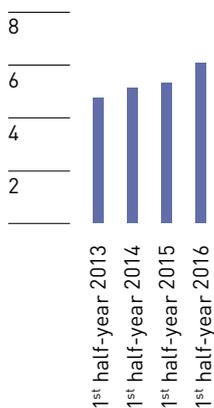
Profits of CHF 24.3 million reported by the Projects & Development division accrued in the first half of 2016 (1<sup>st</sup> half 2015: CHF 6.0 million) from the sale of development real estate and lower operating expenses resulted in distinctly higher earnings before interest and taxes (EBIT) compared to the previous year.

Allreal is currently planning the realisation of a site in Bülach-Nord measuring over 55,000 square metres to be used mainly for residential purposes comprising about 420 rental and 70 condominium units in the medium price range plus office and commercial space.

The investment volume of the project developed by Allreal itself amounts to over CHF 306 million. In the period under review, Project Development transferred the first of eight sub-projects to the Realisation department. The residential complex for Allreal's own portfolio to be completed by 2018 includes four blocks comprising a total of 76 rental apartments. A large share of the remaining project is to be sold to a certain investor who has already been determined.

In the period under review, the development property on Kirschblütenweg in Basel was brought to the construction stage and transferred to the Realisation department. The 12 residential units ready for occupation in 2018 have already been sold.

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



The project volume completed by the Realisation department in the first half of 2016 amounted to CHF 260.2 million (1<sup>st</sup> half 2015: 303.8 million). The lower amount compared to the comparable period the previous year reflects Allreal's consistent focus on the realisation of projects with calculable risks and sound profit potential.

The share of the project volume handled for third parties amounted to CHF 215.5 million, that of development projects designated for the sale to third parties to CHF 17.8 million, and that of own projects for Allreal's own portfolio to CHF 26.9 million (1<sup>st</sup> half 2015: CHF 224 million/CHF 36 million/CHF 44 million).

Of the entire project volume, 69.2% represents new construction projects and 30.8% refurbishment and conversion projects (1<sup>st</sup> half 2015: 76.4% / 23.6%). Secured order backlog on the cut-off date amounted to CHF 714 million which will guarantee utilisation of existing capacity for a period of over 12 months.

With 49 units sold, the sale of development real estate was gratifying. Profit of CHF 22.1 million accrued in the period under review was derived to a large degree from the Guggach project in Zurich Unterstrass. The projects Kirschblütenweg in Basel, Pfruendmatt in Mettmenstetten and Cholplatz in Bülach contributed to the good result. Following the sale of the last condominium in the Holengasse project in Meilen, 38 units in 6 projects were available on the cut-off date, 14 of the units ready for occupation.

In the first half of 2016, the Project & Development division's share in the Group's net operating result represented 29.2% (1<sup>st</sup> half 2015: 5.8%).

#### **Advantageous financing despite negative interest rates**

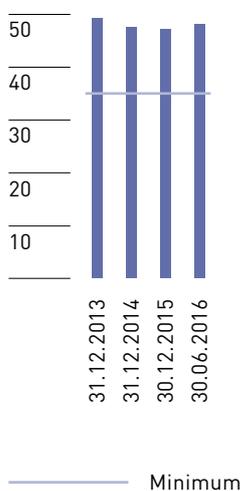
Owing to the immense inflow of funds resulting from the sale of development real estate and yield-producing real estate, financial debt as at the cut-off date decreased by CHF 170 million to 1.61 billion (31.12.2015: CHF 1.78 billion).

In the period under review, a 2.50% debenture loan of CHF 150 million was redeemed by a 0.625% debenture loan for the same amount to be released in 2024. Negative interest rates applying to interest swaps resulted in slightly higher financial expenses for the period under review. The average interest rate for debt on the cut-off date was 2.14% at an average time to maturity of 61 months (31.12.2015: 2.15% / 52 months).

Freely available lines of credit as at 30 June 2016 amounted to CHF 643 million with a debt capacity of CHF 1.4 billion. The company thus enjoys advantageous financing and is in a position to take efficient advantage of opportunities as they arise.

As at 30 June 2016, Allreal's equity ratio amounted to 49.8% and net gearing to 80.4% (31.12.2015: 48.2% / 88.0%). Return on equity excluding revaluation gains grew by 0.2 percentage points to 6.6% in the period under review.

**Equity ratio**  
in percent



## Outlook

For more than a decade the real-estate market has experienced continuous growth. Insecurity concerning the further course of the economy and the development of the legal and political parameters connected with an over-supply of residential and commercial space apparent in certain regions will inevitably lead to an increasingly demanding market environment.

Thanks to the combination of a stable-income real-estate portfolio with the activity of a general contractor, this development can be connected with opportunities for Allreal. Consequently, the company looks to the future optimistically and with confidence.

Allreal recognises potential especially in the development and realisation of residential and commercial properties for our own portfolio and for profitable sale to third parties. Own projects already started on or far advanced in development allow for portfolio growth possible in the coming years of more than 200 million francs in total.

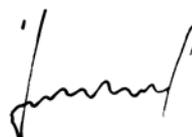
Parallel to the stronger focus on project development and its dynamisation, Allreal aims to consistently implement measures to continue reducing the vacancy rate and to increase efficiency while securing quality and profitability.

The company expects business in the second half of 2016 to continue developing at a constant rate and, therefore, it anticipates operating net profit for the entire 2016 financial year to compare to that of the previous year.

The Board of Directors and Group Management wish to take this opportunity to thank our shareholders for their trust and all staff members for their commitment. These two conditions are indispensable for both the strong 2016 half-year results and the optimistic assessment of future prospects.



Bruno Bettoni  
Chairman



Roger Herzog  
Chief Executive Officer

# Consolidated half-year financial statements of Allreal Group

## Consolidated statement of comprehensive income

CHF million	1 <sup>st</sup> half-year 2016	1 <sup>st</sup> half-year 2015 reviewed
Income from renting investment real estate	86.5	88.5
Income from real estate management services	2.2	3.2
Income from realisation Projects & Development	215.5	223.7
Income from sales Development	170.3	31.9
Diverse income	0.2	0.1
<b>Operating income</b>	<b>474.7</b>	<b>347.4</b>
Direct expenses for rented investment real estate	-11.5	-15.9
Direct expenses from realisation Projects & Development	-191.1	-197.7
Direct expenses from sales Development	-148.2	-28.3
<b>Direct operating expenses</b>	<b>-350.8</b>	<b>-241.9</b>
Personnel expenses	-25.1	-28.8
Other operating expenses	-7.1	-7.1
<b>Operating expenses</b>	<b>-32.2</b>	<b>-35.9</b>
<b>Capitalised company-produced assets</b>	<b>3.1</b>	<b>6.4</b>
<b>Earnings from sale of investment real estate</b>	<b>5.6</b>	<b>18.4</b>
Higher valuation of yield-producing properties	21.6	35.5
Lower valuation of yield-producing properties	-17.8	-33.5
Higher valuation of investment real estate under construction	6.5	8.5
Lower valuation of investment real estate under construction	0.0	0.0
<b>Earnings from revaluation of investment real estate</b>	<b>10.3</b>	<b>10.5</b>
<b>EBITDA</b>	<b>110.7</b>	<b>104.9</b>
Depreciation other property, plant and equipment	-0.3	-0.2
Amortisation intangible assets	0.0	-1.0
<b>Operating profit (EBIT)</b>	<b>110.4</b>	<b>103.7</b>
Finance income	0.9	0.9
Finance expenses	-22.5	-18.8
<b>Net profit before tax</b>	<b>88.8</b>	<b>85.8</b>
Tax expenses	-19.0	-18.6
<b>Net profit</b>	<b>69.8</b>	<b>67.2</b>
Items subsequently restated in profit or loss statement:		
Valuation of financial instruments	-2.5	-7.2
Deferred taxes resulting from valuation of financial instruments	0.5	1.6
Items not subsequently restated in profit or loss statement:		
Changes in employee benefits	-13.5	1.5
Deferred taxes from changes in employee benefits	3.0	-0.3
<b>Other comprehensive income</b>	<b>-12.5</b>	<b>-4.4</b>
<b>Total comprehensive income</b>	<b>57.3</b>	<b>62.8</b>
Earnings per share in CHF	4.38	4.22
Diluted earnings per share in CHF	4.39	4.23

## Consolidated balance sheet

CHF million	30.06.2016	31.12.2015 audited
Investment real estate	3 418.6	3 475.3
Investment real estate under construction	45.8	49.9
Other property, plant and equipment	1.4	1.6
Financial assets	139.7	143.4
Deferred tax assets	41.5	42.2
<b>Non-current assets</b>	<b>3 647.0</b>	<b>3 712.4</b>
Development real estate	161.5	295.5
Trade receivables	87.6	96.4
Other receivables	11.5	8.3
Cash	27.7	23.4
<b>Current assets</b>	<b>288.3</b>	<b>423.6</b>
<b>Assets</b>	<b>3 935.3</b>	<b>4 136.0</b>
Share capital	797.1	797.1
Capital reserves	141.1	232.7
Treasury shares	-0.8	-4.4
Retained earnings	1 026.0	968.7
<b>Equity</b>	<b>1 963.4</b>	<b>1 994.1</b>
Long-term borrowings	922.2	774.1
Deferred tax liabilities	164.1	163.4
Long-term provisions	2.7	3.0
Liabilities staff pension fund	18.4	4.2
Derivative financial instruments	76.6	71.8
<b>Long-term liabilities</b>	<b>1 184.0</b>	<b>1 016.5</b>
Trade payables	66.4	62.7
Payments for development real estate	8.9	24.1
Current tax liabilities	0.0	9.1
Derivative financial instruments	1.8	0.0
Other current liabilities	21.4	21.9
Short-term provisions	4.4	4.1
Short-term borrowings	685.0	1 003.5
<b>Short-term liabilities</b>	<b>787.9</b>	<b>1 125.4</b>
<b>Liabilities</b>	<b>1 971.9</b>	<b>2 141.9</b>
<b>Equity and liabilities</b>	<b>3 935.3</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 reserves	
<b>As at 1 January 2015</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						67.2	67.2
Valuation of financial instruments				-5.6			-5.6
Changes in employee benefits						1.2	1.2
Total comprehensive income				-5.6		68.4	62.8
Purchase treasury shares			-17.1				-17.1
Sale treasury shares			9.8			-0.1	9.7
Pay-out of reserves from capital contributions		-87.5					-87.5
Share-based reimbursement			0.1				0.1
Reclassification					19.3	-19.3	0.0
<b>As at 30 June 2015 (reviewed)</b>	<b>797.1</b>	<b>232.7</b>	<b>-7.3</b>	<b>-56.2</b>	<b>104.4</b>	<b>851.3</b>	<b>1 922.0</b>
Net profit						54.7	54.7
Valuation of financial instruments				6.8			6.8
Changes in employee benefits						7.7	7.7
Total comprehensive income				6.8		62.4	69.2
Purchase treasury shares			-10.5				-10.5
Sale treasury shares			13.3				13.3
Share-based reimbursement			0.1				0.1
Reclassification					12.0	-12.0	0.0
<b>As at 31 December 2015 (audited)</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						69.8	69.8
Valuation of financial instruments				-2.0			-2.0
Changes in employee benefits						-10.5	-10.5
Total comprehensive income				-2.0		59.3	57.3
Purchase treasury shares			-7.9				-7.9
Sale treasury shares			11.4				11.4
Pay-out of reserves from capital contributions		-91.6					-91.6
Share-based reimbursement			0.1				0.1
Reclassification					26.9	-26.9	0.0
<b>As at 30 June 2016</b>	<b>797.1</b>	<b>141.1</b>	<b>-0.8</b>	<b>-51.4</b>	<b>143.3</b>	<b>934.1</b>	<b>1 963.4</b>

## Consolidated cash flow statement

CHF million	1 <sup>st</sup> half-year 2016	1 <sup>st</sup> half-year 2015 reviewed
Earnings before tax	88.8	85.8
Net financial expense	21.6	17.9
Earnings from revaluation of investment real estate	-10.3	-10.5
Depreciation other property, plant and equipment	0.3	0.2
Depreciation intangible assets	0.0	1.0
Earnings from sale of investment real estate	-5.6	-18.4
Capitalisation of company-produced assets in development real estate	-2.1	-4.7
Share-based reimbursement	0.1	0.1
Change in pension fund obligations affecting net income	0.6	0.8
Other items	0.4	1.1
<b>Change in development real estate</b>	<b>134.5</b>	<b>-0.1</b>
Change in trade receivables	8.8	-3.5
Change in other receivables	-3.2	2.8
Change in provisions	-0.3	0.2
Change in trade payables	3.8	-3.2
Change in down payments for development real estate	-15.2	5.4
Change in other current liabilities	-0.5	-23.3
Cost of finance paid	-22.1	-20.0
Financial income received	0.9	0.9
Income tax paid	-19.1	-18.5
<b>Cash flow from operating activities</b>	<b>181.4</b>	<b>14.0</b>
Acquisition of investment real estate	-7.0	-12.7
Proceeds from sale of investment real estate	98.8	88.2
Investment in investment real estate under construction	-13.6	-6.0
Divestment of investment real estate under construction	0.0	0.0
Acquisition of other property, plant and equipment	0.1	-0.3
Divestment of other fixed assets	0.0	0.0
Increase financial assets	-2.6	-11.3
Decrease in financial assets	5.8	4.2
<b>Cash flow from investing activities</b>	<b>81.5</b>	<b>62.1</b>
Increase in borrowings	65.0	95.0
Decrease in borrowings	-235.0	-311.9
Issue of bond loan	149.4	221.1
Repayment bond loan	-150.0	0.0
Purchase treasury shares	-7.9	-17.1
Sale treasury shares	11.5	9.8
Payout of reserves from capital contributions	-91.6	-87.5
<b>Cash flow from financing activities</b>	<b>-258.6</b>	<b>-90.6</b>
<b>Change in cash</b>	<b>4.3</b>	<b>-14.5</b>
Cash at 1 January	23.4	31.9
<b>Cash at 30 June</b>	<b>27.7</b>	<b>17.4</b>

# Additional information

## Information on investment real estate properties

	City of Zurich		Rest of Canton Zurich		Other regions		Total real estate	
	2016*	2015*	2016*	2015*	2016*	2015*	2016*	2015*
<b>Residential real estate</b>								
Number	6	5	10	10	4	4	20	19
Living space 000 m <sup>2</sup>	22	20	86	86	18	18	126	124
Vacancy rate <sup>1</sup> %	6.2	16.4	1.7	3.0	1.9	5.0	2.7	6.1
Rental income CHF million	3.3	2.9	10.2	10.3	2.5	2.4	16.0	15.6
Earnings on property <sup>2</sup> CHF million	2.9	2.6	9.2	9.0	2.0	2.1	14.1	13.7
Gross yield %	4.2	3.9	4.4	4.7	4.9	5.0	4.4	4.6
Net yield <sup>3</sup> %	3.7	3.5	4.0	4.1	3.9	4.3	3.9	4.0
Acquisition value CHF million	142.2	120.4	331.1	331.1	84.2	84.3	557.5	535.8
Market value CHF million	193.0	155.3	462.6	462.7	101.6	101.6	757.2	719.6
Average market value by property CHF million	32.2	31.3	46.3	46.3	25.4	25.4	37.9	37.9
Change in market value <sup>4</sup> CHF million	11.4	3.9	0.0	20.8	0.0	3.7	11.4	28.4
<b>Commercial real estate</b>								
Number	18	21	14	15	7	7	39	43
Floor space 000 m <sup>2</sup>	304	319	200	203	52	52	556	574
Vacancy rate <sup>1</sup> %	5.5	7.4	10.0	11.2	6.3	2.2	7.0	8.0
Rental income CHF million	41.8	43.3	21.0	20.6	7.7	9.0	70.5	72.9
Earnings on property <sup>2</sup> CHF million	36.4	33.1	18.0	17.8	6.5	8.0	60.9	58.9
Gross yield %	5.2	5.2	5.3	5.3	5.2	5.6	5.2	5.3
Net yield <sup>3</sup> %	4.5	4.0	4.5	4.6	4.5	5.0	4.5	4.3
Acquisition value CHF million	1 558.6	1 622.6	798.4	822.6	303.2	303.0	2 660.2	2 748.2
Market value CHF million	1 588.0	1 655.6	787.9	808.7	285.5	291.4	2 661.4	2 755.7
Average market value by property CHF million	88.2	78.8	56.3	53.9	40.8	41.6	68.2	64.1
Change in market value <sup>4</sup> CHF million	2.9	-8.6	-4.3	-12.5	-6.2	-5.3	-7.6	-26.4
<b>Investment real estate under construction</b>								
Number	1	2	1	-	-	-	2	2
Land area 000 m <sup>2</sup>	11	13	11	-	-	-	22	13
Acquisition value CHF million	28.8	36.8	1.9	-	-	-	30.7	26.0
Market value CHF million	43.4	49.9	2.4	-	-	-	45.8	33.8
Change in market value <sup>4</sup> CHF million	6.0	8.5	0.5	-	-	-	6.5	8.5
Investment volume CHF million	73.0	96.0	38.0	-	-	-	111.0	96.0

\* 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 30.06.2016 or 31.12.2015.

<sup>1</sup> In percent of target rental income, cumulative as 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 2016 or 2015 respectively

## Key figures of Allreal share

		1 <sup>st</sup> half-year 2016 resp. 30.06.2016	1 <sup>st</sup> half-year 2015 resp. 31.12.2015
Issued share capital on cut-off date	CHF million	797.1	797.1
Authorised capital on cut-off date	CHF million	50.0	100.0
Conditional capital on cut-off date	CHF million	134.8	134.8
Issued shares on cut-off date	number	15 942 821	15 942 821
Treasury shares on cut-off date	number	7 829	33 220
Outstanding shares on cut-off date <sup>1</sup>	number	15 934 992	15 909 601
Outstanding shares on average <sup>2</sup>	number	15 928 240	15 911 213
Share price high	CHF	142.20	150.20
Share price low	CHF	128.40	128.10
Share price on cut-off date	CHF	135.00	133.60
Market capitalisation on cut-off date <sup>3</sup>	CHF million	2 151.2	2 125.5
Average trading volume per day (on exchange)	number shares	12 746	17 829

<sup>1</sup> Number of issued shares 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
Renters	ALLN.S

## Shareholder structure as at 30 June 2016

Number of shares	Number of shareholders	Number of shares	%
>478 284 shares (>3%)	7	4 805 228	30.1
100 001–478 284 shares	17	3 401 211	21.3
10 001–100 000 shares	107	3 362 063	21.1
1001–10 000 shares	423	1 207 228	7.6
1–1000 shares	2 970	716 834	4.5
<b>Total registered</b>	<b>3 524</b>	<b>13 492 564</b>	<b>84.6</b>
Not registered		2 450 257	15.4
<b>Total shares</b>		<b>15 942 821</b>	<b>100.0</b>

53.4% of share capital is held by pension funds and insurance companies and 9.2% by individual persons. A further 22.0% is held by legal entities as well as funds, foundations and banks. 15.4% of share capital is not registered in the share register. 6.7% of share capital is held by non-Swiss shareholders (registered).

# Organisation and Schedule

## Structure and Addresses

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**Allreal Holding AG**  
**Allreal Finanz AG**  
Grabenstrasse 25, 6340 Baar

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

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**Allreal Generalunternehmung AG**  
Eggbühlstrasse 15, 8050 Zurich  
Zieglerstrasse 53, 3007 Bern  
Sinslerstrasse 67, 6330 Cham  
Gaiserwaldstrasse 14, 9015 St. Gallen

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**Hammer Retex AG**  
Sinslerstrasse 67, 6330 Cham

The interactive online version of this half-year report is available at <http://ir.allreal.ch>.

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### Schedule

2016 Annual results  
28 February 2017

2017 Annual shareholders'  
meeting  
21 April 2017

2017 Half-year results  
29 August 2017

### Share register

Responsibility for address  
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