

# Half-year Report 2008

**allreal**

**holding**



# Contents

---

Key figures at a glance	2
Real estate at a glance	3
Half-year Report	4
Consolidated semi-annual financial statements of Allreal Group	10
Organisation, contacts, schedule	16

---

# Key figures at a glance

		1 <sup>st</sup> half-year 2008 30.06.2008*	1 <sup>st</sup> half-year 2007 31.12.2007*	Change in % <sup>1</sup>
<b>Group</b>				
Total sales <sup>2</sup>	CHF million	270.6	285.5	-5.2
Operating profit (EBIT) incl. revaluation effect	CHF million	71.2	92.0	-22.6
Net profit incl. revaluation effect	CHF million	42.2	56.3	-25.0
Operating profit (EBIT) excl. revaluation gains	CHF million	71.3	67.3	+5.9
Net profit excl. revaluation gains	CHF million	41.3	40.6	+1.7
Cashflow	CHF million	29.6	52.0	-43.1
Return on equity incl. revaluation effect (annualised)	%	6.7	10.8	-4.1
Return on equity excl. revaluation effect (annualised)	%	6.5	7.4	-0.9
Equity ratio on cut-off date	%	45.0	46.9	-1.9
Net gearing <sup>3</sup> on cut-off date	%	98.7	92.0	+6.7
Market value real estate investments on cut-off date	CHF million	2116.1	2 031.3	+4.2
Sales Projects & Development division	CHF million	211.3	229.9	-8.1
Employees (number) on cut-off date	full-time equivalents	261	265	-1.5
<b>Share</b>				
Earnings per share incl. revaluation effect	CHF	3.72	5.69	-34.6
Earnings per share excl. revaluation effect	CHF	3.64	4.10	-11.2
Net asset value (NAV) per share before deferred taxes on cut-off date	CHF	117.35	116.80	+0.5
Net asset value (NAV) per share after deferred taxes on cut-off date	CHF	110.00	110.40	-0.4
Share price on cut-off date	CHF	130.50	130.50	-
<b>Operating key figures</b>				
Net yield real estate portfolio <sup>4</sup>	%	5.2	5.1	+0.1
Average interest rate on financial liabilities on cut-off date	%	2.84	2.81	-
Operating margin Projects & Development division <sup>5</sup>	%	48.0	49.3	-1.3
<b>Valuation on cut-off date</b>				
Market capitalisation <sup>6</sup>	CHF million	1480.9	1 481.2	-
Enterprise value (EV) <sup>7</sup>	CHF million	2712.4	2 633.6	+3.0

\* 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 30.06.2008 resp. 31.12.2007.

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

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

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

<sup>4</sup> Real estate profit as percentage of continued market value at 1 January

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

<sup>6</sup> Stock price at balance sheet date multiplied by the number of outstanding shares

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

# Real estate at a glance

	City of Zurich		Remaining Canton of Zurich		Other regions		Total real estate	
	2008*	2007*	2008*	2007*	2008*	2007*	2008*	2007*
<b>Portfolio</b>								
<b>Commercial real estate</b>								
Number of properties	29	29	13	12	8	9	50	50
Useable floor space '000 m <sup>2</sup>	259	255	93	80	37	40	389	375
Vacancy rate <sup>1</sup> %	4.1	3.8	10.3	12.9	8.8	12.5	6.1	6.1
Gross rental income CHF million	36.2	35.4	9.5	7.3	4.1	3.8	49.8	46.5
Real estate profit <sup>2</sup> CHF million	32.2	30.4	8.1	6.4	3.5	3.3	43.8	40.1
Gross yield %	5.9	6.0	5.7	5.4	6.0	5.8	5.9	5.8
Net yield <sup>3</sup> %	5.1	5.1	4.5	4.3	5.2	5.2	5.2	5.1
Cost value CHF million	1207.3	1 150.0	348.1	324.5	145.7	160.2	1701.1	1 634.7
Market value CHF million	1275.6	1 216.7	361.7	337.3	135.1	146.0	1772.4	1 700.0
Average market value <sup>4</sup> CHF million	44.0	42.0	27.8	28.1	16.9	16.2	35.4	34.0
Change in market value <sup>5</sup> CHF million	-0.3	16.3	0.8	6.4	-0.3	-1.2	0.2	21.5
<b>Land reserves</b>								
Property area '000 m <sup>2</sup>	25	25	12	12	-	-	37	37
Investment volume CHF million	350.0	350.0	90.0	90.0	-	-	440.0	440.0
Market value CHF million	32.6	30.0	8.4	8.4	-	-	41	38.4
Change in market value <sup>5</sup> CHF Mio.	0.0	0.0	0.0	0.0	-	-	0.0	0.0
<b>Residential real estate</b>								
Number of properties	4	3	15	15	3	3	22	21
Useable floor space '000 m <sup>2</sup>	11	9	63	63	13	13	87	85
Vacancy rate <sup>1</sup> %	2.1	3.9	1.4	1.9	3.6	3.7	1.9	3.0
Rental income CHF million	1.5	1.2	6.4	6.0	1.6	1.5	9.5	8.7
Real estate profit <sup>2</sup> CHF million	1.3	1.0	5.3	5.1	1.2	1.3	7.8	7.4
Gross yield <sup>3</sup> %	6.0	5.7	6.3	6.1	6.1	6.3	6.2	6.1
Net yield <sup>3</sup> %	5.2	4.8	5.1	5.3	5.0	5.3	5.1	5.2
Cost value CHF million	48.8	38.4	189.6	189.9	49.6	49.6	288.0	277.9
Market value CHF million	49.1	38.7	207.2	207.2	46.4	47.0	302.7	292.9
Average market value <sup>4</sup> CHF million	12.3	12.9	13.8	13.8	15.5	15.7	13.8	13.9
Change in market value <sup>5</sup> CHF million	0.0	0.8	0.3	3.5	-0.6	-1.1	-0.3	3.2
<b>Real estate for development</b>								
<b>Land reserves</b>								
Plot size '000 m <sup>2</sup>	6.6	12.2	169.9	260.7	20.4	22.4	196.9	295.3
Estimated investment volume CHF million	73.0	112.0	793.0	1 085.0	123.0	128.0	989.0	1 325.0
Cost value CHF million	15.2	31.8	176.3	221.9	7.2	5.8	198.7	259.5
<b>Buildings under construction</b>								
Estimated investment volume CHF million	75.0	164.0	571.0	293.0	68.0	68.0	714.0	525.0
Cost value CHF million	32.0	46.4	222.6	138.5	9.2	32.1	263.8	217.0

\* 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 30.06.2007 resp. 31.12.2006.

<sup>1</sup> In percent of targeted rental income

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

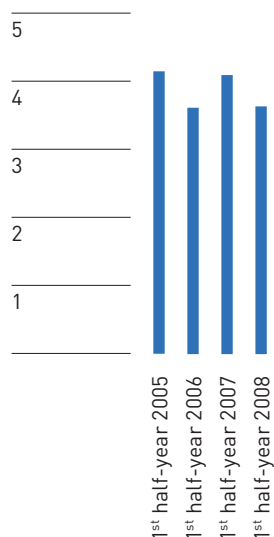
<sup>3</sup> In percent of continued market value as at 1 January (annulised)

<sup>4</sup> Per building

<sup>5</sup> Based on revaluation in 1<sup>st</sup> half-year

# Allreal creates value

Earnings per share excl.  
revaluation gains  
CHF



- Convincing operating result
- Growth of real estate portfolio to CHF 2.1 billion
- Highly profitable Projects & Development division
- Favourable financing

Following the excellent results reported for 2007, Allreal announces outstanding operating results for the first six months of 2008. The convincing performance record confirms Allreal's competitiveness in both of its divisions, Real Estate and Projects & Development.

Allreal held its own on the stock exchange. In an environment characterised by strong fluctuations and rising interest rates, the stock proved a stable investment, both in terms of the overall market and within the real estate segment. As of 30 June 2008, the Allreal share price closed at CHF 130.50, corresponding to the 2007 year-end value. Overall performance (price development plus dividend) for the first half of 2008 was 3.8%. As of 30 June 2008, the advance over the net asset value amounted to 18.6% (31 December 2008: 18.2%).

## Satisfying earnings situation

Stable income from renting commercial and residential properties and the income from the Projects & Development division resulted in a sound net profit excluding revaluation gains of CHF 41.3 million (1<sup>st</sup> half-year 2007: CHF 40.6 million).

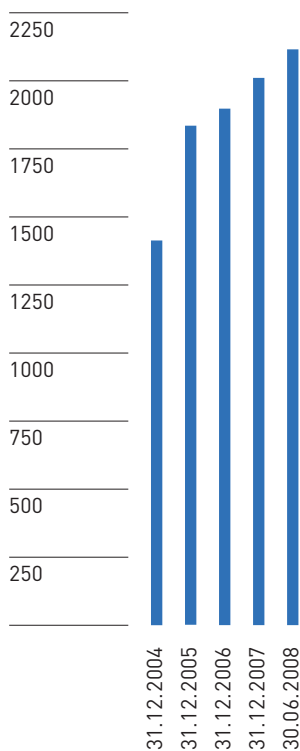
Income resulting from the rental of investment properties plus the project volume handled by the Projects & Development division provided total sales of CHF 270.6 million (1<sup>st</sup> half-year 2007: CHF 285.5 million).

Since the upward or downward valuation of individual properties carried out by independent real estate valuers balanced each other out, the effect on the value of the total portfolio remained marginal.

Consequently, at CHF 42.2 million, net income including revaluation gains for the 1<sup>st</sup> half of 2008 remained below comparable results in the previous year, which was characterised by revaluation gains and gains due to first-time valuation of completed buildings.

## Real estate investments

CHF million



## Real Estate division

Allreal further expanded its real estate portfolio by acquiring four fully let properties at a total value of approximately CHF 100 million. The properties, which were acquired from a private seller, included two office buildings and a residential building comprising 14 apartments in Zurich and a commercial building including reserves for development in Bassersdorf near Zurich Airport. The properties represent 22,700 square metres of rentable floor space and will fully affect net income as early as the 2<sup>nd</sup> half-year of 2008.

The portfolio experienced a further addition – the test plant for turbo compressors on the Escher-Wyss site in Zurich-West was completed on schedule and leased to an industrial tenant.

Moreover, during the first half of this year a commercial building in Aarau and two commercial buildings in Zurich were sold at a profit. The selling price for the buildings was 8.3% above the market value as of 31 December 2007 resulting in a pre-tax profit of CHF 2.1 million.

On the balance sheet date the portfolio comprised a total of 72 income-producing properties at an average fair market value of CHF 28.8 million.

The revaluation of individual properties resulted in a slightly negative value correction of CHF 0.1 million. The marginal change confirms the high quality of the stable-income portfolio of investment properties.

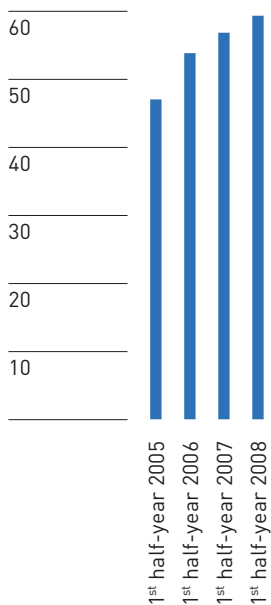
Additions and revaluation gains resulted in a total increase in value of the portfolio of investment properties (income-producing properties and land reserves) of 4.2% to CHF 2.12 billion.

Rental income grew by a satisfying 6.7% to CHF 59.3 million (1<sup>st</sup> half-year 2007: CHF 55.6 million). Especially the “Lightcube” office building in Opfikon, which affected net income for the first time, and commercial and residential buildings in Basel, Effretikon and Ebikon acquired in 2007 have contributed toward income growth.

Compared to the comparable period the previous year, the expenses for administration, operations, maintenance and repairs subsumed under real estate expenses remained practically unchanged. Consequently, net yield resulting from renting income-producing properties remained at a satisfying 5.2% (1<sup>st</sup> half-year 2007: 5.1%) owing to higher rental revenue.

The vacancy rate as of the balance sheet date was recorded at a low 5.4% (1<sup>st</sup> half-year 2007: 5.7%). About one-fifth of the vacancies refers to surface areas or buildings currently being renovated or altered to raise their attractiveness on the market.

**Income from real estate investments**  
CHF million



For one commercial building in Zurich-Wiedikon, which is currently being re-furnished, leases for a large share of the office space starting 1 October 2008 have been signed prior to the completion of construction work.

The Real Estate division reported an increased operating result excluding revaluation gains (EBIT) for the period under review of CHF 50.3 million, representing a rise of 9.6% over the comparable period the previous year. The division's share of the group's EBIT remains practically unchanged at 70%.

#### **Projects & Development division**

With a CHF 45.6 million result from business activity for the first half of 2008, the Projects & Development division again reported an outstanding result.

With its activities of project development, realisation and buying and selling of properties, the Projects & Development division reported an EBIT of CHF 21.9 million, which is close to the previous year's value (1<sup>st</sup> half-year 2007: CHF 22.3 million).

The cyclical profits derived from completed projects from own development, be it from their sale as condominiums or as investment properties to institutional investors, again made a substantial contribution toward the division's convincing performance.

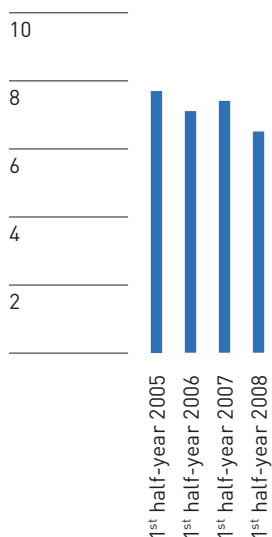
The division's operating margin serves as a yardstick for profitability and competitiveness. At 48% it was again reported significantly above the minimum value of 30% specified by the company.

The Project Development department made a significant and increasingly indispensable contribution toward the division's success through its innovative solutions tailored to investors' needs.

During the period under review, numerous of Allreal's own projects and projects for third parties pressed ahead, some ready for construction and others sold to investors. Significant own projects and projects for third parties under way during the first half of 2008 represented the ongoing planning of Dietlimoos in Adliswil, Johannes Hirt-Strasse in Au-Wädenswil, Markthalle in Basel, Breiti-Park in Bassersdorf, Gschwader in Uster, Bauarena and Gries in Volketswil, Richti in Wallisellen and Escher-Terrassen in Zurich-West.



Return on equity (RoE) excl. revaluation  
in percent



The course of business in Realisation was characterised by rising costs in all work categories, slightly weakening construction activity and continued high competitive pressure. Owing to consistent adherence to a limitation by which Allreal only handles construction, alteration and renovation projects with a realistically assessable risk and sound profit potential, and owing to delays in approval for construction, the processed project volume decreased by 8.1% to CHF 211.3 million (1<sup>st</sup> half-year 2007: CHF 229.9 million).

The consistently high order backlog of approximately CHF 1.4 billion as of 30 June 2008 represents full utilization at existing capacity of about two years.

Several significant projects were started during the period under review, such as the start of realisation of the Bauarena commercial building in Volketswil and the residential developments Dietlimoos in Adliswil, Gschwader in Uster, Hürdli in Würenlos and Schürbungert in Zurich-Unterstrass. Moreover, preparation work for the planned conversion of the Toni-Areal in Zurich-West has proceeded so far that construction work can start at the end of 2008 or beginning of 2009.

The largest projects finished on time during the first half-year include the residential and commercial development Buckhauserpark in Zurich-Altstetten, the expansion of the test plant for turbo compressors on the Escher-Wyss site in Zurich-West, the first stage of a facility for the handicapped in Turbenthal and the complex alteration of an embassy building in Bern.

While the share of third-party work during the first six months of 2008 remained at practically the same level as in previous years, namely 75.7%, projects for sale as condominiums represented 24.3% and projects for the own portfolio 6.5%.

The sale of residential property from Allreal's own development and production during the first half-year proved extremely gratifying. With close to 200 apartments and single-family houses, the department sold as many units during the first six months of the year as during all of last year. Furthermore, the profitable sale of two income-producing properties from own project development to institutional investors contributed toward the outstanding result of the Projects & Development division. These properties represented a residential and commercial complex in Fällanden and a half-share of the Bauarena commercial building in Volketswil. In addition to the successful sales activity, land in Unterägeri suitable for residential construction and in close proximity to the lake was secured as a land reserve.

With an operating result of CHF 21.9 million, the share of the group's EBIT earned by the Projects & Development division is reported at a respectable 30.0% (1<sup>st</sup> half-year 2007: 33.0%).

#### **Sound financing as a stable foundation for business activity**

Thanks to the continued favourable financing of interest-bearing debt and the means resulting from the capital increase carried out during the fourth quarter of 2007, Allreal disposes of a respectable investment volume. With the available means, the company will be able to finance both the development and realisation of projects as well as expand its real estate portfolio by acquiring individual yield-producing properties or entire portfolios.

These projects currently comprise the start of construction in the second half of this year of Escher-Terrassen and Toni-Areal in Zurich-West, Markthalle in Basel and Richti in Wallisellen, and the MITTIM building in the centre of Wallisellen currently being constructed.

Despite significantly higher interest rates on the money and capital market, Allreal's financial liabilities on the balance sheet date were financed attractively at a practically unchanged average interest rate of 2.84% (31 December 2008: 2.81%) and a shorter average remaining life of 40 months (31 December 2007: 48 months).

The equity ratio on the balance sheet date was 45%, slightly below the comparable value recorded the previous year (31 December 2007: 46.9%). By maintaining the target values defined in the company's investment guidelines, Allreal disposes of a comfortable investment volume of CHF 800 to 850 million.

Return on equity (excluding revaluation gains or losses) of 6.5% (1<sup>st</sup> half-year 2007: 7.4%) and net gearing of 98.7% (31 December 2007: 92%) changed only marginally when compared to the previous year.

### **Positive expectations despite demanding economic parameters**

For the second half-year 2008 and beyond, Allreal expects construction activity in Switzerland to decline as a result of a price hike in planning services and construction activity. In addition, there is a certain insecurity concerning the development of the financial markets and the economy.

It is expected that rising interest rates will lead to a slow-down of the market for yield-bearing real estate. Thanks to the combination of a stable-income real estate portfolio with the activities of a general contractor, Allreal is in a position to react extremely flexibly to changing market conditions. The current development could, therefore, provide the company with positive aspects and new opportunities.

Although the outstanding result for the 1<sup>st</sup> half-year 2008 was characterised strongly by one-time profits resulting from the completion of own projects, Allreal expects business activity to continue on a steady course and the operating result for the 2008 financial year to remain at least at the previous year's level.

This positive assessment is based on stable revenue from income-producing properties, high profitability and good order backlog in the Projects & Development division, the progress in the level of development of several significant own projects and the advantageous financing.

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



Dr. Thomas Lustenberger  
Chairman



Bruno Bettoni  
Chief Executive Officer

# Consolidated semi-annual financial statements of Allreal Group

## Consolidated income statement

CHF million	1 <sup>st</sup> half-year 2008	1 <sup>st</sup> half-year 2007
Income from renting investment real estate	59.3	55.6
Direct expenses for rented investment real estate	-7.7	-7.7
<b>Earnings from renting investment real estate</b>	<b>51.6</b>	<b>47.9</b>
<b>Earnings from sale of investment real estate</b>	<b>2.1</b>	<b>0.8</b>
Higher valuation of investment real estate	6.0	30.6
Lower valuation of investment real estate	-6.1	-5.9
<b>Earnings from revaluation of investment real estate</b>	<b>-0.1</b>	<b>24.7</b>
Completed project volume by Projects & Development division	211.3	229.9
Direct expenses for completed project volume by Projects & Development division	-188.7	-200.5
Earnings from project development and sale of development real estate	11.4	8.7
Capitalised company produced assets	11.3	6.8
Various income	0.3	0.3
<b>Earnings from Projects &amp; Development division</b>	<b>45.6</b>	<b>45.2</b>
Personnel expenses	-21.4	-20.0
Other operating expenses	-5.6	-6.6
<b>EBITDA</b>	<b>72.2</b>	<b>92.0</b>
Amortisation goodwill	-0.5	0.4
Depreciation other property, plant and equipment	-0.5	-0.4
<b>Operating profit (EBIT)</b>	<b>71.2</b>	<b>92.0</b>
Finance income	0.4	0.5
Finance expenses	-19.2	-17.9
<b>Net profit before tax</b>	<b>52.4</b>	<b>74.6</b>
Tax expenses	-10.2	-18.3
<b>Net profit</b>	<b>42.2</b>	<b>56.3</b>
Total sales	270.6	285.5
EBITDA excl. earnings from revaluation	72.3	67.3
Operating profit (EBIT) excl. earnings from revaluation	71.3	67.3
<b>Net profit excl. revaluation effect</b>	<b>41.3</b>	<b>40.6</b>
<b>Net profit per share in CHF</b>		
— incl. revaluation effect	3.72	5.69
— excl. revaluation effect	3.64	4.10
<b>Diluted earnings per share in CHF</b>		
— incl. revaluation effect	3.56	5.29
— excl. revaluation effect	3.49	3.87

## Consolidated balance sheet

CHF million	30.06.2008	31.12.2007
Real estate investments	2 116.1	2 031.3
Real estate for development	462.5	476.5
Other property, plant and equipment	1.6	1.2
Financial assets	42.8	30.2
Deferred tax assets	17.9	17.7
<b>Fixed assets</b>	<b>2 640.9</b>	<b>2 556.9</b>
Trade receivables	75.2	73.2
Other receivables	4.8	5.7
Short-term tax assets	0.0	1.0
Cash	38.9	19.5
Subtotal	118.9	99.4
Development properties designated for sale	10.8	15.0
<b>Current assets</b>	<b>129.7</b>	<b>114.4</b>
<b>Total assets</b>	<b>2 770.6</b>	<b>2 671.3</b>
Share capital	569.3	569.3
Capital reserves	382.8	382.8
Treasury shares	-5.1	-4.7
Retained earnings	301.1	305.7
<b>Total equity</b>	<b>1 248.1</b>	<b>1 253.1</b>
Long-term borrowings	250.9	284.1
Deferred tax liabilities	101.8	90.2
Long-term provisions	5.9	6.0
<b>Long-term liabilities</b>	<b>358.6</b>	<b>380.3</b>
Trade payables	94.0	111.0
Current tax liabilities	4.4	0.0
Other current liabilities	44.4	37.0
Short-term borrowings	1.6	2.1
Short-term provisions	1 019.5	887.8
<b>Short-term liabilities</b>	<b>1 163.9</b>	<b>1 037.9</b>
<b>Total liabilities</b>	<b>1 522.5</b>	<b>1 418.2</b>
<b>Total equity and liabilities</b>	<b>2 770.6</b>	<b>2 671.3</b>
<b>Equity (NAV) per share in CHF</b>		
— before deferred tax	117.35	116.80
— after deferred tax	110.00	110.40

## 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 1 January 2007</b>	<b>487.9</b>	<b>283.1</b>	<b>-1.1</b>	<b>2.1</b>	<b>31.2</b>	<b>225.5</b>	<b>1 028.7</b>
Net profit						56.3	56.3
Valuation of financial instruments				15.5			15.5
Total profits and losses recognised directly in equity				15.5		56.3	71.8
Purchase treasury shares			-20.3				-20.3
Sale treasury shares			18.6			-0.3	18.3
Dividend payment						-48.8	-48.8
Issue of shares from convertible bond	0.1	0.3					0.4
Reclassification					23.1	-23.1	0.0
<b>As at 30 June 2007</b>	<b>488.0</b>	<b>283.4</b>	<b>-2.8</b>	<b>17.6</b>	<b>54.3</b>	<b>209.6</b>	<b>1 050.1</b>
Net profit						31.7	31.7
Valuation of financial instruments				-7.6			-7.6
Total profits and losses recognised directly in equity				-7.6		31.7	24.1
Capital increase 2007	81.3	99.4					180.7
Purchase treasury shares			-34.2				-34.2
Sale treasury shares			32.3			0.1	32.4
Reclassification					1.0	-1.0	0.0
<b>As at 31 December 2007</b>	<b>569.3</b>	<b>382.8</b>	<b>-4.7</b>	<b>10.0</b>	<b>55.3</b>	<b>240.4</b>	<b>1 253.1</b>
Net profit						42.2	42.2
Valuation of financial instruments				9.9			9.9
Total profits and losses recognised directly in equity				9.9		42.2	52.1
Purchase treasury shares			-29.7				-29.7
Sale treasury shares			29.3			0.1	29.4
Dividend payment						-56.8	-56.8
Reclassification					6.7	-6.7	0.0
<b>As at 30 June 2008</b>	<b>569.3</b>	<b>382.8</b>	<b>-5.1</b>	<b>19.9</b>	<b>62.0</b>	<b>219.2</b>	<b>1 248.1</b>

## Consolidated cash flow statement

CHF million	1 <sup>st</sup> half-year 2008	1 <sup>st</sup> half-year 2007
Earnings before tax	52.4	74.6
Net financial expense	18.8	17.4
Earnings from revaluation of real estate investments	0.1	-24.7
Depreciation other tangible fixed assets	0.5	0.4
Amortisation goodwill	0.5	-0.4
Earnings from sale of real estate investments	-2.1	-0.8
Capitalisation of company produced assets	-11.3	-6.8
Other items	-0.5	0.4
Change in securities	0.0	1.0
Change in trade receivables	-2.6	36.1
Change in other receivables	2.7	-0.4
Change in provisions	-0.6	-1.0
Change in trade payables	-17.0	-33.2
Change in other current liabilities	6.0	13.2
Cost of finance paid	-13.6	-18.4
Financial income received	0.3	0.5
Income tax paid	-4.0	-5.9
<b>Cash flow from operating activities</b>	<b>29.4</b>	<b>52.0</b>
Acquisition of real estate investments	-3.6	-30.0
Proceeds from sale of real estate investments	28.8	3.5
Acquisition of real estate for development	-165.8	-221.5
Proceeds from sale of real estate for development	186.1	116.6
Acquisition of other property, plant and equipment	-0.8	-0.2
Acquisition of companies (purchasing price minus cash)	-61.7	-9.4
Increase financial assets	0.0	-2.7
Decrease in financial assets	0.2	0.2
<b>Cash flow from investing activities</b>	<b>-16.8</b>	<b>-143.5</b>
Increase in borrowings	165.5	198.0
Decrease in borrowings	-101.5	-56.4
Purchase treasury shares	-29.7	-20.3
Sale treasury shares	29.3	18.3
Dividend payment	-56.8	-48.8
<b>Cash flow from financing activities</b>	<b>6.8</b>	<b>90.8</b>
<b>Change in cash</b>	<b>19.4</b>	<b>-0.7</b>
Cash at 1 January	19.5	13.3
Cash at 30 June	<b>38.9</b>	<b>12.6</b>

## Segment information 1<sup>st</sup> half-year 2008

CHF million	Real Estate	Projects & Development	Holding functions	Eliminations/ not assigned	Total
<b>Income statement</b>					
Profit from operations <sup>1</sup>	53.7	45.6	0.0	0.0	99.3
Value adjustment of fixed assets	0.0	0.0	0.0	0.0	0.0
Profit from intercompany services	-1.8	2.2	-0.4	0.0	0.0
Revaluation on real estate investments	-0.1	0.0	0.0	0.0	-0.1
Expenses for staff, other	-1.0	-25.5	-0.5	0.0	-27.0
<b>EBITDA</b>	<b>50.8</b>	<b>22.3</b>	<b>-0.9</b>	<b>0.0</b>	<b>72.2</b>
Depreciation and amortisation	-0.6	-0.4	0.0	0.0	-1.0
<b>Operating profit (EBIT)</b>	<b>50.2</b>	<b>21.9</b>	<b>-0.9</b>	<b>0.0</b>	<b>71.2</b>
Net finance expense					-18.8
Taxes					-10.2
<b>Net profit</b>					<b>42.2</b>
EBITDA excl. revaluation gains	50.9	22.3	-0.9	0.0	72.3
EBIT excl. revaluation gains	50.3	21.9	-0.9	0.0	71.3
<b>Net profit excl. revaluation effect</b>					<b>41.3</b>
Operating margin <sup>2</sup>	93.7	48.0	-	-	73.3
Operating net cash flow <sup>3</sup>	46.9	21.7	-0.9	0.0	67.7
Total third-party sales	59.3	211.3	0.0	0.0	270.6
Total sales from intergroup services	0.0	18.6	0.0	-18.6	0.0
<b>Balance sheet as at 30 June 2008</b>					
Fixed assets	2 116.3	463.9	0.0		2 580.2
Current assets	4.8	85.2	0.1		90.1
<b>Total segment assets</b>	<b>2 121.1</b>	<b>549.1</b>	<b>0.1</b>		<b>2 670.3</b>
Non-assigned assets				100.3	100.3
<b>Total assets</b>					<b>2 770.6</b>
Provisions	1.2	6.3	0.0		7.5
Other debt capital (excl. financing taxes)	6.8	113.1	0.1		120.0
<b>Total segment liabilities</b>	<b>12.0</b>	<b>119.4</b>	<b>0.1</b>		<b>131.5</b>
Financial liabilities (incl. deferred interest)				1 288.3	1 288.3
Tax liabilities				106.2	106.2
<b>Total debt</b>					<b>1 522.5</b>
<b>Total assigned equity<sup>4</sup></b>	<b>1 011.9</b>	<b>234.3</b>	<b>1.9</b>		<b>1 248.1</b>
Cost of acquisition of other tangible assets and intangible assets	0.8	5.0	0.0	-	5.8
Investments in real estate and tangible assets	3.7	166.5	0.0	-	170.2

<sup>1</sup> Profit from letting and selling investment real estate (Real Estate division), and profit from general contracting operations (Projects & Development division) excluding value adjustments on development real estate

<sup>2</sup> EBIT less revaluation gains in percent of profit from operations including value adjustments on fixed assets

<sup>3</sup> EBITDA less revaluation gains, value increasing investments and buying/selling other fixed assets

<sup>4</sup> Assignment of equity to individual segments corresponds to internal financial reporting guidelines requiring an equity ratio of 40% for the Projects & Development division

Allreal operates in Switzerland only. Therefore, no regional break-down is provided.



## Segment information 1<sup>st</sup> half-year 2007

CHF million	Real Estate	Projects & Development	Holding functions	Eliminations/ not assigned	Total
<b>Income statement</b>					
Profit from operations <sup>1</sup>	48.7	45.2	0.0	0.0	93.9
Value adjustment of fixed assets	0.0	0.0	0.0	0.0	0.0
Profit from intercompany services	-1.8	2.2	-0.4	0.0	0.0
Revaluation on real estate investments	24.7	0.0	0.0	0.0	24.7
Expenses for staff, other	-1.4	-24.7	-0.5	0.0	-26.6
<b>EBITDA</b>	<b>70.2</b>	<b>22.7</b>	<b>-0.9</b>	<b>0.0</b>	<b>92.0</b>
Depreciation and amortisation	0.4	-0.4	0.0	0.0	0.0
<b>Operating profit (EBIT)</b>	<b>70.6</b>	<b>22.3</b>	<b>-0.9</b>	<b>0.0</b>	<b>92.0</b>
Net finance expense					-17.4
Taxes					-18.3
<b>Net profit</b>					<b>56.3</b>
EBITDA excl. revaluation gains	45.5	22.7	-0.9	0.0	67.3
EBIT excl. revaluation gains	45.9	22.3	-0.9	0.0	67.3
<b>Net profit excl. revaluation effect</b>					<b>40.6</b>
Operating margin <sup>2</sup>	94.3	49.3	-	-	71.7
Operating net cash flow <sup>3</sup>	45.5	22.5	-0.9	0.0	67.1
Total third-party sales	55.6	229.9	0.0	0.0	285.5
Total sales from intergroup services	0.0	7.1	0.0	-7.1	0.0
<b>Balance sheet as at 31 December 2007</b>					
Fixed assets	2 031.4	477.6	0.0		2 509.0
Current assets	4.2	90.5	0.1		94.8
<b>Total segment assets</b>	<b>2 035.6</b>	<b>568.1</b>	<b>0.1</b>		<b>2 603.8</b>
Non-assigned assets				67.5	67.5
<b>Total assets</b>					<b>2 671.3</b>
Provisions	1.2	6.9	0.0		8.1
Other debt capital (excl. financing taxes)	10.2	120.5	0.1		130.8
<b>Total segment liabilities</b>	<b>11.4</b>	<b>127.4</b>	<b>0.1</b>		<b>138.9</b>
Financial liabilities (incl. deferred interest)				1 189.1	1 189.1
Tax liabilities				90.2	90.2
<b>Total debt</b>					<b>1 418.2</b>
<b>Total assigned equity<sup>4</sup></b>	<b>1 014.5</b>	<b>236.3</b>	<b>2.3</b>		<b>1 253.1</b>
Cost of acquisition of other tangible assets and intangible assets	0.1	4.6	0.0	-	4.7
Investments in real estate and tangible assets	30.0	221.7	0.0	-	251.7

<sup>1</sup> Profit from letting and selling investment real estate (Real Estate division), and profit from general contracting operations (Projects & Development division) excluding value adjustments on development real estate

<sup>2</sup> EBIT less revaluation gains in percent of profit from operations including value adjustments on fixed assets

<sup>3</sup> EBITDA less revaluation gains, value increasing investments and buying/selling other fixed assets

<sup>4</sup> Assignment of equity to individual segments corresponds to internal financial reporting guidelines requiring an equity ratio of 40% for the Projects & Development division

Allreal operates in Switzerland only. Therefore, no regional break-down is provided.

# Organisation, contacts, schedule

## Structure and addresses

### Allreal Holding AG Allreal Finanz AG

Grabenstrasse 25  
6340 Baar  
T 041 711 33 03

Allreal Office AG  
Allreal Toni AG  
Allreal Vulkan AG  
Allreal West AG

Allreal Generalunternehmung AG  
Allreal Markthalle AG

### Allreal Home AG

Eggbühlstrasse 15  
8050 Zurich  
T 044 319 11 11

Eggbühlstrasse 15  
8050 Zurich  
T 044 319 11 11

Eggbühlstrasse 15  
8050 Zurich  
T 044 319 11 11

St. Alban-Vorstadt 80  
4052 Basel  
T 061 206 96 96

Zieglerstrasse 53  
3007 Bern  
T 031 917 18 88

Gaiserwaldstrasse 14  
9015 St. Gallen  
T 071 314 08 20

## Contacts

**Bruno Bettoni**  
Chief Executive Officer

T 044 319 12 37  
F 044 319 15 35  
bruno.bettoni@allreal.ch

**Roger Herzog**  
Chief Financial Officer

T 044 319 12 04  
F 044 319 15 35  
roger.herzog@allreal.ch

**Matthias Meier**  
Chief Communications Officer

T 044 319 12 67  
F 044 319 15 35  
matthias.meier@allreal.ch

## Schedule

Annual results 2008	26 February 2009
Annual general meeting 2009	27 March 2009, 16.00 h
Half-year results 2009	27 August 2009



Allreal Holding AG  
Grabenstrasse 25  
CH-6340 Baar/Switzerland  
[www.allreal.ch](http://www.allreal.ch)

**allreal**

**building value**