

Half-year Report

2017

allreal

Key figures at a glance

		1 st half-year 2017 as at 30.06.2017*	1 st half-year 2016 as at 31.12.2016*	Change in % ¹
Group				
Total sales ²	CHF million	293.6	348.9	-15.8
Operating profit (EBIT) incl. revaluation gains	CHF million	94.4	110.4	-14.4
Net profit incl. revaluation effect	CHF million	66.0	69.8	-5.4
Operating profit (EBIT) excl. revaluation gains	CHF million	85.7	100.1	-14.4
Net profit excl. revaluation effect	CHF million	59.3	61.4	-3.4
Cash flow	CHF million	96.4	181.4	-46.9
Return on equity incl. revaluation effect (annualised)	%	6.3	7.1	-0.8
Return on equity excl. revaluation effect (annualised)	%	6.3	6.6	-0.3
Equity ratio on cut-off date	%	51.9	52.3	-0.4
Net gearing ³ on cut-off date	%	77.1	75.7	+1.4
Average interest rate on financial liabilities on cut-off date	%	1.69	1.67	+0.02
Average duration of financial liabilities	months	52	36	+16
Sales Projects & Development division	CHF million	203.8	260.2	-21.7
Earnings from Projects & Development division ⁴	CHF million	37.4	49.8	-24.9
Operating margin Projects & Development division ⁵	%	38.8	48.8	-10.0
Employees on cut-off date	number of full-time equivalents	261	276	-15
Share				
Earnings per share incl. revaluation effect	CHF	4.14	4.38	-5.5
Earnings per share excl. revaluation effect	CHF	3.72	3.85	-3.4
Net asset value (NAV) per share before deferred taxes on cut-off date	CHF	140.55	140.90	-0.2
Net asset value (NAV) per share after deferred taxes on cut-off date	CHF	130.20	131.00	-0.5
Share price on cut-off date	CHF	173.50	151.30	+14.7
Valuation on cut-off date				
Market capitalisation ⁶	CHF million	2 763.8	2 410.3	+14.7
Enterprise value (EV) ⁷	CHF million	4 363.8	3 989.6	+9.4

* Should no further particulars be given, values referring to the income statement concern the 1st half-year and balance sheet value the cut-off dates on 30.06.2017 or as at 31.12.2016

¹ Changes in quantum and percentage values shown as absolute difference

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

³ Financial liabilities minus cash as percentage of equity

⁴ Income from realisation Projects & Development, sales development, capitalised company-produced assets and diverse income minus direct expenses for realisation Projects & Development and sales development

⁵ 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)

⁶ Stock price at balance sheet date multiplied by the number of outstanding shares

⁷ Market capitalisation plus net debts

Real estate at a glance

		1 st half-year 2017 as at 30.06.2017*	1 st half-year 2016 as at 31.12.2016	Change in % ¹
Yield-producing properties				
Residential real estate	number	20	20	0
Commercial real estate	number	38	39	-1
Market value on cut-off date	CHF million	3 499.5	3 505.0	-0.2
Rental income from investment real estate	CHF million	87.5	86.5	+1.2
Vacancy rate ²	%	2.9	6.2	-3.3
Real estate expenses	CHF million	-11.1	-11.5	-3.5
Real estate expenses	in % of rental income	12.7	13.3	-0.6
Gross yield ³	%	5.0	5.2	-0.2
Net yield ⁴	%	4.4	4.3	+0.1
Real estate under construction				
Buildings	number	2	2	0
Market value on cut-off date	CHF million	94.5	69.5	+36.0
Investment volume	CHF million	113.0	113.0	0.0
Investment real estate for development				
Book value development reserves on cut-off date	CHF million	97.2	101.6	-4.3
Estimated investment volume development reserves	CHF million	482.0	615.0	-21.6
Book value buildings under construction on cut-off date	CHF million	10.5	8.3	+26.5
Estimated investment volume buildings under construction	CHF million	16.0	16.0	0.0
Book value completed real estate on cut-off date	CHF million	25.9	55.8	-53.6

* Should no further particulars be given, values referring to the income statement concern the 1st half-year and balance sheet value the cut-off dates on 30.06.2017 or as at 31.12.2016

¹ Changes in quantum and percentage values are shown as absolute difference

² in percent of targeted rental income, cumulated at cut-off date

³ Rental income from investment real estate in percent of continued market value as at 1 January

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

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Sound 2017 Half-year Results

- Stable business development in both divisions
- Continued reduction of vacancy rate
- Project & Development profitable despite lower project volume
- Significant reduction in cost of finance at clearly extended fixed-interest term

Earnings including revaluation effect for the first half-year 2017 amounted to CHF 66.0 million. This amount is 5.4% below the previous year's result (1st half 2016: CHF 69.8 million) which was strongly characterised by the sale of development real estate. The gratifying real estate result, profits from the realisation of projects for third parties and for the own portfolio, and lower cost of financing contributed toward the sound result.

Compared to the period the previous year, the valuation of the yield-producing properties by the external real estate valuer resulted in a revaluation gain of CHF 8.7 million (1st half 2016: CHF 10.3 million).

The two divisions, Real Estate and Projects & Development, produced an operating net profit in the period under review of CHF 59.3 million (1st half 2016: CHF 61.4 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 293.6 million (1st half 2016: CHF 348.9 million).

The higher share price resulted in a market capitalisation increase of CHF 353.5 million to CHF 2,763.8 million (31.12.2016: CHF 2,410.3 million).

On the cut-off date, Allreal employed a total of 276 employees representing 261 full-time positions (31.12.2016: 292 employees/276 full-time positions).

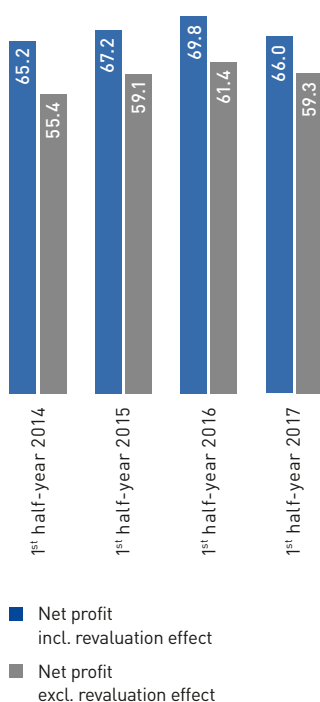
Real Estate division with historically low vacancy rate

Owing to the ongoing reduction in vacancy-related earnings losses and despite the divestment of four income-producing commercial properties in the first half of 2016, rental income in the period under review grew by 1.2% to CHF 87.5 million (1st half 2016: CHF 86.5 million).

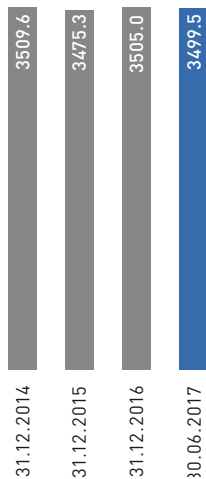
Thanks to exceptionally successful initial letting and re-letting achievements in both residential and commercial real estate, the cumulative vacancy rate declined by 3.3 percentage points to a low 2.9% (1st half 2016: 6.2%). This is due, not least, to the synergies resulting from the close cooperation with the Projects & Development division concerning conversions and extensions and to the institutionalised and regular contacts cultivated with existing and potential tenants.

Direct expenses for rented investment real estate in the first half of 2017 amounted to CHF 11.1 million (1st half 2016: CHF 11.5 million) representing a low expense rate of 12.7% (1st half 2016: CHF 13.3%) which will, however, rise in the course of the second half of 2017.

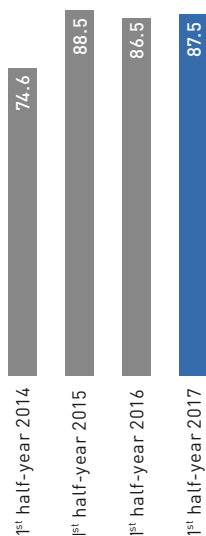
Net profit
CHF million



Yield-producing properties
CHF million



Income from
investment real estate
CHF million



Net yield reported in the period under review resulting from the rental of residential and commercial real estate amounted to 4.4% (1st half 2016: 4.3%).

Operating profit reported by the Real Estate division for the first half of 2017 from rental and management of real estate excluding revaluation gains amounted to CHF 72.5 million, or 5.8% below the comparable value achieved the previous year (1st half 2016: CHF 77.0 million) which benefited from sales profits.

In terms of yield-producing properties, the fully let commercial property on Grindelstrasse 3–5 in Bassersdorf ZH was reclassified and transferred to development reserves. Due to its merger with a 6,000 square-metre undeveloped neighbouring property held as a development reserve since 2008, the size of the property earmarked for project development grew to about 12,000 square metres. As at 30 June 2017, the portfolio of yield-producing properties comprised 20 residential and 38 commercial buildings.

The portfolio of investment real estate under construction remained unchanged in the first half of 2017. The two projects represent an investment volume of CHF 113.0 million and a target rental income of CHF 6.7 million, the one a fully let commercial building located at Schiffbauplatz in Zurich-West and the other a residential complex at Fangletenstrasse in Bülach ZH. Upon completion in the second half of 2017 and the second half of 2018 respectively, the two properties will be transferred to the portfolio of yield-producing properties.

The valuation made by the external real estate valuer as at 30 June 2017 of the 58 yield-producing properties and the two buildings classed as investment real estate under construction resulted in a positive pre-tax value adjustment of CHF 8.7 million (1st half 2016: CHF 10.3 million). The share of the revaluation result represented by the yield-producing properties amounted to CHF 4.7 million and that by investment real estate under construction to CHF 4.0 million.

The total value of the portfolio on the cut-off date amounted to CHF 3.59 billion (31.12.2016: CHF 3.57 billion).

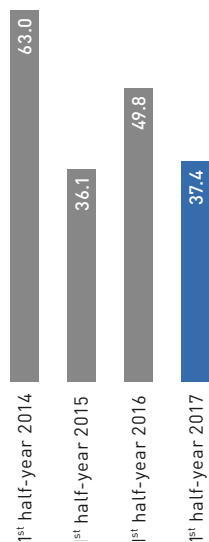
When apportioning yield-producing properties by type of use and measured by rental income, 21.7% accounted for residential use and 78.3% accounted for office, services, trade and other uses.

In the first half of 2017, the Real Estate division reported earnings excluding revaluation effect of CHF 50.2 million which represents a share in the Group's net operating result of 82.4%.

Profitable Projects & Development division in a demanding market

Earnings generated in the first half of 2017 by the Projects & Development division from development and realisation for third parties, the sale of development real estate and the capitalised performance of own projects amounted to CHF 37.4 million.

Earnings from Projects
& Development
CHF million



As expected and owing, especially, to clearly lower profits derived from the sale of development real estate amounting to CHF 8.6 million (1st half 2016: CHF 22.1 million), the result was reported at 24.9% below the previous year's comparable value, which was essentially characterised by positive sales concerning the Guggach project in Zurich Unterstrass.

The share of the income from realisation Projects & Development and generated by development and execution of projects for third parties amounted to CHF 23.6 million, corresponding to an improved gross margin of 14.5% (1st half 2016: CHF 24.4 million / 11.3%). Capitalised services concerning own projects amounted to CHF 4.1 million (1st half 2016: CHF 3.1 million).

Earnings from realisation and capitalised services for own projects were unable to compensate for lower sales profits. Despite lower operating expenses, the division's operating profit (EBIT) of CHF 14.5 million is reported below that of the previous year (1st half 2016: CHF 24.3 million).

In the first half of 2017, the Project Development department carried out a study contract for a new office building on the Escher-Wyss site in Zurich-West. The new building is to replace an office and garage building erected in 1962 at a prominent location which no longer meets requirements concerning contemporary usage and economic operation. The project unanimously recommended by the jury from eight submissions comprises about 6,500 square metres of useful space on six floors. Start of construction is scheduled for 2018, but is subject to planning permission procedures.

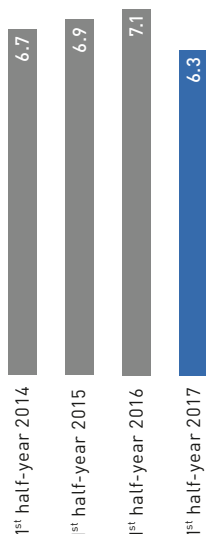
In the period under review, several project developments with a constant potential order volume of several hundred million Swiss francs for the Realisation department were advanced for third parties and the own portfolio. They include own projects in Zurich Wiedikon, Dielsdorf and Winterthur and numerous projects for third parties across German-speaking Switzerland.

The project volume processed by the Realisation department in the first half of 2017 amounted to CHF 203.8 million (1st half 2016: CHF 260.2 million). It mostly included projects with calculable risks, realistic contractual terms and sound profit potential requiring careful operating procedures and a high level of execution quality.

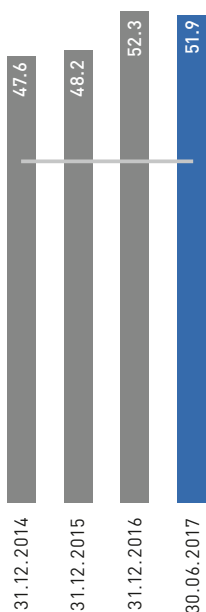
In the period under review, all construction sectors of the former Bülachguss industrial site in Bülach-Nord obtained legal validity. Moreover, the acquisition agreements signed with an institutional investor came into force. The construction start of the large project comprising some 490 rental and freehold units will result in a higher project volume in the second half of 2017.

Of the project volume completed in the first half of 2017, third-party projects represent CHF 163.8 million, development projects for sale to third parties CHF 10.9 million, and projects for the own portfolio CHF 29.1 million (1st half 2016: CHF 215.5 million / CHF 18.8 million / CHF 26.9 million).

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



Equity ratio
in percent



— Minimum

In terms of the project volume completed in the first half of 2017, the share of new construction projects was 72.4% and that of renovation and conversion projects 27.6% (1st half 2016: 69.2%/30.8%).

Secured order backlog of CHF 710 million as at 30 June 2017 represents utilisation of available capacity for a period of more than twelve months.

Of the 13 residential units from own development and realisation for sale as at 1 January 2017, 10 were sold in the first half of 2017 (1st half 2016: 49 units). The resulting profit amounted to CHF 8.6 million (1st half 2016: CHF 22.1 million). Consequently, on the cut-off date, three units in two projects, Guggach in Zurich Unterstrass and Lerchenbergstrasse in Erlenbach ZH, remained for sale.

The number of residential units for sale will increase in the second half of 2017 owing to commencement of the sale of 73 freehold apartments in Bülach-Nord.

In the first half of 2017, a plot of land measuring 3,806 square metres was acquired in Zufikon near Bremgarten AG. It is suitable for the development of 20 freehold residential units with an estimated investment volume of CHF 17.0 million.

In the period under review, the Projects & Development division reported net profit excluding revaluation effect of CHF 10.7 million, representing a 17.6% share in the Group's net operating result.

Advantageous financing structure

The Group's financial liabilities as at the cut-off date amounted to CHF 1.64 billion (31.12.2016: CHF 1.60 billion).

In the period under review, a 0.875% loan at a nominal value of CHF 160 million maturing in 2027 was issued. In addition, long-term fixed-rate mortgages were concluded and, as a result, the average fixed-interest period was extended to 52 months (31.12.2016: 36 months).

Average interest rate for debt on the cut-off date amounted to 1.69%, slightly above the comparable value the previous year (31.12.2016: 1.67%).

Freely available lines of credit on the cut-off date of CHF 675 million secure high financial scope for action.

As at 30 June 2017, Allreal's equity ratio amounted to 51.9% and net gearing to 77.1% (31.12.2016: 52.3%/75.7%).

Confident assessment of business development

The two divisions, Real Estate and Projects & Development, showed a good performance in their respective markets.

A significant contribution toward strengthening Allreal's high level of competitiveness was made by the consistent and very successful implementation of measures toward reducing the vacancy-related earnings losses.

In terms of developing and executing projects, a focus on projects with a high degree of execution quality allow for success in business operations. A strong emphasis on qualitative and economic aspects of projects goes hand in hand with continuous optimisation of processes.

Furthermore, a stronger emphasis on project development and its further progress represents the precondition for both successful acquisition and the best possible exploitation of synergies. Synergies result from the combination of a real estate portfolio providing a stable income with the activities of a general contractor.

The sound basis for Allreal's continued business development is centred on a low vacancy rate, a small number of commercial rental agreements up for renewal and growth in rental income based on portfolio expansion due in the second half of 2017.

In the Projects & Development division, progress in development and projects under construction is gratifying. Construction start in the period under review of the Bülachguss project and the connected commercial launch of 73 freehold apartments will in the medium term have a positive effect on Allreal's results.

The company continues to expect operating net profit for the 2017 financial year to remain slightly below the previous year's result.

The Board of Directors and Group Management wish to take this opportunity to thank our employees for their high level of commitment with which they have made an indispensable contribution toward Allreal's success in the period under review, and its shareholders for their trust and support.



Bruno Bettoni
Chairman



Roger Herzog
Chief Executive Officer

Consolidated half-year financial statements of Allreal Group

Consolidated statement of comprehensive income

CHF million	Notes	1 st half-year 2017	1 st half-year 2016
Income from renting investment real estate	2	87.5	86.5
Income from real estate management services	3	2.3	2.2
Income from realisation Projects & Development	4	163.8	215.5
Income from sales Development	4	65.5	170.3
Diverse income	4	1.1	0.2
Operating income		320.2	474.7
Direct expenses for rented investment real estate	5	-11.1	-11.5
Direct expenses from realisation Projects & Development	4	-140.2	-191.1
Direct expenses from sales Development	4	-56.9	-148.2
Direct operating expenses		-208.2	-350.8
Personnel expenses		-23.6	-25.1
Other operating expenses		-6.6	-7.1
Operating expenses		-30.2	-32.2
Capitalised company-produced assets		4.1	3.1
Earnings from sale of investment real estate	6	0.0	5.6
Higher valuation of yield-producing properties		15.3	21.6
Lower valuation of yield-producing properties		-10.6	-17.8
Higher valuation of investment real estate under construction		5.3	6.5
Lower valuation of investment real estate under construction		-1.3	0.0
Earnings from revaluation of investment real estate	7	8.7	10.3
EBITDA		94.6	110.7
Depreciation other property, plant and equipment		-0.2	-0.3
Amortisation intangible assets		0.0	0.0
Operating profit (EBIT)		94.4	110.4
Finance income		0.9	0.9
Finance expenses	8	-14.4	-22.5
Net profit before tax		80.9	88.8
Tax expenses		-14.9	-19.0
Net profit		66.0	69.8
Items subsequently restated in profit or loss statement:			
Valuation of financial instruments		6.6	-2.5
Deferred taxes resulting from valuation of financial instruments		-1.4	0.5
Items not subsequently restated in profit or loss statement:			
Changes in employee benefits		10.3	-13.5
Deferred taxes from changes in employee benefits		-2.3	3.0
Other comprehensive income		13.2	-12.5
Total comprehensive income		79.2	57.3
Earnings per share in CHF		4.14	4.38
Diluted earnings per share in CHF		4.14	4.39 ¹

¹ Figure restated following change in calculation of diluted earnings per share; see 1.2

Consolidated balance sheet

CHF million	Notes	30.06.2017	31.12.2016 audited
Investment real estate	10	3 499.5	3 505.0
Investment real estate under construction	10	94.5	69.5
Other property, plant and equipment		1.2	1.1
Financial assets		135.0	136.8
Intangible assets		0.2	0.2
Deferred tax assets		29.7	34.6
Non-current assets		3 760.1	3 747.2
Development real estate	11	133.6	165.7
Trade receivables		66.8	55.3
Other receivables		3.1	3.3
Cash		34.6	21.4
Current assets		238.1	245.7
Assets		3 998.2	3 992.9
Share capital	12	797.1	797.1
Capital reserves		49.5	141.1
Treasury shares	12	-2.3	-1.7
Retained earnings		1 229.7	1 150.3
Equity		2 074.0	2 086.8
Borrowings	13	1 206.6	917.7
Deferred tax liabilities		194.5	192.5
Long-term provisions		5.3	15.2
Other long-term liabilities		0.0	0.0
Long-term liabilities		1 406.4	1 125.4
Trade payables		54.3	55.5
Prepayments for development real estate		5.9	6.8
Current tax liabilities		5.5	7.4
Other current liabilities		17.5	22.2
Short-term provisions		6.6	5.8
Short-term borrowings	13	428.0	683.0
Short-term liabilities		517.8	780.7
Liabilities		1 924.2	1 906.1
Equity and liabilities		3 998.2	3 992.9

Consolidated statement of changes in shareholders' equity

CHF million				Retained earnings			Total
	Share capital	Capital reserves	Treasury shares	Hedging reserves	Revaluation reserves	Other retained reserves	
As at 1 January 2016	797.1	232.7	-4.4	-49.4	116.4	901.7	1 994.1
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
As at 30 June 2016 (reviewed)	797.1	141.1	-0.8	-51.4	143.3	934.1	1 963.4
Net profit						103.8	103.8
Valuation of financial instruments				16.0			16.0
Changes in employee benefits						4.3	4.3
Total comprehensive income				16.0		108.1	124.1
Purchase treasury shares			-10.4				-10.4
Sale treasury shares			9.5			0.2	9.7
Reclassification					49.6	-49.6	0.0
As at 31 December 2016 (audited)	797.1	141.1	-1.7	-35.4	192.9	992.8	2 086.8
Net profit						66.0	66.0
Changes in financial instruments				5.2			5.2
Changes in employee benefits						8.0	8.0
Total comprehensive income				5.2		74.0	79.2
Purchase treasury shares			-11.5				-11.5
Sale treasury shares			10.8			0.2	11.0
Pay-out of reserves from capital contributions		-91.6					-91.6
Share-based reimbursement			0.1				0.1
Reclassification					6.7	-6.7	0.0
As at 30 June 2017	797.1	49.5	-2.3	-30.2	199.6	1 060.3	2 074.0

Consolidated cash flow statement

CHF million	Notes	1 st half-year 2017	1 st half-year 2016
Earnings before tax		80.9	88.8
Net financial expense		13.5	21.6
Earnings from revaluation of investment real estate	7	-8.7	-10.3
Depreciation other property, plant and equipment		0.2	0.3
Earnings from sale of investment real estate	6	0.0	-5.6
Capitalisation of company-produced assets in development real estate		-2.3	-2.1
Share-based reimbursement		0.1	0.1
Change in pension fund obligations affecting net income		0.5	0.6
Other items		1.1	0.4
Change in development real estate		49.9	134.5
Change in trade receivables		-11.5	8.8
Change in other receivables		0.2	-3.2
Change in provisions		0.7	-0.3
Change in trade payables		-1.2	3.8
Change in down payments for development real estate		-0.9	-15.2
Change in other current liabilities		-4.7	-0.5
Cost of finance paid		-8.0	-22.1
Financial income received		0.9	0.9
Income tax paid		-14.3	-19.1
Cash flow from operating activities		96.4	181.4
Investment in yield-producing properties	10	-5.9	-7.0
Proceeds from sale of yield-producing properties	6	0.0	98.8
Investment in investment real estate under construction	10	-20.8	-13.6
Divestment of investment real estate under construction		0.0	0.0
Acquisition of other property, plant and equipment		-0.2	0.1
Divestment of other property, plant and equipment		0.0	0.0
Increase financial assets		-2.5	-2.6
Decrease in financial assets		4.4	5.8
Cash flow from investing activities		-25.0	81.5
Increase in borrowings		185.0	65.0
Decrease in borrowings		-311.5	-235.0
Issue of bond loan		160.3	149.4
Repayment bond loan		0.0	-150.0
Purchase treasury shares		-11.5	-7.9
Sale treasury shares		11.1	11.5
Payout of reserves from capital contributions		-91.6	-91.6
Cash flow from financing activities		-58.2	-258.6
Change in cash		13.2	4.3
Cash at 1 January		21.4	23.4
Cash at 30 June		34.6	27.7

Segment information for the first half-year 2017

CHF million	Real estate	Projects & Development	Total segments	Holding/ eliminations	Total
Income statement					
Operating income	89.8	230.4	320.2	0.0	320.2
Profit from intercompany services	-2.5	2.8	0.3	-0.3	0.0
Direct operating expenses	-11.1	-197.1	-208.2	0.0	-208.2
Operating expenses	-3.7	-25.5	-29.2	-1.0	-30.2
Capitalised company-produced assets	0.0	4.1	4.1	0.0	4.1
Earnings from sale of investment real estate	0.0	0.0	0.0	0.0	0.0
Earnings from revaluation of investment real estate	8.7	0.0	8.7	0.0	8.7
EBITDA	81.2	14.7	95.9	-1.3	94.6
Depreciation and amortisation	0.0	-0.2	-0.2	0.0	-0.2
Operating profit (EBIT)	81.2	14.5	95.7	-1.3	94.4
Financial income	0.9	0.0	0.9	0.0	0.9
Financial expense	-14.0	-0.4	-14.4	0.0	-14.4
Tax expense	-11.2	-3.4	-14.6	-0.3	-14.9
Net profit	56.9	10.7	67.6	-1.6	66.0
EBITDA excl. revaluation gains	72.5	14.7	87.2	-1.3	85.9
Operating profit (EBIT) excl. revaluation gains	72.5	14.5	87.0	-1.3	85.7
Net profit excl. revaluation effect	50.2	10.7	60.9	-1.6	59.3
Operating margin in percent ¹	92.1	38.8	74.9	0.0	73.8
Rental income and income from real estate management	89.8	0.0	89.8	0.0	89.8
Completed project volume third-party projects	0.0	163.8	163.8	0.0	163.8
Completed project volume own projects	0.0	40.0	40.0	0.0	40.0
Total sales (according to internal reporting)	89.8	203.8	293.6	0.0	293.6
less sales from intercompany services	0.0	-29.1	-29.1	0.0	-29.1
Total sales to third parties (according to internal reporting)	89.8	174.7	264.5	0.0	264.5
plus reconciliation item external reporting	0.0	54.6	54.6	0.0	54.6
Diverse income	0.0	1.1	1.1	0.0	1.1
Operating income	89.8	230.4	320.2	0.0	320.2
Balance sheet as at 30.06.2017					
Non-current assets	3 758.0	2.1	3 760.1	0.0	3 760.1
Current assets	7.9	229.2	237.2	0.9	238.1
Total assets	3 765.9	231.4	3 997.3	0.9	3 998.2
Provisions	0.0	11.9	11.9	0.0	11.9
Other debt (excl. financing and taxes)	8.7	69.0	77.7	0.0	77.7
Financial liabilities	1 586.0	48.6	1 634.6	0.0	1 634.6
Tax liabilities	190.7	9.3	200.0	0.0	200.0
Total debt	1 785.4	138.8	1 924.2	0.0	1 924.2
Total assigned equity²	1 980.5	92.6	2 073.1	0.9	2 074.0
Investment in non-current assets	26.7	0.2	26.9	0.0	26.9

¹ EBIT less revaluation gains in percent of income from business activity (balance of operating income, direct operating expenses, capitalised company-produced assets and earnings from sale of investment real estate)

² Assignment of equity to individual segments corresponds to internal financial reporting guidelines requiring an equity ratio of 40% for the Projects & Development division; financial and tax liabilities will be assigned accordingly

Allreal Group operates in Switzerland only. A geographical breakdown of sales and non-current assets is therefore not required.

Segment information for the first half-year 2016

CHF million	Real estate	Projects & Development	Total segments	Holding/ eliminations	Total
Income statement					
Operating income	88.7	386.0	474.7	0.0	474.7
Profit from intercompany services	-2.5	2.8	0.3	-0.3	0.0
Direct operating expenses	-11.5	-339.3	-350.8	0.0	-350.8
Operating expenses	-3.3	-28.0	-31.3	-0.9	-32.2
Capitalised company-produced assets	0.0	3.1	3.1	0.0	3.1
Earnings from sale of investment real estate	5.6	0.0	5.6	0.0	5.6
Earnings from revaluation of investment real estate	10.3	0.0	10.3	0.0	10.3
EBITDA	87.3	24.6	111.9	-1.2	110.7
Depreciation and amortisation	0.0	-0.3	-0.3	0.0	-0.3
Operating profit (EBIT)	87.3	24.3	111.6	-1.2	110.4
Financial income	0.9	0.0	0.9	0.0	0.9
Financial expense	-21.7	-0.8	-22.5	0.0	-22.5
Tax expense	-13.5	-5.1	-18.6	-0.4	-19.0
Net profit	53.0	18.4	71.4	-1.6	69.8
EBITDA excl. revaluation gains	77.0	24.6	101.6	-1.2	100.4
Operating profit (EBIT) excl. revaluation gains	77.0	24.3	101.3	-1.2	100.1
Net profit excl. revaluation effect	44.6	18.4	63.0	-1.6	61.4
Operating margin in percent ¹	93.0	48.8	76.4	0.0	75.5
Rental income and income from real estate management	88.7	0.0	88.7	0.0	88.7
Completed project volume third-party projects	0.0	215.5	215.5	0.0	215.5
Completed project volume own projects	0.0	44.7	44.7	0.0	44.7
Total sales (according to internal reporting)	88.7	260.2	348.9	0.0	348.9
less sales from intercompany services	0.0	-26.9	-26.9	0.0	-26.9
Total sales to third parties (according to internal reporting)	88.7	233.3	322.0	0.0	322.0
plus reconciliation item external reporting	0.0	152.5	152.5	0.0	152.5
Diverse income	0.0	0.2	0.2	0.0	0.2
Operating income	88.7	386.0	474.7	0.0	474.7
Balance sheet as at 31.12.2016					
Non-current assets	3743.0	4.2	3747.2	0.0	3747.2
Current assets	11.0	232.3	243.3	2.4	245.7
Total assets	3754.0	236.5	3990.5	2.4	3992.9
Provisions	0.0	21.0	21.0	0.0	21.0
Other debt (excl. financing and taxes)	12.9	71.6	84.5	0.0	84.5
Financial liabilities	1561.4	39.3	1600.7	0.0	1600.7
Tax liabilities	189.8	10.0	199.8	0.1	199.9
Total debt	1764.1	141.9	1906.0	0.1	1906.1
Total assigned equity²	1989.9	94.6	2084.5	2.3	2086.8
Investment in non-current assets	54.5	0.3	54.8	0.0	54.8

¹ EBIT less revaluation gains in percent of income from business activity (balance of operating income, direct operating expenses, capitalised company-produced assets and earnings from sale of investment real estate)

² Assignment of equity to individual segments corresponds to internal financial reporting guidelines requiring an equity ratio of 40% for the Projects & Development division; financial and tax liabilities will be assigned accordingly

Allreal Group operates in Switzerland only. A geographical breakdown of sales and non-current assets is therefore not required.

Selected notes

1 Basic principles

1.1 Presentation of accounts

The 2017 consolidated semi-annual financial statements were prepared in accordance with International Financial Reporting Standard IAS 34 on Interim Financial Reporting and conform to the Listing Rules as well as Article 17 of the Directive on Financial Reporting (DFR) of SIX Swiss Exchange. The same principles of accounting apply as for the 2016 consolidated financial statements. The scope of consolidation remained unchanged from 31 December 2016.

Since 1 January 2017, the following new or amended IFRS accounting standards and interpretations have been used in the consolidated financial statements for the first time:

Standard/Interpretation	Description	Entry into force	Application from financial year
IAS 7 (Amendment)	Disclosure Initiative	1 January 2017	2017
IAS 12 (Amendment)	Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017	2017

These IFRS changes have no significant impact on the consolidated financial statements.

Some new or amended IFRS standards and interpretations have been adopted by the IASB, but will only enter into force in a subsequent accounting period. With the exception of the standards described below, no material adjustments are expected.

IFRS 15

The standard contains new principles for recognising revenue. Of particular significance for Allreal is at what point in time revenue and income on development property held for sales are recognised. In accordance with IAS 18 and IFRIC 15, revenue and income are currently recognised on transfer of ownership of individual development real estate units. Under certain circumstances, the new standard IFRS 15 provides that revenue and income are recognised by the percentage of completion method (POC) over the life of a project.

IFRS 16

The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. Long-term leases for properties fall under the scope of IFRS 16 and are to be recognised for the lessee's right to use the asset.

A detailed analysis of the impact of IFRS 15 and IFRS 16 on the consolidated financial statements has not yet been made; it is not planned to apply the standard early. Apart from additional disclosure requirements, the remaining IFRS amendments are not expected to result in any material adjustments.

Seen over the course of the year, individual business activities of the Allreal Group are subject to fluctuations, in particular in the Projects & Development division – for instance, the planning and execution of construction projects or the sale of development real estate. In the first half of 2017, no unusual events occurred that had a material impact on the assets, financial position and earnings of the Allreal Group.

The 2017 consolidated semi-annual financial statements were approved by the Board of Directors of Allreal Holding AG on 22 August 2017.

1.2 Change in the calculation of diluted earnings per share

The method hitherto employed by Allreal to calculate diluted earnings per share was to adjust undiluted earnings for the amount of personnel expenses deferred for share-based reimbursements, which is not in compliance with IAS 33.

The method of calculation has therefore been adjusted accordingly, resulting in diluted earnings per share remaining unchanged year-on-year at CHF 4.39.

The method of calculating undiluted earnings per share is not affected by this change.

2 Income from renting investment real estate

CHF million	1 st half-year 2017	1 st half-year 2016
Rental income from residential properties	16.9	16.0
Rental income from commercial properties	70.6	70.5
Income from renting investment real estate	87.5	86.5

Income from renting investment real estate increased year-on-year by 1.2% to CHF 87.5 million, which is essentially attributable to a reduction in vacancies.

The cumulative vacancy rate for the first half of 2017 totalled 2.9% of target rental income (1st half-year 2016: 6.2%), broken down into 3.2% for commercial properties and 1.5% for residential properties (1st half-year 2016: 7.0% and 2.7%).

3 Income from real estate management services

CHF million	1 st half-year 2017	1 st half-year 2016
Income from administration and management	1.9	2.0
Income from sale and brokerage	0.4	0.2
Income from real estate management services	2.3	2.2

4 Earnings from Projects & Development division

CHF million	1 st half-year 2017	1 st half-year 2016
Income from realisation Projects & Development	163.8	215.5
Direct expenses from realisation Projects & Development	-140.2	-191.1
Earnings from realisation Projects & Development	23.6	24.4
Income from sales Development	65.5	170.3
Direct expenses from sales Development	-56.9	-148.2
Income from sales Development	8.6	22.1
Capitalised company-produced assets	4.1	3.1
Diverse income	1.1	0.2
Earnings from Projects & Development division	37.4	49.8

Earnings from realisation Projects & Development consists of architects' and project & development fees (CHF 13.3 million) and earnings from construction activity (CHF 12.9 million) (1st half-year 2016: CHF 17.3 million and CHF 8.0 million, respectively). This contrasts with directly offset sales deductions (CHF -2.6 million) (1st half-year 2016: CHF -0.9 million).

In the first half of 2017, ownership of land under the projects Fangleten-/Soli/strasse Bülach (CHF 29.7 million), Guggach Zurich (CHF 18.7 million), Pfruendmatt Mettmenstetten (CHF 8.6 million), Lerchenbergstrasse Erlenbach (CHF 6.4 million), Stauffacher Steinen (CHF 1.7 million) and Cholplatz Bülach (CHF 0.4 million) was transferred to third parties, resulting in gains on sales of CHF 8.6 million.

5 Direct expenses for rented investment real estate

CHF million	1 st half-year 2017	1 st half-year 2016
Administrative and operating expenses, residential properties	-0.7	-0.9
Administrative and operating expenses, commercial real estate	-3.0	-3.5
Maintenance and repair expenses, residential real estate	-2.2	-1.0
Maintenance and repair expenses, commercial real estate	-5.2	-6.1
Real estate expenses	-11.1	-11.5

6 Earnings from sale of investment real estate

CHF million	1 st half-year 2017	1 st half-year 2016
Proceeds from sale	-	100.4
Transaction costs on sale	-	-1.6
Balance sheet value = market value on 31.12. of the previous year	-	-93.2
Earnings from sale of investment real estate	-	5.6

In the first half of 2016, the sale of four properties produced earnings of CHF 5.6 million.

7 Earnings from revaluation of investment real estate

CHF million	1 st half-year 2017	1 st half-year 2016
Higher valuation of yield-producing properties	15.3	21.6
Higher valuation of investment real estate under construction	5.3	6.5
Lower valuation of yield-producing properties	-10.6	-17.8
Lower valuation of investment real estate under construction	-1.3	0.0
Earnings from revaluation of investment real estate	8.7	10.3

CHF 1.8 million of the higher valuation of yield-producing properties relates to residential real estate and CHF 13.5 million to commercial real estate (1st half-year 2016: CHF 11.4 million and CHF 10.2 million, respectively). CHF 10.6 million of the lower valuation of yield-producing properties relates to commercial real estate (1st half-year 2016: CHF -17.8 million).

The average discount rates as at 30 June 2017 for the entire portfolio of yield-producing properties amount to 4.42% (31.12.2016: 4.43%). The average capitalisation rates as at 30 June 2017 amount to 3.93% (31.12.2016: 3.95%).

As in the previous year, Jones Lang LaSalle AG acts as the real estate valuer on a contract basis.

8 Financial expense

CHF million	1 st half-year 2017	1 st half-year 2016
Expense for derivatives	-6.6	-14.6
Interest expense for bond issues	-4.7	-5.0
Interest expense payable to banks/insurance companies for liabilities	-3.4	-3.3
Capitalised building loan interest	0.3	0.4
Financial expense	-14.4	-22.5

Interest expense for derivatives is in connection with the recycling of hedging reserves, CHF 6.6 million of which was charged to the income statement as non-cash expense in the period under review.

9 Earnings par share/net asset value (NAV) per share

	1 st half-year 2017	1 st half-year 2016
Number of outstanding shares as at 01.01. (in thousands)	15 931	15 910
Change in holdings of treasury shares (in thousands)	-1	25
Number of outstanding shares as at 30.06. (in thousands)	15 930	15 935
Average number of outstanding shares (in thousands)	15 934	15 928
Net profit excl. revaluation effect (in CHF million)	59.3	61.4
Earnings from revaluation of investment real estate (in CHF million)	8.7	10.3
Deferred taxes on revaluation gains (in CHF million)	-2.0	-1.9
Net profit incl. revaluation effect (in CHF million)	66.0	69.8
Earnings per share incl. revaluation effect (CHF)	4.14	4.38
Earnings per share excl. revaluation effect (CHF)	3.72	3.86
Diluted earnings per share		
— incl. revaluation effect (CHF)	4.14	4.39
— excl. revaluation effect (CHF)	3.72	3.87

The diluted earnings per share for the first half of 2016 were restated owing to a change in calculation method; see 1.2.

The share-based remuneration of members of Group Management has the effect of diluting the earnings per share. For this calculation, the average number of outstanding shares increases from 15,934,047 to 15,934,795 shares.

	30.06.2017	31.12.2016
Outstanding shares (in thousands) on cut-off date	15 930	15 931
Equity on cut-off date (CHF million)	2 074.0	2 086.8
Net asset value (NAV) per share after deferred taxes (CHF)	130.20	131.00
Equity plus provisions for deferred taxes less deferred tax assets (CHF million)	2 238.8	2 244.6
Net asset value (NAV) per share before deferred taxes (CHF)	140.55	140.90

10 Investment real estate

CHF million	30.06.2017	31.12.2016
Residential real estate	808.0	805.8
Commercial real estate	2 691.5	2 699.2
Yield-producing properties	3 499.5	3 505.0
Investment real estate under construction	94.5	69.5
Investment real estate	3 594.0	3 574.5

The changes in the first half of 2017 can be summarised as follows:

CHF million	Residential real estate	Commercial real estate	Total yield-producing properties	Investment real estate under construction	Total investment real estate
As at 01.01.2017	805.8	2 699.2	3 505.0	69.5	3 574.5
Purchases	0.0	0.0	0.0	0.0	0.0
Value-enhancing investments	0.4	5.5	5.9	20.8	26.7
Capitalised building loan interest	0.0	0.0	0.0	0.3	0.3
Disposals	0.0	0.0	0.0	0.0	0.0
Reclassifications	0.0	-16.0	-16.0	0.0	-16.0
Market value adjustments	1.8	2.9	4.7	4.0	8.7
As at 30.06.2017	808.0	2 691.6	3 499.5	94.5	3 594.0
of which pledged or subject to transfer restrictions	741.6	2 355.0	3 096.6	0.0	3 096.6

Within the commercial real estate portfolio, the value-enhancing investments relate to Bellerivestrasse 30, Zurich (CHF 3.5 million), Grüngasse 27–31/Badenerstrasse 119–133, Zurich (CHF 1.0 million), and five other properties (CHF 1.0 million).

The reclassification from yield-producing properties to development real estate relates to Grindelstrasse 3/5 in Bassersdorf. Following the merger with an undeveloped 6,000 square metre adjacent plot carried as development reserves since 2008, the land area reserved for project development increased to approximately 12,000 square metres.

Largest tenants, commercial real estate

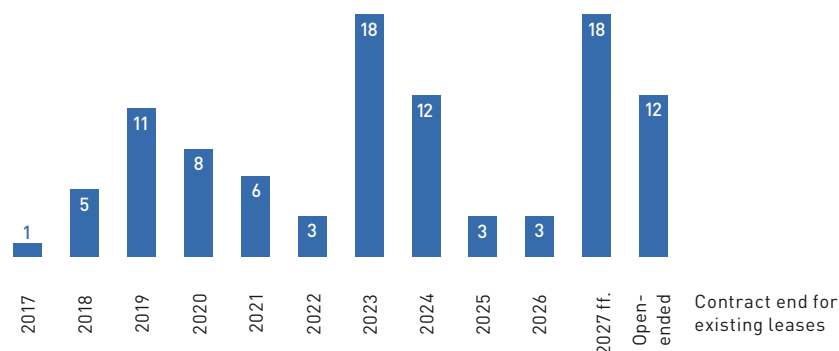
Share in total rental income from commercial real estate:

	30.06.2017	31.12.2016
Canton Zurich	18%	18%
Allianz Suisse Insurance Company Ltd	8%	8%
MAN Diesel & Turbo Switzerland Ltd	7%	7%
IBM Switzerland Ltd	6%	6%
UPC Switzerland GmbH	6%	6%
Total	45%	45%

In the first half of 2017, the five largest tenants accounted for 45% of rental income from commercial real estate. The ten largest tenants generated 58% of rental income from commercial real estate.

The five largest tenants' share of total rental income from all yield-producing properties (commercial and residential) declined to around 36% in the first half of 2017.

Profile of terms of rental contracts for commercial real estate
in percent of outstanding rental income in CHF million



The weighted remaining term of fixed-term rental contracts is 7.4 years (31.12.2016: 7.1 years).

Investment real estate under construction as at 30 June 2017

Location	Property	Acquisition/ project start	Area of property in m ²	Register of suspected contamin- ated sites	Minergie	Market value CHF million ¹	Estimated investment volume CHF million ²	Target rental income on completion p.a. CHF million	Expected completion
Bülach	Fangletenstrasse	2011	11 250	yes	yes	15.2	38.5	2.0	2018
Zurich	Schiffbauplatz	2002/2014	11 180	yes	yes	79.3	74.5	4.7	2017
Total investment real estate under construction						94.5	113.0	6.7	

¹ As per 30.06.2017 valuation

² Building and land costs

Schiffbauplatz, Zurich

New-build five- to six-floor commercial building to Minergie standard with lettable floor space of 13,100 square metres. The project comprises 10,700 square metres of office space on the first to fifth floors, 1,800 square metres of space for catering and commercial businesses on the ground floor, 600 square metres of storage space and 36 parking spaces in the underground car park. Ten-year rental contracts have been concluded for the whole of the office space and part of the storage space. The project is being built by the Projects & Development division and, upon completion in the second half of 2017, will be reported under the portfolio of yield-producing properties. For the market valuation as at the balance sheet cut-off date, nominal discount and capitalisation rates of 4.50% and 4.00% were applied (31.12.2013: 4.60% and 4.10%).

Fangletenstrasse, Bülach ZH

Four new-build apartment buildings with a total of 76 rental apartments to Miner-gie-Eco standard on the 11,250 square metre plot on Fangletenstrasse in Bülach-Nord. The rentable area is 7,387 square metres. The project is being built by the Projects & Development division and, upon completion in 2018, will be reported under the portfolio of yield-producing properties. For the market valuation as at the balance sheet cut-off date, nominal discount and capitalisation rates of 4.40% and 3.90% were applied (31.12.2016: 4.40% and 3.90%).

The two investment real estate properties under construction are 100% solely owned by Allreal.

Yield-producing properties (CHF 3,499.5 million) and investment real estate under construction (CHF 94.4 million) are recognised as at 30 June 2017 at category 3 fair values. No adjustments were made to valuation techniques or processes during the period under review.

11 Development real estate

Book value in CHF million	Development reserves	Buildings under construction	Completed real estate	Total development real estate
As at 01.01.2017	101.6	8.3	55.8	165.7
Purchases	5.3	0.0	0.0	5.3
From construction activity/ development	4.2	2.2	-2.2	4.2
Income from sales Development	0.5	0.0	8.1	8.6
Impairment	0.0	0.0	0.0	0.0
Disposals	-29.7	0.0	-35.8	-65.5
Reclassifications	15.3	0.0	0.0	15.3
As at 30.06.2017	97.2	10.5	25.9	133.6

The reclassification from investment real estate to development real estate relates to Grindelstrasse 3/5 in Bassersdorf (CHF 16.0 million). Following sale to a third party and the start of construction, the Fangletenstrasse project in Bülach (accrued costs) was reclassified from development real estate to trade receivables (CHF -0.7 million).

Development real estate as at 30 June 2017

Location	Property	Acquisition/ project start	Area of property in m ²	Register of suspected contaminated sites	Book value CHF million	Estimated investment volume CHF million ¹	Project status	Expected completion
Development reserves								
Bassersdorf	Grindelstrasse	2008	12 004	no	19.3 ²	80.0	in planning	open
Bülach	Fangleten-/Solistrasse	2011	18 586	yes	19.0 ²	55.0	in planning	open
Dielsdorf	Neuwisen	2013	46 419	no	35.4 ²	175.0	in planning	open
Rümlang	Bäuler	1987	30 278	yes	16.0 ²	100.0	in planning	open
Winterthur	Florenstrasse	2016	11 582	no	2.3 ³	55.0	in planning	open
Zufikon	Alter Züriweg	2017	3 806	no	5.2 ²	17.0	in planning	open
Total development reserves					97.2	482.0		
Buildings under construction								
Basel	Kirschblütenweg	2011	3 948	no	10.5	16.0	in progress	2018
Total buildings under construction					10.5	16.0		
Completed real estate								
Erlenbach	Lerchenbergstrasse	2014 ⁴			8.4			
Zurich	Guggach	2016 ⁴			17.5			
Total completed real estate					25.9			
Total development real estate					133.6	498.0		

¹ Land and building costs

² Book value includes acquisition costs for the land 100% owned by Allreal and accrued project costs of third parties

³ Book value includes acquisition costs for prepayments made for land and accrued project costs of third parties (transfer of ownership for land pending)

⁴ Completion

Kirschblütenweg, Basel

New-build complex of 12 terraced houses and 24 garage parking spaces to Minergie standard with lettable floor space (100% residential) of 1,967 square metres. It is being built by Allreal Generalunternehmung AG and is scheduled for completion in 2018. As at 30 June 2017, all residential units had been sold, 0 of which with transfer of ownership.

Lerchenbergstrasse, Erlenbach ZH

Five new-build semi-detached houses and three new-build apartment buildings with a total of 39 residential units and 93 underground parking spaces to Minergie standard with lettable floor space (100% residential) of 7,730 square metres. The project was built by Allreal Generalunternehmung AG and completed in 2014. As at 30 June 2017, 38 out of 39 residential units had been sold, 35 of which with transfer of ownership. 1 apartment was still for sale.

Guggach, Zurich

Four new-build apartment buildings with a total of 197 condominiums and 219 underground parking spaces to Minergie standard with lettable floor space (100% residential) of 25,919 square metres. The project was built by Allreal Generalunternehmung AG and completed in 2016. As at 30 June 2017, 195 out of 197 residential units had been sold, 186 of which with transfer of ownership. Two apartments were still for sale.

12 Share capital

As at the balance sheet cut-off date, the share capital of Allreal Holding AG comprises 15,942,821 registered shares with a par value of CHF 50 each. Each share carries one vote and confers entitlement to attend the general meeting if entered in the share register.

Shareholdings developed as follows:

Number of shares	Shares issued	Treasury shares	Outstanding shares
2016			
As at 1 January	15 942 821	33 220	15 909 601
Purchase treasury shares		130 555	
Sale treasury shares		-150 713	
Share-based reimbursement		-1 062	
As at 31 December	15 942 821	12 000	15 930 821
2017			
As at 1 January	15 942 821	12 000	15 930 821
Purchase treasury shares		68 612	
Sale treasury shares		-67 080	
Share-based reimbursement		-502	
As at 30 June	15 942 821	13 030	15 929 791

On 30 June 2017, Allreal held 13,030 treasury shares (31.12.2016: 12,000 shares). The average purchase price per share stands at CHF 176.40 (31.12.2016: CHF 134.15). The total purchase price is deducted from consolidated equity.

The Board of Directors is authorised by the annual general meeting to increase the share capital – excluding the subscription rights of shareholders as applicable – until 15 April 2018 to acquire businesses, business units, participating interests or real estate through an exchange of shares, for financing or refinancing the acquisition of businesses, business units, participating interests or investment projects, or for the purpose of an international placement of shares worth up to CHF 50.0 million by issuing up to 1,000,000 registered shares each with a par value of CHF 50 (authorised capital).

For the purpose of issuing convertible bonds, warrant bonds or other financial instruments, the annual general meeting of 31 March 2006 created conditional capital of up to CHF 125.0 million through the issue of up to 2,500,000 registered shares with a par value of CHF 50 each and with the exclusion of shareholders' subscription rights. Bearers of the convertible and/or warrant bonds are entitled to subscribe to the new shares. This conditional capital decreased by CHF 0.2 million to CHF 124.8 million (as at 30 June 2017) following the conversion of convertible bonds into shares in previous years.

Further, Allreal Holding AG has conditional capital of CHF 10.0 million (200,000 registered shares at a par value of CHF 50 each) at its disposal for the purpose of issuing options to the members of the Board of Directors and management. This conditional capital has not been drawn on.

The annual general meeting of Allreal Holding AG of 21 April 2017 voted in favour of making a distribution of CHF 5.75 per share, corresponding to a total amount of CHF 91.6 million, in the form of a repayment of reserves from contribution of capital.

13 Financial liabilities

Maturity of financial liabilities (capital lock-up at nominal values)

CHF million	<1 year	1–3 years	3–5 years	>5 years	Total
As at 31.12.2016					
Borrowings	683.0	131.0	327.0	460.3	1 601.3
Total in %	42.7	8.2	20.4	28.7	100.0
As at 30.06.2017					
Borrowings	428.0	131.0	408.0	667.8	1 634.8
Total in %	26.2	8.0	25.0	40.8	100.0

The financial liabilities consist of loans secured by mortgage (fixed advances and fixed-rate mortgages) and six bond issues. The bank loans in the form of fixed advances are extended on a rolling basis. Apart from the bond issues, only bank loans with contractually agreed remaining terms to maturity greater than twelve months are reported as long-term financial liabilities.

During the reporting period, a 2017–2027 0.875% bond with an issue price of 100.550% (CHF 160.0 million) was paid up on 30 March 2017. In addition to the interest rate of 0.875% actually payable, the expense – corresponding to an effective interest rate of 0.859% – is also deferred in the income statement.

In the first half of 2017, CHF 130 million in short-term financial liabilities were refinanced on a long-term basis, increasing the average interest lock-in period for all financial liabilities to 52 months (31.12.2016: 36 months).

As at the balance sheet date, the bond issues and fixed-rate mortgages are recognised as follows:

CHF million	Nominal amount	Book value as at 30.06.2017	Fair value as at 30.06.2017	Book value as at 31.12.2016	Fair value as at 31.12.2016
0.875% bond issue 2017–30.03.2027	160.0	160.2	161.0	–	–
1.375% bond issue 2015–31.03.2025	100.0	100.4	106.5	100.4	106.6
0.625% bond issue 2016–10.05.2024	150.0	149.5	151.5	149.4	150.0
0.75% bond issue 2015–31.03.2021	120.0	120.3	122.3	120.4	122.2
2.00% bond issue 2013–23.09.2020	150.0	149.4	155.3	149.4	159.9
1.25% bond issue 2014–02.04.2019	125.0	124.9	127.8	124.8	128.4
Fixed-rate mortgages	404.8	404.8	414.0	276.3	286.6

During the period under review, CHF 0.2 million was spent on the amortisation of the issuing costs for the bonds (1st half-year 2016: CHF 0.2 million).

As at 30 June 2017, fixed advances amounting to CHF 425 million and fixed-rate mortgages amounting to CHF 404.8 million (at nominal values) are in place, all of which were taken out with Swiss banks, insurance companies or pension funds.

The average interest rate of all financial liabilities as at 30 June 2017 is 1.69% (31 December 2016: 1.67%).

During the reporting period, the contractual clauses (financial covenants) relating to minimum capitalisation (equity ratio, net gearing, interest coverage ratio and refinancing of properties) agreed upon with the lenders were complied with without exception.

14 Capital commitments, contingent liabilities and legal disputes

CHF million	30.06.2017	31.12.2016
Purchase commitments	18.5	18.5
Guarantees and sureties	0.0	0.0

The capital commitment relates to contractual agreements for the acquisition of development real estate. Whether the commitment is invoked depends on the fulfilment of the conditions agreed with the counterparties.

There are no guarantees or sureties in favour of third parties. Beyond this, in the individual financial statement, Allreal Holding AG has issued guarantees and sureties amounting to CHF 388.1 million in connection with financing transactions with third parties on behalf of individual subsidiaries (31.12.2016: CHF 421.6 million).

As at 30 June 2017, there are no pending legal disputes of a nature liable to have a significant impact on the asset and income situation of the Allreal Group for which no corresponding provisions or bad debt allowances are in place.

15 Transactions with related parties

Until 26 April 2017, those shareholders who had concluded a pooling agreement to satisfy the provisions of the "Lex Koller" were deemed to be related parties. The shareholders' pooling agreement was terminated effective this date. The sole shareholder from this pool that is still deemed to be a related party is the Helvetia Group, which holds a 10.67% share in Allreal Holding AG.

Until termination of the agreement, the Projects & Development division carried out construction projects for a total of CHF 6.5 million for several parties to the shareholders' pooling agreement, which corresponds to 4.0% of income from realisation Projects & Development (1st half of 2016: CHF 7.0 million/3.2%).

16 Events after the balance sheet date

Between 30 June 2017 and 22 August 2017 (date on which the consolidated semi-annual financial statements were approved by the Board of Directors), no further events took place which would result in any adjustments to the book values of the assets and liabilities or which would need to be disclosed here.

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Information on the real estate portfolio

Residential real estate as at 30 June 2017

Location	Address	Ownership status ¹	Year acquired	Year of construction	Renovation ²	Area of property in m ²	Register of suspected contaminated sites	Minergie
City of Zurich								
Zurich	Hardturmstrasse 5	CO ⁶	2004	2014		2 651	no	yes
Zurich	Heerenwiesen 23-41	CoO ⁵	2003	1996		6 970	no	no
Zurich	Josefstrasse 137	SO	1999	1984		903	no	no
Zurich	Neunbrunnenstrasse 47-53	SO	1993	2013		4 291	yes	yes
Zurich	Schiffbaustrasse 7	SO	2010	2016		1 610	no	yes
Zurich	Zollikerstrasse 185-187	SO	2008	1984	2017 PR	1 445	no	no
Total city of Zurich						17 870		
Rest of Canton Zurich								
Adliswil	Moosstrasse 1-13/ Grütstrasse 33-39	SO	2005	2011		13 901	no	yes
Bülach	Hohfuristrasse 7-11/ Unterweg 55-59/Im Stumpen 2	SO	1999	1979	2013 TR	8 412	no	no
Fällanden	Unterdorfstrasse 2/4/ Unterdorfwäg 2-22	SO	2003	2008		23 691	no	no
Glattbrugg	Hohenstieglens- strasse 1-23, 2-16	SO	1999	1990	2017 PR	29 639	no	no
Kloten	Schaffhauserstrasse 117/119	SO	2001	1992		3 643	no	no
Oberglatt	Chlirietstrasse 6/8/10	SO	2003	1974	2006/2007 PR	2 028	no	no
Schlieren	Limmataustrasse 2-8/ Limmatstrasse 9-11/ Engstringermatte	SO	1999	1984		8 907	no	no
Schlieren	Schulstrasse 71-77/ Flöhrebenstrasse 6	CO ⁶	2002	1988		2 543	no	no
Volketswil	Sunnebühlstrasse 1-17/ Ifangstrasse 12-20/ Neufund 1/3	SO	1999	1968	2002/2003 TR	20 110	no	no
Wallisellen	Escherweg 2-6/Favreweg 1-5/ Richtiarkade 13-15/ Richtiring 14-16 (Richti site)	SO	2002	2014		8 242	no	yes
Total rest of Canton Zurich						121 116		
Other regions								
Allschwil	Kurzelängeweg 26-38+32a	SO	1999	1989	2010 PR	6 260	no	no
Basel	Achilles Bischoff-Strasse 2-10	SO	2006	1969	2009 TR	2 420	no	no
Basel	Grosspeterstrasse 45/ St.-Jakobs-Strasse 108	SO	2006	1995		2 067	no	no
Gland	Chemin du Molard 10/ Allée Leotherius 2/ Allée Louis Cristin1	SO	2011	2014		1 173	no	yes
Total other regions						11 920		
Total residential real estate						150 906		

¹ SO = sole ownership; CoO = coownership; CO = condominium ownership

² TR = total renovation; PR = partial renovation

³ Cumulative vacancy rate as a percentage of target rental income for the first half-year 2017

⁴ As per 30.06.2017 valuation (nominal rates)

⁵ 60% co-ownership Allreal

⁶ Condominium property owned 100% by Allreal

Area of property in m ²	1-1½-room apartments	2-2½-room apartments	3-3½-room apartments	4-4½-room apartments	≥5-room apartments	Total apartments	Other uses in m ²	Target rental income in CHF million for 2017	Vacancy rate in % ³	Discount/capitalisation rate in % ⁴
6 087	0	17	27	6	1	51	0	2.6	1.3	3.80/3.30
4 670	5	7	15	17	4	48	1 799	1.4	1.1	3.90/3.40
2 747	4	36	0	0	0	40	212	0.8	0.7	3.60/3.10
4 640	0	0	14	21	5	40	0	1.6	3.7	3.80/3.30
2 333	0	3	16	3	1	23	1 002	1.3	7.7	3.80/3.30
1 637	2	2	4	4	2	14	165	0.6	2.4	3.50/3.00
22 114	11	65	76	51	13	216	3 178	8.3	2.7	
13 299	0	27	62	38	10	137	350	3.7	0.2	3.80/3.30
3 850	0	9	16	18	6	49	50	1.0	0.3	4.00/3.50
14 903	0	20	41	56	22	139	2 392	3.9	0.4	4.10/3.60
14 654	18	30	71	41	0	160	659	3.1	1.4	3.90/3.40
2 090	0	4	0	10	4	18	200	0.5	0.0	3.90/3.40
2 479	0	17	17	0	0	34	9	0.5	0.4	4.00/3.50
5 100	0	18	24	12	0	54	286	0.9	1.4	3.80/3.30
3 332	0	0	24	16	0	40	354	0.8	0.7	3.90/3.40
12 236	0	0	48	60	40	148	110	2.4	0.1	3.90/3.40
13 856	1	18	75	22	2	118	1 208	4.0	3.1	3.90/3.40
85 799	19	143	378	273	84	897	5 618	20.8	1.0	
4 015	0	7	20	20	0	47	490	1.0	1.3	4.10/3.60
5 954	28	24	28	24	0	104	1 040	1.6	1.7	3.90/3.40
3 022	5	19	11	8	0	43	47	0.9	3.6	4.00/3.50
4 981	1	21	29	9	5	65	0	1.6	0.0	4.20/3.70
17 972	34	71	88	61	5	259	1 577	5.1	1.4	
125 885	64	279	542	385	102	1 372	10 373	34.2	1.5	

Commercial real estate as at 30 June 2017

Location	Address	Ownership status ¹	Year acquired	Year of construction	Renovations ²	Area of property in m ²
Zurich	Bändliweg 21	SO	2005	1995		9 254
Zurich	Bellerivestrasse 30	SO	2004	1986	2017 TR	2 316
Zurich	Bellerivestrasse 36	SO	2004	1974	2009/2010 PR	10 494
Zurich	Binzmühlestrasse 95-99/Therese Giehse-Strasse 1	SO	2005	2001		11 712
Zurich	Birmensdorferstrasse 108/Weststrasse 75	SO	2000	1983	2007/2008 TR	1 254
Zurich	Brandschenkestrasse 38/40	SO	2001	1992	2013 PR	1 402
Zurich	Förrlibuckstrasse 109 (Toni site)	SO	2007	1977/2014		24 477
Zurich	Grüngasse 27-31/Badenerstrasse 119-133	SO	2002	1925	2006/2007 PR	7 870
Zurich	Hardstrasse 319 (Escher-Wyss site) ⁵	SO	2002	1945/2010		40 350
Zurich	Herostrasse 12	SO	2010	2014		4 027
Zurich	Hohlstrasse 600	SO	2001	1986	2006/2012 TR	2 894
Zurich	Kalchbühlstrasse 22/24	SO	2000	1976	2014/2015 TR	3 101
Zurich	Kreuzstrasse 5	LO	2004	2006		3 333
Zurich	Renggerstrasse 3	SO	1999	1966	2001 PR	1 389
Zurich	Vulkanstrasse 106	SO	2002	2005		12 295
Zurich	Weststrasse 74	SO	1996	1995		1 482
Zurich	Zollikerstrasse 183	SO	2008	1984	2007 PR	3 371
Zurich	Zollstrasse/Josefstrasse 23-29/Klingenstrasse 4	SO	1993/2006	1997	2017 PR	4 201
Total city of Zurich						145 222

¹ SO = sole ownership; LO = leasehold owned 100% by Allreal

² TR = total renovation; PR = partial renovation

³ Cumulative vacancy rate as a percentage of target rental income for the first half-year 2017

⁴ As per 30.06.2017 valuation (nominal rates)

⁵ Valuation as at 30.06.2017 according to IFRS 13

Register of suspected contaminated sites	Minergie	Floor space in m ²	Percentage of office space	Percentage of retail space	Percentage of residential space	Percentage of other uses	Target rental income in CHF million for 2017	Vacancy rate in % ³	Discount/capitalisation rate in % ⁴
no	no	18 642	90.8	0.0	0.0	9.2	7.0	0.0	4.50/4.00
no	no	3 078	94.7	0.0	0.0	5.3	1.4	0.0	4.30/3.80
no	no	11 950	73.6	0.0	0.0	26.4	5.6	0.1	4.30/3.80
no	no	26 139	7.8	54.6	32.7	4.9	7.0	3.4	4.40/3.90
no	no	4 743	74.5	3.0	10.5	12.0	1.4	0.5	4.40/3.90
no	no	4 856	33.8	0.0	19.3	46.9	1.9	8.7	4.30/3.80
yes	yes	87 004	87.2	0.0	12.8	0.0	20.7	2.0	4.20/3.80
yes	no	12 847	16.5	7.6	32.8	43.1	3.2	3.0	4.14/3.64
yes	no	50 432	32.3	0.0	0.0	67.7	10.4	0.6	-/-
no	yes	11 256	95.8	0.0	0.0	4.2	3.6	0.0	4.50/4.00
no	no	10 190	91.0	0.0	0.0	9.0	4.3	0.0	4.50/4.00
no	no	6 244	45.8	0.0	6.0	48.2	1.5	0.0	4.70/4.20
no	no	1 628	95.7	0.0	0.0	4.3	1.0	0.0	4.20/3.70
no	no	1 729	77.1	0.0	0.0	22.9	0.5	0.0	4.60/4.10
no	yes	36 311	95.1	0.0	0.0	4.9	11.3	0.0	4.60/4.10
no	no	3 277	33.5	0.0	55.3	11.2	0.8	1.9	4.20/3.70
no	no	2 777	81.7	0.0	0.0	18.3	1.2	0.0	4.50/4.00
no	no	10 703	56.9	3.4	29.8	9.9	4.2	5.4	4.20/3.70
		303 806	66.2	5.2	9.7	18.9	87.0	1.4	

Location	Address	Ownership status ¹	Year acquired	Year of construction	Renovations ²	Area of property in m ²
Rest of Canton Zurich						
Dübendorf	Sonnentalstrasse 8	SO	2015	1974	2006 PR	16 621
Glattbrugg	Thurgauerstrasse 111	SO	1997	1969	1995 PR	4 086
Kloten	Schaffhauserstrasse 115/121	SO	2001	1992		4 000
Opfikon	Boulevard Lilienthal 2-8	SO	2007	2014		5 167
Opfikon	Lindbergh-Allee 1 ⁵	SO	1987	2007		5 241
Schlieren	Bernstrasse 55	SO	2003	2003		7 089
Schlieren	Zürcherstrasse 104	SO	2002	1988	2012 TR	4 724
Urdorf	In der Luberzen 29	SO	2000	1993		4 667
Wallisellen	Allianz office building ⁶	SO	2002	2013		13 078
Wallisellen	UPC office building ⁷	SO	2002	2014		16 875
Winterthur	Schützenstrasse 2/Zürcherstrasse 12+14 ⁸	SO	2002	1928/53/86	2016/2017 PR	18 386
Total rest of Canton Zurich						99 934
Other regions						
Baar	Baarermatte	SO	2002	1981		17 960
Basel	Missionsstrasse 60-62a	SO	1999	1972	2014 TR	1 811
Basel	Missionsstrasse 64-64a	SO	2007	1972	2014 TR	1 658
Basel	Steinenvorstadt 36	SO	1999	1982	2012/2013 PR	718
Basel	Viaduktstrasse 40-44/Binneringerstrasse 35	SO	2009	1998		5 454
Le Grand-Saconnex	Route François-Peyrot 10-14	SO	2011	2004		8 442
Petit-Lancy	Chemin des Olliquettes 4/Chemin du Gué 99	SO	2008	2010		1 417
Total other regions						37 460
Total commercial real estate						282 616

¹ SO = sole ownership; LO = leasehold owned 100% by Allreal

² TR = total renovation; PR = partial renovation

³ Cumulative vacancy rate as a percentage of target rental income for the first half-year 2017

⁴ As per 30.06.2017 valuation (nominal rates)

⁵ Lightcube office building and co-ownership rights to the TMC Galleria car park

⁶ Allianz office building with retail space in Konradhof and Escherhof

⁷ UPC Switzerland office building with retail space and peripheral plots

⁸ Three properties

Register of suspected contaminated sites	Minergie	Floor space in m ²	Percentage of office space	Percentage of retail space	Percentage of residential space	Percentage of other uses	Target rental income in CHF million for 2017	Vacancy rate in % ³	Discount/capitalisation rate in % ⁴
no	no	26 006	25.9	1.5	0.5	72.1	2.5	0.0	4.90/4.40
no	no	7 417	9.0	74.7	0.0	16.3	1.8	19.6	5.40/4.90
no	no	4 343	97.5	0.0	0.0	2.5	1.0	1.2	5.00/4.50
no	yes	13 414	93.2	0.0	0.0	6.8	3.9	4.2	4.80/4.30
no	yes	13 314	90.8	0.0	0.0	9.2	4.4	0.0	4.81/4.31
no	no	10 193	88.2	0.0	0.0	11.8	2.1	2.2	4.80/4.30
no	no	2 705	35.5	43.1	0.0	21.4	0.9	0.0	5.20/4.70
yes	no	9 456	74.1	0.0	0.0	25.9	1.6	44.4	5.90/5.40
no	yes	50 819	74.7	12.9	0.0	12.4	13.1	1.5	4.70/4.20
no	yes	25 525	77.8	16.2	0.0	6.0	9.5	5.6	4.70/4.20
no	no	24 319	82.1	0.0	0.0	17.9	5.3	9.6	4.78/4.28
		187 511	69.7	9.5	0.1	20.6	46.1	5.3	
no	no	10 112	76.4	0.0	0.0	23.6	2.7	18.9	4.70/4.20
no	no	3 985	81.8	0.0	8.0	10.2	1.2	0.3	4.60/4.10
no	no	2 829	71.9	0.0	3.4	24.7	0.6	0.4	4.60/4.10
no	no	4 292	37.5	27.8	30.3	4.4	1.5	2.5	4.50/4.00
no	no	20 213	61.8	20.2	0.0	18.0	5.3	1.3	4.60/4.10
no	no	5 498	92.8	0.0	0.0	7.2	3.2	14.5	4.70/4.20
yes	yes	5 516	91.8	0.0	0.0	8.2	2.2	0.0	4.50/4.00
		52 445	71.1	10.1	3.3	15.6	16.7	6.4	
		543 762	67.9	7.1	5.8	19.2	149.8	3.2	

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EPRA key figures

EPRA earnings and EPRA earnings per share

CHF million	1 st half-year 2017	1 st half-year 2016
Earnings according to IFRS income statement	66.0	69.8
Adjusted by:		
Earnings from revaluation of investment real estate	-8.7	-10.3
Earnings from sale of investment real estate	0.0	-5.6
Earnings from development real estate held for sale including impairment	-8.6	-22.1
Pro-rata income tax on sales	2.4	8.6
Negative goodwill/goodwill impairment	0.0	-
Change in the market value of financial instruments	5.2	3.2
Transaction costs for the purchase of shareholdings	-	-
Deferred taxes on EPRA adjustments	2.0	1.9
Effect on associated companies	-	-
Minority interests on the above positions	-	-
EPRA earnings	58.3	45.5
Average number of outstanding shares	15 934 047	15 934 992
EPRA earnings per share in CHF	3.66	2.86

EPRA equity (NAV)

CHF million	30.06.2017	31.12.2016
Equity (NAV) according to consolidated financial statements	2 074.0	2 086.8
Dilution effects due to options, convertible bonds and other equity instruments	0.0	0.0
Diluted equity (NAV) after options, convertible bonds and other equity instruments	2 074.0	2 086.8
Plus:		
Revaluation of investment real estate (if acquisition cost model in accordance with IAS 40)	-	-
Revaluation of investment real estate under construction (if acquisition cost model in accordance with IAS 40)	-	-
Revaluation of other assets	-	-
Revaluation of real estate tenancies under finance leases	-	-
Valuation difference on development real estate	4.3	8.2
Less:		
Market value of derivative financial instruments	38.7	45.8
Deferred taxes	192.8	188.9
Goodwill from deferred taxes	-	-
Effect on associated companies	-	-
EPRA equity (NAV)	2 309.8	2 329.7
Number of outstanding shares (diluted)	15 930 874	15 929 586
EPRA equity (NAV) per share in CHF	145.00	146.25

EPRA triple net asset value (NNNAV)

CHF million	30.06.2017	31.12.2016
EPRA equity (NAV)	2 309.8	2 329.7
Less:		
Market value of derivative financial instruments	-38.7	-45.8
Market value of financial liabilities	-9.2	-32.8
Deferred taxes	-192.2	-184.3
EPRA NNNAV	2 069.7	2 066.8
Number of outstanding shares (diluted)	15 930 874	15 929 586
EPRA NNNAV per share in CHF	129.90	129.75

EPRA net yield from rental income

CHF million	30.06.2017	31.12.2016
Owned investment real estate	3 594.0	3 574.5
Investment real estate in joint ventures/funds	-	-
Development real estate	133.6	165.7
Less development real estate and investment real estate under construction	-228.1	-235.2
Market value of yield-producing properties	3 499.5	3 505.0
Annualised actual rental income	181.3	181.5
Direct expenses for investment real estate	-23.0	-30.9
Annualised net rental income	158.3	150.6
Plus expected additional rental income after expiry of rental discounts	2.6	2.6
Topped-up annualised net rental income	160.9	153.2
EPRA net yield from rental income	4.5%	4.3%
EPRA topped-up net yield from rental income	4.6%	4.4%

EPRA vacancy rate

CHF million	30.06.2017	31.12.2016
Estimated rental potential of vacant premises	5.3	5.7
Estimated rental income from total portfolio	189.4	189.8
EPRA vacancy rate	2.8%	3.0%

EPRA operating expense ratio

CHF million	1 st half-year 2017	1 st half-year 2016
Operating expenses of investment real estate according to IFRS income statement:		
Direct expenses for rented investment real estate	11.1	11.5
Personnel expenses	3.1	2.3
Other operating expenses	1.9	3.8
EPRA operating expenses (including vacancy costs)	16.1	17.6
Direct vacancy costs	0.9	1.3
EPRA operating expenses (excluding vacancy costs)	15.2	16.3
Gross rental income less ground rent	87.5	86.5
EPRA rental income	87.5	86.5
EPRA operating expenses (including direct vacancy costs)	18.4%	20.3%
EPRA operating expenses (excluding direct vacancy costs)	17.4%	18.8%

EPRA value-enhancing investments in investment properties

CHF million	1 st half-year 2017	1 st half-year 2016
Purchases	0.0	0.0
Value-enhancing investments (investment real estate under construction)	20.8	13.6
Value-enhancing investments (like-for-like yield-producing properties)	5.9	7.0
Capitalised building loan interest	0.3	0.2
EPRA value-enhancing investments	27.0	20.8

Additional information

Information on investment real estate properties

	City of Zurich		Rest of Canton Zurich		Other regions		Total real estate		
	2017*	2016*	2017*	2016*	2017*	2016*	2017*	2016*	
Residential real estate									
Number	6	6	10	10	4	4	20	20	
Living space	'000 m ²	22	22	86	86	18	18	126	126
Vacancy rate ¹	%	2.7	6.2	1.0	1.7	1.4	1.9	1.5	2.7
Rental income	CHF million	4.0	3.3	10.3	10.2	2.5	2.5	16.8	16.0
Earnings on property ²	CHF million	3.4	2.9	8.5	9.2	2.2	2.0	14.1	14.1
Gross yield	%	3.9	4.2	4.2	4.4	4.7	4.9	4.2	4.4
Net yield ³	%	3.3	3.7	3.4	4.0	4.0	3.9	3.5	3.9
Acquisition value	CHF million	145.4	143.0	331.1	331.1	84.3	84.3	560.8	558.4
Market value	CHF million	206.0	204.6	495.1	494.4	106.8	106.8	808.0	805.8
Average market value by property	CHF million	34.3	34.1	49.5	49.4	26.7	26.7	40.4	40.3
Change in market value ⁴	CHF million	1.0	11.4	0.8	0.0	0.0	0.0	1.8	11.4
Commercial real estate									
Number	18	18	13	14	7	7	38	39	
Floor space	'000 m ²	304	304	188	200	52	52	544	556
Floor space ¹	%	1.4	5.5	5.3	10.0	6.4	6.3	3.2	7.0
Rental income	CHF million	41.7	41.8	21.1	21.0	7.8	7.7	70.6	70.5
Earnings on property ²	CHF million	37.9	36.4	17.3	18.0	7.1	6.5	62.3	60.9
Gross yield	%	5.1	5.2	5.5	5.3	5.5	5.2	5.3	5.2
Net yield ³	%	4.7	4.5	4.5	4.5	5.0	4.5	4.7	4.5
Acquisition value	CHF million	1 575.1	1 569.6	773.7	798.5	303.3	303.3	2 652.0	2 671.4
Market value	CHF million	1 645.1	1 629.5	763.9	784.1	282.6	285.6	2 691.6	2 699.2
Average market value by property	CHF million	91.4	90.5	58.8	56.0	40.4	40.8	70.8	69.2
Change in market value ⁴	CHF million	10.1	2.9	-4.2	-4.3	-3.0	-6.2	2.9	-7.6
Investment real estate under construction									
Number	1	1	1	1	-	-	2	2	
Land area	'000 m ²	11	11	11	11	-	-	22	22
Acquisition value	CHF million	56.8	42.3	18.4	11.9	-	-	75.2	54.2
Market value	CHF million	79.3	59.6	15.2	9.9	-	-	94.5	69.5
Change in market value ⁴	CHF million	5.3	6.0	-1.3	0.5	-	-	4.0	6.5
Investment volume	CHF million	74.5	74.5	38.5	38.5	-	-	113.0	113.0

* Should no further particulars be given, values referring to the income statement concern the 1st half-year, and balance sheet values the cut-off date on 30.06.2017 or 31.12.2016

¹ In percent of target rental income, cumulative as at cut-off date

² Rental income minus real estate expenses

³ Rental earnings in percent of continued market value on 1 January

⁴ From revaluation in first half-year 2017 or 2016 respectively

Key share data

		1 st half-year 2017 resp. 30.06.2017	1 st half-year 2016 resp. 31.12.2016
Issued share capital on cut-off date	CHF million	797.1	797.1
Authorised capital on cut-off date	CHF million	50.0	50.0
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	13 030	12 000
Outstanding shares on cut-off date ¹	number	15 929 791	15 930 821
Outstanding shares on average ²	number	15 934 047	15 928 240
Share price high	CHF	187.80	142.20
Share price low	CHF	146.80	128.40
Share price on cut-off date	CHF	173.50	151.30
Market capitalisation on cut-off date ³	CHF million	2 763.8	2 410.3
Average trading volume per day (on exchange)	number shares	30 255	12 746

¹ Number of issued shares minus treasury shares

² Average number of shares outstanding according to IAS 33

³ 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
Reuters	ALLN.S

Shareholder structure as at 30 June 2017

Number of shares	Number of shareholders	Number of shares	%
> 478 284 shares (> 3%)	6	4 553 227	28.6
100 001–478 284 shares	18	3 364 700	21.1
10 001–100 000 shares	100	2 703 203	16.9
1001–10 000 shares	370	1 092 812	6.9
1–1000 shares	2 776	657 557	4.1
Total registered	3 270	12 371 499	77.6
Not registered		3 571 322	22.4
Total shares		15 942 821	100

47.4% of share capital is held by pension funds and insurance companies and 8.7% by individual persons. A further 21.5% is held by legal entities as well as funds, foundations and banks. 22.4% of share capital is not registered in the share register. 6.0% of share capital is held by non-Swiss shareholders (registered).

Organisation and Schedule

Structure and Addresses

Allreal Holding AG
Allreal Finanz AG
Grabenstrasse 25,
CH-6340 Baar

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

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

Hammer Retex AG
Sinslerstrasse 67, CH-6330 Cham

Bülachguss AG
Solistrasse 25, CH-8180 Bülach

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

Contacts

Roger Herzog
Chief Executive Officer
T +41 44 319 12 04
roger.herzog@allreal.ch

Thomas Wapp
Chief Financial Officer
T +41 44 319 14 88
thomas.wapp@allreal.ch

Matthias Meier
Chief Communications Officer
T +41 44 319 12 67
matthias.meier@allreal.ch

Schedule

2017 Annual results
27 February 2018

2018 Annual shareholders'
meeting
20 April 2018

2018 Half-year results
28 August 2018

Share register

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

areg.ch AG
Fabrikstrasse 10
CH-4614 Hägendorf
T +41 62 209 16 60
F +41 62 209 16 69
info@areg.ch
www.areg.ch

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Grabenstrasse 25
CH-6340 Baar
T +41 41 711 33 03
www.allreal.ch

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Allreal Holding AG
Grabenstrasse 25
CH-6340 Baar/Switzerland