

Other notes

1. Rental income

in CHF thousand	Switzerland	France	Germany	Netherlands	Total
Financial year 2010/2011					
Rental income in reporting currency	17 481	31 300	26 307	16 072	91 160
Rental income in local currency	17 481	23 407	19 673	12 019	
Financial year 2011/2012					
Rental income in presentation currency	15 778	21 878	23 251	12 271	73 178
Rental income in local currency	15 778	18 037	19 170	10 117	
Change to prior year in local currency	-1 703	-5 370	-503	-1 902	
arising from:					
- Purchases	0	0	0	0	
- Disposals	-3 671	0	-819	-1 380	
- Vacancy and indexation	1 968	-5 370	316	-522	

The CHF 18.0 million reduction in rental income (previous year: reduction of CHF 11.5 million) stems from the sales that have been made in the last two financial years combined with the depreciation of the euro against the Swiss franc and the temporary vacancy in Berne and Paris due to renovation work.

2. Result from the sale of investment properties

in CHF thousand	1.4.2011 to 31.3.2012	1.4.2010 to 31.3.2011
Sales proceeds	36 020	98 734
Market value as of the last valuation	-38 827	-94 867
Result from the sale of investment properties	-2 807	3 867

In the last financial year seven investment properties were sold, four in the Netherlands and three in Germany (previous year: three properties sold). For six of the seven investment properties the selling price was equal to or slightly above the market value and for one property it was CHF 2.5 million below the market value. This loss plus selling costs led to an overall loss of CHF 2.8 million on the sale of investment properties.

3. Real estate expense

in CHF thousand	1.4.2011 to 31.3.2012	1.4.2010 to 31.3.2011
Property taxes	-310	-465
Legal fees	-185	-273
Bad debts	21	-237
External property management fees	-500	-462
Non recoverable service charges	-4 923	-3 991
Other property-related expense	-1 539	-1 717
Total real estate expense	-7 436	-7 144

4. Administrative expense

in CHF thousand	1.4.2011 to 31.3.2012	1.4.2010 to 31.3.2011
Salaries and Board of Directors' fees	-5 434	-6 664
Valuation	-228	-365
Audit	-561	-597
Legal and tax advisory	-386	-510
Other taxes	-423	-339
Depreciation	-219	-150
Bookkeeping and IT	-947	-937
Other advisory and investor relations	-752	-1 096
Other administrative expense	-965	-324
Total administrative expense	-9 915	-10 982

Total administrative expenses decreased by CHF 1.1 million during the current year compared with a reduction of CHF 3.5 million in 2010/2011. The decrease during the current year mainly stems from lower salaries due to changes within the Group Management.

5. Financial expense and income

in CHF thousand	1.4.2011 to 31.3.2012	1.4.2010 to 31.3.2011
Financial expense		
Mortgage interest expense ¹	-37 362	-46 463
Interest expense and other financial charges ¹	-1 750	-2 069
Interest expense 4% bond Züblin Immobilien Holding AG ¹	-1 652	-
Interest expense mandatory convertible securities Züblin France	-224	-333
Total financial expense	-40 988	-48 865
Financial income		
Interest income ²	570	110
Currency translation adjustments ³	1 774	1 955
Total financial income	2 344	2 065
Total net financial expense	-38 644	-46 800

¹ The liabilities associated with these costs belong to the category "Financial liabilities at amortized cost".

² The liability associated with this expense is included in the category "Financial instruments valued at fair value through the income statement".

³ Thereof profit of CHF 0.6 million due to derecognition of CTA in equity of the six subholding companies Züblin Investment G1 to G6 subsequent their liquidation.

Financial expense

Total financial expenses declined by CHF 7.9 million during the current year to CHF 41.0 million (previous year CHF 48.9 million). The decrease arose from the decline in mortgage interest expenses in the wake of the significant asset sales as well as the reduction of other financial liabilities and the impact of the lower Swiss franc-euro exchange rate. On the other hand, there were interest expenses for the bond issued in the reporting financial year.

Financial income

The Züblin Group recorded financial income of CHF 2.3 million (previous year CHF 2.1 million). The financial income stems mainly from positive currency translation of euro liabilities repaid within the reporting year.

6. Income taxes

in CHF thousand	Switzerland	France	Germany	Netherlands	Holding ¹	Total
Financial year 2011/2012						
Income taxes in profit and loss						
Current taxes	–	–	–	–	–48	–48
Current taxes from prior year	175	–	205	–	–	380
Total current taxes	175	–	205	–	–48	332
Changes in tax loss carry forwards	1 652	–	1 339	–	–	2 991
Changes in valuation	–7 895	–	–2 344	–	–	–10 239
Changes in other positions	–181	–	8	–	38	–135
Impact from change in holding period	2 112	–	–	–	–	2 112
Total deferred taxes	–4 312	–	–997	–	38	–5 271
Total income taxes in profit and loss	–4 137	–	–792	–	–10	–4 939
Income taxes in comprehensive income statement						
Current taxes	–	–	–	–	–	–
Deferred taxes in equity	3 024	–	693	–	–	3 717
Total income taxes in comprehensive income statement	3 024	–	693	–	–	3 717
Financial year 2010/2011						
Income taxes in profit and loss						
Current taxes	–1 011	–	–	–	–272	–1 283
Current taxes from prior year	–	–	1 010	–	–	1 010
Total current taxes	–1 011	–	1 010	–	–272	–273
Changes in tax loss carry forwards	484	–	4 820	–	–	5 304
Changes in valuation	–4 442	–	–2 800	–	–	–7 242
Changes in other positions	–653	–	147	–	27	–479
Total deferred taxes	–4 611	–	2 167	–	27	–2 417
Total income taxes in profit and loss	–5 622	–	3 177	–	–245	–2 690
Income taxes in comprehensive income statement						
Current taxes	234	–	–	–	–	234
Deferred taxes in equity	–334	–	–1 329	–	–	–1 663
Total income taxes in comprehensive income statement	–100	–	–1 329	–	–	–1 429

¹ Related to all non-property companies.

Income tax reconciliation

in CHF thousand	Switzerland	France	Germany	Netherlands	Holding ¹	Consolidation	Total
Financial year 2011/2012							
Profit before tax	22 725	2 645	-330	-13 470	4 428	-6 339	9 659
Reference rate ²	21.17%	0.00%	31.11%	25.00%	8.99%	7.83%	12.86%
Income taxes at reference rate	-4 811	-	103	3 368	-398	496	-1 242
Income taxes recognized in Profit & Loss	-4 137	-	-792	-	-10	-	-4 939
Difference	674	-	-895	-3 368	388	-496	-3 697
Adjustments:							
- Non tax-deductible expenses	-	-	-202	-44	-	-176	-422
- Non-taxable income	519	-	-	-	-	-	519
- Changes in tax rates on deferred tax positions	-1 540	-	-	-	-	-	-1 540
- Items taxed at other than reference rate	1 538	-	-	-	68	-	1 606
- Changes in loss carry forwards not recognized	137	-	-743	-3 324	320	-320	-3 930
- Income taxes from previous periods	175	-	172	-	-	-	347
- Others	-155	-	-122	-	-	-	-277
Financial year 2010/2011							
Profit before tax	15 475	15 106	-17 588	-4 180	2 341	-1 187	9 967
Reference rate ²	22.00%	0.00%	31.11%	25.07%	14.61%	7.83%	28.74%
Income taxes at reference rate	-3 405	-	5 471	1 048	-342	93	2 865
Income taxes recognized in Profit & Loss	-5 622	-	3 177	-	-245	-	-2 690
Difference	-2 217	-	-2 294	-1 048	98	-93	-5 554
Adjustments:							
- Non tax-deductible expenses	-	-	-288	-48	-	-	-336
- Non-taxable income	-	-	87	-	82	-93	76
- Changes in tax rates on deferred tax positions	-1 312	-	-	-	-	-	-1 312
- Items taxed at other than reference rate	-658	-	-	-	16	-	-642
- Changes in loss carry forwards not recognized	-	-	-3 275	-991	-	-	-4 266
- Income taxes from previous periods	-	-	974	-	-	-	974
- Others	-247	-	208	-9	-	-	-48

¹ Related to all non-property companies.

² The reference tax rate for the Group is calculated at 12.86% (prior year 28.74%). The calculation was made using absolute numbers.

Income taxes

In the past financial year the Züblin Group incurred an income tax expense of CHF 4.9 million, compared with an expense of CHF 2.7 million in the prior year. The most important changes in each of our operating countries are set out below. The fall in the weighted average tax rate from 28.74% to 12.86% was primarily due to changes in the share of individual country results in the total.

Switzerland

The income tax expense in Switzerland amounted to CHF 4.1 million (previous year CHF 5.6 million), of which CHF 0.2 million related to a current taxes income (previous year expense of CHF 1.0 million) and an expense of CHF 4.3 million (previous year expense of CHF 4.6 million) to deferred taxes. The deferred tax expense comprises an expense of CHF 5.9 million from valuation differences and tax income of CHF 1.6 million from tax loss carryforwards. The deferred tax expense of CHF 5.9 million from valuation differences contains a positive effect of CHF 2.1 million as a result of the change in the assumption for the minimum holding period set out in 3.2.2.

France

Due to the company's SIIC status, the Company is not liable for income taxes in France. Accordingly, there was no tax expense in the reporting financial year. Under the current SIIC regime, if the French entity disposes of any property within the first five years after acquisition, it is liable for a one-off payment of 25% of the initial purchase price.

Germany

There was an income tax expense of CHF 0.8 million (previous year: income of CHF 3.1 million) in Germany, consisting of income of CHF 0.2 million (previous year: income of CHF 1.0 million) from current taxes and an expense of CHF 1.0 million (previous year: income of CHF 2.2 million) from deferred taxes.

Netherlands

There was no impact from income taxes in the Netherlands either in the reporting year nor in the previous year.

7. Earnings per share

in CHF	1.4.2011 to 31.3.2012	1.4.2010 to 31.3.2011
Average number of shares entitled to dividends	59 165 446	59 111 806
Earnings of shareholders of Züblin Immobilien Holding AG	3 304 293	-806 064
Earnings per share	0.06	-0.01

Züblin Immobilien Holding AG no longer has any equity instruments which lead to a dilution.

8. Investment properties

Financial year 2011/2012

in CHF thousand	Switzerland	France	Germany	Netherlands	Total
Balance as of 31.3.2011	337 560	405 067	360 494	178 909	1 282 030
Purchases	0	0	0	0	0
Value-enhancing investments	17 515	8 233	8 281	1 000	35 029
Sales	0	0	-7 699	-31 128	-38 827
Positive change in market value of investment properties	24 488	5 104	3 961	38	33 591
Negative change in market value of investment properties	-9 203	-5 720	-7 615	-13 639	-36 177
Currency translation adjustments	0	-29 954	-26 591	-12 959	-69 503
Balance as of 31.3.2012	370 360	382 730	330 830	122 221	1 206 143
- of which investment properties	304 200	382 730	264 464	121 498	1 072 892
- of which held for sale	66 160	0	66 368	723	133 251
Reconciliation of market value to book value as of 31.3.2012					
Valuation by external appraiser ¹	370 360	382 730	330 832	123 112	1 207 034
Valuation adjustment property held for sale ²	0	0	0	-891	-891
Balance as of 31.3.2012	370 360	382 730	330 832	122 221	1 206 143

¹ The report of the independent appraisers (Wüest & Partner [CH + GER], BNP Paribas [FR] and Troostwijk [NL]) as of 31 March 2012 may be found on pages 159 to 164.

² In certain cases, the Company has made adjustments to the valuations from the external appraisers. In particular, these adjustments were made in cases where, as of the balance sheet date, the Company was in sales negotiations for the sale of a property, the effects of which were not yet reflected in the external valuation.

The reduction in the value of the investment properties from CHF 1 282.0 million to CHF 1 206.1 million stems primarily from the following factors:

- The value of the portfolio was increased by investments of CHF 35.0 million (previous year 50.2 million) which the Company made in the reporting period. Approximately 50% of these investments were in Switzerland and related to the renovation projects in Zurich, Berne and Geneva. Furthermore, value enhancing investments in the amount of CHF 8.2 million were made in Paris and of CHF 8.3 million in Germany, mainly in Dortmund.
- At the same time the Company sold properties for CHF 38.8 million (previous year CHF 93.9 million). The sales were in Germany and the Netherlands and are in line with the investment strategy of the Züblin Group.
- A further reduction in the value of the portfolio resulted from the net downward revaluation of the investment properties of CHF 2.6 million (previous year CHF –17.0 million). While values rose in Switzerland, the positive impacts were offset mainly by the downward revaluations in the Netherlands. The positive change in market value in Switzerland stems from lower discount rates caused by the declined yields on the transaction market. In the Netherlands, the decline in market value is a result of structural problems in the real estate sector.
- The devaluation of the euro against the Swiss franc also had a negative impact of CHF 69.5 million (previous year CHF 94.2 million) on the overall value of the portfolio.

The fire insurance value of the investment properties amounts to CHF 1 060.8 million (previous year CHF 1 275.1 million).

A complete list of all investment properties along with all information in accordance with the Directive on Financial Reporting of the SIX Swiss Exchange can be found on pages 29 to 45. This additional information is integral part of the notes to the consolidated financial statements.

Financial year 2010/2011

in CHF thousand	Switzerland	France	Germany	Netherlands	Total
Balance as of 31.3.2010	372 800	438 230	422 247	203 713	1 436 990
Purchases	0	0	0	0	0
Value-enhancing investments	35 765	2 853	9 361	2 198	50 177
Sales	-77 743	0	-16 126	0	-93 869
Positive change in market value of investment properties	18 164	7 322	4 319	4 052	33 857
Negative change in market value of investment properties	-11 426	-4 158	-22 278	-13 039	-50 901
Currency translation adjustments	0	-39 180	-37 029	-18 015	-94 224
Balance as of 31.3.2011	337 560	405 067	360 494	178 909	1 282 030
- of which investment properties	337 560	405 067	352 040	167 140	1 261 807
- of which held for sale	0	0	8 454	11 769	20 223
Reconciliation of market value to book value as of 31.3.2011					
Valuation by external appraiser ¹	337 560	405 067	363 162	183 787	1 289 576
Valuation adjustment property held for sale ²	0	0	-2 668	-4 878	-7 546
Balance as of 31.3.2011	337 560	405 067	360 494	178 909	1 282 030

¹ The report of the independent appraisers (Wüest & Partner [CH + GER], BNP Paribas [FR] and Troostwijk [NL]) as of 31 March 2011 may be found in the annual report 2010/2011.

² In certain cases, the Company has made adjustments to the valuations from the external appraisers. In particular, these adjustments were made in cases where, as of the balance sheet date, the Company was in sales negotiations for the sale of a property, the effects of which were not yet reflected in the external valuation.

9. Furnishing

in CHF thousand	Office furnishing and fittings	EDP	Total 2011/2012	Total 2010/2011
Acquisition costs				
Balance as of 1.4.	2820	1406	4226	4290
Additions	138	205	343	73
Disposals	0	0	0	-60
Currency translation adjustments	-54	-5	-59	-77
Balance as of 31.3.	2904	1606	4510	4226
Accumulated depreciation				
Balance as of 1.4.	2422	1351	3773	3734
Additions	157	62	219	150
Disposals	0	0	0	-74
Currency translation adjustments	-29	-4	-33	-37
Balance as of 31.3.	2550	1409	3959	3773
Net book value as of 31.3.	354	197	551	453

10. Deferred tax assets and liabilities

in CHF thousand	Switzerland	France	Germany	Netherlands	Holding ¹	Total
Financial year 2011/2012						
Deferred tax assets arising from:						
- Tax loss carry-forwards	4 926	0	9 380	0	0	14 306
- Negative valuations of investment properties	0	0	0	3 152	0	3 152
- Derivative financial instruments	0	0	2 140	0	0	2 140
- Other valuation differences	0	0	0	0	170	170
Total deferred tax assets as of 31.3.2012	4 926	0	11 520	3 152	170	19 768
Deferred tax liabilities arising from:						
- Positive valuations of investment properties	24 706	0	8 214	3 152	0	36 072
- Derivative financial instruments	0	0	0	0	0	0
- Other valuation differences	833	0	75	0	0	908
Total deferred tax liabilities as of 31.3.2012	25 539	0	8 289	3 152	0	36 980
Net amounts as presented in balance sheet						
Presented deferred tax assets	0	0	3 438	0	170	3 608
Presented deferred tax liabilities	20 613	0	207	0	0	20 820
Net deferred tax liabilities						
Balance as of 31.3.2011	-19 325	0	3 814	0	132	-15 379
Deferred taxes recognized in Profit & Loss	-4 312	0	-997	0	38	-5 271
Deferred taxes recognized in equity	3 024	0	693	0	0	3 717
Currency translation adjustments	0	0	-278	0	0	-278
Balance as of 31.3.2012	-20 613	0	3 231	0	170	-17 211

¹ Related to all non-property companies.

in CHF thousand	Switzerland	France	Germany	Netherlands	Holding ¹	Total
Financial year 2010/2011						
Deferred tax assets arising from:						
- Tax loss carry-forwards	585	0	8 694	0	0	9 279
- Negative valuations of investment properties	0	0	540	4 922	0	5 462
- Derivative financial instruments	0	0	1 615	0	0	1 615
- Other valuation differences	0	0	0	0	132	132
Total deferred tax assets as of 31.3.2011	585	0	10 849	4 922	132	16 488
Deferred tax liabilities arising from:						
- Positive valuations of investment properties	18 923	0	6 898	4 922	0	30 743
- Derivative financial instruments	334	0	0	0	0	334
- Other valuation differences	653	0	137	0	0	790
Total deferred tax liabilities as of 31.3.2011	19 910	0	7 035	4 922	0	31 867
Net amounts as presented in balance sheet						
Presented deferred tax assets	585	0	4 132	0	132	4 849
Presented deferred tax liabilities	19 910	0	318	0	0	20 228
Net deferred tax liabilities						
Balance as of 31.3.2010	-14 380	0	3 370	0	105	-10 905
Deferred taxes recognized in Profit & Loss	-4 611	0	2 166	0	27	-2 418
Deferred taxes recognized in equity	-334	0	-1 329	0	0	-1 663
Currency translation adjustments	0	0	-393	0	0	-393
Balance as of 31.3.2011	-19 325	0	3 814	0	132	-15 379

¹ Related to all non-property companies.

in CHF thousand	Switzerland	France	Germany	Netherlands	Holding ¹	Total
Tax loss carry-forwards						
As of 31.3.2012	23 271	49 098	91 455	36 619	351 966	552 409
Maturity within						
1 to 12 months	0	0	0	0	0	0
1 to 3 years	0	0	0	2 540	0	2 540
3 to 5 years	461	0	0	2 393	87 231	90 085
more than 5 years	22 810	0	0	31 686	264 735	319 231
without time limitation	0	49 098	91 455	0	0	140 553
Capitalization:						
not capitalized	0	49 098	59 017	36 619	351 966	496 700
capitalized	23 271	0	32 438	0	0	55 709
capitalized at reference tax rate	4 926	0	9 380	0	0	14 306
As of 31.3.2011						
Maturity within						
1 to 12 months	0	0	0	0	0	0
1 to 3 years	0	0	0	3 452	0	3 452
3 to 5 years	0	0	0	2 583	0	2 583
more than 5 years	2 763	0	0	5 225	335 072	343 060
without time limitation	0	49 444	96 019	0	0	145 463
Capitalization:						
not capitalized	0	49 444	61 587	11 260	335 072	457 363
capitalized	2 763	0	34 432	0	0	37 195
capitalized at reference tax rate	585	0	8 694	0	0	9 279

¹ Related to all non-property companies.

11. Trade accounts receivable

in CHF thousand	31.3.2012		31.3.2011	
	Accounts receivable	Value adjustment	Accounts receivable	Value adjustment
Not yet due	4 728	–	5 406	–
< 30 days past due	415	–	394	–57
30–60 days past due	403	–7	339	–32
61–90 days past due	119	–7	235	–14
91–180 days past due	170	–61	229	–54
181–360 days past due	464	–370	2 057	–1 893
Total	6 299	–445	8 660	–2 050
Total accounts receivable	5 854		6 610	

Value adjustment for doubtful receivables

in CHF thousand	2011/2012	2010/2011
Balance 1.4	–2 050	–1 938
Changes in value adjustment for doubtful receivables	–178	35
Utilisation of value adjustment for doubtful receivables	1 365	84
Release of value adjustment for doubtful receivables	268	–411
Currency translation adjustments	150	180
Balance 31.3.	–445	–2 050

12. Cash and cash equivalents

As of the balance sheet date, the Company had cash and cash equivalents of CHF 39.6 million (previous year CHF 51.4 million), which are comprised solely of freely available cash balances.

13. Share capital

	Number of shares	in CHF thousand
Issued shares at a nominal value CHF 1.00 as of 31.3.2010	59 724 486	59 724
No changes in capital structure in financial year 2010/2011	–	–
Issued shares at a nominal value CHF 1.00 as of 31.3.2011	59 724 486	59 724
No changes in capital structure in financial year 2011/2012	–	–
Issued shares at a nominal value CHF 1.00 as of 31.3.2012	59 724 486	59 724

In order to strengthen the Company's balance sheet, the Board of Directors will propose at the Annual General Meeting on 29 June 2012 that no dividend nor par value reduction will be paid.

The Company's holding of treasury shares during financial year 2011/2012 was as follows:

	Number of shares	in CHF thousand
Balance as of 31.3.2010	627 432	3 017
Purchase of treasury shares	1 256 263	4 775
Sale of treasury shares	-1 426 100	-5 604
Result from treasury shares		-401
Balance as of 31.3.2011	457 595	1 787
Purchase of treasury shares	677 288	2 302
Sale of treasury shares	-385 006	-1 343
Result from treasury shares		-114
Balance as of 31.3.2012	749 877	2 632

14. Non-controlling interests

The following non-controlling interests represent the part of Züblin Immobilière France SA which is not held by Züblin Immobilien Holding AG:

	31.3.2012	31.3.2011
Non-controlling interests in EUR thousand	46 857	49 361
Non-controlling interests in CHF thousand	56 440	64 194
Non-controlling interests in percentage	53.51%	53.51%

**Share capital structure of
Züblin Immobilière France SA (ZIF)**

	31.3.2012	31.3.2011
in CHF thousand		
Number of shares	9 745 551	9 172 283
Number of shares of conversion 2.0% mandatory convertible	2 656 250	2 500 000
Fully diluted number of shares	12 401 801	11 672 283
Part of Züblin Immobilien Holding AG		
In share capital of ZIF	5 765 375	5 426 236
In 2.0% mandatory convertible securities	–	–
Share of Züblin Immobilien Holding AG as a percentage		
In share capital of ZIF	59.16%	59.16%
In fully diluted share capital of ZIF	46.49%	46.49%

Züblin Immobilien Holding AG holds 59.16% of the shares of Züblin Immobilière France SA and 46.49% on a fully diluted basis. The difference in this ownership stake arises from the fact that the 10-year Mandatory Convertible Securities issued by Züblin Immobilière France SA in August 2007 for EUR 35.5 million are assumed to be fully converted for the purposes of the consolidated financial statements, reflecting the economic substance of the transaction. The 2.0% Mandatory Convertible Securities are held in their entirety by Montalcino S.à.r.l., a company controlled by the Forum Group. At the current conversion price the securities can be converted into 2 656 250 shares. An analysis of this impact is shown in the table above. The increased amount of shares compared to the previous year stems from the stock dividend. Accordingly, the conversion price of the Mandatory Convertible Securities has been adjusted.

Despite the fact that the ownership stake in Züblin Immobilière France SA is below 50%, the company is fully consolidated in the consolidated financial statements. As of the balance sheet date, Züblin Immobilien Holding AG continued to exercise control as it holds an absolute majority of voting shares with voting rights and appoints the majority of the members of the Board of Directors.

15. Future contractual maturities

in CHF thousand	Carrying value	Interest	< 1 year amortisation	Interest	1 to 5 years amortisation	Interest	> 5 years amortisation
Mortgages	773 930	17 367	217 295	28 706	603 177	0	0
Bond	59 102	2 400	0	7 200	60 000	0	0
Mandatory convertible security	3 719	855	0	3 421	0	855	0
Trade accounts payable	3 161	0	3 161	0	0	0	0
Derivative financial instruments ¹	54 088	17 090	0	30 836	0	1 905	0
Other short-term liabilities	21 855	0	19 121	0	0	0	2 734
Total as of 31.3.2012	915 855	37 712	239 577	70 163	663 177	2 760	2 734
Mortgages	882 202	24 337	89 114	68 470	772 216	371	20 872
Mandatory convertible security	5 714	923	0	3 693	0	385	0
Trade accounts payable	1 991	0	1 991	0	0	0	0
Derivative financial instruments ¹	32 349	14 914	0	16 484	0	-47	0
Other short-term liabilities	38 095	239	37 327	0	0	0	0
Total as of 31.3.2011	960 351	40 413	128 432	88 647	772 216	709	20 872

¹ Derivative financial instruments are disclosed on a net basis.

In the upcoming twelve months, contracts totalling CHF 239.6 million (previous year CHF 128.4 million) will mature. Of this amount, CHF 217.3 million (previous year CHF 89.1 million) relates to mortgages. CHF 86.8 million of these mortgages are held for sale, and the remainder is composed of normal amortization and maturing mortgages of CHF 146.3 million. The majority relates to Switzerland whereas discussions for a renewal are in process. During the reporting year Züblin has fully repaid a short-term credit facility in the amount of CHF 16.6. million. Trade accounts payable as well as the remainder of other short-term liabilities are part of the operational business and are covered by the short-term assets.

16. Financial instruments –
fair-value-hierarchy

in CHF thousand	Carrying value	Level 1	Level 2	Level 3
As of 31.3.2012				
Assets: Derivative financial instruments	561	0	561	0
Liabilities: Derivative financial instruments	54 088	0	54 088	0
As of 31.3.2011				
Assets: Derivative financial instruments	1 520	0	1 520	0
Liabilities: Derivative financial instruments	32 349	0	32 349	0

The valuation of financial instruments is based upon the three-level fair value hierarchy, which is as follows:

Level 1 – Valuation based upon market prices for specific financial instruments.

Level 2 – Valuation based upon market prices for similar instruments or using valuation models which are based upon input parameters observable on the market.

Level 3 – Valuation based upon models with significant input parameters which have a material impact on fair value and are not observable on the market.

17. Financial instruments
by category

	31.3.2012		31.3.2011	
	Book value	Market value	Book value	Market value
Financial Assets				
Loans and receivables at amortized cost				
Trade accounts receivable	5 854	5 854	6 610	6 610
Other current assets	18 170	18 170	18 170	18 170
Cash and cash equivalents	39 555	39 555	51 399	51 399
Financial assets at fair value through profit and loss				
Derivative financial instruments	561	561	1 520	1 520
Total	64 140	64 140	77 699	77 699
Financial Liabilities				
Financial Liabilities at amortized cost				
Mortgages	773 930	806 604	882 202	909 053
Bond	59 102	62 400	–	–
Mandatory Convertible Securities	3 719	3 719	5 714	5 714
Other short-term borrowings	21 855	21 855	38 095	38 095
Accounts payable	3 161	3 161	1 991	1 991
Financial liabilities at fair value through profit and loss				
Derivative financial instruments	54 088	54 088	32 349	32 349
Total	915 855	951 827	960 351	987 202

The book value of the category “Loans and receivables at amortized cost” is equal to the market value as the relevant positions all have short maturities. The reported value of financial assets reflects the maximum default risk disregarding any collateral, in the event that the contractual partners fail to meet their payment obligations. No concentration of default risks arising from business relations with individual debtors or groups of debtors has been identified.

In the category “Liabilities at amortized cost”, the reported amounts of the short-term liabilities reflect their market value. The fair values of mortgages are calculated at the present values of the payment flows using the relevant yield curve. The fair values of convertible securities are based on the closing market price at the relevant balance sheet date. For Mandatory Convertible Securities, the market value as of the balance sheet date reflects the discounted amount of the outstanding liabilities.

18. Derivative financial instruments

in CHF thousand		Notional amounts 31.3.2012	Notional amounts 31.3.2011	Fair value 31.3.2012	Fair value 31.3.2011
Cash flow hedges	1 to 12 months	103 225	67 400	-896	-1 211
	1 to 3 years	304 388	130 310	-23 950	-3 217
	3 to 5 years	216 612	367 726	-19 440	-20 912
	More than 5 years	171 181	200 000	-9 802	-5 489
	Total cash flow hedges	795 406	765 436	-54 088	-30 829
	- of which liabilities			-54 088	-32 349
	- of which assets			0	1 520

Cash flow hedges in equity

in CHF thousand		2011/2012	2010/2011
Reserve cash flow hedges shareholders of Züblin Immobilien Holding AG		-22 964	-34 674
Reserve cash flow hedges non-controlling interests		-8 394	-13 603
Total reserve for cash flow hedges as of 1.4.		-31 358	-48 277
Fair value change		-41 665	-746
Recognized in income statement as interest expense		15 919	19 094
Change in current and deferred taxes		3 717	-1 429
Total reserve for cash flow hedges as of 31.3.		-53 387	-31 358
- of which shareholders of Züblin Immobilien Holding AG		-40 579	-22 964
- of which non-controlling interests		-12 808	-8 394

The Züblin Group uses interest rate swaps to hedge its exposure to future movements in interest rates. During financial year 2011/2012, Züblin entered into two new swap positions starting 30 March 2012 and 5 July 2012. These new swpas are replacing swaps which by then will mature.

All interest rate derivatives are designated as effective under the criteria of IAS 39, and as such, changes in market values of derivative financial instruments are recognized in the consolidated comprehensive income statement. The ineffective portion of cash flow hedges recognized in the income statement was CHF 0.5 million in the reporting financial year and CHF -0.7 million in the previous year.

Payments on interest rate swaps and interest payments on mortgages and other loans occurred simultaneously.

Currency options

in CHF thousand	Notional amounts 31.3.2012	Notional amounts 31.3.2011	Fair value 31.3.2012	Fair value 31.3.2011
1 to 12 months	0	n.a.	0	n.a.
1 to 3 years	0	n.a.	0	n.a.
3 to 5 years	14 000	n.a.	561	n.a.
Total foreign currency put-options	14 000	n.a.	561	n.a.
- of which assets			0	n.a.

Purpose of these currency put-options is hedging future cash flow in other than the functional currency. The currency put-options are stated at their fair values in the category derivative financial instruments whereas gains and losses are recognized through profit and loss.

Total derivative financial instruments

in CHF thousand	Notional amounts 31.3.2012	Notional amounts 31.3.2011	Fair value 31.3.2012	Fair value 31.3.2011
Cash flow hedges	795 406	765 436	-54 088	-30 829
Foreign currency put-options	14 000	0	561	0
Total derivative financial instruments	809 406	765 436	-53 527	-30 829
- of which liabilities			-54 088	-32 349
- of which assets			561	1 520

19. Mortgages

Overview mortgages as of 31.3.2012

In CHF thousand	Switzerland	France	Germany	Netherlands	Total	%
Term structure						
1 to 12 months	193320	272609	87136	70828	623893	81%
1 to 3 years	0	0	150037	0	150037	19%
3 to 5 years	0	0	0	0	0	0%
More than 5 years	0	0	0	0	0	0%
Total	193320	272609	237173	70828	773930	100%
of which:						
– Non-current mortgages	56250	272609	188774	38964	556597	
– Current mortgages	96823	0	1857	31864	130544	
– Mortgages held for sale	40247	0	46542	0	86789	
Term structure, including swaps						
1 to 12 months	0	89525	0	22648	112173	14%
1 to 3 years	33320	126473	237173	48180	445146	58%
3 to 5 years	160000	56611	0	0	216611	28%
More than 5 years	0	0	0	0	0	0%
Total	193320	272609	237173	70828	773930	100%
Average interest rates	3.05%	4.53%	5.27%	5.50%	4.48%	
Contractual maturity dates of mortgages						
1 to 12 months	136070	0	0	30392	166462	23%
1 to 3 years	57250	251041	206288	20473	535052	69%
3 to 5 years	0	21568	30885	19963	72416	8%
More than 5 years	0	0	0	0	0	0%
Total	193320	272609	237173	70828	773930	100%
Fair value of mortgages						
Fixed rate mortgages	0	0	155658	0	155658	19%
Variable rate mortgages	194711	290274	91401	74561	650947	81%
Total	194711	290274	247059	74561	806605	100%

Overview mortgages as of 31.3.2011

In CHF thousand	Switzerland	France	Germany	Netherlands	Total	%
Term structure						
1 to 12 months	194 120	295 059	107 286	124 134	720 598	82%
1 to 3 years	0	0	0	0	0	0%
3 to 5 years	0	0	161 604	0	161 604	18%
More than 5 years	0	0	0	0	0	0%
Total	194 120	295 059	268 890	124 134	882 202	100%
of which:						
– Non-current mortgages					793 088	
– Current mortgages					70 192	
– Mortgages held for sale					18 922	
Term structure, including swaps						
1 to 12 months	97 350	0	0	72 114	169 464	19%
1 to 3 years	0	97 383	36 470	0	133 853	15%
3 to 5 years	96 770	174 267	232 420	52 020	555 476	63%
More than 5 years	0	23 409	0	0	23 409	3%
Total	194 120	295 059	268 890	124 134	882 202	100%
Average interest rates	2.87%	4.55%	5.32%	5.04%	4.45%	
Contractual maturity dates of mortgages						
1 to 12 months	0	0	0	74 168	74 168	8%
1 to 3 years	194 120	50 841	0	49 966	294 926	33%
3 to 5 years	0	220 809	268 890	0	489 699	56%
More than 5 years	0	23 409	0	0	23 409	3%
Total	194 120	295 059	268 890	124 134	882 202	100%
Fair value of mortgages						
Fixed rate mortgages	0	0	167 421	32 040	199 461	22%
Variable rate mortgages	196 602	305 899	112 744	94 347	709 592	78%
Total	196 602	305 899	280 165	126 387	909 053	100%

In the current financial year, the Company rolled over mortgage contracts to the value of CHF 41.1 million. The mortgage portfolio of the Züblin Group includes both variable rate and fixed rate loans. As of 31 March 2012, loans with fixed interest rates amounted to CHF 150.5 million (previous year 194.2 million). Capitalized closing fees of CHF 3.0 million (previous year CHF 2.5 million) are included in the figure for mortgages.

Some of the loan agreements and mortgages include financial covenants which specify, among other things, adherence to certain financial indicators (total debt/EBITDA, level of interest cover, loan-to-value ratio, and equity ratio). The financial covenants vary by country and loan contract, and are presented in summarized form in the table below:

	Switzerland	France	Germany	Netherlands
31.3.2012				
Debt/EBITDA	13.5	–	13.75	–
Interest coverage ratio	1.5	1.15 – 1.5	1.4	> 1.5 – 2.0
Loan to value	70%	70% – 75%	70%	60% – 75%
Equity %	30%	–	25%	–

The Company closely monitors these covenants every quarter and performs sensitivity analyses to changes in earnings, interest rate movements and property valuations. The breach of a covenant may have a variety of consequences depending upon the individual contract. Generally, in the first instance this would include an increase in the margin or accelerated amortization. If so, there is typically a repair period. If after this period, the breach is not repaired, the bank will typically request an accelerated amortization of the loan or a partial repayment of the loan. As of the balance sheet date, the Company was in compliance with all of its covenants.

The following table summarizes the value of investment properties pledged as security for mortgages:

in CHF thousand	31.3.2012	31.3.2011
Book value of assets pledged (investment properties)	835 783	944 471
Credit drawn (debt secured)	580 610	688 083

As part of the refinancing of the loan portfolio in Switzerland, all mortgage notes charged against Swiss properties were lodged with UBS as the agent. If the conditions agreed in the consortium loan agreement (trigger covenants) are no longer met, the assigned securities to the value of CHF 136.8 million will be transferred to the lenders.

Furthermore, future rental fee receivables for properties, insurance policies for properties, and shares in subsidiary companies have been pledged as security over and above the mortgage liens.

20. 4% bond 11/15

in CHF thousand	Nominal value	Price in %	Fair value	Effective interest rate in %
As of 31.3.2012	60 000	104.00%	62 400	4.42%
As of 31.3.2011	n.a.	n.a.	n.a.	n.a.

During the financial year 2011/2012 Züblin Immobilien Holding AG issued a 4% bond of CHF 60.0 million. The bond is quoted at the SIX Swiss Exchange. The bond has a duration of four years and its proceeds were used to repay short-term loans, to refinance different mortgages as well as a to finance a renovation project in France.

21. 2.0% Mandatory Convertible Securities France

in CHF thousand	31.3.2012	31.3.2011
Balance Sheet items		
Amount of debt – interest ¹	3 719	5 714
Amount of equity ²	47 140	47 140
Income statement		
Coupon 2.0% MCS	-861	-949
Amortized interest ¹	618	617
Total interest expense	-243	-332

¹ Under IFRS, the amortized cost method requires that only the interest payment on the amount of debt, currently CHF 3.7 million (prior year CHF 5.7 million) be recorded as interest expense. The amount of debt simultaneously declines since the payment reduces the cash value of the interest payments to be made. The interest debt component is part of the balance sheet item "Mandatory Convertible Securities".

² The equity component of CHF 47.1 million (prior year CHF 47.1 million) is shown in equity as part of non-controlling interests and is unchanged from the prior year. The currency translation adjustment is part of the currency translation adjustment on non-controlling interests.

On 7 August 2007, Züblin Immobilière France SA issued 10-year Mandatory Convertible Securities for EUR 35.5 million. The 2.0% Mandatory Convertible Securities are held in their entirety by Montalcino S.à.r.l., a company controlled by the Forum Group. At the current conversion price the securities can be converted into 2 656 250 shares. Under the terms of the 2% Mandatory Convertible Securities 07/17, the holder has the right to convert the securities at any time after 7 August 2008. Once the term expires on 7 August 2017, the securities must be converted. The holder is entitled to a minimum interest level of 2%, but has the right to receive the same level of dividend distributions, or distributions from free or capital reserves, as existing shareholders.

22. Employee retirement benefit plan

The Züblin Group has different pension schemes throughout the countries in which it operates. These schemes vary according to local laws and employment regulations. In all countries outside of Switzerland, the plans are defined contribution plans. In the past twelve months, expenditures totalling CHF 0.5 million (previous year CHF 0.4 million) for all defined contribution plans were recorded. In Switzerland, the pension plan of Züblin Immobilien Management AG has been designated as a defined benefit plan under IAS 19. The pension scheme is financed by employees' and employer's contributions.

The following amounts are based upon the Project Unit Credit Method:

in CHF thousand	31.3.2012	31.3.2011
Pension liabilities (present value)	3 057	2 721
Pension assets at market value	2 286	2 121
Pension liabilities (technical deficit)	-771	-600

The above amount has been recorded under "Other non-current liabilities".

The pension liabilities and assets changed as follows in the Züblin Group's consolidated balance sheet:

in CHF thousand	2011/2012	2010/2011
Pension liabilities (present value) at 1.4.	2 721	2 526
Actuarial pension expenses	165	147
Employees' contributions	104	74
Interest expenses	75	124
Paid coverage	-99	-229
Accrued service cost	-158	105
Actuarial (gains) and losses	249	-26
Pension liabilities (present value) at 31.3.	3 057	2 721
Pension assets at market value at 1.4.	2 121	2 048
Expected income on plan assets	55	52
Employer contributions	156	186
Employees' contributions	104	124
Paid coverage	-99	-229
Actuarial losses	-51	-60
Pension assets at market value at 31.3.	2 286	2 121
Effective pension income	5	-8

Züblin Group
Annual Report 11_12

The Year in Review
Letter to Shareholders
Newtime
Portfolio
Energy efficiency
Corporate Governance
**Financial Report
Group**

The following table details the cover of the defined benefit pension plan and the impact of adjustments in the expected or actual values of the pension liabilities and assets:

in CHF thousand	31.3.2012	31.3.2011	31.3.2010	31.3.2009	31.3.2008
Pension liabilities (present value)	3057	2721	2526	2125	1951
Pension liabilities at market value	2286	2121	2048	1798	1504
Deficient cover	771	600	478	327	447
Adjustments of pension liabilities by experience	17	143	159	296	-26
Adjustments of pension assets by experience	-51	-60	-105	-99	-53
Total actuarial gains and losses	-34	83	54	198	-78
Expected contribution in the coming year	159	173			
Pension expense is comprised of the following items:					
- Current service cost	164	147			
- Interest expense	75	74			
- Expected return on plan assets	-55	-52			
- Accrued service cost	-158	105			
Pension expenses	26	274			
In the summary of recognized income and expense the following pension income and expenses were recorded directly:					
Actuarial (gains) and losses	300	34			
Cumulative actuarial (gains) and losses recorded as pension income and expense	351	51			

The calculation of the Group's pension liabilities is based on the following assumptions:

	31.3.2012	31.3.2011
Discount rate	2.25%	2.75%
Expected return on pension assets	2.50%	2.50%
Expected future salary increases	2.00%	2.00%
Expected future pension increases	0.00%	0.00%
Life expectancy in years at age of retirement (man/woman)	BVG 2010 GT	BVG 2005

Asset allocation: 100% of the assets are managed and invested by a reinsurance company. Furthermore, the Company has insured a minimum return on its pension assets. Therefore, a detailed asset allocation is not presented.

23. Liabilities from long-term rental contracts

In connection with the rental of its business premises, Züblin Immobilien Management AG has entered into fixed rental commitments up to 31 March 2016 at the latest, totalling CHF 1.2 million (previous year CHF 1.5 million). For the reporting financial year, the rental payments recorded in the income statement totalled CHF 0.3 million (previous year CHF 0.3 million).

in CHF thousand	31.3.2012	31.3.2011
Liabilities from long-term rental contracts		
1 to 12 months	293	553
1 to 3 years	585	625
3 to 5 years	293	585
more than 5 years	0	0

24. Related parties

In accordance with IAS 24, related parties for the reporting financial year included:

- The Board of Directors
- Members of Züblin Group Management
- Bruin I, S.à.r.l., Luxembourg ¹
- Forum European Realty Income L.P., Cayman ¹

¹ These shareholders together form a group with a total holding of 19.84%. There are no shareholders agreements. These companies are represented on the Board of Directors by Andrew N. Walker.

Shareholdings by related parties as of 31 March 2012

- Shareholdings by the Board of Directors and the Group Management are disclosed in detail in note 26 (see pages 147 to 148).
- The 2.0% Mandatory Convertible Securities, which were issued in 2007 by Züblin Immobilière France SA (ZIF), were subscribed in their entirety by Montalcino S.à.r.l., a company controlled by the Forum Group, and can be converted into 2 656 250 shares of ZIF at the current conversion price.

Transactions with related parties and significant shareholders

As mentioned in this note last year under the heading of transactions after the year-end, the French subsidiary Züblin Immobilière France (ZIF) underwent a reorganization during the financial year and established a 100% asset management subsidiary, Züblin Immobilière France Asset Management (ZIFAM), on 3 May 2011. On 1 June 2011 the employment contract for Pierre Essig (member of the Group Management of Züblin Group and CEO in France) and all other employees were transferred from ZIF to the new company. ZIFAM was set up to perform the asset management for ZIF and will also provide property management services in future.

As part of this reorganization, the Company provided Pierre Essig with an option to buy the asset management company ZIFAM under certain circumstances. This option can only be exercised if Züblin Group or ZIF alter their strategy and give up their asset management activities. The option covers ZIFAM's entire capital and the exercise price is the market value of the company at the time of exercising the option.

Apart from the above there were no other transactions with related parties or significant shareholders in financial year 2011/12. Nor were any advisory fees paid to related parties or significant shareholders over and above the remuneration disclosed on pages 145 to 146. The Board of Directors and Group Management continually monitor potential conflicts of interest.

Loans to members of governing bodies

No loans have been granted to members of the Board of Directors or the Züblin Group Management.

25. Compensation

Compensation of the members of the Board of Directors

in CHF	Basic compensation	Subsidiaries ¹	Total
Financial year 2011/2012			
Pierre N. Rossier, Chairman ²	140 000	45 855	185 855
Christian Bubb, Vice-Chairman	65 000	0	65 000
Gerold Bühler, Member	60 000	0	60 000
Andrew N. Walker, Member ³	60 000	14 555	74 555
Dr. Markus Wesnitzer, Member ⁴	60 000	12 129	72 129
Total Board of Directors	385 000	72 539	457 539
Financial year 2010/2011			
Pierre N. Rossier, Chairman ²	120 000	45 930	165 930
Christian Bubb, Vice-Chairman	62 500	0	62 500
Gerold Bühler, Member	60 000	0	60 000
Andrew N. Walker, Member ³	90 000	13 372	103 372
Dr. Markus Wesnitzer, Member ⁴	60 000	13 372	73 372
Total Board of Directors	392 500	72 674	465 174

¹ Board compensation at the subsidiary level.

² Pierre N. Rossier is also a member of the Board of Directors of Züblin Immobilière France SA, Paris, ZIAG Immobilien AG, Dusseldorf und Züblin Immobilien AG, Zurich.

³ Andrew N. Walker is also a member of the Board of Directors of Züblin Immobilière France SA, Paris.

⁴ Dr. Markus Wesnitzer is also a member of the Board of Directors of ZIAG Immobilien AG, Dusseldorf.

Compensation of the Group Management

in CHF	Basic compensation	Bonus in cash	Pension fund ¹	Total
Financial year 2011/2012				
Bruno Schefer, CEO	620 000	120 000	82 679	822 679
Thomas Wapp, CFO	240 000	60 000	20 208	320 208
Pierre Essig, CEO France	321 096	54 581	45 221	420 898
Total Group Management	1 181 096	234 581	148 108	1 563 785
Financial year 2010/2011				
Bruno Schefer, CEO	620 000	125 000	114 864	859 864
Thomas Wapp, CFO ²	120 000	30 000	7 950	157 950
Pierre Essig, CEO France	320 928	60 174	49 883	430 985
Members who left in financial year 2010/2011				
George E. Aase ³	283 500	0	24 759	308 259
Dr. Oliver Bäumler ⁴	465 713	0	16 046	481 759
Total Group Management	1 810 141	215 174	213 502	2 238 817

¹ Employer's contribution.

² From 1.10.2010.

³ Left the company as of 31.7.2010, on the payroll until 31.1.2011.

⁴ Left the company as of 30.9.2010, on the payroll until 30.9.2011 (the costs were accrued in full in 2010/2011)

For further information on the compensation model and the compensation paid please refer to the Corporate Governance section, page 70.

26. Shareholdings

Shareholdings of the Board of Directors

	Shares ZIHAG ¹	Restricted shares ZIHAG ²	Shares ZIF ³
Financial year 2011/2012			
Pierre N. Rossier, Chairman	116 932	0	10 625
Christian Bubb, Vice-Chairman	0	0	0
Gerold Bühler, Member	7 805	0	138
Andrew N. Walker, Member	2 724	0	48
Dr. Markus Wesnitzer, Member	1 139	0	0
Total Board of Directors	128 600	0	10 811
Financial year 2010/2011			
Pierre N. Rossier, Chairman	115 000	1 932	10 000
Christian Bubb, Vice-Chairman	0	0	0
Gerold Bühler, Member	6 666	1 139	130
Andrew N. Walker, Member	0	2 724	46
Dr. Markus Wesnitzer, Member	0	1 139	0
Total Board of Directors	121 666	6 934	10 176

¹ Shares ZIHAG = shares in Züblin Immobilien Holding AG.

² These ZIHAG shares were distributed on 24 April 2008 and were restricted until 23 April 2011.

³ Shares ZIF = shares in Züblin Immobilière France SA.

Shareholdings of the Group Management

	Shares ZIHAG ¹	Restricted shares ZIHAG ²	Shares ZIF ³
Financial year 2011/2012			
Bruno Schefer, CEO	40 296	0	5 956
Thomas Wapp, CFO	0	0	0
Pierre Essig, CEO France	0	0	29 308
Total Group Management	40 296	0	35 264
Financial year 2010/2011			
Bruno Schefer, CEO	24 967	15 329	5 608
Thomas Wapp, CFO	0	0	0
Pierre Essig, CEO France	0	0	27 584
Total Group Management	24 967	15 329	33 192

¹ Shares ZIHAG = shares in Züblin Immobilien Holding AG.

² These ZIHAG shares were distributed on 24 April 2008 and were restricted until 23 April 2011.

³ Shares ZIF = shares in Züblin Immobilière France SA.

27. Events after the balance sheet date

Sales

Two investment properties were sold after the year-end. The first was in Frechen, Germany, which was sold in April 2012 at its market value as of 31 March 2012 and the second in Geneva in May 2012 at above the year-end market value.

Loan from Züblin Immobilien Holding AG (ZIHAG) to Züblin Immobilière Paris Ouest 1 (ZIPO)

On 24 April 2012 ZIHAG granted ZIPO a mezzanine loan to finance the renovation costs of the investment property Newtime "Jatte 1". The loan is drawable on demand and has the following terms and conditions:

- The first instalment of the loan amounts to EUR 35 million, of which EUR 6.5 million was paid out on 24 April 2012
- Interest rate: 9.5% (of which 3% is payable in cash quarterly and 6% is capitalised)
- Term of the loan: to 15 July 2015 (with the option to extend twice by one year)
- ZIHAG will participate in any potential gain in the value of the property in proportion to the ratio of its loan to the project company's equity

As a result of this internal financing the OPCI fund established in the last financial year is no longer needed and will be liquidated.