Independent valuer’s report
Wüest & Partner

Commission

Wüest & Partner AG and W&P Immobilienberatung GmbH (Wüest & Partner), BNP Paribas Real Estate Valuation France and Troostwijk (“the valuers”) were commissioned by the Group Management of Züblin Immobilien Holding AG to perform a valuation for accounting purposes of all investment properties held by Züblin Immobilien Holding AG and its associated companies (the “Züblin Group”) as at the reporting date 30 September 2013.

Involved parties

The portfolio of the Züblin Group is diversified within Switzerland, France, Germany and the Netherlands. The valuations in the different countries have been done by:

Portfolio Switzerland

Wüest & Partner was responsible for all valuations of the Swiss investment properties.

Portfolio Germany

Wüest & Partner, in coordination with its German subsidiary, W&P Immobilienberatung GmbH, was responsible for all valuations of the German investment properties.

Portfolio France

BNP Paribas Real Estate Valuation France was responsible for all valuations of the French investment properties. Wüest & Partner was responsible for co-ordination of the valuations and the consolidating the French results into the same reporting format as in Germany and Switzerland. The results were not changed as a result of this consolidation.

Portfolio Netherlands

Troostwijk was responsible for the valuations of the Dutch investment properties. Wüest & Partner was responsible for co-ordinating the valuations and for consolidating the Dutch results into the same reporting format as in Germany and Switzerland. The results were not changed as a result of this consolidation.

Valuation standards

The valuers hereby confirm that the valuations have been performed in accordance with national and international standards and guidelines as set out in the International Valuation Standards (IVSC) and the standards of the Royal Chartered Surveyors (Red Book). The market value determined for the investment properties conform with the concept of fair value as defined in the International Financial Reporting Standards (IFRS) on the basis of IAS 40 (Investment Property) and IFRS 13 (Fair Value Measurement).

Definition of “fair value”

“Fair value” is defined as the amount for which an investment property could be exchanged on the open market at the valuation date between two willing and knowledgeable parties in an arm‘s length transaction, where the parties are motivated, but not compelled, to buy and sell, and with due allowance made for a reasonable marketing period. An exit price is the selling price postulated in the purchase contract upon which the parties have jointly agreed. Thereby none of Züblin‘s liabilities in respect of taxation (apart from ordinary property taxes) and financing cost are taken into account. Fair value is calculated on the basis of the best possible use of a property (Highest and Best use). The best possible use of a property is that which maximes its value. This assumption presupposes a use which is technically and physically possible, legally permitted and financially realizable. As fair value is calculated on the basis of maximization of use, the best possible use may differ from the actual or planned use. In the assessment of fair value, future investment spending for the purpose, of improving a property or increasing its value will be taken into account accordingly.

Valuation method

In valuing investment properties of the Züblin Group, the valuers applied the discounted cash flow (DCF) method, under which the market value of an investment property is determined by discounting the total of projected future net earnings over the next 100 years to the valuation date. The discount calculation is carried out separately for each investment property, taking account of its investment property-specific risks and opportunities, in line with market conditions and on a risk-adjusted basis. In order to comply with the French valuation regulations (issued by Afrexim, the French association of valuation firms), BNP Paribas Real Estate Valuation France applied three different methods:

- direct income capitalisation, where the passing and potential revenue of each investment property is capitalised before deduction of exceptional capital expenditure;
- DCF approach on a 10-year period;
- market comparison approach, based on prices per sq m observed in comparable transactions.

The market value is finally determined by comparing the results obtained by the three different methods.

Basis of valuation

Wüest & Partner, BNP Paribas Real Estate Valuation France and Troostwijk are familiar with all the investment properties in their respective region on the basis of inspections and provided to them. The investment properties have been analysed in detail with respect to their quality and risk profiles (attractiveness and lettability of rented investment properties, construction type and condition, micro- and macro-location etc.). Currently vacant premises are valued with due allowance made for a reasonable marketing period.

The valuers will inspect the investment properties a minimum of every three years as well as following the purchase of investment properties and upon completion of larger refurbishments projects.

Within the review period from 1 April 2013 to 30 September 2013 the following investment properties have been visited:

Switzerland
No site visits

Germany
No site visits

France
No site visits

Netherlands
No site visits

Results

A total of 43 investment properties and property units were valued as at 30 September 2013. The fair value of these investment properties, in accordance with IAS 40 and IFRS 13, as determined by the valuers on the valuation date is:

Switzerland
5 investment properties with a total value of CHF 186 020 000

Germany
21 investment properties with a total value of EUR 171 678 545

France
6 investment properties with a total value of EUR 323 830 000

Netherlands
11 investment properties with a total value of EUR 52 110 000

Changes during reporting period

Eight investment properties were sold during the reporting period 1 April 2013 to 30 September 2013.

Switzerland
Zurich, Talstrasse 80
Zurich, Talstrasse 82
Zollikofen, Industriestrasse 1

Germany
Korschenbroich, An der alten Post 1-9
Langenfeld, Marktplatz 2-6

France
Lyon, 17-23 av. Pompidou

Netherlands
Diemen, Diemerhof 10-12
Veendam, Spoorhavenweg

Independence and confidentiality

In line with the company policies, Wüest & Partner, BNP Paribas Real Estate Valuation France and Troostwijk have valued the investment properties of the Züblin Group independently and impartially. The valuation was carried out solely for those purposes specified above; Wüest & Partner, BNP Paribas Real Estate Valuation France and Troostwijk accept no liability in respect of third parties.

Zurich, 23 October 2013
Wüest & Partner

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Pascal Marazzi
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Amsterdam, 23 October 2013

Troostwijk Taxaties
Ir. Jordy Kleemans
Consultant & Taxateur van onroerende zaken

Paris, 23 October 2013
BNP Paribas Real Estate Valuation France

Jean-Claude Dubois MRICS
Chartered Surveyor MRICS, Chairman, Member of the I.F.E.I

Annex: Valuation assumptions

Investment properties

The following nominal discount rates were applied in valuing the investment properties:

Table 1 Region	Minimum discount rate (%)	Maximum discount rate (%)	Mean discount rate (%)*
Switzerland	4.13	5.65	4.66
France	7.13	7.67	7.51
Germany	7.20	9.65	8.23
Netherlands	8.56	18.36	11.04
All regions	4.13	18.36	7.34

* Average of discount rates for individual valuations, weighted by market value

The investment property valuations are based on the following general assumptions:

- The rent rolls from Züblin Group used in the valuation are dated 30 September 2013.
- A one-phase DCF model was used. The valuation period extends for 100 years from the valuation date, with an implicit residual value in the 11th period.
- Discounting is based on a risk-adjusted interest rate. This rate is determined individually for each investment property on the basis of appropriate benchmarks derived from arm's-length transactions. If sufficient benchmark transactions are not available, the discount rate is determined as follows: risk-free interest rate (government bond) + property risk (immobility of capital) + premium for macro-location + premium for micro-location depending on use + premium for property quality and income risk + any other specific premiums.

  Nominal discount rates range between 4.13 and 18.36 depending on the investment property, use and location (see Table 1)
- Unless otherwise stated, the valuations are based on the following assumptions for inflation (nominal discount rates are adjusted accordingly):
  - Switzerland: 1.0%
  - France: 2.0%
  - Germany: 2.0%
  - Netherlands: 2.0%

- Credit risks posed by specific tenants are not explicitly factored into the valuation.
- Specific indexation of existing rental agreements is accounted for on an individual basis. After expiry of the contracts, an indexation factor of 40% to 100% (based on a local average for every country and usage type) and an average contract term of 5 years are assumed.
- For existing tenancies, the timing of individual payments is assumed to comply with the terms of the lease. Following lease expiry, cash flows for commercial premises are taken to be quarterly in advance, for housing monthly in advance.
- In terms of running costs, entirely separate service charge accounts are assumed, with no tenancy-related ancillary costs to be borne by the owner.
- The maintenance costs for repair and upkeep were calculated using a building analysis tool. This tool is used to estimate the remaining lifespan of individual components based on their present condition, to model periodic refurbishments and to calculate the associated annual renewal fund allowances. The calculated values are plausibility tested using cost benchmarks derived from Wüest & Partner surveys.
- Additional assumptions were applied to the valuation of the non-strategic necessary investment properties (Dutch portfolio and retail properties in Germany) as a result of the planned sales. Within the permitted range for the estimation of fair value the following additional value-reducing factors were assumed for these investment properties:
  - Relatively quick sale (< 6 months)
  - Difficult to let the investment properties (no further measures will be taken to increase the attractiveness of the properties)
  - Limited tradability of the investment properties (retail properties with short leases and vacancies are only of interest to a small number of investors. If no such buyer is found during the proposed marketing period, the investment property will usually have to be sold at a significant discount).