

Notes to the consolidated semi-annual financial statements

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1. General information on the company

Züblin Immobilien Holding AG and its subsidiaries (together the Züblin Group) are focused on the management of the Group's European real estate portfolio. In addition to Switzerland, the Züblin Group operates in France, Germany and the Netherlands and employed 28 persons as of 30 September 2013 (31 March 2013: 29).

Züblin Immobilien Holding AG is a Swiss stock corporation domiciled at Claridenstrasse 20, Zurich, Switzerland, and is the parent company of the Züblin Group. The Company's shares are traded on the Main Segment of SIX Swiss Exchange.

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2. Significant accounting policies

2.1 Basic principles

The consolidated semi-annual financial statements of the Züblin Group have been prepared in accordance with IAS 34 "Interim Financial Reporting" and comply with Swiss statutory regulations as well as with Art. 17 of SIX Swiss Exchange Directive on Financial Reporting. The consolidated semi-annual financial statements do not contain all of the information and notes that are required at the financial year-end and should therefore be read along with the consolidated annual financial statements for the Züblin Group for the financial year ending 31 March 2013. The consolidated semi-annual financial statements for the Züblin Group as of 30 September 2013 were approved by the Board of Directors on 13 November 2013.

2.2 Changes to accounting policies

With the exception of standards and interpretations newly applied in the financial year the semi-annual consolidated financial statements are based on the same accounting and valuation policies used in the previous year.

The following standards and interpretations have been introduced since 1 April 2013:

- IFRS 7 (rev.): Disclosures – Offsetting Financial Assets and Financial Liabilities
- IFRS 10: Consolidated Financial Statements
- IFRS 11: Joint Arrangements
- IFRS 12: Disclosure of Interests in Other Entities
- IFRS 13: Fair Value Measurement
- IAS 1 (rev.): Presentation of Financial Statements
- IAS 19 (rev.): Employee Benefits
- IAS 27 (rev.): Investment Entities
- IAS 28 (rev.): Investment in Associates
- IFRIC 20: Stripping Costs in the Production Phase of a Surface Mine
- Diverse: Annual improvement project 2010-2012

The above amendments, interpretations and improvements had no material impact on the consolidated financial statements.

IFRS 13 lays down uniform guidelines for measuring fair value and will therefore complement the guidance in IAS 40 on determining fair value for investment properties. Besides a slight modification of the definition of fair value, the main innovation of the new standard is the introduction of the "Highest and Best Use" concept. The application of IFRS 13 with effect from 1 April 2013 had no impact on the value of Züblin's portfolio as of 30 September 2013. The investment properties recognized at fair value as of 30 September 2013 qualify as level 3 fair value inputs. There were no changes in the valuation criteria or processes during the reporting period and there

were no reclassifications within this category. IFRS 13 also had no impact on the valuation criteria and processes for financial instruments during the reporting year. As at 31 March 2013, the derivative financial instruments held at 30 September 2013 continue to fall into the level 2 fair value category.

2.3 Future changes to accounting policies

The following new or revised standards and interpretations are to be applied at the earliest for financial years beginning after 1 April 2014:

- | | | |
|-------------------|---|---------------|
| – IFRS 9: | Financial Instruments | from 1.1.2015 |
| – IFRS 10 (rev.): | Investment Entities | from 1.1.2014 |
| – IFRS 12 (rev.): | Investment Entities | from 1.1.2014 |
| – IAS 27 (rev.): | Investment Entities | from 1.1.2014 |
| – IAS 32 (rev.): | Offsetting Financial Assets and Financial Liabilities | from 1.1.2014 |

None of the new or revised standards and interpretations were adopted early in the preparation of the semi-annual financial statements of the Züblin Group. Although a systematic analysis has not been performed, it is not anticipated that the new or amended standards and interpretations above will have any material impact on the financial reporting of the Züblin Group.

2.4 Revision of criteria for investment properties held for sale

Since the close from financial year 2012/2013 the non-strategic investment properties are reported as held for sale. Therefore, one of the three criteria for an investment property being classified as held for sale has been amended. Previously an executed letter of intent was required; now there must be an intention to sell the investment property and it must be actively marketed.

The market environment for the non-strategic investment properties has continued to weaken and is expected to remain challenging in the future. Moreover, significant investment would be required in the near future to reduce vacancy rates or extend expiring rental contracts. Due to the poor prospects for these non-strategic investment properties the assumption of the Company is that the required investment would not generate added value and we are therefore reducing this to a minimum. As a result the Company is sticking to its strategy and intends to sell the non-strategic properties as quickly as possible in a manner that protects shareholders' interests.

The amendment was implemented retrospectively as of 1 April 2011 and had impact on the balance sheet, income statement and on selected information in the notes. The amendment had no impact on the Company's net earnings.

The amendments made and their impact are shown in the tables below. The amendments made and their impact on the balance sheet in the previous period can be found in the annual report 2012/2013.

in CHF thousand	1.4.2012 to 30.9.2012 after restatement	1.4.2012 to 30.9.2012 before restatement
Consolidated income statement		
Result from the sale of investment properties	0	5 011
Result from the sale of investment properties strategic (new)	6 599	0
Result from the sale of investment properties non-strategic (new)	-1 588	0
Positive change in market value of investment properties	0	5 540
Negative change in market value of investment properties	0	-29 111
Change in market value of investment properties strategic (new)	-3 611	0
Change in market value of investment properties non-strategic (new)	-19 960	0

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3. Critical accounting estimates and judgements

The preparation of the consolidated semi-annual financial statements requires the use of estimates and judgements by the Company's management. These estimates and judgements affect the way in which assets, liabilities, income and expenses are reported and their valuation, as well as the disclosure of contingent liabilities and other disclosures in the semi-annual financial statements. The actual outcome may differ from assumptions and estimates that have been used. In the event that they subsequently differ from the actual outcome, the initial estimates and assumptions are revised to reflect the changed circumstances during the financial year in which these changes occur. In the Züblin Group the main accounting estimates and judgements relate to the valuation of investment property and income taxes. The disclosures of critical accounting estimates and judgements in the annual consolidated financial statements are unchanged.

4. Scope of consolidation

During the first six months of financial year 2013/2014 there were no changes to the scope of consolidation.

5. Exchange rates

in CHF	Balance sheet rate 30.9.2013	Average rate 31.3.2013	Balance sheet rate 1.4.2013 to 30.9.2013	Average rate 1.4.2012 to 30.9.2012
1 EUR	1.2225	1.2195	1.2330	1.2027