

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 Germany and employed 12 persons as of 30 September 2015 (31 March 2015: 15).

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 with Art. 17 of the 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 2015. The consolidated semi-annual financial statements for the Züblin Group as of 30 September 2015 were approved by the Board of Directors on 10 November 2015.

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 2015:

- IAS 19 (rev.): Defined Benefit Plans: Employee Contributions
- Annual improvements to IFRS 2010-2012 cycle and 2011-2013 cycle

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

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 2015:

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| – IAS 1 (rev.): Disclosure initiative | from 1.1.2016 |
| – IAS 16 /IAS 38 (rev.): Clarification of Acceptable Methods of Depreciation and Amortisation | from 1.1.2016 |
| – IAS 27 (rev.): Equity Method in Separate Financial Statements | from 1.1.2016 |
| – IFRS 9: Financial Instruments | from 1.1.2018 |
| – IFRS 11 (rev.): Accounting for Acquisitions of Interests in Joint Operations | from 1.1.2016 |
| – IFRS 14: Regulatory Deferral Accounts | from 1.1.2016 |
| – IFRS 15: Revenue from Contracts with Customers | from 1.1.2018 |
| – IFRS 10/IAS 28 (rev.): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | from 1.1.2016 |
| – IFRS10/IFRS12/IAS 28 (rev.): Investment Entities: Applying the Consolidation Exception | from 1.1.2016 |
| – Improvements to IFRS Cycle 2012-2014 | from 1.1.2016 |

None of the new or revised standards and interpretations were adopted early in the preparation of the 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.

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 outturn may differ from assumptions and estimates that have been used. In the event that they subsequently differ from the actual outturn, 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.

There were no changes in the valuation criteria in connection with IFRS 13 during the reporting period and there were no reclassifications within this category. The investment properties recognized at fair value as of 30 September 2015 qualify unchanged to 31 March 2015 as level 3 fair value inputs. As at 30 September 2015, the derivative financial instruments held at 31 March 2015 continue to fall into the level 2 fair value category.

4. Scope of consolidation

During the first six months of financial year 2015/2016 the Group has effected its economic withdrawal from the French market. As of March 31, 2015, the business segment "France" – then consisting of the shareholding of 59.16 % of the share capital of the French subsidiary (Züblin Immobilière France – hereafter ZIF) or 46.49 % on a diluted basis – has been classified as a disposal group held for sale. On July 31, 2015 the Group reduced its investment to 33.5%. As of July 31, 2015 ZIF was deconsolidated and is now accounted for as investment in associates. See also note 6 in this section as well as note 6 in the other notes for further details.

5. Exchange rates

in CHF	Balance sheet rate	Balance sheet rate	Average rate	Average rate
	30.9.2015	31.3.2015	1.4.2015 to 30.9.2015	1.4.2014 to 30.9.2014
1 EUR	1.0915	1.0463	1.0572	1.2152

6. Discontinued operations held for sale

Züblin has closed on July 31, 2015 a transaction with the result of the Groups economic withdrawal from the French market.

The new investor has subscribed to a reserved capital increase of Züblin Immobilière France S.A. (ZIF) of € 11.5 million and to a convertible bonds reserved issue for € 20.8 million. Following all transactions, the Groups shareholding in ZIF has decreased to 33.5%, and the new investor now holds 50.1% of the share capital and voting rights (both on a non diluted basis).

Furthermore the new investor purchased the shareholder loan granted by Züblin to ZIF and received a call option from Züblin to buy its remaining shares in ZIF during a term of 5 years at a price depending on the financial vacancy rate in the French portfolio. Therefore Züblin has written off its remaining interest in ZIF.

Based on this transaction the Group deconsolidated ZIF as of July 31, 2015 and now accounts for ZIF as an investment in associates.

The result of discontinued operation is excluded from the result of the Groups' continuing operations and are presented as a single amount as result from discontinued operations in the consolidated income statement. The prior-year figures of the income statement and comprehensive income statement, the cash flow statement and the segment reporting were adjusted and accordingly as such indicated in the respective columnne. See also note 6 for further details.