E.1 EPRA Vacancy Rate monetary

in CHF thousand	30.9.2016	31.3.2016
Estimated market rental income of vacant space (A)	2 082	1 888
Estimated market rental value of the whole portfolio (B)	19 519	20 309
EPRA Vacancy rate (A/B)	**10.7%**	**9.3%**

E.2 Züblin Vacancy Rate monetary

in CHF thousand	30.9.2016	31.3.2016
Estimated annual rental income of vacant space (A)	2 082	1 888
Projected annual rental income of the whole portfolio (B)	20 944	20 968
Züblin Vacancy rate (A/B)	**9.9%**	**9.0%**

Independent valuer's report
Jones Lang LaSalle (JLL)

1 Instruction

On behalf of the management of Züblin Immobilien Holding AG, the local subsidiaries of Jones Lang LaSalle ("JLL") have valued all investment properties of Züblin Immobilien Holding AG or its affiliated companies ("Züblin Group") in Switzerland and Germany for accounting purposes as at 30 September 2016.

2 JLL Offices Involved

The portfolio of the Züblin Group is diversified within Switzerland and Germany. All valuations were prepared by the JLL valuation teams in the respective countries.

Switzerland:	JLL Zurich office
Germany:	JLL Frankfurt am Main, Hamburg und Munich offices

3 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 (IVS) and the standards of the Royal Institution of Chartered Surveyors (RICS / Red Book).

4 Accounting Standards

The market values determined for the investment properties represent Fair Value as defined in the International Financial Reporting Standards (IFRS) on the basis of revised IAS 40 (Investment Property) and IFRS 13 (Fair Value Measurement

5 Definition of "Fair Value"

The Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

An exit price is the selling price as stated in the purchase contract on which the parties have agreed.

The Fair Value valuation assumes that the hypothetical transaction for the asset being valued takes place on the market with the greatest volume and the largest business activity (principal market), as well as transactions of sufficient frequency and volume occur so that sufficient pricing information is available for the market (active market). If such a market cannot be identified, a market for the asset is assumed that maximises the selling price.

6 Realisation of Fair Value

The Fair Value is determined on the basis of the best possible use of a property (highest and best use). The best use is the use that maximises the property's value. This assumption of use must be technically / physically possible, legally permissible and financially feasible. As a maximisation of utility is assumed in the determination of Fair Value, the best use may differ from the actual or planned use. Future capital expenditures that will improve or increase the value of a property are taken into account appropriately in the Fair Value Measurement.

The application of the highest and best use approach is based on the principle of materiality of the potential difference in value in relation to the value of the individual property and of the total real estate assets, as well as in relation to the possible absolute value difference. Potential increased real estate values that lie within the usual valuation tolerance of a single valuation are considered to be insignificant and neglected as a result.

The determination of Fair Value is dependent on the quality and reliability of measurement parameters, with decreasing quality and reliability: Level 1 market price, level 2 modified market price and level 3 model-based valuation. For a Fair Value appraisal of a property, different levels for different application parameters can be applied simultaneously. The entire valuation is classified according to the lowest level of the Fair Value hierarchy, which contains the main valuation parameters.

The valuation of investment properties of the Züblin Group are performed with a model-based valuation in accordance with level 3, on the basis of input parameters not directly observable on the market. Based on this level, adapted level 2 input parameters are used (e.g. market rents, operational and maintenance costs, discount / capitalisation rates). Not observable inputs are only used when relevant observable inputs are not available.

7 Valuation Method

Valuation procedures have been applied that are appropriate in the particular circumstances and for which sufficient data are available to determine the Fair Values, in which the use of relevant observable inputs are maximised and those unobservable inputs are minimised.

The market valuations of properties that are completely or partially vacant are calculated on the assumption that a re-letting takes a certain period of time. Loss of rent, rent-free periods and other incentives for new tenants that meet the market standard are taken into account in the valuation.

To determine the market value an income-based approach was applied. In this case, the potential yield of a property is determined on the basis of future revenues and expenditures. The resulting cash flows correspond to the current and projected cash flows after deducting all non-recoverable costs to the tenant (before taxes and borrowing costs). The interest rate used is based on the rate of long-term, risk-free investments and a specific risk premium, which reflects the current situation on the transaction market, the local real estate market and the characteristics of the property.

The discounted cash flow method (DCF method) was used where the annual cash flows are discounted to the valuation date. At the end of the period in which the cash flows are projected in detail, a residual value (exit value) is determined on basis of a perpetual annuity of the exit cash flow. The market value is calculated as the sum of the discounted net cash flows. The market value is the sum of the net cash flows discounted to the valuation date beyond the detailed analysis period and the discounted residual value.

8 Basis of the Valuations

All properties are known to JLL due to the inspections carried out and the documents provided. JLL conducted a detailed analysis in terms of quality and risks (attractiveness and lettability of the rented premises, construction and condition, micro and macro location). The properties are visited by JLL at acquisition and every three years or upon completion of larger refurbishments thereafter.

9 Results

A total of 17 properties were valued as at 31 March 2016. The Fair Value of the properties according to IAS 40 and IFRS 13 is estimated as at the valuation date as follows:

Switzerland (5 properties):	CHF 199,500,000 (Gross Fair Value)
Germany (12 properties):	EUR 127,390,000 (Net Fair Value)

Gross Fair Value: The fair value according to paragraph 25 IFRS 13 is not corrected by the transaction costs incurred by the purchaser. This corresponds to the Swiss valuation practice.

Net Fair Value: For the valuation of foreign properties, transaction costs are deducted in accordance with IFRS.

10 Independency and Purpose

JLL confirms that the valuations have been created independently and neutrally and are intended only for the aforementioned purpose. JLL assumes no liability to third parties.

JLL Switzerland
Zurich, 9 November 2016

Gregor Strocka, CAIA, MRICS
Senior Vice President

Daniel Macht MRICS
Vice President

JLL Germany
Frankfurt, 9 November 2016

Ralf Kemper MRICS
Head of Valuation Advisory Germany

Patrick Metzger MRICS
National Director

Appendix – Valuation Assumptions

The following general assumptions apply for the valuation of the properties.

- The valuations are based on rent rolls of the Züblin Group as at 1 October 2016.
- In the valuation models, unless otherwise specified, the following inflation rates are assumed: Switzerland: 0.50%, Germany: 1.69% on average over the period of consideration.
- With regard to operating expenses, it is assumed that ancillary expenses are treated separately and thus tenant related costs are borne by the tenants.
- The discount rate and capitalisation rate is based on a risk-adjusted interest rate. The respective rate is determined individually for each investment property by use of benchmark data from arm's-length transactions. In case there are not sufficient comparable transactions, the discount and capitalisation rates are determined taking into account the current market environment, the macro and micro location, type of use, cash flow risk and any other specific factors.
- As at 30 September 2016 the following interest rates have been applied:
  - For the valuations in Switzerland the discount rates are between 3.60% and 5.20% amounting to a capital-weighted discount rate of 4.04%. The capitalisation rates are between 3.10% and 4.70%, amounting to a capital-weighted capitalisation rate of 3.54%. he discount rates are between 3.60% and 5.20% amounting to a capital-weighted discount rate of 4.04%. The capitalisation rates are between 3.10% and 4.70%, amounting to a capital-weighted capitalisation rate of 3.54%.
  - For the valuations in Germany the discount rates are between 7.00% and 12.50% amounting to a capital-weighted discount rate of 8.02%. The capitalisation rates are between 6.00% and 10.00%, amounting to a capital-weighted capitalisation rate of 6.93%.