

# Notes to the consolidated semi-annual financial statements

## 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 2016 (31 March 2016: 12).

Züblin Immobilien Holding AG is a Swiss stock corporation domiciled at Klausstrasse 4, 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 2016. The consolidated semi-annual financial statements for the Züblin Group as of 30 September 2016 were approved by the Board of Directors on 15 November 2016.

### 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 2016:

– 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 11 (rev.): Accounting for Acquisitions of Interests in Joint Operations	from 1.1.2016
– IFRS 14: Regulatory Deferral Accounts	from 1.1.2016
– IFRS 10/IFRS 12/IAS 28 (rev.): Investment Entities: Applying the Consolidation Exception	from 1.1.2016
– IAS 16/IAS 41 (rev.): Agriculture: Bearer Plants	from 1.1.2016
– Improvements to IFRS Cycle 2012-2014	from 1.1.2016

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:

– IFRS 9: Financial Instruments	from 1.1.2018
– IFRS 15: Revenue from Contracts with Customers	from 1.1.2018
– IFRS 16: Leases	from 1.1.2019
– IFRS 10/IAS 28 (rev.): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	to be determined
– IAS 12 (rev.): Recognition of Deferred Tax Assets for Unrealised Losses	from 1.1.2017
– IAS 7 (rev.): Disclosure Initiative	from 1.1.2017
– Clarifications to IFRS 15: Revenue from Contracts with Customers	from 1.1.2018
– IFRS 2 (rev.): Classification and Measurement of Share-based Payment Transactions	from 1.1.2018
– IFRS 4 (rev.): Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts	from 1.1.2018

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. The new accounting standard IFRS 16 Leases will not have a material accounting effect for the lessor, however, lessors are expected to be affected due to the changed needs and behaviours from customers which impacts their business model and lease products.

### 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.

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 2016 qualify unchanged to 31 March 2016 as level 3 fair value inputs. As at 30 September 2016, the derivative financial instruments held at 31 March 2016 continue to fall into the level 2 fair value category.

**4. Scope of consolidation**

During the first six months of financial year 2016/2017 the scope of consolidation of the Group has not changed.

**5. Exchange rates**

in CHF	Balance sheet rate <b>30.9.2016</b>	Balance sheet rate 31.3.2016	Average rate <b>1.4.2015 to 31.3.2016</b>	Average rate 1.4.2015 to 30.9.2015
1 EUR	1.0876	1.0931	1.0925	1.0572