

2018

Half-Year Report

“Zug Estates can look back on a reassuring first half with a strong operational performance. Property income and net income excluding income from revaluation are significantly higher.”

Company profile

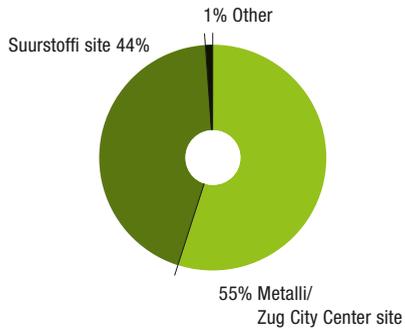
The Zug Estates Group conceives, develops, markets and manages properties in the Zug region. It focuses on central sites which are suitable for a wide range of uses and allow sustainable development. A large part of the real estate portfolio is located at two sites in Zug and Risch Rotkreuz and is broadly diversified by type of use. The total portfolio value as at June 30, 2018 was CHF 1.47 bn.

14.8 m

Net income excluding income from revaluation
as at June 30, 2018

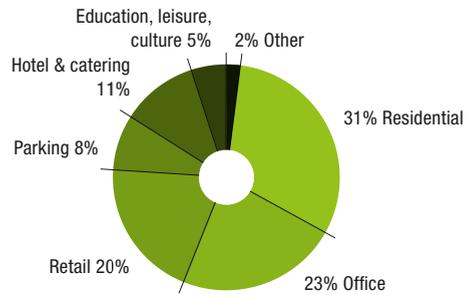
Portfolio by site

Based on fair value as at June 30, 2018



Portfolio by use

Based on projected rental revenue¹ as at June 30, 2018



¹ From point of view of real estate business unit

Fair value of portfolio

in CHF million



Selected key figures

		H1 2018/ 30.06.2018	H1 2017/ 31.12.2017	%
Zug Estates Group				
Operating revenue (excluding income from revaluation of investment properties)	TCHF	33 972	31 232	8.8%
Operating expenses	TCHF	12 284	11 624	5.7%
Operating income before depreciation and revaluation	TCHF	21 688	19 608	10.6%
Revaluation of investment properties (net)	TCHF	3 487	7 182	-51.4%
Income from sale of investment properties	TCHF	0	999	-100.0%
Operating income (EBIT)	TCHF	23 408	26 099	-10.3%
Net income	TCHF	17 756	20 034	-11.4%
Net income excluding income from revaluation ¹	TCHF	14 775	13 047	13.2%
Total assets	TCHF	1 479 783	1 413 185	4.7%
Interest-bearing debt	TCHF	506 158	459 939	10.0%
– Interest-bearing debt in % of total assets		34.2%	32.5%	
Shareholders' equity	TCHF	818 425	804 010	1.8%
– Equity ratio		55.3%	56.9%	
Headcount	FTE	131.3	130.5	0.6%
Share				
Closing price	CHF	1 720	1 827	-5.9%
Market capitalization ²	TCHF	877 200	921 553	-4.8%
Earnings per series B registered share ³	CHF	35.0	39.9	-12.1%
Earnings per series B registered share excl. revaluation ³	CHF	29.2	26.0	12.3%
NAV at market value per series B registered share ²	CHF	1 743.58	1 732.57	0.6%
Portfolio				
Investment properties	TCHF	1 193 271	1 181 425	1.0%
Investment properties under construction	TCHF	153 798	106 618	44.3%
Undeveloped plots	TCHF	2 524	2 524	0.0%
Total real estate portfolio	TCHF	1 349 593	1 290 567	4.6%
Operating properties (market value)	TCHF	117 296	117 296	0.0%
Total portfolio	TCHF	1 466 889	1 407 863	4.2%
Property income ⁴	TCHF	23 414	20 792	12.6%
Vacancy rate investment properties ⁵		1.9%	1.5%	
Gross return investment properties ⁶		4.2%	4.1%	

¹ Equal to net income excluding income from revaluation of investment properties (net), excluding income from sale of investment properties and securities and corresponding deferred taxes

² In relation to number of shares outstanding (series A registered shares converted)

³ In relation to number of shares on average outstanding (series A registered shares converted)

⁴ Comprises rental income and income from Miteigentümergeinschaft Metalli

⁵ As at the balance sheet date, as a percentage of projected rental income

⁶ Projected rental income (annualized) as a percentage of the market value on the balance sheet date



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Report to the shareholders

The successful first half of 2018 seen by the Zug Estates Group is reflected in a 12.6% year-on-year increase in property income and a significant rise in net income excluding revaluation from CHF 13.0 million to CHF 14.8 million.

+13.2%

Net income excluding revaluation and special effects increased to CHF 14.8 million.

Dear shareholders, Ladies and gentlemen

Zug Estates can again look back on a reassuring first half with a strong operational performance. Key indicators showed positive progress, and further site development milestones were reached.

Operating successes

In the first half of 2018, property income grew by 12.6% year-on-year to CHF 23.4 million (1H 2017: CHF 20.8 million). Operating income before depreciation and revaluation increased from CHF 19.6 million to CHF 21.7 million (+10.6%). Following last year's refurbishment of the rooms at Parkhotel Zug, the hotel & catering business unit also lifted its contribution to sales, up from CHF 8.3 million to CHF 8.5 million (+2.9%), and maintained gross operating profit (GOP) at a high 41.2%.

Including income from revaluation of CHF 3.5 million (1H 2017: CHF 7.2 million), EBIT amounted to CHF 23.4 million and net income to CHF 17.8 million. Both figures were lower year-on-year. By contrast, net income excluding income from revaluation grew by a significant 13.2% to CHF 14.8 million.

In the first half of the year, the Zug Estates Group invested CHF 62.5 million (first half 2017: CHF 49.7 million) in the further development of its sites. CHF 7.1 million of this sum was channeled into the Aglaya promotional project (first half 2017: CHF 5.3 million), while the bulk of investments again went into the Suurstoffi site in Rotkreuz.

Steady growth in value and slight increase in voids

The fair value of the portfolio saw an increase in the first half of 2018, up 4.2% to CHF 1.47 billion. The completion of additional residential and commercial properties led to a moderate increase in voids: on the reference date, June 30, 2018, these stood at 1.9% (December 31, 2017: 1.5%).

Other development and marketing successes

Both the Suurstoffi site and the Zug City Center site witnessed further development and marketing successes.

- For the first time in the history of the Metalli shopping mall, all retail space is let. Läderach Chocolatier Suisse will also be joining the ranks of popular brands at Metalli in Q3 2019.
- Demand for office space in the Metalli complex remains high. An arm's-length contract extension until 2027 was signed with the Metalli's largest office tenant. Rental contracts for a total of more than 2 600 m² were extended in the first half.
- Slated for completion in summer 2019, widescale refurbishment work totaling CHF 4.4 million on the property at Baarerstrasse 14a is proceeding according to plan. Construction work has also started on store expansions for Metalli tenants Esprit and Confiserie-Café Speck. Completion is scheduled for October 2018 and projected to generate additional annual rental income of TCHF 95.

- The extensive refurbishment work on the hotel rooms, guest toilets, roof and external area of our subsidiary Hotelbusiness Zug AG was completed. The new room design received positive feedback from guests and the Hotellerie Suisse jury alike, and this is also reflected in higher revenues.
- Site master plans for the Zug City Center were presented by the four interdisciplinary teams in April 2018. Using the winning project as a basis, further feasibility factors are to be examined, including cost efficiency and implementation route.
- In July, Zug Estates and utility services provider WWZ Energie signed a declaration of intent to connect the Metalli development to the Circulago district heating system. As of 2020, the Metalli complex will be heated and cooled using water from Lake Zug. Marking a further milestone in our sustainability strategy, this is set to produce CO₂ savings of 780 tonnes annually.
- The staggered handover of construction site A (Suurstoffi 16, 18, 20) to tenants was completed at the end of February 2018. Zug Estates invested a total of approximately CHF 115.3 million in this third construction phase. In addition to existing tenant companies Mobility and GfK, a group medical practice will be moving into construction site A. Occupancy levels are 100% for the apartments and 84% for the commercial premises.
- Construction work on the wooden high-rise, S22, was completed according to plan in July. Rental space has already been handed over to anchor tenant Amgen. Arval, Mobilezone and other new tenants will take up occupancy in the second half of the year. The world's largest beer brewer, AB InBev, another attractive international corporate tenant, has also rented an area of 1 500 m².
- The vertical garden high-rise Aglaya will have reached a height of 70 meters in October 2018, with completion scheduled for Q4 2019. The investment volume runs to around CHF 100 million, 92% of which is for promotional properties. As at mid-2018, 84% of apartments had been reserved or sold.
- With planning and construction work on construction site 1 progressing to plan, the first stage can be handed over to Lucerne University of Applied Sciences and Arts on schedule in Q3 2019. Completion of the second stage is timetabled for Q2 2020. Long-term rental contracts have already been concluded for some 70% of the total 26 000 m² of rental space.

23.4 mio.

Property income in the first half of 2018, representing a year-on-year increase of 12.6%.

Outlook for 2018

In light of the completion of construction site A and property S22, we are forecasting an increase in rental income. At the same time, property expenses will be higher as a result of refurbishment work at the Metalli center. We expect to be able to maintain revenue and gross operating profit (GOP) in the hotel & catering segment at the previous year's level.

Overall, we are looking to see a slight improvement in operating income before depreciation and revaluation. Similarly, we are also projecting year-on-year growth in net income excluding income from revaluation.

Zug, August 2018



Dr. Beat Schwab
Chairman of the board of directors



Tobias Achermann
CEO

Consolidated balance sheet

Assets

in CHF thousands	Note	30.06.2018	31.12.2017
Cash and cash equivalents		25 055	24 661
Trade receivables		1 158	2 649
Other receivables		7 333	6 933
Inventories		184	186
Promotional properties		46 331	39 214
Prepaid expenses		3 845	1 011
Total current assets		83 906	74 654
Investment properties	1	1 193 271	1 181 425
Investment properties under construction	1	153 798	106 618
Undeveloped plots	1	2 524	2 524
Operating properties		34 487	35 434
Other tangible assets		9 616	10 153
Prepayments for tangible assets		0	159
Financial assets		1 890	1 884
Intangible assets		291	334
Total fixed assets		1 395 877	1 338 531
Total assets		1 479 783	1 413 185

Liabilities and shareholders' equity

in CHF thousands	Note	30.06.2018	31.12.2017
Current financial liabilities	2	108 271	60 200
Trade payables		2 766	3 613
Other current liabilities		18 921	12 988
Accrued expenses		25 846	27 224
Current provisions		17	14
Total current liabilities		155 821	104 039
Long-term financial liabilities	2	397 887	399 739
Long-term provisions		957	957
Deferred tax liabilities		106 693	104 440
Total long-term liabilities		505 537	505 136
Total liabilities		661 358	609 175
Share capital	3	12 750	12 750
Capital reserves		509 491	517 745
Treasury shares		0	-7 435
Retained earnings		296 184	280 950
Total shareholders' equity		818 425	804 010
Total liabilities and shareholders' equity		1 479 783	1 413 185

Consolidated income statement

in CHF thousands	Note	01.01.2018 – 30.06.2018	01.01.2017 – 30.06.2017
Property income	4	23 414	20 792
Hotel & catering income		8 490	8 253
Additional income from ordinary business operations		1 948	2 101
Net proceeds of trade payables and receivables		33 852	31 146
Other operating revenue		120	86
Total operating revenue		33 972	31 232
Property expenses		–1 728	–1 105
Cost of goods purchased for hotel & catering		–802	–781
Personnel expenses		–6 987	–6 936
Other operating expenses		–2 767	–2 802
Total operating expenses		–12 284	–11 624
Operating income before depreciation and revaluation		21 688	19 608
Revaluation of investment properties (net)	1	3 487	7 182
Result from sale of investment properties		0	999
Operating income before depreciation (EBITDA)		25 175	27 789
Depreciation		–1 767	–1 690
Operating income (EBIT)		23 408	26 099
Financial result		–2 964	–2 581
Income before taxes (EBT)		20 444	23 518
Tax expenditure		–2 688	–3 484
Net income		17 756	20 034
Earnings per share			
in CHF			
Earnings per series A registered share, undiluted ¹	3	3.50	3.99
Earnings per series B registered share, undiluted ¹	3	35.04	39.88

¹ There are no potential dilutive effects to report. The diluted earnings per share correspond to the undiluted earnings per share

Consolidated statement of cash flows (condensed)

in CHF thousands	01.01.2018 – 30.06.2018	01.01.2017 – 30.06.2017
– Cash flow before change in working capital	15 057	14 623
– Change in working capital	–4 041	–17 262
Cash flow from operating activities	11 016	–2 639
Cash flow from investing activities	–53 468	–33 710
Cash flow from financing activities	42 846	96 577
Change in cash and cash equivalents	394	60 228
Composition of net cash and cash equivalents		
Net cash and cash equivalents at the beginning of reporting period	24 661	18 440
Net cash and cash equivalents at the end of reporting period	25 055	78 668
Change in cash and cash equivalents	394	60 228

In the first half of 2018, non-cash investments of TCHF 3 045 (first half 2017: TCHF 10 986) were made.

Statement of changes in equity

in CHF thousands	Share capital	Capital reserve	Treasury shares	Retained earnings	Total shareholders' equity
Balance on 01.01.2017	12 750	527 458	–12 227	246 547	774 528
Sale of treasury shares ¹	0	1 796	4 792	0	6 588
Distribution to shareholders	0	–11 509	0	0	–11 509
Net income	0	0	0	20 034	20 034
Balance on 30.06.2017	12 750	517 745	–7 435	266 581	789 641
Balance on 01.01.2018	12 750	517 745	–7 435	280 950	804 010
Sale of treasury shares ¹	0	2 086	7 435	0	9 521
Distribution to shareholders	0	–10 340	0	–2 522	–12 862
Net income	0	0	0	17 756	17 756
Balance on 30.06.2018	12 750	509 491	0	296 184	818 425

¹ Profit from the sale of treasury shares and the associated tax payments were recognized as an increase in the capital reserves, without affecting net income

Annex

General information

Domiciled in Zug, Switzerland, Zug Estates Holding AG is a Swiss joint stock company. Its shares are listed on SIX Swiss Exchange.

Principles

The present, unaudited consolidated financial statements were prepared in accordance with Accounting and Reporting Regulation Swiss GAAP FER 31 and the special provisions for real estate companies of Art. 17 of the SIX Swiss Exchange Directive on Financial Reporting and present a true and fair view of the financial position, the results of operations and the cash flows.

The principles of consolidation and valuation applied in the present consolidated financial statements are unchanged compared with those published in the 2017 consolidated financial statements.

Scope of consolidation

The scope of consolidation remained basically unchanged compared with the annual financial statements as at December 31, 2017.

Real estate valuation method and technique

The properties held for investment purposes were valued on the basis of the fair value assessments (update valuations) performed by a recognized independent real estate expert (Wüest Partner AG) as at June 30, 2018 using the DCF (discounted cash flow) method. The valuation method and technique applied for the half-year financial statements for 2018 are unchanged from the previous year.

Notes

1 Investment properties, investment properties under construction and undeveloped plots

in CHF thousands	Zug City Center, Zug, investment properties	Suurstoffi site, Risch Rotkreuz investment properties
Balance on 01.01.2017	675 517	355 319
Investments ³	392	1 722
Revaluation (net)	2 579	2 434
Balance on 30.06.2017	678 488	359 475
Accumulated acquisition values as at 01.01.2017	341 771	278 491
Accumulated acquisition values as at 30.06.2017	342 163	280 213
Difference market values/acquisition values as at 01.01.2017	333 746	76 828
Difference market values/acquisition values as at 30.06.2017	336 325	79 262
Balance on 01.01.2018	682 449	486 336
Investments ³	1 542	4 973
Revaluation (net)	2 159	3 049
Balance on 30.06.2018	686 150	494 358
Accumulated acquisition values as at 01.01.2018	342 814	394 145
Accumulated acquisition values as at 30.06.2018	344 356	399 118
Difference market values/acquisition values as at 01.01.2018 ⁴	339 635	92 191
Difference market values/acquisition values as at 30.06.2018 ⁴	341 794	95 240

¹ Comprises the properties under construction at the Suurstoffi site in Risch Rotkreuz (excluding promotional properties)

² Comprises the undeveloped part of the Suurstoffi site in Risch Rotkreuz. The undeveloped plots are stated at cost less accumulated depreciation in accordance with the principles of valuation

³ Additions from investments include non-cash transactions from the accrual of building costs as well as from trade payables

⁴ Factoring the development risk into the fair value valuation may lead to temporary differences between fair values and acquisition values during the development phase

Other investment properties	Total inv. properties	Total inv. properties under construction ¹	Undeveloped plots ²	Total
12 653	1 043 489	128 519	2 524	1 174 532
20	2 134	41 913	0	44 047
44	5 057	2 125	0	7 182
12 717	1 050 680	172 557	2 524	1 225 761
7 338	627 600	119 455	2 524	749 579
7 358	629 734	161 368	2 524	793 626
5 315	415 889	9 064	0	424 953
5 359	420 946	11 189	0	432 135
12 640	1 181 425	106 618	2 524	1 290 567
0	6 515	49 024	0	55 539
123	5 331	-1 844	0	3 487
12 763	1 193 271	153 798	2 524	1 349 593
7 384	744 343	110 047	2 524	856 914
7 384	750 858	159 071	2 524	912 453
5 256	437 082	-3 429	0	433 653
5 379	442 413	-5 273	0	437 140

The discount rates applied to the valuation of the investment properties and the investment properties under construction as at the balance sheet date were within a range of 2.8% to 3.8% (December 31, 2017: 2.8% to 3.9%).

2 Financial liabilities

The financial liabilities of TCHF 506 158 as at June 30, 2018 (December 31, 2017: TCHF 459 939) break down into mortgage loans with financial institutions in the amount of TCHF 406 387 (December 31, 2017: TCHF 360 200) as well as a five-year bond paid up on February 17, 2017, with a book value of TCHF 99 771 (December 31, 2017: TCHF 99 739). The face value of the bond was TCHF 100 000.

The difference against the book value is attributable to issuing costs amortized over the term of the bond.

The financial liabilities are structured as follows by maturity:

Residual term

in CHF thousands	30.06.2018	31.12.2017
Under 1 year	108 271	60 200
1 to 3 years	50 000	50 000
3 to 5 years	99 771	99 739
5 to 10 years	113 116	115 000
Over 10 years	135 000	135 000
Total financial liabilities	506 158	459 939
Of which current	108 271	60 200
Of which long-term	397 887	399 739

The average residual term of the interest-bearing debt is 5.4 years (December 31, 2017: 6.4 years). The average capital-weighted interest rate on all interest-bearing financial liabilities is 1.9% (December 31, 2017: 2.0%).

To secure the long-term financial liabilities, properties with a book value of TCHF 921 948 (December 31, 2017: TCHF 695 128) have been encumbered.

3 Shareholders' equity

Shares issued

On April 10, 2018, the general meeting of shareholders of Zug Estates Holding AG, voted – on the basis of a voluntary conversion offer – in favor of converting 1 452 040 series A registered shares into 145 204 series B registered shares. As at June 30, 2018, the shares broke down as follows:

Shares issued	Security number	Nominal value CHF	Number	Votes	Capital CHF
Series A registered shares	14 805 211	2.50	496 600	496 600	1 241 500
Series B registered shares	14 805 212	25.00	460 340	460 340	11 508 500
Total				956 940	12 750 000

In the first half of 2018, Zug Estates Holding AG sold 5 592 series B registered shares at an average price of CHF 1 734.50 (first half 2017: 4 000 series B registered shares at an average price of CHF 1 685.50).

As at June 30, 2018, Zug Estates Holding AG held no treasury shares (December 31, 2017: 5 592 series B registered treasury shares).

Non-distributable statutory reserves amounted to TCHF 7 625 as at June 30, 2018 (December 31, 2017: TCHF 7 625).

Shareholders' equity per share

in CHF	30.06.2018	31.12.2017
Shareholders' equity per outstanding series B registered share, before deferred taxes	1 813.96	1 801.02
Shareholders' equity per outstanding series B registered share, after deferred taxes	1 604.75	1 593.97

NAV at market value per share

in CHF	30.06.2018	31.12.2017
NAV at market value per outstanding series B registered share	1 743.58	1 732.57

Earnings per share

Information on series A registered shares		30.06.2018	30.06.2017
Series A registered shares issued	Number	496 600	1 948 640
Average outstanding series A registered shares		1 311 356	1 948 640
Share in net income attributable to series A registered shares	TCHF	4 596	7 770
Applicable number of series A registered shares	Number	1 311 356	1 948 640
Earnings per series A registered share, undiluted ¹	CHF	3.50	3.99

Information on series B registered shares		30.06.2018	30.06.2017
Series B registered shares issued	Number	460 340	315 136
Series B registered treasury shares (weighted average)	Number	3 324	7 592
Average outstanding series B registered shares		375 540	307 544
Share in net income attributable to series B registered shares	TCHF	13 160	12 264
Applicable number of series B registered shares	Number	375 540	307 544
Earnings per series B registered share, undiluted ¹	CHF	35.04	39.88

¹ There are no potential dilutive effects to report. The diluted earnings per share correspond to the undiluted earnings per share.

4 Property income

The reported property income of TCHF 23 414 (first half 2017: TCHF 20 792) comprises actual rental income and income from the Miteigentümergeinschaft Metalli.

in CHF thousands	01.01.2018 – 30.06.2018	01.01.2017 – 30.06.2017
Actual rental income	16 829	14 293
Income from Miteigentümergeinschaft Metalli ¹	6 585	6 499
Total property income	23 414	20 792

¹ Proportional gross profit

The individual contractual relationships with external tenants had the following terms as at the balance sheet date, based on the annualized projected rental revenue:

Term, share in %	30.06.2018	31.12.2017
Under 1 year, incl. unlimited rental contracts	47.3	40.5
Over 1 year	5.3	12.2
Over 2 years	2.8	1.9
Over 3 years	1.5	4.9
Over 4 years	16.9	4.5
Over 5 years	3.2	17.9
Over 6 years	5.4	6.6
Over 7 years	1.2	0.8
Over 8 years	0.3	0.0
Over 9 years	2.7	3.6
Over 10 years	13.4	7.1
Total	100.0	100.0

As at June 30, 2018, the five largest tenant groups together generated 24.6% (as at December 31, 2017: 24.7%) of annualized projected rental revenue.

Tenants, share in %	30.06.2018	Tenants, share in %	31.12.2017
Novartis	7.1	Novartis	7.2
Migros ¹	6.7	Migros ¹	6.7
UBS	4.6	UBS	4.6
Nord Stream	3.3	Nord Stream	3.3
Lucerne University of Applied Sciences and Arts	2.9	Lucerne University of Applied Sciences and Arts	2.9

¹ Various companies of the Migros Group

5 Segment report

The Group's business activities comprise the business units real estate and hotel & catering.

in CHF thousands	Real estate	Hotel & catering	Corporate & eliminations ¹	Total
01.01.2018–30.06.2018				
Operating revenue	27 889	8 807	-2 724	33 972
Operating expenses	-6 720	-7 850	2 286	-12 284
Revaluation of investment properties (net)	3 487	0	0	3 487
Operating income before depreciation (EBITDA)	24 656	957	-438	25 175
Operating income (EBIT)	23 327	542	-461	23 408

in CHF thousands	Real estate	Hotel & catering	Corporate & eliminations ¹	Total
01.01.2017–30.06.2017				
Operating revenue	25 331	8 608	-2 707	31 232
Operating expenses	-6 061	-7 694	2 131	-11 624
Revaluation of investment properties (net)	7 182	0	0	7 182
Income from disposal of investment properties	999	0	0	999
Operating income before depreciation (EBITDA)	27 451	914	-576	27 789
Operating income (EBIT)	26 226	449	-576	26 099

¹ Holding company expenses and inter-segment revenues are eliminated in the Corporate & eliminations column

All revenues were generated in the canton of Zug.

Ownership of the entire portfolio – i.e. investment and operating properties – rests with the real estate business unit. Based on an integrated view of the hotel & catering business unit, i.e. factoring in all properties used by the unit and all associated expenses and credits arising from rent paid to the real estate business unit, in the year under review the hotel & catering business unit generated operating income of CHF 2.3 million (first half 2017: CHF 2.2 million).

Portfolio

	Place	Form of ownership ¹	Ownership share in %	Year of construction	Year of refurbishment
Investment properties					
Zug City Center site					
Baarerstrasse 20–22 (Metalli I/II, Zug Estates share)	Zug	M	72.25	1987/1991	–
Baarerstrasse 14a (Metalli III)	Zug	A	100	1995	–
Industriestrasse 13a/c (Metalli IV)	Zug	A	100	1995	–
Industriestrasse 16 (leasehold) ²	Zug	BR-P	100	–	–
Industriestrasse 18	Zug	A	100	1992	–
Haldenstrasse 12–16 (Haldenhof)	Zug	A	100	2009	–
Residential development Haldenstrasse/Metallstrasse/ Bleichmattweg	Zug	A	100	1910–1991	1986–1989
Total Zug City Center site					
Suurstoffi site					
Suurstoffi 5, 9, 13–17	Risch Rotkreuz	A	100	2011/2012	–
Suurstoffi 19–35	Risch Rotkreuz	A	100	2015	–
Suurstoffi 7, 11 (Alte Suurstoffi)	Risch Rotkreuz	A	100	ca. 1926	2012
Suurstoffi 8–12	Risch Rotkreuz	A	100	2013	–
Suurstoffi 14	Risch Rotkreuz	A	100	2013	–
Suurstoffi 16–20	Risch Rotkreuz	A	100	2017	–
Suurstoffi 41	Risch Rotkreuz	A	100	2014	–
Total Suurstoffi site					
Other					
Hofstrasse 1a/b	Zug	A	100	1971	–
Rote Trotte 14–16	Baar	S	100	2007	–
Total other					
Total investment properties (excl. investment properties under construction)					
Investment properties under construction					
Suurstoffi 22 (Baufeld A)	Risch Rotkreuz	A	100	2018	–
Suurstoffi 37/39 (Aglaya)	Risch Rotkreuz	A	100	2018/2019	–
Suurstoffi 1–6 (Lucerne University of Applied Sciences and Arts)	Risch Rotkreuz	A	100	–	–
Total investment properties under construction					
Undeveloped plots					
Suurstoffi site	Risch Rotkreuz	A	100	–	–
Total undeveloped plots					
Total real estate portfolio³					
Operating properties ^{3,4}	Zug	A/S	100	–	–
Total portfolio					

¹ SO: sole ownership; LHP: leasehold plot; CO: co-ownership; C: condominium

² Zug Estates AG is the ground lessor

³ Information on floorspace and number of parking spaces excludes properties under construction

⁴ The following properties located in Zug serve completely or partly as operating properties:
Industriestrasse 14 (Parkhotel Zug), Industriestrasse 16 (Résidence), Metallstrasse 20 (City Garden Hotel),
Haldenstrasse 9, 10, 11 (Serviced City Apartments), Baarerstrasse 30 (Restaurant Bären) and Industrie-
strasse 12 (Zug Estates offices)

Plot area m ²	Residential m ²	Office m ²	Retail m ²	Hotel/catering m ²	Leisure/ cultural/ education m ²	Storage/other m ²	Total rentable space m ²	Total no. of parking spaces
16 419	8 130	10 143	17 916	923	2 239	5 128	44 479	519
4 843	270	5 491	3 056	149	–	3 060	12 026	121
2 155	1 965	1 370	381	461	264	755	5 196	93
3 200	–	–	–	–	–	–	–	–
1 637	–	1 713	–	–	–	360	2 073	30
3 615	3 148	–	–	–	–	59	3 207	54
13 997	8 322	–	–	–	100	49	8 471	71
45 866	21 835	18 717	21 353	1 533	2 603	9 411	75 452	888
15 503	11 336	–	–	–	–	19	11 355	224
12 417	10 278	–	–	–	–	35	10 313	394
2 680	–	–	–	–	520	–	520	–
15 237	10 095	86	–	337	3 405	281	14 204	286
8 359	–	8 527	–	–	–	621	9 148	49
14 098	11 861	6 659	–	–	1 447	2 731	22 698	232
3 496	–	620	–	–	5 861	–	6 481	–
71 790	43 570	15 892	–	337	11 233	3 687	74 719	1 185
2 806	503	698	–	–	–	33	1 234	29
1 687	273	–	–	–	–	31	304	4
4 493	776	698	–	–	–	64	1 538	33
122 149	66 181	35 307	21 353	1 870	13 836	13 162	151 709	2 106
6 863	–	11 131	–	–	–	754	11 885	239
7 858	–	1 821	–	–	–	292	2 113	–
8 591	–	9 437	–	–	14 726	1 740	25 903	137
23 312	–	22 389	–	–	14 726	2 786	39 901	376
10 337	–	–	–	–	–	–	–	–
10 337	–	–	–	–	–	–	–	–
155 798	66 181	35 307	21 353	1 870	13 836	13 162	151 709	2 106
12 871	1 879	873	–	13 002	–	277	16 031	188
168 669	68 060	36 180	21 353	14 872	13 836	13 439	167 740	2 294

Additional information

in CHF thousands or %	Book value 30.06.2018	Book value 31.12.2017	Projected rental revenue 30.06.2018	Projected rental revenue 31.12.2017	Vacancy rate 30.06.2018	Vacancy rate 31.12.2017
Zug City Center site, Zug ¹	686 150	682 449	28 674	28 680	1.6	1.1
Suurstoffi site, Risch Rotkreuz	494 358	486 336	21 461	19 839	2.4	2.0
Other	12 763	12 640	509	509	0.4	0.4
Investment properties	1 193 271	1 181 425	50 644	49 028	1.9	1.5
Investment properties under construction	153 798	106 618	–	–	–	–
Undeveloped plots	2 524	2 524	–	–	–	–
Total real estate portfolio	1 349 593	1 290 567	50 644	49 028	1.9	1.5
Operating properties ²	34 487	35 434	–	–	–	–
Total portfolio	1 384 080	1 326 001	–	–	–	–

¹ Due proportion of fair value and projected rental revenue for (co-owned) property at Baarerstrasse 20–22, Zug

² In accordance with financial reporting principles, operating properties are stated at cost less write-downs.
Wüest Partner AG estimated the fair value as at December 31, 2017 at TCHF 117 296 (December 31, 2016: TCHF 115 976)

Additional information on Suurstoffi development project, Risch Rotkreuz

Occupancy level by floor area (commercial units) or number (residential units)	30.06.2018	31.12.2017	
Suurstoffi 16–20	Residential	100%	100%
	Student accommodation	100%	100%
	Commercial	84%	81%
Suurstoffi 22	Commercial	70%	60%
Suurstoffi 37/39	Commercial	0%	0%
Suurstoffi 1–6	Commercial	69%	69%
Stand for promotional properties based on number (residential use)	30.06.2018	31.12.2017	
Suurstoffi 37/39	Residential	84%	70%
Completion			
Suurstoffi 22		Summer 2018	
Suurstoffi 37/39		Q4 2019	

Development pipeline

Suurstoffi 22, approx. 600 workplaces, Amgen, Arval, Mobilezone, AB InBev

Investment: approx. CHF 55 million
Projected rental revenue p.a.: approx. CHF 3.0 million

Suurstoffi 37/39 (Aglaya), 85 condominiums, approx. 100 workplaces

Investment: approx. CHF 100 million (promotional share: approx. 92%)
Projected rental revenue p.a.: approx. CHF 0.5 million

Suurstoffi 1–6, Lucerne UASA campus

Investment: approx. CHF 185 million
Projected rental revenue p.a.: approx. CHF 8.0 million

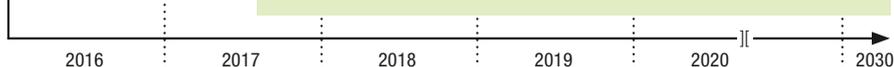
Suurstoffi 43/45

Investment: approx. CHF 70 million
Projected rental revenue p.a.: approx. CHF 4.0 million

Zug City Center site, development vision 2030

Investment: approx. CHF 300–400 million

- Design phase
- Construction phase
- Development potential



Contact details and upcoming events

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Agenda

08.03.2019

Publication of the Annual Report 2018

09.04.2019

Annual general meeting of shareholders 2019

30.08.2019

Publication of the Half-Year Report 2019

Exchange trading

Series B registered share Zug Estates Holding AG

Securities number: 14 805 212

ISIN: CH 014 805 212 6

Ticker symbol SIX Swiss Exchange: ZUGN

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Online, download, print

This Half-Year Report is published in German and English. The German version shall prevail and be binding.

The electronic version of the report can be downloaded from www.zugestates.ch. A copy of the printed Half-Year Report can be ordered by mail from ir@zugestates.ch.

Notes on possible forward-looking statements:

The present Half-Year Report of Zug Estates Group may contain forward-looking statements. Such statements can be identified by expressions such as “shall”, “assume”, “expect”, “anticipate”, “intend”, “aim”, “future” or similar terms, as well as by discussions of strategies, goals, plans or intentions, etc. They are subject to known or unknown risks and uncertainties that could cause actual results and occurrences to differ materially from the expectations contained or implied in the forward-looking statements.

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