

ANNUAL REPORT 2000 | 2001



züblin
IMMOBILIEN

Key Figures

in CHF million	4/1/2000 to 3/31/2001 12 months	1/1/1999 to 3/31/2000 15 months
Income Statement		
Total rental income	70.1	42.8
Total operating income	112.8	69.6
EBITDA	95.6	60.6
Net income	41.3	23.2
Return on equity ¹	13.3%	15.7%
Balance Sheet		
Investment properties	1,031.7	856.4
Total assets	1,097.4	1,022.3
Shareholders' equity	341.3	316.6
Minority interests	18.9	23.9
Net assets ²	360.2	340.5
Total liabilities	737.2	681.8
Net assets as % of total assets	32.8%	33.3%
Share Capital		
Share capital ³	282.8	284.8
Authorized capital	142.6	57.0
Conditional capital	60.0	0.0
Free float	69.3%	69.5%
Key Figures per Share with Nominal Value CHF 10		
Net income per share (EPS) in CHF ⁴	1.46	1.58
Net asset value (NAV) per share in CHF	12.07	11.10
Share price as of 3/31 in CHF	9.00	10.30
P/E ratio	6.2	6.5
Dividends in CHF	0.30 ⁵	0.20
Dividends/share price	3.3%	1.9%
Valuation		
Enterprise Value (EV) in CHF million ⁶	960.2	n/a
EV/EBITDA ratio	10.0	n/a

¹ Consolidated net income in relation to average shareholders' equity available (previous year calculated on a 12-month basis)

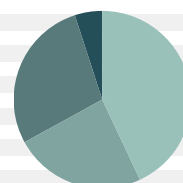
² Net assets = shareholders' equity + minority interests

³ Share capital after deduction of treasury shares

⁴ Consolidated net income per share/weighted average number of shares outstanding (previous year calculated on a 12-month basis)

⁵ Proposal to the general shareholders' meeting on July 6, 2001

⁶ EV = market capitalization + net debt



Regional portfolio structure according to market value as of 3/31/2001



Portfolio structure according to investment category in % of net rental income as of 3/31/2001



Profile

The Züblin Immobilien Group purchases, manages and sells commercial real estate in European economic regions.

Ambitious Goals

The Züblin Immobilien Group creates shareholder value

- Return on equity: above 10 percent
- Growth: portfolio 2003 = CHF 2 billion
- Dividends: 30 to 40 percent pay-out ratio

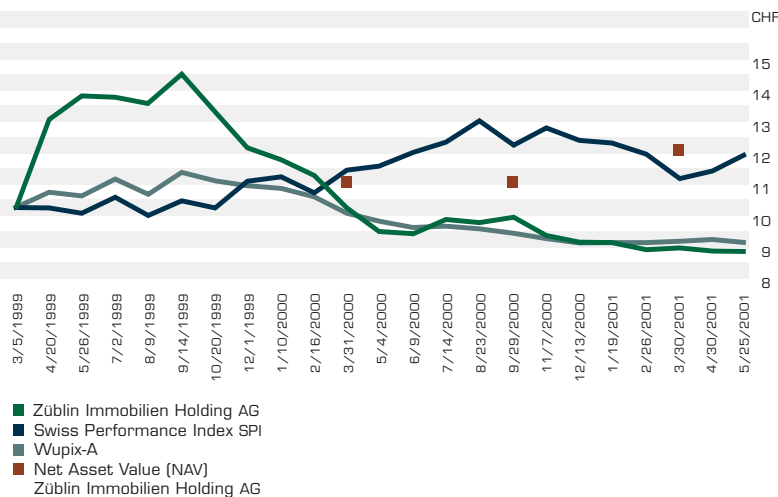
Clear Strategy

- Taking advantage of the European real estate market cycles
- Implementation of rigorous selection criteria for the evaluation of properties
- Taking advantage of the value chain: purchasing, creating added value, selling

Well-tuned Core Competencies

- Knowledge of the market development and of market players in the major European economic regions thanks to an international network
- Systematic use of professional assessment tools
- International know-how on financing
- Risk management of foreign currency and interest rate exposure
- Optimization of taxes
- Cooperation with real estate developers for early procurement of attractive properties without taking development risk
- Active cultivation of investor relations

Discount to the NAV



Sources: Datastream/
Wüest & Partner

Share Price, Market Capitalization 4/1/2000 to 3/31/2001

High	CHF 10.40
Low	CHF 8.50
3/31/2000	CHF 10.30
3/31/2001	CHF 9.00
Market capitalization	
as of 3/31/2001	CHF 256,280,733

Share Price Development

During the business year 2000/2001, the share price development of the Züblin share was subject to the generally unfriendly trading environment and to a recognizable trend of the real estate shares towards trading at a higher discount to the NAV. Although the Züblin Immobilien Group reached or surpassed all strategic and operational goals, the discount to the net asset value increased from 15 to 25 percent. By achieving a continuous increase of the net asset value, a sustained return on equity of more than 10 percent and by

pursuing a clearly defined strategy, the Züblin Immobilien Group has laid the foundation for its share price to develop in line with the NAV.

Real Estate Indices

During the business year 2000/2001, the Züblin share was included in major Swiss and international indices for real estate shares – SWX SPI Real Estate Index, Wupix-A, GPR 250, GPR General and EPRA. This means that the share belongs to the investment universe of national and European institutional investors and that it is covered by financial analysts in various countries. In the long-term, the Züblin share is sure to profit from the broader circle of potential investors.

Trading on the Stock Exchange

Between April 1, 2000 and March 31, 2001, a total of 7.8 million Züblin shares with a value of CHF 74.3 million were traded. The daily average traded was 31,100 shares with a value of CHF 296,000. Despite the small trading volume, the ratio of the trade volume to the market capitalization is one of the highest in the SWX for real estate companies. With earnings per share of CHF 1.46, the price earnings ratio (P/E) was 6.2 as of March 31, 2001.

Share Capital as of 3/31/2001

Ordinary capital	CHF 285,236,370
	divided into 28,475,637 bearer shares
	with nominal value CHF 10 and
	480,000 bearer shares with nominal value CHF 1
Authorized capital	CHF 142,618,180
	divided into 14,261,818 bearer shares
	with nominal value CHF 10
Conditional capital	CHF 50,000,000
	divided into 5,000,000 bearer shares
	with nominal value CHF 10
	CHF 10,000,000 (for stock option plan)
	divided into 1,000,000 bearer shares
	with nominal value CHF 10

Share Key Figures (Nominal Value CHF 10)

	3/31/2001	3/31/2000
Net income per share (EPS) in CHF	1.46	1.58
Equity per share (NAV) in CHF	12.07	11.10
Share price as of 3/31 in CHF	9.00	10.30
P/E ratio	6.2	6.5
Proposed dividend in CHF	0.30	0.20
Dividend/share price	3.3%	1.9%

Major Shareholders

With a 30.7 percent share, Co-operative Investment Fund Westblaak U.A., Rotterdam, was the major shareholder of Züblin Immobilien Holding AG as of March 31, 2001.

It is unknown to the Board of Directors and the Management whether any other shareholders are in possession of more than 5 percent of the shares.

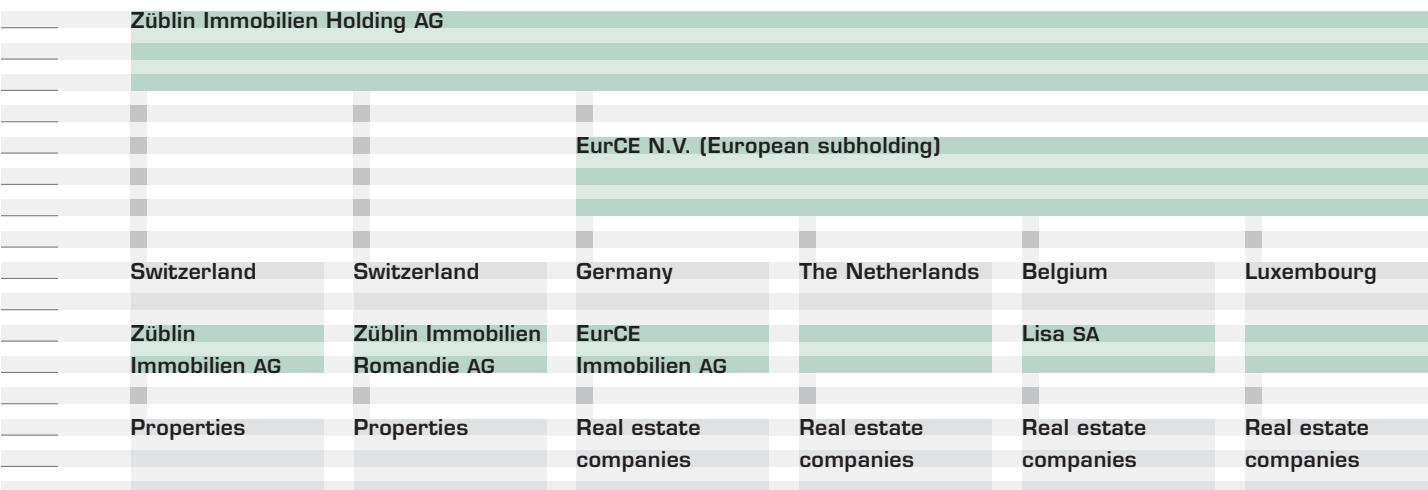
Investor Relations

Responsible for investor relations is Dr. Franz Hidber, Chairman of the Board of Directors, telephone: +41 1 206 29 39, franz.hidber@zueblin.ch

Agenda

November 22, 2001	Semi-annual Report
June 12, 2002	Presentation of the
	annual financial
	figures to the media
	and to analysts in
	Zurich
July 5, 2002	General Share-
	holders' Meeting in
	Zurich

Focusing on the Future



Legal Structure Fits to Requirements

The Züblin Immobilien Group's legal structure is geared to the future requirements: high flexibility in the geographical focus as well as for financing, investments and tax optimization, closeness to the market and efficiency in management. All Swiss properties are owned by the two companies Züblin Immobilien AG and Züblin Immobilien Romandie AG. European City Estates N.V. as a European subholding holds the individual country holdings in

Germany, The Netherlands, Belgium and Luxembourg. These, on their part, hold the individual real estate companies which may have various forms of incorporation. This structure will be implemented fully by the end of August 2001.

Board of Directors*	Dr. Franz Hidber , Chairman		
(term of office until the end	Pierre N. Rossier , Vice-Chairman		
of the business year 2002/2003)	Jan Bosch , Member		
Group Management	Dr. Franz Hidber , CEO		
	Bruno Schefer , CFO		
Management	Marc Bloch	Enrico van Erkelens	Sükrü Evrengün
Support Team	Asset Management	Asset Management	Project Financing
	Switzerland	Europe	
	Dr. Christoph Joller	Haydar Odok	Dr. Stephan Pfenninger
	Legal Adviser Real Estate	Capital Markets	Tax Adviser
Auditors	Ernst & Young AG		
	Zurich		

* Dr. Dr. h.c. Henri B. Meier will be proposed for election at the General Shareholders' Meeting on July 6, 2001

Lean Management Structure

The Züblin Immobilien Group has a lean and cost-efficient management structure that, in the present phase of growth, enables it to master a great diversity of tasks in a professional and efficient manner.

Strategic Management

The Board of Directors is responsible for the strategic management. Besides the legal and statutory duties, the individual members of the board take over specific tasks based on their international background and their expert knowledge. In addition, the Board of Directors decides on all real estate transactions upon proposal of the Group Management.

Operational Management

The Group Management, consisting of the chief executive officer (CEO) and the chief financial officer (CFO), is responsible for the operational management. Specific financial and real estate controlling tasks are given to company employees.

Management Support Team

Tasks that demand specific expert knowledge and a special network are outsourced to external specialists. These specialists belong to the Management Support Team which, at the same time, represents the extended Group Management. The members of this team support the Group Management in the following areas:

- Real estate acquisition and sales in Switzerland and abroad
- Procurement of financing
- Risk management of interest and foreign exchange exposure
- Capital markets advisory and communication
- Legal advisory for real estate matters
- Tax optimization
- Asset management
- Facility management in Switzerland and abroad

Group Management can utilize the Management Support Team for a broad range of expert competencies which can be drawn upon as the need arises, without having to bear a large amount of fixed costs.



Return on Equity Target Clearly Surpassed

Consolidated Net Income Doubled

With an ROE of 13.3 percent for the business year 2000/2001, we surpassed our annual return on equity target of at least 10 percent. The equity capital amounted to CHF 341 million as of March 31, 2001. Earnings per share with nominal value CHF 10 reached CHF 1.46; the net asset value per share increased to CHF 12.07. The consolidated net income increased to CHF 41 million which represents more than double the value of the previous year (calculated on a 12-month basis). The major portion of net income, namely CHF 27 million, came from rental and property sales activities. The operating expenses of CHF 49 million continued to be low due to the consistent application of outsourcing and thanks to the lean management structure. Our risk management concept helped us to monitor interest rate, foreign currency and market risks and enabled us to create optimal conditions for the financial activities.

Valuation of the Portfolio

As for the previous year, the fair market value "Open Market Value" was again determined for each individual property of the portfolio by external specialists as of the end of the business year 2000/2001. This procedure accords to the regulations of IAS 40 (Investment Property) of the International Accounting Standards (IAS) which is applied by the Züblin Immobilien Group for its reporting. The two international specialists mandated – Jones Lang LaSalle and CB Richard Ellis – have applied the discounted cash flow method (DCF) for their valuation. By this method, the present value of the property is determined by calculating the future income and expenses which are then discounted over a forecast period of 10 years.

Changes in the Portfolio

The fair market value of the total portfolio as of March 31, 2001, increased by 20.5 percent to CHF 1,032 million compared to the previous year (3/31/2000: CHF 856 million).

Purchasing

Five properties were purchased in the economic region of Zurich, one in Bern, two each in Berlin, Stuttgart and Brussels. The acquisition costs for these properties amounted to CHF 215 million; their fair market value as of March 31, 2001, was CHF 16 million or 7 percent above the acquisition costs.

Creating Added Value

The difference in valuation (fair market value) between the valuation as of March 31, 2000 and that of March 31, 2001, has been included in the income statement; detailed information on this issue can be found on page 66. The value increase, resulting from higher or lower valuation of the individual properties, compared to the previous valuation, respectively to the acquisition costs, amounted to CHF 38 million or 4 percent. Due to this value increase, additional deferred taxes in the amount of CHF 20 million were included. The net effect in the consolidated income statement resulting from this value increase, after deduction of deferred taxes, minority interests and costs incurred in connection with the properties' management and appraisal, amounted to CHF 16 million, respectively 40 percent of the consolidated net income.



Dr. Franz Hidber
Chairman of the Board
of Directors

Selling

Since the real estate market cycle in The Netherlands is approaching the peak, 12 properties for a price of CHF 66 million were sold in order to realize the value increases of the business year 2000/2001. In addition, one property from the European City Estates package was sold in Germany for a price of CHF 6 million. The sales proceeds in the amount of CHF 72 million were 25 percent above the acquisition price, respectively 5 percent above the fair market value reported as of March 31, 2000.

Strong Increase of Net Rental Income

The net rental income for the business year 2000/2001 doubled compared to the previous year to CHF 70 million (previous year CHF 34 million, calculated on a 12-month basis).

9 Percent Return from Rental and Selling Activities

Net income from rental and selling activities amounted to CHF 27 million which corresponds to a return on equity of 9 percent.

Taking Advantage of the Real Estate Cycles

Our international network provides us with a high market transparency in the major economic regions of Europe. The permanent monitoring of the market as well as the continuous assessment of the properties provide the Züblin Immobilien Group with comprehensive and up-to-date market information. The real estate market cycles of the European economic regions represent a central component of our investment strategy. We can thus take advantage of economic prosperity and, at the same time, reduce the risks of recessionary developments.

In many European economic regions there is high demand for office space in prime locations. Due to the restrained construction activities in the mid-nineties and the ensuing shortage in commercial real estate, the rents have significantly increased in the recent past. The highly receptive market and the low vacancy rates in the booming economic regions presently lead to record-high construction activities.

Applying Rigorous Selection Criteria

For the purchase, the creation of added value and the selling of properties, we systematically use our professional assessment tools: the Züblin Immobilien Rating™, the basic income value method, the discounted cash flow method (DCF) and the Technical Report. Only a small portion of the properties in the market reach an acceptable rating in our evaluation procedure. Especially the criteria relating to the quality of location, the qualities of a building as well as the rental and earnings situation represent a fine-mesh filter.

Taking Advantage of the Value Chain

The value chain comprises the elements: purchasing – creation of added value – selling. Since the Züblin Immobilien Group wants to take advantage of the entire value chain, the properties are not managed by us, but are outsourced to a professional facility manager, be it for the management of lettable space, for maintenance, for the control of energy use, or for the controlling. Thanks to our assessment tools, we recognize the potential for a value increase as early as we evaluate a property. Through an active property management we can

improve the value increase potential with specific analyses for a certain property, with a professional risk management and by cultivating good relationships with our anchor tenants. In order to realize added value, we sell those properties whose potential for a value increase is reached or if the real estate market cycle approaches its peak in a certain economic region. For this, we take the price situation as well as the consequences on the tax situation into consideration.

Development Properties without the Development Risk

In order to be able to secure attractive properties as early as possible without taking any development risk, we enter into cooperations with real estate developers. We make conditional acquisition contracts with general contractors for properties which are transferred to our ownership only at the time of completion and full occupancy. It has been agreed, for example, that an attractive office building in Pfäffikon, canton Schwyz, for which long-term rental agreements with Unaxis Management AG and LGT Capital Management AG have been made, will be included in our portfolio as of March 31, 2002. With the same contractual concept we are in negotiations for other interesting properties in various economic regions.

Paradigm Change Leads to Higher Transparency

With the arrival of listed real estate investment companies, the real estate market has started to move and, on the other hand, traditional real estate funds have received competition. The market capitalization of these two types of investment vehicles in Switzerland amounts to more than CHF 20 billion which, on an international

level, is still modest. During the past two years, in the Swiss as well as in the other European real estate markets, a paradigm change began to emerge: from the direct to the indirect real estate investment, from the cost value to the fair market value, from the administration of real estate to the active management of real estate, etc. From the very beginning of our real estate investment company, we have done our utmost to support this change. The paradigm change results in a higher transparency which, for the investors, builds trust. With our publication "Transparency Builds Trust" of January 2001, the Züblin Immobilien Group has made a contribution to this important issue which is a key factor in the business sector. The strong response of the media, analysts and investors to our publication shows that the capital markets have a deep interest in real estate shares.

Transparency Builds Trust and Creates Shareholder Value

As a leading listed real estate investment company, we want to represent an attractive real estate investment alternative in the Swiss market. Our goal is a return on equity of at least 10 percent (with an equity ratio of 30 percent). We are confident that we can reach this goal also in the future, since our international background offers additional market opportunities and a wide risk distribution. Internationalism also requires a certain minimum size of the portfolio. For this reason, we want to expand our portfolio in order to create the right conditions for a sustained development of the shareholder value.

Development of the Share Price

Most of the real estate shares – in Switzerland as well as abroad – are presently traded with a discount to the net asset value (NAV). Our shares were also affected by this trend. In our opinion, the reasons behind a discount can be found on a rational as well as irrational level. To the majority of investors real estate shares represent long-term investments. Since the market was not receptive for any further capital increases by real estate companies, the market capitalization of the companies remained small and the market liquidity of the shares remained low. Only during the past year, real estate shares have begun to receive more attention in Switzerland from financial analysts of banks, insurance companies and investment funds. Generally valid standards are gradually being established for more transparency in the real estate sector. We hope that the acceptance of real estate shares will grow following the introduction of the Additional Listing Rules for Real Estate Companies as of May 1, 2001. Since the new additional listing rules set transparent and comprehensive valuation standards for real estate shares, we have actively supported their introduction. We completely fulfil all requirements with our report for the business year 2000/2001.

Streamlining of the Legal Structures

The existing structures of the Züblin Immobilien Group have a historical background. When the Züblin Immobilien Group acquired the Dutch real estate portfolio as of July 1, 1998, it decided to adopt these structures unchanged for the time being. In April 2000, we acquired 97 percent of the listed Dutch real estate company European City Estates N.V., which owned companies with different legal structures and real estate in different Euro-

pean countries, through a public offer. In the meantime, we have acquired the remaining outstanding shares. Züblin Immobilien Holding AG has itself set the goal to streamline these historical structures – without negative tax implications. By August 31, 2001, we will have a corporate and management structure which is adapted to our requirements in an optimal way (compare pages 6 and 7).

Reduction of the Participation in Construction

As a pure listed real estate company, we reduced our share in ZüblinSchlittler Bau AG by waiving our subscription rights in favor of CI Contractors Investors AG, Zurich, to 40 percent as of the end of 1999. CI Contractors Investors AG has the intention to increase its current construction activities as a private investment company. As an umbrella company, it wants to participate in other construction companies which operate independently in the market and also use the synergies created by the different companies. We have converted our 40 percent share in ZüblinSchlittler Bau AG into an equally high share in CI Contractors Investors AG in order to participate in its future development. To finance its planned acquisitions, CI Contractors Investors AG will carry out a capital increase of CHF 6.45 million. Züblin Immobilien Holding AG will not participate and will waive its subscription rights and its share will thus be reduced to 25 percent. Despite the reduction of our participation, our strategic influence is secured by a shareholders agreement. During the reported period (4/1/2000 to 3/31/2001),

ZüblinSchlittler Bau AG generated net income of CHF 2.6 million in which Züblin Immobilien Holding AG participated through its 40 percent share to that date. Our share of the income of CHF 1.1 million has been included in the consolidated income statement.

Reinforcement of the Board of Directors

With a view to the anticipated growth, we want to reinforce our Board of Directors which, so far, we deliberately kept rather small. We are pleased that Dr. Dr. h.c. Henri B. Meier has agreed to join the Board of Directors of Züblin Immobilien Holding AG. We are glad to be able to count on his internationally acknowledged expert competence in the financial sector. The Board of Directors will propose his election to the General Shareholders' Meeting on July 6, 2001.

Dividend Payments

Based on the excellent results and on the targeted pay-out ratio of 30 percent of the realized net income, the Board of Directors will propose to the General Shareholders' Meeting a dividend payment of CHF 0.30 per bearer share with nominal value CHF 10.

Prospects

We want to grow further in the new business year, but this does not mean that we want growth at any price. The expansion of the portfolio can be achieved by either purchasing individual properties or by acquiring whole portfolios, or real estate companies. We are convinced that the real estate market cycles have the effect of increasing values and minimizing risks. For this reason, we are open to a further geographical expansion to other economic regions. Our legal structure is already geared to the anticipated growth. With our rental activities, the exploita-

tion of value increase potential as well as with the realization of added value through the sale of properties, we want to again reach a return on equity of at least 10 percent. Based on the present portfolio, we expect yet another increase of the net asset value (NAV) to CHF 13.20 per share in the new business year.

Thanks

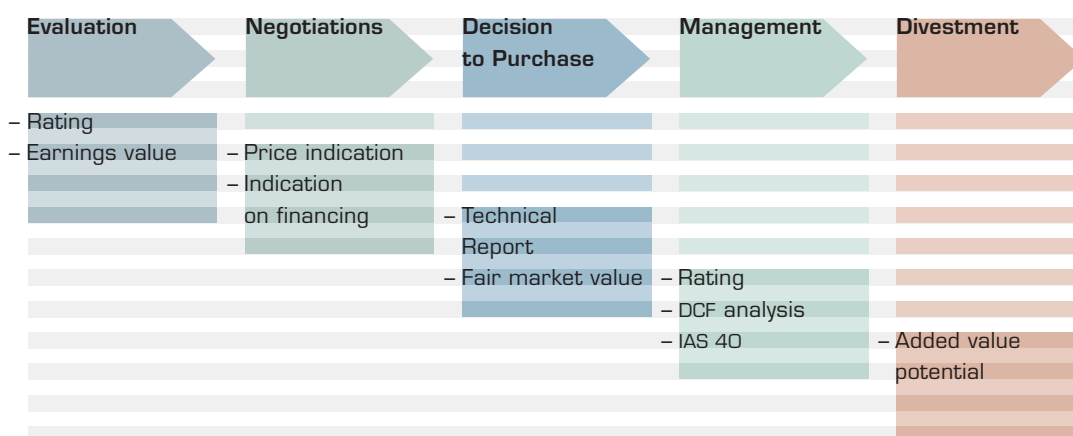
We would like to thank our shareholders for their confidence in us during the business year 2000/2001. We would also like to thank the institutional investors who provide us with valuable impulses in the course of our investor relations contacts and who support our strategy through their investment activities. Our special thanks go to our employees as well as to our Management Support Team. Thanks to their efforts on behalf of our company, they made the current success and, at the same time, the basis for a successful future development of our company possible.



Dr. Franz Hidber
Chairman of the Board of Directors



Transparency Builds Trust



Systematic Approach

A systematic approach for the assessment of real estate is an important prerequisite to creating transparency. For the acquisition of real estate, for the management of the portfolio as well as for the sale of real estate, the Züblin Immobilien Group uses assessment tools which correspond to its specific requirements. The systematic approach to the assessment of real estate is derived from established practice and is decidedly future-orientated and earnings-related.

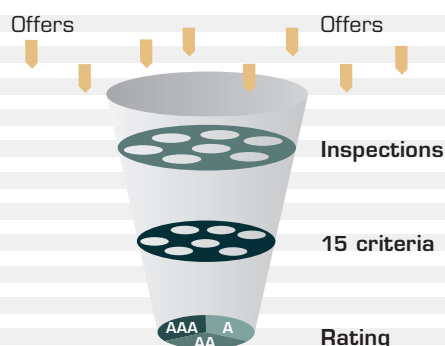
Valuation of Real Estate

The Züblin Immobilien Group sets standards with regard to professionalism and transparency. In our recently published brochure we introduce the assessment tools which we use for the assessment and valuation of real estate in cooperation with external specialists. The brochure can be ordered with the answer card which is enclosed in the Annual Report.



Evaluation/Offer

The inspection of a property and the assessment of the location take first priority for the evaluation. For the systematic assessment of the criteria involved, the **Züblin Immobilien Rating™** is applied. Prior to the decision to submit an offer, we also calculate the **basic income value** of a property based on the target net rental income and the capitalization rate.



Contract Negotiations

One of the basics for contract negotiations is a **price indication on the basis of the discounted cash flow (DCF) method**, which is provided by an independent real estate appraiser. For this valuation method, the current value of the property (net present value) is determined. This is based on the future income and expenses (cash flows), as well as on the theoretical resale price which are all discounted to the valuation date. The assessments made by the various financial institutions in connection with the financing serve as a further basis for contract negotiations.

Decision to Purchase

In addition to the results of the Züblin Immobilien Rating™, clear indications on the technical condition and possible contamination are prerequisites for the decision to purchase. This information is contained in the **Technical Report**. Of central importance for our decision to purchase is, in the end, the **fair market value** "Open Market Value".

Portfolio Management

For the reporting in accordance with "IAS 40 – Investment Property", the fair market value of each property is established annually. This assessment – on the basis of the **DCF method** – is carried out by real estate appraisers with an international track record. The periodic market valuation as well as the **Züblin Immobilien Rating™** provide new impulses for the professional management of the portfolio as well as for the introduction of value-enhancing measurements for individual properties.

Sales

The decision to sell properties depends on the national real estate market cycles of the economic regions which we compare with the market value of our real estate. For this examination, tax-related aspects are taken into account as well. A sale is effected when the **value potential** of a property is reached and the conditions for realizing a profit are ideal.

Züblin Immobilien Rating™

Criteria	Factor	
Quality of location		
Location/connection to		
transportation network	• • •	
Economic region	• •	
Quality of surrounding properties	•	
Qualities of the building		
Use type	•	
Concept	• •	
Flexibility for reuse	•	
Need for renovation	•	
Condition of the building's		
technical systems	•	
Rental situation		
Tenant mix	•	
Creditworthiness	•	
Vacancies	•	
Rent increase potential	•	
Recoverable costs	•	
Earnings situation		
Net earnings	• •	
Return on equity	• • •	

15 criteria	Marks	Points	Rating
Weighting	3 = very good	52–66	AAA
1–3	2 = good	37–51	AA
	1 = satisfactory	22–36	A
	0 = unsatisfactory		

The assessment system Züblin Immobilien Rating™, developed in 1999, is applied for the evaluation of an individual property as well as for the annual valuation of the entire portfolio. Internally, the system serves as a decision-making tool and externally, it helps to create transparency.

The system's plausibility was examined by independent real estate specialists. The system has a pragmatic and summary character.



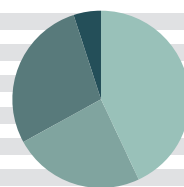
Total Portfolio as of March 31, 2001

Development of the Portfolio

During the reported period, the Züblin Immobilien Group purchased 13 properties for a total price of CHF 215 million in major economic regions of Switzerland, Germany and Belgium. In The Netherlands, where the real estate market cycle has actually reached its peak, 12 properties for a total market value of CHF 66 million were sold. The market value of Züblin's real estate portfolio amounted to CHF 1,032 million as of March 31, 2001 (previous period CHF 856 million).

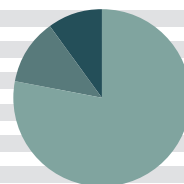
Market value	CHF 1,032/EUR 675 million
Number of properties	58
Lettable area	454,781 m ²
Total net rental income	CHF 75.1 million
Vacancy rate*	7.8%

* in % of net rental income



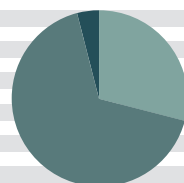
Regional structure of the portfolio according to market value

43%	Switzerland
24%	Germany
28%	The Netherlands
5%	Belgium/Luxembourg



Structure of the portfolio according to investment categories in % of rental income

78%	Office
12%	Trade/Logistics
10%	Retail



Structure of the portfolio according to the Züblin Immobilien Rating™

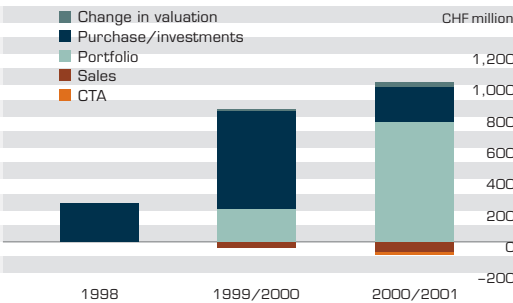
29%	AAA
67%	AA
4%	A

Largest Tenants

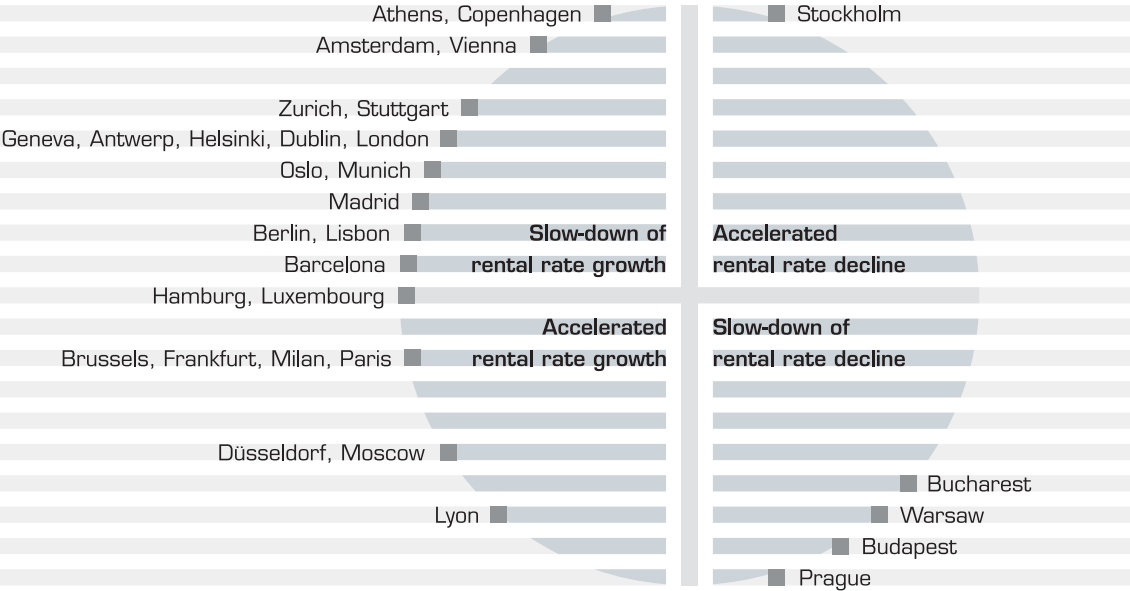
	Share of rent in % of rental income
TeleCity UK Limited (Switzerland)	6.0
Walter Meier Group (Switzerland)	4.1
Senter (The Netherlands)	2.6
Moerdijk Marine Terminal (The Netherlands)	2.3
SBB Generaldirektion (Switzerland)	1.9
Total	16.9

Development of the Portfolio's Value

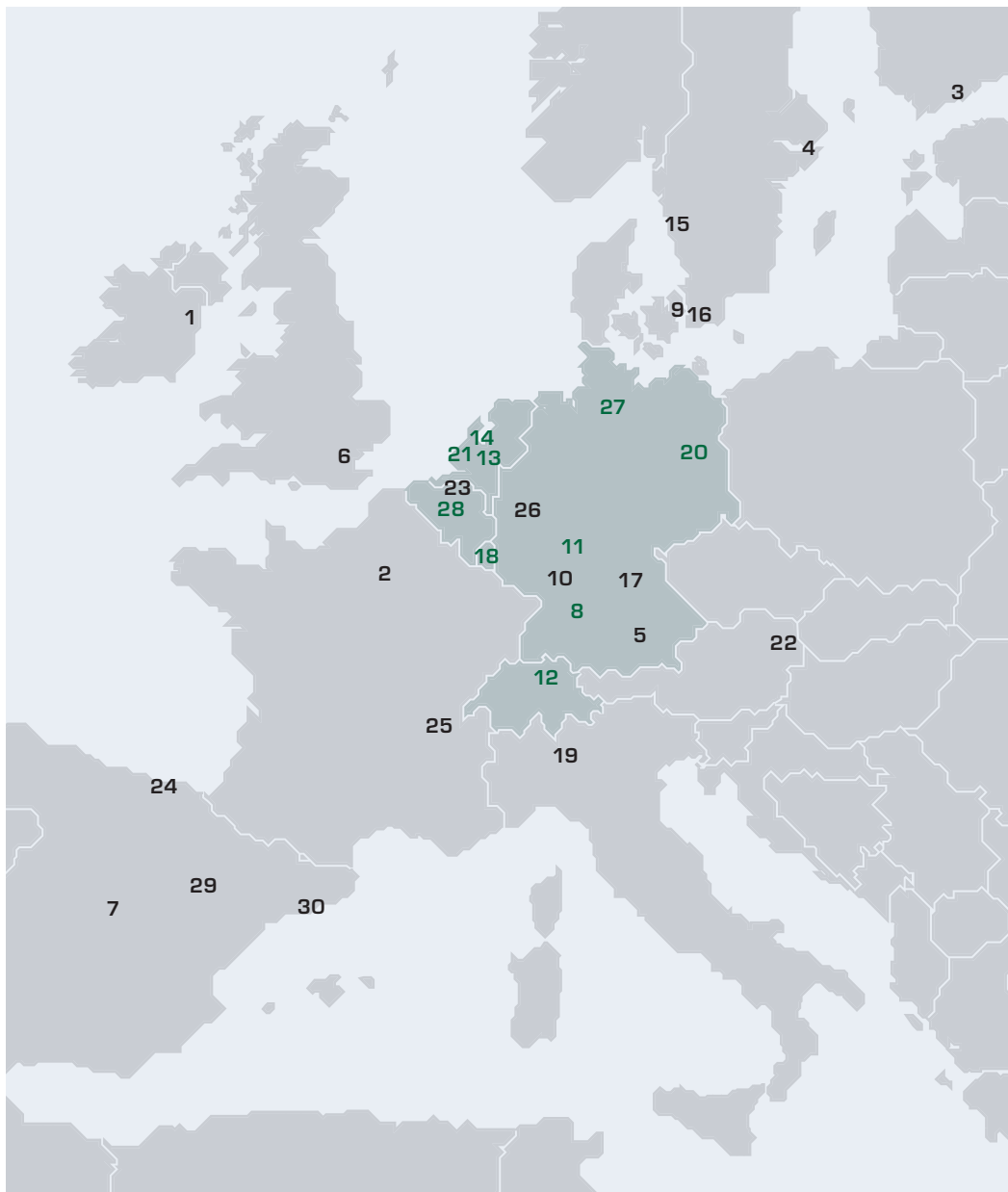
During the reported period, the value of Züblin's real estate portfolio has increased by 26 percent through acquisitions. The decrease due to sales was 8 percent. The reappraisals of the properties led to an increase of the market value by 4 percent.



Development of Rental Rates in Europe



Real Estate Clock, Jones Lang LaSalle
Basis: Prime Office Market, March 2001



The Top 30 Economic Regions in Europe

Ranking list according to the Regional Economic Growth Index

- 1 Dublin
- 2 Paris
- 3 Helsinki
- 4 Stockholm
- 5 Munich
- 6 London
- 7 Madrid
- 8 Stuttgart
- 9 Copenhagen
- 10 Mannheim and Karlsruhe
- 11 Frankfurt
- 12 Zurich
- 13 Utrecht
- 14 Amsterdam
- 15 Göteborg
- 16 Malmö
- 17 Nuremberg
- 18 Luxembourg
- 19 Milan
- 20 Berlin
- 21 Rotterdam and The Hague
- 22 Vienna
- 23 Antwerp
- 24 Bilbao
- 25 Lyon
- 26 Cologne and Bonn
- 27 Hamburg
- 28 Brussels
- 29 Zaragoza
- 30 Barcelona

■ Economic regions where the Züblin Immobilien Group holds real estate.

Source: Jones Lang LaSalle GmbH



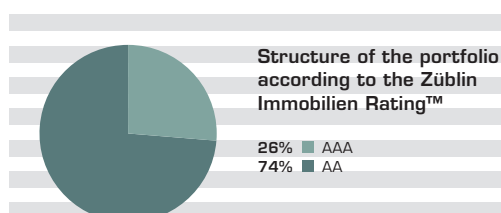
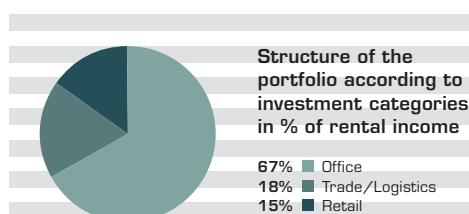
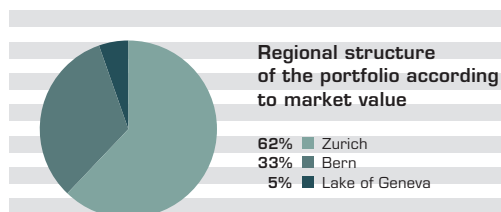
Portfolio in Switzerland as of March 31, 2001

Development of the Portfolio

During the reported period, the Züblin Immobilien Group purchased six properties for an acquisition price of CHF 91 million in Switzerland. Five of the properties are located in the economic region of Zurich and one is located in Bern. As of March 31, 2001, the market value of the Swiss real estate portfolio amounted to CHF 442 million (previous period CHF 330 million). All of the newly acquired properties have some value increase potential regarding location, flexibility for reuse, tenant mix or development of market rents.

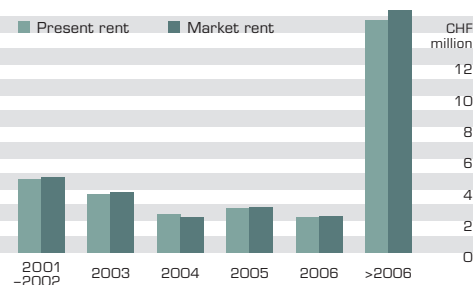
Market value	CHF 442/EUR 289 million
Number of properties	19
Lettable area	159,742 m ²
Total net rental income	CHF 31.1 million
Vacancy rate*	2.85%

* in % of net rental income



Analysis of Rental Contracts

In the next six years, 52 percent of the rental contracts will expire. The market rents are above the present rents with the exception of the year 2004. Considering the expected rental increases over the next years, an additional value increase potential is given.



Present rent: Based on the actual rental income from expiring rental contracts. **Market rent:** Based on the assumption that the expiring contracts will be prolonged or renewed at today's market rents.

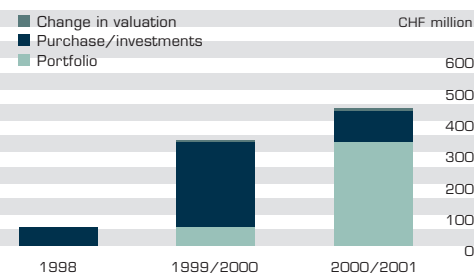
Largest Tenants

	Share of rent in % of rental income	
	Swiss portfolio	Total portfolio
TeleCity UK Limited, Zurich	15	6
Walter Meier AG, Schwerzenbach *	6	2
SBB Generaldirektion, Zollikofen	5	2
Etat de Genève, Police, Geneva	4	2
Oertli Service AG, Schwerzenbach *	4	2
Total	34	14

* same group

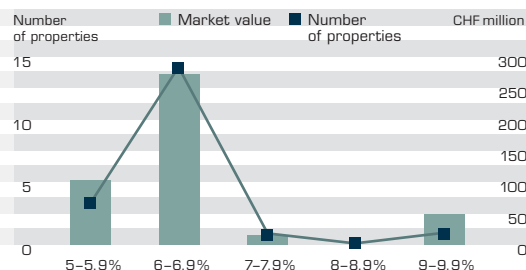
Development of the Portfolio's Value

In the reported period, the Swiss real estate portfolio's value increased by 27.6 percent through acquisitions, while the reappraisals led to an increase of the portfolio's market value by another 3.2 percent.



Discount Rates

With the application of a discount rate of 6 to 7 percent for more than 60 percent of all properties, the Swiss portfolio has been valued conservatively and thus has a rather small risk potential.



For the valuation of real estate according to the discounted cash flow method, the determination of the discount rate is of great importance. A high discount rate leads to a lower assessment of the market value and vice versa. Further explanations on the discount rate can be found in the Notes to the Consolidated Financial Statements on page 76.

Office Real Estate Market in Switzerland

Region/ City	Usable area million m ²	Turnover new/re-lettings million m ²	Vacancy rate end 2000 %	Top rents per m ² CHF/year	Trend (2 to 3 years)		
					Demand	Supply	Rents
Basel	3.8	0.7	1.2	550	→	↗	→
Bern	1.9	0.3	2.2	550	↗	↗	→
Geneva	3.2	0.4	1.8	700	↗	→	↗
Zurich	8.1	0.8	1.3	1,000	↑	↗	↗

Sources: Jones Lang LaSalle GmbH, Frankfurt/Züblin Immobilien Holding AG

Market Development

The positive development of the Swiss economy had a strong impact on the market for commercial real estate. The upturn was primarily felt in the large economic regions of Zurich, Geneva, Bern and Basel, where demand largely exceeded supply. Consequently, vacancy rates declined whereas rents increased.

Prospects

As a consequence of the high demand for commercial real estate, construction activities increased in the economic regions and thus led to a significant increase in the supply of new office space. From today's perspective it is expected that in the economic regions of Switzerland, the demand for office space and rental rates will continue to increase in the next two to three years. At present, however, it cannot be definitively determined whether the recovered construction activity – especially in the region of Zurich – will again lead to an excessive supply of office space.

Overview of the Portfolio

City, address	Purchased	Usable area m ²	Investment category	Net rental income CHF 1,000	Züblin Immobilien Rating™
Region of Zurich					
Baden, Rütistrasse 3/3a	3/1/2000	4,109	Office	722	AA
■ Egg, Gewerbestrasse 12/12a	4/1/2000	6,685	Office	1,194	AA
■ Hombrechtikon, Feldbachstrasse 81	6/30/2000	3,441	Office	658	AA
Rümlang, Riedmattstrasse 9	12/1/1999	12,486	Office	1,754	AAA
Schwerzenbach, Bahnstrasse 24	3/31/2000	14,730	Office	3,000	AA
■ Schwerzenbach, Eschenstrasse 2-6	1/1/2001	2,650	Office	425	AA
Wettingen, Landstrasse 115	12/31/1999	2,593	Office	355	AAA
Wettingen, Landstrasse 99	3/1/2000	11,210	Retail	2,632	AA
Winterthur, Im Hölderli 10	3/31/2000	7,312	Trade	907	AA
■ Zurich, Binzmühlestrasse 154	1/23/2001	17,520	Trade	4,769	AA
■ Zurich, Feldstrasse 133	10/1/2000	4,449	Office	791	AA
Zurich, Hardturmstrasse 76	3/20/2000	3,480	Office	621	AA
Zurich, Talstrasse 82	1/1/2000	3,435	Office	1,247	AAA
Region of Bern					
Bern, Morgenstrasse 131	12/15/1999	13,774	Office	2,675	AA
■ Bern, Morgenstrasse 136	6/1/2000	6,555	Office	1,008	AA
Biel, Florastrasse 16/18	12/31/1999	7,359	Retail	1,888	AA
Zollikofen, Industriestrasse 1	12/21/1998	30,182	Office	4,640	AAA
Region of Geneva					
Geneva, Boulevard Carl-Vogt 17/19	9/1/1999	6,531	Office	1,464	AA
Pully, Av. Général-Guisan 46-46a	2/1/1999	1,243	Office	375	AAA

■ Newly purchased properties in the business year 2000/2001

Additional information see pages 108 – 109



Bern, Morgenstrasse 136
 Acquisition: 6/1/2000
 The static concept and the inner courtyards with daylight offer a high flexibility for reuse.





Schwerzenbach, Eschenstrasse 2-6
Acquisition: 1/1/2001
With the acquisition of this property (dark green), the land reserve on the property Bahnstrasse 24 (light green) purchased on 3/31/2000, can be activated.



Zurich, Binzmühlestrasse 154
Acquisition: 1/23/2001
Room height, load-bearing framework, lighting concept, energy supply and fiber-optic cables provide this building with a high degree of multifunctionality. This allows for a novel, profitable use like, for example, that of a server farm.



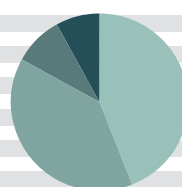
Portfolio in Germany as of March 31, 2001

Development of the Portfolio

In the reported period, the Züblin Immobilien Group purchased five new properties in Germany for the acquisition price of CHF 95 million. Two of these properties are located in Berlin, two in the economic region of Stuttgart and one in the region of Leipzig. In Frankfurt, one property was sold for CHF 6 million. As of March 31, 2001, the market value of the German real estate portfolio amounted to CHF 244 million (previous period CHF 156 million). All newly acquired properties have a high value increase potential regarding location, flexibility for reuse, tenant mix or development of market rents.

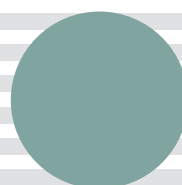
Market value	CHF 244/EUR 160 million
Number of properties	11
Lettable area	100,464 m ²
Total net rental income	CHF 17.3 million
Vacancy rate*	7.85%

* in % of net rental income



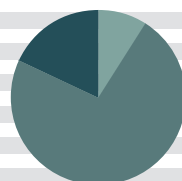
Regional structure of the portfolio according to market value

44% Hamburg
39% Stuttgart
9% Berlin
8% Frankfurt



Structure of the portfolio according to investment categories in % of rental income

100% Office

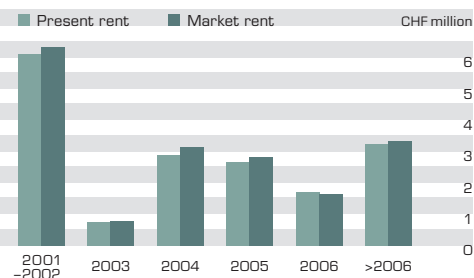


Structure of the portfolio according to the Züblin Immobilien Rating™

9% AAA
73% AA
18% A

Analysis of Rental Contracts

In the next six years, more than 80 percent of the rental contracts will expire. The market rents are above the present rents with the exception of the year 2006. Considering the expected rental increases over the next years, an additional value increase potential is given.



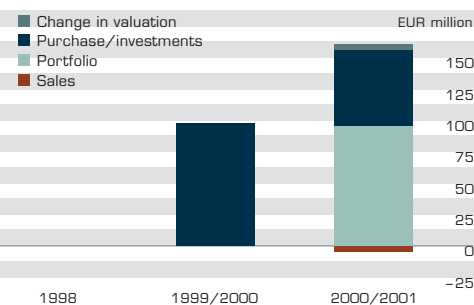
Present rent: Based on the actual rental income from expiring rental contracts. **Market rent:** Based on the assumption that the expiring contracts will be prolonged or renewed at today's market rents.

Largest Tenants

	Share of rent in % of rental income	
	German portfolio	Total portfolio
Freie und Hansestadt, Hamburg	8	2
General Motor Services GmbH, Rüsselsheim	8	2
Bankgesellschaft Berlin, Berlin	7	2
Strabag, Hamburg	5	1
Reemtsma, Hamburg	4	1
Total	32	8

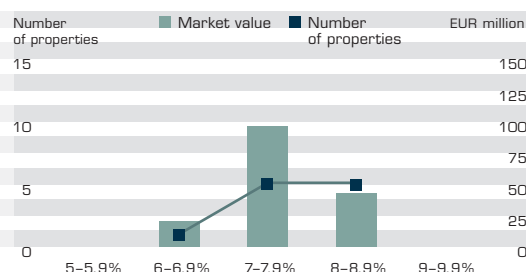
Development of the Portfolio's Value

In the reported period, the German real estate portfolio's value increased by 62 percent through acquisitions, while the reappraisals led to an increase of the portfolio's market value by another 3 percent.



Discount Rates

For the properties of the German portfolio, mostly discount rates of 7 to 9 percent were applied which can be regarded as a rather conservative valuation.



For the valuation of real estate according to the discounted cash flow method, the determination of the discount rate is of great importance. A high discount rate leads to a lower assessment of the market value and vice versa. Further explanations on the discount rate can be found in the Notes to the Consolidated Financial Statements on page 76.

Office Real Estate Market in Germany

Region/ City	Usable area million m ²	Turnover new/re-lettings million m ²	Vacancy rate end 2000 %	Top rents per m ² CHF/year	Trend (2 to 3 years)		
					Demand	Supply	Rents
Berlin	15.5	0.5	8.0	570	↗	↗	↗
Düsseldorf	5.0	0.3	3.4	420	↗	↗	→
Frankfurt	9.6	0.7	1.9	860	↑	↗	↗
Hamburg	11.9	0.6	2.4	480	↗	↗	→
Munich	14.9	1.1	0.8	600	↗	↑	→
Stuttgart	6.5	0.2	1.2	380	↑	↗	↗

Source: Jones Lang LaSalle GmbH, Frankfurt

Market Development

The strong economy had a positive influence on the German real estate market. The turnover for office space reached a record-high level of approximately 3 million m² in the five largest economic regions (Berlin, Düsseldorf, Frankfurt, Hamburg, Munich). The volume of investments in commercial real estate increased as well. The yields for prime properties were between 4.5 and 5 percent.

Prospects

In Germany as well, it was mainly the large economic centers that experienced increased demand for real estate. The high demand for office real estate expected for the next two to three years will lead to increasing rental rates due to the insufficient supply. It has to be expected, however, that the boom in the real estate market will reach the peak in some regions, such as for example Frankfurt and Munich, in the next two to three years.

Overview of the Portfolio

City, address	Purchased	Usable area m ²	Investment category	Net rental income CHF 1,000	Züblin Immobilien Rating™
Region of Berlin					
■ Berlin, Maxstrasse 2–4	9/27/2000	9,210	Office	1,208	AA
■ Berlin, Maxstrasse 3	9/27/2000	3,634	Office	613	AA
Region of Frankfurt					
Rüsselsheim, Eisenstrasse 2–4	1/1/2000	10,133	Office	1,466	AA
Region of Hamburg					
Hamburg, A. Einsteinring 17–21	1/1/1999	13,969	Office	2,658	AA
Hamburg, Nagelsweg 37, 39	1/1/1999	9,250	Office	2,140	AA
Hamburg, Pappelallee 33	1/1/1999	6,601	Office	1,451	AA
Hamburg, Wandsbeker Zollstrasse 11–19	1/1/1999	6,866	Office	891	A
Region of Stuttgart					
■ Stuttgart, Mittlerer Pfad 2–4	12/1/2000	21,454	Office	3,776	AA
■ Stuttgart, Mittlerer Pfad 9	6/1/2000	8,064	Office	1,515	AA
Stuttgart, Vor dem Lauch 14	1/1/2000	8,731	Office	1,562	AAA
Region of Leipzig					
■ Erfurt, Lange Brücke 29 ¹	1/1/2000	2,552	Office	0	A

■ Newly acquired properties during the business year 2000/2001

¹ Property under renovation

Additional information see pages 110 – 111

Sales

City, address	Purchased	Usable area m ²	Investment category	Date of sale
Region of Frankfurt				
Frankfurt, Genferstrasse 11/11a	1/1/2000	8,301	Office	5/1/2000



Stuttgart, Mittlerer Pfad 2-4
Acquisition: 12/1/2000
This peripheral office location is highly attractive as a result of its connections to public transportation (S-train and bus) and the federal freeway A81.

Berlin, Maxstrasse 2-4 and 3a
Acquisition: 9/27/2000
These two properties in the district of Wedding in Berlin are located close to the main road and are a few walking minutes from the subway stations.





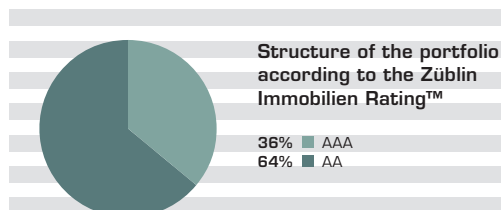
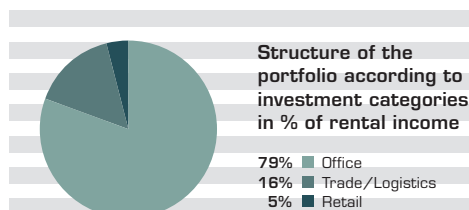
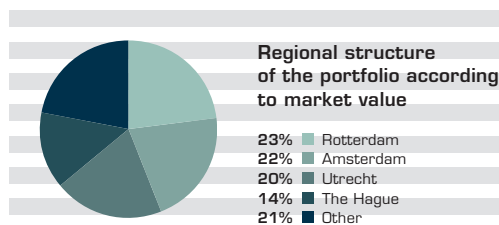
Portfolio in The Netherlands as of March 31, 2001

Development of the Portfolio

In the reported period, the Züblin Immobilien Group continued to follow its sales strategy, since the Management is convinced that the real estate market cycle in this region is approaching its peak. A total of 12 properties for a market value of CHF 66 million were sold. Compared to the original acquisition costs two years ago, a large profit of 25 percent was achieved. Compared to the market value published as of March 31, 2000, the return on these sales was two percent. As of March 31, 2001, the Dutch real estate portfolio's market value amounted to CHF 295 million (previous period CHF 352 million). The remaining properties of the portfolio will continue to be managed until market maturity is reached. The relatively high vacancy rate is due to reconstruction and refurbishment of individual properties. In a market environment where the demand for office buildings is still high, a large value increase potential remains.

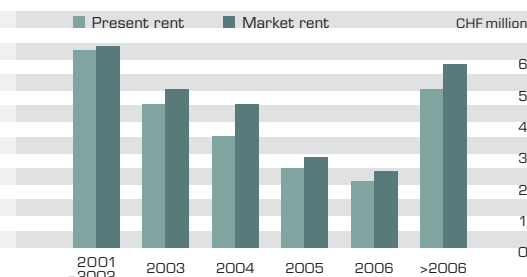
Market value	CHF 295/EUR 193 million
Number of properties	25
Lettable area	171,289 m ²
Total net rental income	CHF 22.6 million
Vacancy rate*	15.4%

* in % of net rental income



Analysis of Rental Contracts

In the next six years, more than 85 percent of the rental contracts will expire. The market rents are without exception above the present rents. Although the real estate market cycle in The Netherlands seems to approach the peak, a very high value increase potential for the Züblin portfolio continues to exist due to the regional diversification.



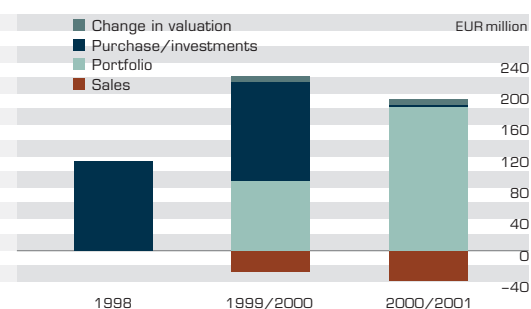
Present rent: Based on the actual rental income from expiring rental contracts. **Market rent:** Based on the assumption that the expiring contracts will be prolonged or renewed at today's market rents.

Largest Tenants

	Share of rent in % of rental income	
	Dutch portfolio	Total portfolio
Senter, The Hague	9	3
Moerdijk Marine Terminal, Rotterdam	8	2
P&O Nedlloyd, Rotterdam	6	2
Rijksgebouwendienst, Nieuwegein	5	2
Commit Arbo, De Meern	5	1
Total	33	10

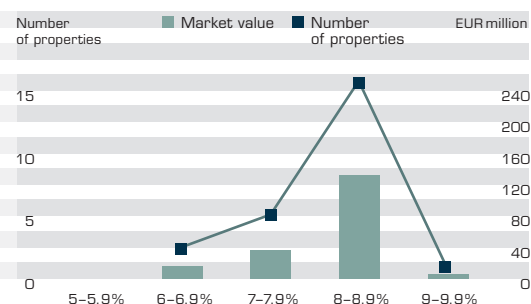
Development of the Portfolio's Value

In the reported period, the Dutch portfolio decreased by CHF 62 million (EUR 39 million) respectively 18 percent through sales. The market value of the remaining portfolio increased by 4.7 percent due to the solid market situation and the value increases of the properties.



Discount Rates

For 68 percent of the portfolio, discount rates of 8.0 to 8.9 percent were applied. Compared to Germany, the level of the discount rates is slightly higher in The Netherlands.



For the valuation of real estate according to the discounted cash flow method, the determination of the discount rate is of great importance. A high discount rate leads to a lower assessment of the market value and vice versa. Further explanations on the discount rate can be found in the Notes to the Consolidated Financial Statements on page 76.

Office Real Estate Market in The Netherlands

Region/ City	Usable	Turnover	Vacancy rate	Top rents	Trend (2 to 3 years)		
	area million m ²	new/re-lettings million m ²	end 2000 %	per m ² CHF/year	Demand	Supply	Rents
Amsterdam	6.0	0.4	2.7	500	→	→	↑
The Hague	4.1	0.2	3.9	300	→	↓	↑
Rotterdam	3.5	0.2	4.7	280	↑	→	→
Utrecht	2.0	0.2	8.2	290	→	→	↑

Source: Jones Lang LaSalle GmbH, Frankfurt

Market Development

In The Netherlands, the market for office space profited from the strong economic growth. Compared to the previous year, new investments in commercial real estate increased by more than 30 percent. The turnover of new lettings/re-lettings increased by 20 percent. The demand for office space came mainly from companies of the IT, telecommunications and technology sectors. Despite an increase of high-risk investments in development and reconstruction projects, the demand in the year 2000 again exceeded supply. The proportion of new buildings in the office space supply increased and a major part of the newly constructed buildings, which will be completed in 2001, are already let. The vacancy rate calculated on a national level was reduced by 18 percent to 4.9 percent during the past year.

Prospects

In the year 2001, the Dutch real estate market is expected to profit from strong economic development. As a consequence of the ongoing economic integration of Europe, the foreign capital inflow into The Netherlands and its commercial real estate market persists. On the other hand, an increased supply of commercial space is expected for the year 2001. Development projects, the sale of large real estate portfolios (as a result of the trend from direct to indirect real estate investments) as well as disinvestments of German investors, heavily invested in the Dutch real estate market so far, could lead to an increase of real estate yields. As a result of these developments, the polarizing process between the markets of the large and the smaller economic regions will intensify.

Overview of the Portfolio

City, address	Purchased	Usable area	Investment	Net rental	Züblin
		m ²	category	income	Immobilien
				CHF 1,000	Rating™
Region of Amsterdam					
Amsterdam, Paasheuvelweg 26	1/1/2000	3,627	Office	692	AAA
Amsterdam, Zekeringstraat 1-23	1/1/2000	12,371	Office	1,650	AA
Amsterdam, Zekeringstraat 39-47	1/1/2000	11,495	Office	2,129	AAA
Diemen, Diemerhof 10-12, 16-18	1/1/2000	6,000	Office	1,106	AA
Region of The Hague					
The Hague, Daendelstraat 57	7/1/1998	1,202	Office	243	AA
The Hague, Grote Marktstraat & Wagenstraat	1/1/2000	11,036	Office	2,840	AAA
The Hague, Laan van Meerdervoort 51	7/1/1998	3,600	Office	139	AA
Region of Rotterdam					
Dordrecht, Stationsweg 4	7/1/1998	4,526	Office	700	AAA
Gouda, Tielweg 6	7/1/1998	2,026	Office	272	AA
Moerdijk, Middenweg 49	1/1/2000	54,774	Trade	3,552	AA
Rotterdam, Schiekade 34	7/1/1998	10,294	Office	865	AA
Region of Utrecht					
De Bilt, Utrechtseweg 370	7/1/1998	2,093	Office	346	AA
De Meern, Rijnzathe 8	1/1/2000	7,002	Office	1,574	AAA
Nieuwegein, Meentwal 1	7/1/1998	1,825	Office	319	AAA
Nieuwegein, Zoomstede 13-19	7/1/1998	7,101	Office	1,251	AAA
Utrecht, Kaap Hoorndreef 10-14	7/1/1998	3,344	Office	758	AA
Utrecht, Kaap Hoorndreef 66-78	7/1/1998	3,048	Office	542	AA
Other regions					
Arnhem, Oude Oeverstraat 120	7/1/1998	6,224	Office	814	AA
Enschede, Van Loenshof 56-168	1/1/2000	6,805	Retail	1,238	AA
Huizen, Huizermaatweg 9-37	7/1/1998	3,089	Office	536	AAA
Veldhoven, De Run 1120-1150	1/1/2000	3,560	Office	367	AA
Zeist, Bergweg 25	7/1/1998	1,610	Office	273	AA
Zeist, Huis ter Heideweg 30-40	7/1/1998	4,637	Office	409	AA

Additional information see pages 112-113

Sales				
City, address	Purchased	Usable area	Investment	Date of
		m ²	category	sale
Region of Amsterdam				
Amsterdam, Plantage Middenlaan 14	7/1/1998	6,212	Office	2/28/2001
Hilversum, Marathon 11	7/1/1998	4,888	Office	11/10/2000
Region of Rotterdam				
Gouda, Kampenringweg 47	1/1/2000	4,145	Office	11/10/2000
Rotterdam, s-Gravendijkwal 28-36	7/1/1998	4,047	Office	11/10/2000
Region of Utrecht				
Utrecht, Pahud de Mortangesdreef 61-65	7/1/1998	2,078	Office	11/10/2000
Veenendaal, Standaardruiter 13	7/1/1998	1,531	Office	7/31/2000
Other regions				
Almere Haven, Kerkstraat 8-22	7/1/1998	2,190	Office	11/10/2000
Almere Haven, Kerkstraat 26	7/1/1998	489	Office	8/1/2000
Apeldoorn, Sleutelbloemstraat 22	7/1/1998	1,051	Office	11/10/2000
Groningen, Aweg 29	7/1/1998	894	Office	11/10/2000
Waalwijk, Grotestraat 341	7/1/1998	4,378	Office	11/10/2000
Zwolle, Zwarte Waterallee 14	7/1/1998	3,629	Office	11/10/2000



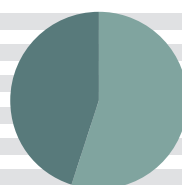
Portfolio in Belgium/Luxembourg as of March 31, 2001

Development of the Portfolio

In the reported period, the Züblin Immobilien Group extended its investment activities to Belgium, respectively Brussels, where two properties at a cost of CHF 28 million were purchased. The retail building in Luxembourg developed excellently. By reducing the vacancies, the market value of this property strongly increased. As of March 31, 2001, the market value of the portfolio in Belgium/Luxembourg amounted to CHF 50 million (previous year CHF 19 million). All three properties of this portfolio offer a high value increase potential.

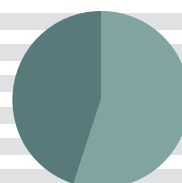
Market value	CHF 50/EUR 33 million
Number of properties	3
Lettable area	23,286 m ²
Total net rental income	CHF 4.1 million
Vacancy rate*	7.85%

* in % of net rental income



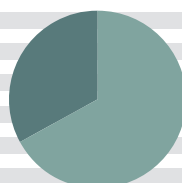
Regional structure of the portfolio according to market value

55% Office
45% Retail



Structure of the portfolio according to investment categories in % of rental income

55% Office
45% Retail

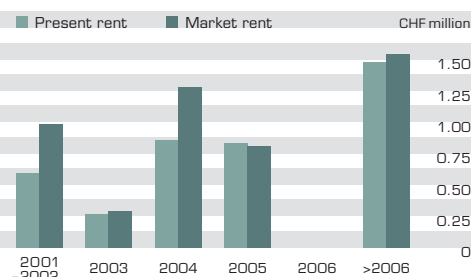


Structure of the portfolio according to the Züblin Immobilien Rating™

67% AAA
33% AA

Analysis of Rental Contracts

In the next six years, more than 60 percent of the rental contracts will expire. The market rents are an average of 10 percent above the present rents. Considering the expected rental increases over the next years, an additional value increase potential is given.



Present rent: Based on the actual rental income from expiring rental contracts. **Market rent:** Based on the assumption that the expiring contracts will be prolonged or renewed at today's market rents.

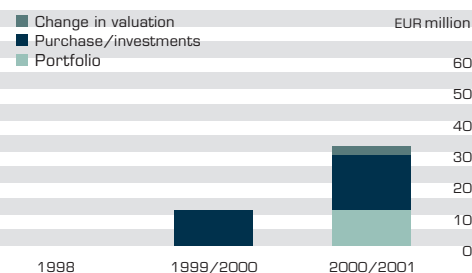
Largest Tenants

Share of rent in % of rental income

	Share of rent in % of rental income	
	Portfolio	Total portfolio
	Belgium/Luxembourg	
Abay TS, Brussels	33	2.0
Climlux, Howald	8	0.4
Casa, Howald	5	0.3
Total	46	2.7

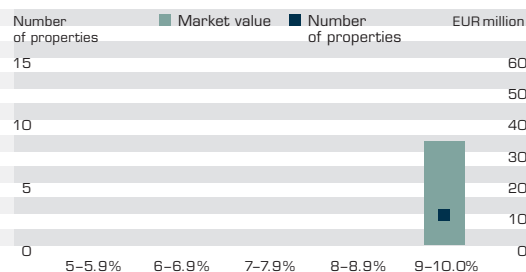
Development of the Portfolio's Value

In the reported period, the portfolio's value increased by 100 percent through acquisitions in Belgium while, due to the reappraisal, the market value of the property in Luxembourg increased by 24 percent.



Discount Rates

All properties of the portfolio Belgium/Luxembourg are valued with a high discount rate since they have to be optimized and managed with regard to an additional value increase. In a positive environment, the value increase potential can be quite high.



For the valuation of real estate according to the discounted cash flow method, the determination of the discount rate is of great importance. A high discount rate leads to a lower assessment of the market value and vice versa. Further explanations on the discount rate can be found in the Notes to the Consolidated Financial Statements on page 76.

Office Real Estate Market in Belgium/Luxembourg

Region/ City	Usable area million m ²	Turnover new/re-lettings million m ²	Vacancy rate end 2000 %	Top rents per m ² CHF/year	Trend (2 to 3 years)		
					Demand	Supply	Rents
Brussels	10.2	0.8	6.2	390	↗	↑	↗
Luxembourg	1.9	0.2	0.5	560	↗	↑	↗

Source: Jones Lang LaSalle GmbH, Frankfurt

Market Development**Brussels**

The commercial real estate market had a positive development in the year 2000. With a supply of approximately 10 million m² of office space, the turnover for new/re-lettings reached a record-high level of 764,000 m², which corresponds to an increase of 3 percent compared to 1999. Parallel to this, top rents increased by 11 percent. With this value, the rental rate level of 1992 was reached. However, rental rates in Brussels are still below the values of other comparable cities in Europe.

Luxembourg

The strong economic growth in Luxembourg, which is above the average of the EU with 5 percent p.a., had a positive influence on the real estate market. The supply of office space in Luxembourg is approximately 1.9 million m². 39 percent of this space is located in the banking district in the center of the city of Luxembourg. The turnover of lettable space reached a record-high level of 184,000 m² in the year 2000, which represents a doubling of the total of 1999.

Prospects**Brussels**

For the year 2001, new construction in the range of another 440,000 m² is expected, whereby 40 percent of this volume was already secured by tenants respectively by buyers. The high demand for office space in the economic region of Brussels is expected to continue; it should be met with the supply of new buildings and re-lettings until the year 2003.

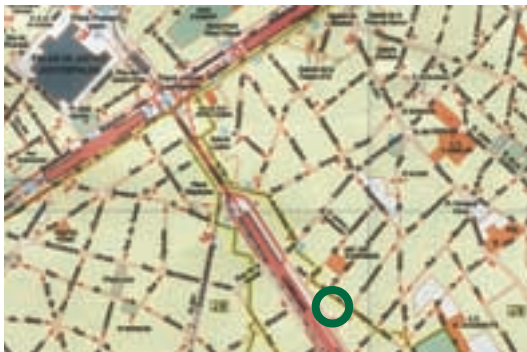
Luxembourg

The vacancy rate in Luxembourg is very low at 0.5 percent. In the year 2000, only 14,000 m² were added to the market with the completion of new buildings. Despite the high demand and a low vacancy rate, the top rents in the banking district of Luxembourg are on the same level as in 1997. However, an increase of the top rents is expected for 2001. Thanks to the strong services sector, a continuously growing economy and a consistently high demand for office space are expected in the coming years as well.

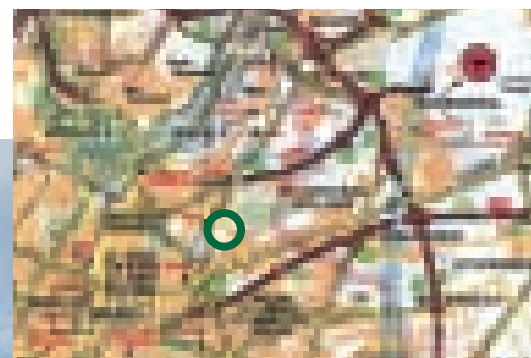
Overview of the Portfolio

City, address	Purchased	Usable area m ²	Investment category	Net rental income CHF 1,000	Züblin Immobilien Rating™
Region of Brussels					
■ Brussels, Avenue Louise 120	10/1/2000	4,777	Office	843	AA
■ Brussels, Rue de Genève 4	10/1/2000	7,309	Office	1,396	AAA
Region of Luxembourg					
Howald, Rue des Scillas 20	1/1/2000	11,200	Retail	1,801	AAA

- Newly purchased properties in the business year 2000/2001
Additional information see pages 110–111

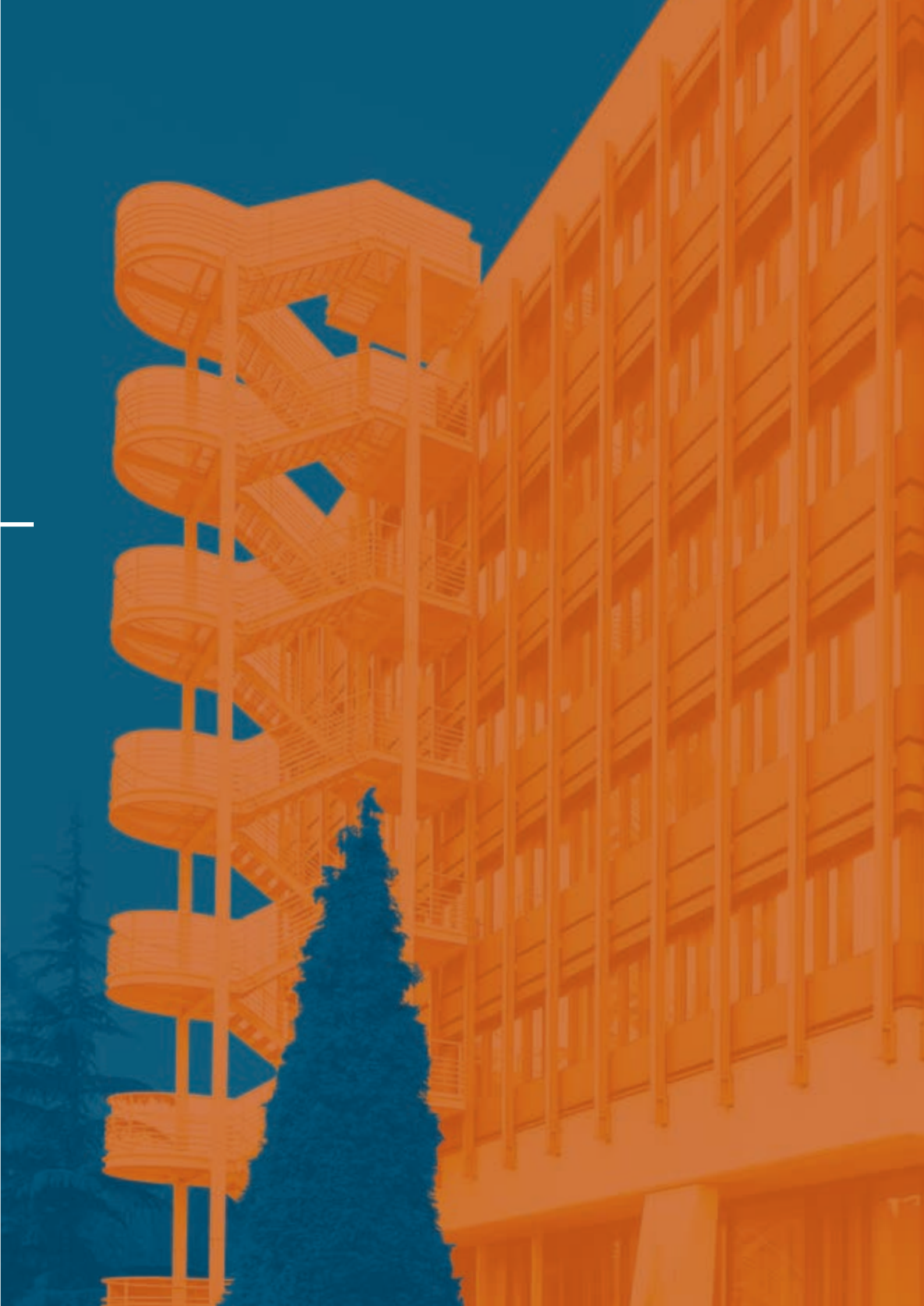


Brussels, Avenue Louise 120
Acquisition: 10/1/2000
Attractive central location for
offices and retail with excellent
connections to the subway,
tramway and bus.



Brussels, Rue de Genève 4
Acquisition: 10/1/2000
Classical office complex,
modern architecture, very close
to the airport freeway.





Consolidated Financial Statements

Züblin Immobilien Group

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Highlights of the Business Year 2000/2001

Consolidated Income Statement

CHF 41 Million Consolidated Net Income

For the first time, the Annual Report makes it possible to compare the figures with the previous year's results as a pure real estate company. The significant increase of income – which more than doubled on an adjusted 12-month basis – shows that the implementation of the chosen strategy has a lasting effect on results.

13% Return on Equity

With more than double the equity capital compared with the previous year, the minimum target of 10% return on equity was surpassed by 30%. Although market prices for real estate in Europe have increased significantly, we succeeded in acquiring properties with a high return.

9% Income from Rental Revenues and Sales

For the reported year, the realized income from rental revenues and sales amounted to 9% on the equity capital. This yield was achieved because the net rental income, at 7.3% compared to the market values, is very high.

25% Profit from Sales of Investment Property

During the reported year, 12 investment properties were sold in The Netherlands for CHF 66 million, and in Germany, one property was sold for CHF 6 million. The total sales proceeds of CHF 72 million represent an equivalent of 7% of the average real estate held. Through the sales, a 25% profit as compared with the acquisition costs, respectively a 5% profit as compared with the market value as of March 31, 2000 was achieved.

4% Increase in Market Values

The valuation of the portfolio by independent real estate appraisers using the discounted cash flow method (DCF) shows a value increase of 4%. These valuation gains have been achieved in Switzerland and Germany with 3% each, in The Netherlands with 4.7% and in Belgium/Luxembourg with 9.3%.

53% Deferred Tax Expenses

As a consequence of the increase of the market values of investment properties, deferred tax expenses have also increased significantly. For this calculation it is presumed that the portfolio would be sold as of the balance sheet date on March 31, 2001. In Switzerland, where the capital gains tax is extremely high for short-term property holdings, deferred tax liabilities were augmented by CHF 20 million or 53% of the market value increase. The after-tax effect of the market value increase thus only amounts to CHF 18 million.

11% Direct Real Estate Expenses

Through an efficient facility management, the direct real estate expenses in proportion to the rental revenues have been kept low on a Swiss level.

15% Portfolio Management Expenses

Compared with operating income, the portfolio management expenses of 15% are at the lower end of the industry's average. It has to be noted, however, that also in the second year of Züblin's new orientation, special expenses in connection with the build-up of an internationally active real estate group were encountered.

5.5% Mortgage Interest Expense

Whereas the short-term interest expenses initially climbed during the business year 2000/2001, the trend was declining since October 2000. As a consequence of the flat interest rate curve, a transition to a long-term fixed interest rate structure followed.

24% Return on Equity of ZüblinSchlittler Bau AG

With CHF 1.1 million, ZüblinSchlittler Bau AG, in which Züblin Immobilien Holding AG held 40% as of March 31, 2001, has made a positive contribution to the total result of the Züblin Immobilien Group.

Balance Sheet

CHF 1.03 Billion in Investment Properties

The real estate value has surpassed the one billion threshold after sales of CHF 68 million, acquisitions of CHF 215 million and a market value increase of CHF 38 million. The first growth stage goal has thus been reached. With reference to the investment categories chosen by Züblin, the portfolio is made up of 78% office properties, 12% trade/logistics properties and 10% retail properties.

6 to 9% Discount Rates

Besides the precise forecast of the cash flows for the next 10 years, the fixing of the discount rates for the application of the discounted cash flow method is of decisive importance. For Swiss properties the Züblin Immobilien Group mainly applies a discount rate of 6 to 7%, whereas for other properties a rate of 7 to 9% is used.

33% Equity Ratio

As of March 31, 2001, the ratio between loans and equity capital (including minority interests) amounted to 67:33, compared with the strategic target of 70:30.

-4% Foreign Exchange Rate Fluctuation EUR/CHF

The EUR/CHF exchange rate has experienced a decrease of 4% from CHF 1.5911 to CHF 1.5279 during the period of 4/1/2000 to 3/31/2001. This change has an effect on the shareholders' equity of our subsidiaries in Euro-denominated countries. The effects of these fluctuations on EUR loans from the parent to its subsidiaries and on the translation of the net assets of foreign subsidiaries are directly reported in the consolidated shareholders' equity under "Foreign currency translation adjustments" (CTA) in accordance with IAS 21.

63% Long-Term Mortgages

More than 63% of all mortgages are long-term contracts. For the fixed interest rates, however, various durations apply. At present, the applicable interest rates are fixed a third each short-, medium- and long-term.

General

100% Conformity to Regulations of the SWX

The new Additional Rules for the Listing of Real Estate Companies regulate the requirements for the annual reporting of listed companies. This Annual Report fulfils these requirements completely.

10 – The EV/EBITDA Ratio of Züblin

A new important indicator in the real estate business is the EV/EBITDA ratio (enterprise value divided by income before interest, taxes, depreciation and amortization). It shows whether the NAV (net asset value) was calculated aggressively or in line with market conditions. The ratio of 10 of the Züblin Immobilien Group shows that the future value increases were not anticipated in the real estate valuations.

Consolidated Income Statement

in CHF thousand	Notes	4/1/2000 to 3/31/2001	1/1/1999 to 3/31/2000
Income			
Net rental income		70,087	42,848
Gain from sales of investment properties		3,725	4,178
Income from negative goodwill	1	596	5,926
Changes in market value of investment properties	2	38,440	16,635
Total operating income		112,848	69,587
Expenses			
Real estate expense		5,957	3,900
Maintenance and repairs		1,706	496
Administrative expense	3	9,799	4,753
Net financial expense	4	31,388	15,972
Total operating expenses		48,850	25,121
Result			
Operating profit		63,998	44,466
Minority interests in net income		- 1,413	- 7,123
Result from discontinuing construction operations		1,162	- 2,742
Discontinuing operations expenses/Restructuring costs of construction operations		0	- 5,500
Net income before taxes		63,747	29,101
Taxes	5	22,458	5,950
Net income		41,289	23,151
Net income per share with nominal value CHF 10	6	CHF 1.46	CHF 1.97
Net income per share with nominal value CHF 1	6	CHF 0.15	CHF 0.20

Information contained in the "Notes to the Consolidated Financial Statements" is an integral part of the consolidated financial statements.

Consolidated Balance Sheet

in CHF thousand	Notes	3/31/2001	3/31/2000
Assets			
Non-current assets			
Investment properties	2	1,031,661	856,433
Furnishings and equipment	8	504	428
Investment in associated company	9	5,420	4,258
Deferred tax assets	5	8,357	9,340
Total non-current assets		1,045,942	870,459
Current assets			
Accounts receivable and other assets	10	29,811	25,396
Cash and cash equivalents	11	21,695	126,441
Total current assets		51,506	151,837
Total assets		1,097,448	1,022,296

Information contained in the "Notes to the Consolidated Financial Statements" is an integral part of the consolidated financial statements.

Consolidated Balance Sheet

in CHF thousand	Notes	3/31/2001	3/31/2000
Shareholders' Equity and Liabilities			
Shareholders' equity			
Share capital	12	282,771	284,756
Reserves		9,451	9,657
Retained earnings		49,111	22,197
Total shareholders' equity		341,333	316,610
Minority interests			
	13	18,922	23,880
Liabilities			
Mortgages payable	14	669,745	519,299
Provisions	15	1,178	2,361
Deferred tax liabilities	5	29,362	9,330
Long-term liabilities		700,285	530,990
Accounts payable and accrued liabilities	16	21,908	148,645
Payables to associated company		0	1,816
Bank overdraft		15,000	355
Current liabilities		36,908	150,816
Total liabilities		737,193	681,806
Total shareholders' equity and liabilities		1,097,448	1,022,296

Information contained in the "Notes to the Consolidated Financial Statements" is an integral part of the consolidated financial statements.

Consolidated Cash Flow Statement

in CHF thousand	Notes	4/1/2000 to 3/31/2001	1/1/1999 to 3/31/2000
Cash Flows from Operating Activities			
Net income before taxes		63,747	29,101
Adjustments for:			
Interest rate expenses		31,600	15,803
Changes in market value of investment properties	2	- 38,440	- 16,635
Contribution from discontinuing construction operations		- 1,162	0
Income from negative goodwill	1	- 596	- 5,926
Depreciation of furnishings and equipment	8	174	128
Changes in net current assets		- 7,763	15,687
Decrease in provisions		- 1,111	- 498
Interest paid		- 31,600	- 15,803
Income tax paid		- 1,213	- 2,965
Net cash from operating activities		13,636	18,892
Cash Flows from Investing Activities			
Investments in investment properties		- 170,170	- 253,494
Disposals of investment properties		68,356	39,784
Capital expenditures in furnishings and equipment	8	- 250	- 524
Investments in subsidiaries excl. cash acquired		- 16,760	- 150,907
Net cash for investing activities		- 118,824	- 365,141
Cash Flows from Financing Activities			
Bank overdraft		14,645	- 1,802
Mortgages		116,730	110,539
Liabilities resulting from investments		- 122,364	124,532
Dividend paid to shareholders		- 5,695	0
Acquisition of treasury shares		- 1,862	- 480
Capital increases incl. additional paid-in capital		0	217,613
Net cash from financing activities		1,454	450,402
Foreign currency translation adjustments for cash and cash equivalents		- 1,012	0
Decrease/increase in cash and cash equivalents		- 104,746	104,153
Cash and cash equivalents as of the beginning of the business year		126,441	22,288
Cash and cash equivalents as of the end of the business year		21,695	126,441

Information contained in the "Notes to the Consolidated Financial Statements" is an integral part of the consolidated financial statements.

Consolidated Statement of Changes in Shareholders' Equity

in CHF thousand	Share capital	Reserves	Retained earnings	Total shareholders' equity
Balance as of 1/1/1999	77,280	0	961	78,241
Restatement of reorganization costs	0	0	- 2,500	- 2,500
Treasury shares acquired	- 480	0	0	- 480
Capital increase 4/15/1999	25,760	0	0	25,760
Capital increase 9/7/1999	5,400	2,025	0	7,425
Capital increase 10/20/1999	5,654	2,120	0	7,774
Capital increase 2/18/2000	171,142	17,114	0	188,256
Capital increase expenses	0	- 11,602	0	- 11,602
Foreign currency translation adjustments	0	0	585	585
Consolidated net income 1999/2000	0	0	23,151	23,151
Balance as of 3/31/2000	284,756	9,657	22,197	316,610
Dividends	0	0	- 5,695	- 5,695
Capital increase expenses 2/18/2000	0	- 206	0	- 206
Treasury shares acquired	- 1,985	0	123	- 1,862
Foreign currency translation adjustments	0	0	- 8,803	- 8,803
Net income	0	0	41,289	41,289
Balance as of 3/31/2001	282,771	9,451	49,111	341,333
Less treasury shares				
Balance as of 4/1/2000	- 480		0	- 480
Increase (nominal value)	- 1,985			- 1,985
Balance as of 3/31/2001 nominal value	- 2,465			- 2,465
Difference to costs			123	123
Balance as of 3/31/2001 at costs¹	- 2,465		123	- 2,342
Foreign currency translation adj.				
Balance as of 4/1/2000			0	0
Adjustments in the reported period			- 8,803	- 8,803
Balance as of 3/31/2001			- 8,803	- 8,803

¹ Compare Note 10, Financial Statements of Züblin Immobilien Holding AG, page 100

Notes to the Consolidated Financial Statements

General Business Information

The consolidated financial statements of Züblin Immobilien Holding AG (Züblin Immobilien Group) for the business year ended March 31, 2001, were approved by the Board of Directors on May 28, 2001. Züblin Immobilien Holding AG is a Swiss corporation domiciled in Zurich (Claridenstrasse 20) and represents the ultimate parent company of the Züblin Immobilien Group. The activities of the Züblin Immobilien Group are concentrated entirely on the management of its international real estate portfolio. In addition to Switzerland, the Züblin Immobilien Group operates in Germany, The Netherlands, Belgium and Luxembourg. The Group had five employees as of March 31, 2001. For questions relating to specific business areas, the Group Management has the assistance of selected consultants.

Significant Accounting Principles

International Accounting Standards (IAS)

The accompanying consolidated financial statements of the Züblin Immobilien Group were prepared in accordance with International Accounting Standards (IAS) on the basis of historical costs. The requirements of IAS 40 – Investment Property – were applied as of January 1, 1999.

In addition, the consolidated financial statements comply with Swiss regulations. The consolidation was based on the audited financial statements of the individual subsidiary companies as of March 31, 2001.

Construction activities are reported as

“Discontinuing operations” according to IAS 35

Construction activities, which are no longer of strategic importance to the Züblin Immobilien Group, have been reported as “discontinuing operations” according to IAS 35. IAS 35 regulates the presentation of information concerning the discontinuing activities. The separate presentation of information concerning the discontinuing construction operations and the operations of the Group’s on-going business (real estate portfolio management) should make it easier for the reader of the financial statements to assess the Group’s future prospects.

Changes in Accounting Principles

Balance sheet date

It was decided to change the year-end for all Group companies to the common date of March 31, initially as of March 31, 2000. Thus, the consolidated financial statements 2000/2001 comprise a period of 12 months, whereas the previous period figures include 15 months (1/1/1999 – 3/31/2000).

Previous period comparison

The previous period figures represent the closing as of March 31, 2000. The income statement for the current business year includes a 12-month period, whereas that of the previous period included 15 months. As a consequence, the results of the current business year cannot be directly compared with those of the previous period.

Method of Consolidation

The consolidated financial statements include the accounts of Züblin Immobilien Holding AG (parent company) and its subsidiaries over which it exercises control, following the elimination of all significant intercompany transactions. Subsidiary companies are consolidated from the date the parent gains control until such control ceases. The subsidiaries' financial statements cover the same accounting period as those of the parent company. Minority interests represent interests in subsidiaries not held by the Group. A list of Group companies is included in the Other Notes to the Consolidated Financial Statements (see Note 1).

Investment in Associated Company According to Equity Method of Accounting

Beginning January 1, 2000, the equity method has been used to account the Group's 40% investment in ZüblinSchlittler Bau AG. The carrying value of this investment represents the Group's share in equity capital of the associated company as of the balance sheet date. Similarly, the Group's pro rata share in income reported is recognized in the income statement.

Translation of Foreign Currencies

Foreign currency transactions

Balance sheet positions which are denominated in foreign currencies are translated using the spot foreign exchange rates effective on the balance sheet date. Exchange differences on foreign currency transactions are included in the income statement.

Foreign subsidiaries

For the consolidated financial statements, assets and liabilities of foreign subsidiaries are translated into Swiss francs using spot foreign rates effective on the balance sheet date. Income and expenses are translated using average exchange rates for the period reported. The effects of their translation, under "Foreign currency translation adjustments" (CTA), are recorded directly in retained earnings (equity capital). The translation rates used are disclosed on page 72 in the Other Notes to the Consolidated Financial Statements.

Valuation Principles

General

The preparation of the consolidated financial statements requires that management make estimates and assumptions which impact the values reported for the financial situation, the contingent liabilities at year-end and income and expenses for the reporting period. These estimates and assumptions have been made using management's best judgment and knowledge. In the event that they subsequently deviate from actual circumstances, the initial estimates and assumptions are revised to reflect such changed circumstances during the business year in which these changes occur.

Income Statement

Net rental income

Income reported from real estate operations includes exclusively net rental income without taking rental expenses into account.

Gain from sales of investment properties

The gain from sales of investment properties represents the difference between sales proceeds and the latest reported market value of the individual property.

Changes in market value of investment properties

In compliance with IAS 40, changes in the market value of investment properties are included in net income.

Maintenance and repairs

The cost for maintenance and repairs of investment properties incurred during the year are debited to the income statement. Expenditures that result in a value increase are capitalized and are indirectly reflected in the income statement via the change in market value of investment properties.

Real estate expense

All costs for administration, insurance, facility management, etc. which are directly associated with the investment properties are reported as real estate expense.

Administrative expense

All administrative expenses which cannot directly be allocated to the individual investment properties are included under administrative expense: personnel, consulting, audit and appraisal fees, holding costs, public relations expenses, capital tax, etc.

Net financial expense

Upon due date, credit interest payments are immediately included in the income statement.

Taxes

The current income and capital taxes are calculated taking into account the available tax loss carry forwards, based on the current statutory results reported locally by the individual Group companies. For Switzerland, federal, cantonal and communal taxes are taken into account. The same applies for foreign taxes.

Wherever the tax basis differs from Group values, deferred income taxes are determined and recorded by applying currently effective tax rates to the differences (liability method). The deferred taxes on properties are calculated on the basis of the tax rates valid as of balance sheet date respectively according to the tax system applicable for the individual property.

In cantons without capital gains taxes on property sales, an average tax rate of 25% on income before taxes is applied for commercial real estate (including direct federal tax). In cantons with capital gains taxes on property sales, the tax rates are between 60 to 70% (including direct federal tax). The capital gains tax rates comprise an extra charge for short-term property holdings respectively discounts for long-term holdings. Thus, the tax burden decreases with the increasing duration of holding a property. Possibly recoverable depreciation on sales of property is considered at the income tax rate. Real estate losses are taken into account for the calculation of deferred taxes, if the tax situation permits.

For foreign properties, the following rates for deferred taxes were used: Germany 26.375%, The Netherlands 35%, Belgium 42%, Luxembourg 37.45%. To the extent that the offset of tax loss carry forwards against future taxable profits are deemed probable, these benefits are capitalized.

Withholding taxes on retained earnings of subsidiaries are considered only to the extent that the distribution of such earnings is currently planned.

Balance Sheet

Investment properties

In accordance with IAS 40, investment properties are stated at market value. Each year, appraisals of the market value are carried out by external, independent appraisers certified by the Royal Institution of Chartered Surveyors (RICS). The appraisals are made according to the DCF method (discounted cash flow). For this, the future cash flows (net cash flow) are determined as reliably as possible on the basis of existing rental contracts and other input data such as current market rents for comparable properties. With the application of a discount rate which reflects the uncertainty of cash flows regarding amount and time point, the net cash flow is discounted accordingly and the market value is determined. The changes of the market values are reported each year in the income statement as "Changes in market value of investment properties".

Furnishings and equipment

Furniture, fixtures and equipment are stated at their acquisition cost less accumulated depreciation. Office furnishings are subject to straight-line depreciation over 5 years and EDP equipment over 2.5 years.

Accounts receivable

Accounts receivable are stated at their nominal value. For individual recognized risks, an appropriate allowance is considered.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, current postal and bank accounts as well as short-term money market deposits.

Treasury shares

Treasury shares are netted against shareholders' equity in accordance with IAS 32 (SIC 16).

Mortgages payable

Mortgages represent long-term loans secured by liens on real estate which are subject to varying interest rates. Distinction is made between mortgages with floating interest rates (1–12 months) and mortgages subject to fixed interest rates maturing from 1 to 3 years respectively beyond 3 years. Mortgages are denominated in currencies congruent with the related investment.

Provisions

Provisions are made when a legal obligation exists or when events have occurred up to the balance sheet date which will probably result in a liability requiring an outflow of resources, if the amount of such a liability can reliably be estimated. Provisions are reviewed regularly and adjusted as necessary. Thus, they represent the best estimate of obligations currently possible.

Retirement benefits

The Züblin Immobilien Group employed five persons as of year-end on March 31, 2001. Thereof, four employees are members in retirement benefit plans with a contribution priority. With the exception of the on-going insurance contributions, no further obligations exist.

Employee profit-sharing plan

With the payment of an annual bonus to members of the management, Züblin Immobilien Holding AG wants to create an incentive to reach the company's target and thus to bring in line the interests of the Group Management and the Board of Directors with those of the shareholders.

For this reason, the Board of Directors has implemented an employee profit-sharing plan for the business year 2000/2001. The bonus is only earned if the targets for the business year are reached. The bonus is paid for one third each in cash, in shares and in options on shares of Züblin Immobilien Holding AG.

The shares for employees are subject to a staggered lock-up period of 1 to 3 years. The options have a 5-year term and a lock-up period of 3 years (exercise term of 2 years). The exercise price of the options is based on the expected value increase of Züblin Immobilien Holding AG's shares so that a profit from the options can only be achieved if the yield expectations are exceeded.

The General Meeting of July 7, 2000 has approved the creation of conditional capital of nominal CHF 10 million for the issuance of shares for the purposes of the employee profit-sharing plan.

The shares for the profit-sharing plan are acquired by Züblin Immobilien Holding AG on the stock exchange or they are issued out of the conditional capital for this special purpose. When allocating the shares, no dilution must occur for the other shareholders.

Financial instruments

As of year-end on March 31, 2001, no derivative financial instruments were used.

Segment information

The primary business segment information is shown by the geographical location of the investment properties. The secondary reporting format is presented according to the investment categories of the investment properties. The Züblin Immobilien Group has defined the investment categories as follows: office, trade/logistics and retail.

Impairment of assets (IAS 36)

An enterprise should assess at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the enterprise should estimate the recoverable amount of the asset and reduce its possibly higher carrying amount to the lower recoverable amount. The recoverable value is the higher of an asset's net selling price and its value in use (present value of the asset's future cash flows).

Financial Risk Management

Within the Züblin Immobilien Group, financial risk management is performed according to guidelines established by the management. In particular, guidelines exist which govern the management of cash and cash equivalents and obtaining short- and long-term loans. If appropriate, currency and interest rate risks can be hedged by the use of financial instruments. Nevertheless, management is of the opinion that it is not in the best interest of the Group to hedge all market fluctuations entirely or partially. The use of financial instruments should aim to increase and optimize income. Decisions regarding the use of such financial instruments are made exclusively by Group Management. Information regarding outstanding financial instruments as well as cash and cash equivalent balances are reported to Group Management at least monthly.

Foreign currency risks

In addition to Switzerland, the Züblin Immobilien Group currently operates in Germany, The Netherlands, Belgium and Luxembourg. Fluctuations in the Euro against the Swiss franc may impact the Group's financial position and earnings situation.

Interest rate risks

Changes in interest rates have an impact on the Group's financial position and earnings situation. For the Züblin Immobilien Group such fluctuations result primarily in changes in the interest expense related with mortgages.

As can be seen in Note 14, a significant portion of the Group's credit instruments is subject to fixed interest rates. Thus, the impact of fluctuations in interest rates on the Group's earnings situation can be estimated for the mid-term. Short-term interest rate risks can be hedged locally by Group companies upon consultation with the Group Management by using financial instruments such as interest rate forward contracts, swaps or options. No financial instruments are used for speculative purposes.

Segment Information for the Business Year 2000/2001

in CHF thousand	Switzerland	Germany	The Nether- lands	Belgium/ Luxembourg	Holding	Total
Income						
Net rental income	26,214	15,317	25,885	2,671	0	70,087
Gain from sales	0	86	3,639	0	0	3,725
Income from negative goodwill	0	0	596	0	0	596
Changes in market value	13,795	7,098	13,285	4,262	0	38,440
Total operating income	40,009	22,501	43,405	6,933	0	112,848
Expenses						
Real estate expense	2,319	582	2,885	171	0	5,957
Maintenance and repairs	765	224	674	43	0	1,706
Administrative expense	4,250	590	1,076	304	3,579	9,799
Net financial expense	11,083	8,466	10,491	1,134	214	31,388
Total operating expenses	18,417	9,862	15,126	1,652	3,793	48,850
Result						
Operating profit	21,592	12,639	28,279	5,281	- 3,793	63,998
Minority interests in net income			- 1,413			- 1,413
Income from discontinuing construction operations					1,162	1,162
Net income before taxes	21,592	12,639	26,866	5,281	- 2,631	63,747
Taxes	11,878	2,140	7,445	995	0	22,458
Net income	9,714	10,499	19,421	4,286	- 2,631	41,289
Assets						
Investment properties	442,100	244,361	295,233	49,967	0	1,031,661
Other assets	11,968	9,235	30,019	2,817	11,748	65,787
Total assets	454,068	253,596	325,252	52,784	11,748	1,097,448
Liabilities						
Mortgages payable	290,177	177,105	174,120	28,343	0	669,745
Other liabilities	23,619	6,153	17,784	3,927	15,965	67,448
Total liabilities	313,796	183,258	191,904	32,270	15,965	737,193

See Valuation Principles on page 62

Segment Information for the Business Year 1999/2000 (15 Months)

in CHF thousand	Switzerland	Germany	Benelux	Holding	Total
Income					
Net rental income	9,633	11,743	21,472	0	42,848
Gain from sales	0	0	4,178	0	4,178
Income from negative goodwill	0	0	5,926	0	5,926
Changes in market value	6,316	- 1,774	12,093	0	16,635
Total operating income	15,949	9,969	43,669	0	69,587
Expenses					
Real estate expense	788	348	2,764	0	3,900
Maintenance and repairs	434	62	0	0	496
Administrative expense	1,944	266	1,623	920	4,753
Net financial expense	3,378	3,365	9,518	- 289	15,972
Total operating expenses	6,544	4,041	13,905	631	25,121
Result					
Operating profit	9,405	5,928	29,764	- 631	44,466
Minority interests in net income			- 7,123		- 7,123
Income from construction operations				- 2,742	- 2,742
Discontinuing operations				- 5,500	- 5,500
Net income before taxes	9,405	5,928	22,641	- 8,873	29,101
Taxes	3,533	1,345	1,072		5,950
Net income	5,872	4,583	21,569	- 8,873	23,151
Assets					
Investment properties	330,100	155,528	370,805	0	856,433
Other assets	17,109	14,653	49,933	84,168	165,863
Total assets	347,209	170,181	420,738	84,168	1,022,296
Liabilities					
Mortgages payable	174,840	113,064	231,395	0	519,299
Other liabilities	8,671	3,203	123,364	27,269	162,507
Total liabilities	183,511	116,267	354,759	27,269	681,806

See Valuation Principles on page 62

Segment Information for the Business Year 2000/2001

Investment Properties and Changes in Market Value (Fair Value)					
in CHF thousand	Switzerland	Germany	The Nether-lands	Belgium/Luxembourg	Total
Market value as of 4/1/2000	330,100	155,528	352,073	18,732	856,433
CTA to initial value	0	- 6,175	- 13,980	- 743	- 20,898
Currency-adjusted market value	330,100	149,353	338,093	17,989	835,535
Acquisitions of investment properties	91,205	95,066	0	28,216	214,487
Value-enhancing expenditures	7,000	427	5,267	161	12,855
Disposals of investment properties	0	- 6,058	- 62,298	0	- 68,356
CTA to transactions	0	- 1,420	1,156	- 575	- 839
Market value before reappraisal	428,305	237,368	282,218	45,791	993,682
Positive adjustment to market value	20,284	10,610	19,111	6,831	56,836
Negative adjustment to market value	- 6,489	- 3,432	- 419	- 304	- 10,644
Less sales expenses	0	- 80	- 5,408	- 2,264	- 7,752
Change in market value	13,795	7,098	13,284	4,263	38,440
CTA to change of market value	0	- 105	- 269	- 87	- 461
Market value as of 3/31/2001	442,100	244,361	295,233	49,967	1,031,661
Net influence on income statement through change in market value					
Change in market value	13,795	7,098	13,284	4,263	38,440
Deferred taxes	- 11,878	- 1,148	- 6,397	- 991	- 20,414
Net influence change in market value	1,917	5,950	6,887	3,272	18,026

See Valuation Principles on page 62

Segment Information for the Business Year 1999/2000 (15 Months)

Investment Properties and Changes in Market Value (Fair Value)				
in CHF thousand	Switzerland	Germany	Benelux	Total
Market value as of 1/1/1999	58,828	0	181,871	240,699
Acquisitions of investment properties	264,956	157,302	216,625	638,883
Disposals of investment properties	0	0	- 39,784	- 39,784
Market value before reappraisal	323,784	157,302	358,712	839,798
Positive adjustment to market value	12,587	6,752	20,887	40,226
Negative adjustment to market value	- 6,271	- 8,187	- 1,831	- 16,289
Less sales expenses	0	- 339	- 6,963	- 7,302
Change in market value	6,316	- 1,774	12,093	16,635
Market value as of 3/31/2000	330,100	155,528	370,805	856,433
Net influence on income statement through change in market value				
Change in market value	6,316	- 1,774	12,093	16,635
Change in deferred taxes	- 3,032	0	- 980	- 4,012
Net influence change in market value	3,284	- 1,774	11,113	12,623

See Valuation Principles on page 62

Segment Information for the Business Year 2000/2001

Segment Information according to Investment Categories

in CHF thousand	Switzerland	Germany	The Nether- lands	Belgium/ Luxembourg	Total
Net rental income					
Office	20,929	17,278	17,825	2,240	58,272
Trade/logistics	5,676	0	3,552	0	9,228
Retail	4,520	0	1,238	1,801	7,559
Total net rental income¹	31,125	17,278	22,615	4,041	75,059
Real estate value					
Office	311,400	244,360	228,847	27,346	811,953
Trade/logistics	62,600	0	41,704	0	104,304
Retail	68,100	0	24,682	22,622	115,404
Total real estate value	442,100	244,360	295,233	49,968	1,031,661
Usable area in m²					
Office	116,341	100,464	109,710	12,086	338,601
Trade/logistics	24,832	0	54,774	0	79,606
Retail	18,569	0	6,805	11,200	36,574
Total usable area in m²	159,742	100,464	171,289	23,286	454,781
Vacancies in m²					
Office	6,778	10,735	12,964	376	30,853
Trade/logistics	236	0	18,273	0	18,509
Retail	1,325	0	1,842	1,000	4,167
Total vacancies in m²	8,339	10,735	33,079	1,376	53,529

See Valuation Principles on page 62

¹ The rental income corresponds to the annual net rental income, based on the existing rental contracts as of 3/31/2001.

Segment Information for the Business Year 1999/2000

Segment Information according to Investment Categories

in CHF thousand	Switzerland	Germany	The Nether- lands	Belgium/ Luxembourg	Total
Net rental income					
Office	17,381	11,849	22,344	0	51,574
Trade/logistics	924	0	3,542	0	4,466
Retail	4,440	0	1,680	904	7,024
Total net rental income¹	22,745	11,849	27,566	904	63,064
Real estate value					
Office	246,700	155,528	283,136	0	685,364
Trade/logistics	13,200	0	43,378	0	56,578
Retail	70,200	0	25,559	18,732	114,491
Total real estate value	330,100	155,528	352,073	18,732	856,433
Usable area in m²					
Office	92,165	63,359	146,307	0	301,831
Trade/logistics	7,312	0	54,774	0	62,086
Retail	18,072	0	6,805	11,200	36,077
Total usable area in m²	117,549	63,359	207,886	11,200	399,994
Vacancies in m²					
Office	6,207	4,592	19,056	0	29,855
Trade/logistics	0	0	2,356	0	2,356
Retail	1,356	0	2,109	2,000	5,465
Total vacancies in m²	7,563	4,592	23,521	2,000	37,676

See Valuation Principles on page 62

¹ The rental income corresponds to the annual net rental income, based on the existing rental contracts as of 3/31/2000, plus the target rent on vacancies, calculated at market rental rates.

“Discontinuing Operations” Construction Activities

As of December 31, 1999, the investment in ZüblinSchlittler Bau AG was reduced from 100 to 40%. Figures regarding the construction activities have been presented separately from the Group's on-going activities in compliance with IAS 35 (Discontinuing operations).

Income Statement			
in CHF thousand	4/1/2000 to 3/31/2001	1/1/2000 to 3/31/2000	1/1/1999 to 12/31/1999
Income			
Operating income	57,488	10,369	38,692
Expenses			
Operating expenses	- 54,199	- 10,145	- 45,714
Other income/expenses	- 652	- 15	- 1,304
Income from restructuring	0	0	5,500
Result			
Earnings from construction activities	2,637	209	- 2,826
Züblin Immobilien Group's share	40%	40%	100%
Share in earnings	1,055	84	- 2,826
Total			
1/1/1999 to 3/31/2000 (15 months)		- 2,742	
4/1/2000 to 3/31/2001 (12 months)	1,055		
Reversal valuation reserve	107	0	
Income from discontinuing operations	1,162	- 2,742	

See construction activities as “Discontinuing operations” in accordance with IAS 35, page 56

Balance Sheet

	3/31/2001	3/31/2000
in CHF thousand		
Assets		
Non-current assets	7,383	10,502
Current assets	23,841	19,232
Total assets	31,224	29,734
Shareholders' Equity and Liabilities		
Shareholders' equity	13,549	4,462
Long-term liabilities	2,113	5,981
Short-term liabilities	15,562	19,291
Total liabilities	17,675	25,272
Total shareholders' equity and liabilities	31,224	29,734
Cash Flow Statement		
in CHF thousand	4/1/2000 to	1/1/1999 to
	3/31/2001	3/31/2000
		(15 months)
Cash Flow		
Cash flow from operating activities	- 4,460	- 10,559
Cash flow from investing activities	- 37	- 2,899
Cash flow from financing activities	6,036	13,358
Increase/decrease in cash and cash equivalents	1,539	- 100
Cash and cash equivalents as of the beginning of the period	694	794
Cash and cash equivalents as of the end of the period	2,233	694

See construction activities as "Discontinuing operations" in accordance with IAS 35, page 56

Other Notes

Translation Rates

	Year-end spot rates		Average rates income state-	
	balance sheet		ment/cash flow statement	
in CHF	3/31/2001	3/31/2000	2000/2001	1999/2000
1 EUR	1.5279	1.5911	1.5595	1.6019
100 DEM	78.1203	81.3503	79.7353	82.3416
100 NLG	69.3331	72.1997	70.7664	72.5964
100 LUF/BEF	3.7876	3.9442	3.8659	3.9658

1. Investments in Subsidiaries

Group companies as of March 31, 2001
The consolidated financial statements include the accounts of Züblin Immobilien Holding AG (the parent company) and its subsidiaries over which it exercises control, after elimination of all significant intercompany transactions. The following directly held subsidiaries are included as of March 31, 2001. A complete list of all Group companies and real estate companies is included in the Additional Information, pages 114–115.

Companies	Domicile	3/31/2001	3/31/2000
		share in %	share in %
Züblin Immobilien AG	Zurich	99.96	99.96
Züblin Immobilien Romandie AG	Zurich	100	100
Weilimmo AG	Zurich	100	-
Alda Properties SA	Geneva	100	-
Swiss Property and Investments N.V. (SPI)	Curaçao	100	100
European City Estates N.V. (EurCE)	Amsterdam	100	97.06
EurCE Immobilien AG	Munich	100	-
Delva 1/7/9/10 B.V.	Amsterdam	100	100
(4 companies)			

Changes during the reported period
Merger with the real estate company Fiducia
As of April 1, 2000, the real estate company Fiducia AG was merged with Züblin Immobilien AG.

European City Estates N.V.

During the reported period, Swiss Property and Investments N.V. has increased its share in European City Estates N.V., Amsterdam, from 97.06 to 100%.

in CHF thousand	2000/2001
Purchase price	2,830
Net assets at market value 100%	116,517
2.94% share purchased	3,426
Income from negative goodwill	596

New companies

Weilimmo AG, Zurich

Züblin Immobilien Holding AG acquired 100% in direct and indirect investments of Weilimmo AG as of June 1, 2000. Weilimmo AG, Zurich (Switzerland), is the owner of the property Mittlerer Pfad 9, Weilimdorf in Stuttgart (Germany).

in CHF thousand	2000/2001
Purchase price	3,600
Investment property	19,200
Other assets	55
Cash and cash equivalents	293
Total assets	19,548
Total liabilities	15,948
Net assets at market value	3,600

PSB Beteiligungen AG, Meilen

Züblin Immobilien Holding AG acquired 100% of PSB Beteiligungen AG, Meilen (Switzerland), the owner of the property Feldbachstrasse 81, Hombrechtikon (Switzerland). The company was merged with Züblin Immobilien AG as of June 30, 2000.

in CHF thousand	2000/2001
Purchase price	3,203
Investment property	9,758
Other assets	1,912
Cash and cash equivalents	0
Total assets	11,670
Total liabilities	8,467
Net assets at market value	3,203

Maxstrasse 2–4, 3a Immobilien GmbH, Berlin
Züblin Immobilien Holding AG founded this company with a share capital of EUR 25,000. The company was entered in the trade register under the name of Maxstrasse 2–4, 3a Immobilien GmbH. The company which owns two properties at Maxstrasse in Berlin (Germany) was transferred to the German country holding company EurCE Immobilien AG in March 2001.

EurCE Immobilien AG, Munich
European City Estates N.V. acquired S+P 2010 Vermögensverwaltung AG, domiciled in Munich, for a purchase price of EUR 56,000 in November 2000. This company was renamed EurCE Immobilien AG and will, in the future, take the function of a country holding company in Germany.

Mittlerer Pfad 2–4 Immobilien GmbH, Munich
EurCE Immobilien AG acquired S+P 2005 Vermögensverwaltung GmbH for a purchase price of EUR 13,750 and consequently the company was renamed Mittlerer Pfad 2–4 Immobilien GmbH.

ZH Immobilienverwaltungs GmbH, Munich
The participation in ZH Immobilienverwaltungs GmbH with a share capital of EUR 25,000 was transferred to EurCE Immobilien AG as of March 31, 2001.

Alda Properties SA, Geneva
On February 27, 2001, Alda Properties SA was acquired retrospectively as of September 30, 2000. The company has a participation in two real estate companies which each own an investment property, one at Rue de Genève 4 and one at Avenue Louise 118/120/122, in Brussels (Belgium).

in CHF thousand	2000/2001
Purchase price	3,809
Investment properties	0
Other assets	9,676
Cash and cash equivalents	65
Total assets	9,741
Total liabilities	5,932
Net assets at market value	3,809

**2. Investment
Properties and
Changes in
Market Value
(Fair Value)**

Confirmation of market values

in CHF thousand	Switzerland	Germany	The Nether- lands	Belgium/ Luxembourg	Total
Assessment as of 3/31/2000					
Appraisal by Jones Lang LaSalle	330,100	155,528	201,395	21,677	708,700
Appraisal by Troostwijk	-	-	155,035	-	155,035
Reappraisal as of 3/31/2000	330,100	155,528	356,430	21,677	863,735
Less sales expenses	-	-	- 4,357	- 2,945	- 7,302
Properties at market value	330,100	155,528	352,073	18,732	856,433
Assessment as of 3/31/2001					
Appraisal by Jones Lang LaSalle	442,100	244,438	189,423	52,186	928,147
Appraisal by Richard Ellis	-	-	111,106	-	111,106
Reappraisal as of 3/31/2001	442,100	244,438	300,529	52,186	1,039,253
Less sales expenses	-	- 80	- 5,408	- 2,264	- 7,752
CTA to sales expenses	-	3	112	45	160
Properties at market value	442,100	244,361	295,233	49,967	1,031,661

The reports of the two real estate appraisers for the reappraisal as of March 31, 2001, are reproduced on pages 89-93.

Change in market values

Business year 1999/2000	6,316	- 1,774	12,093	0	16,635
Business year 2000/2001	13,795	7,098	13,284	4,263	38,440

For each country, the development of the market values with acquisitions and sales, positive and negative adjustments to market values, is shown under Segment Information, pages 66-67.

Adjustments to market value are made on the basis of expert reports by external, independent real estate appraisers who are certified by the Royal Institution of Chartered Surveyors (RICS). The assessments are made on the basis of Open Market Values, as defined in the RICS Manual “Appraisal and Valuation”. For this, the discounted cash flow method is applied. With this method, projected renovation or marketing expenses are reflected in the valuation. As in the previous year, the estimated sales expenses of the planned real estate sales were deducted from the market value as of March 31, 2001.

Discount rates applied as of 3/31/2001

Discount rates	Switzerland		Germany		The Netherlands		Belgium/Luxembourg		Total	
in %	in CHF	No. of	in CHF	No. of	in CHF	No. of	in CHF	No. of	in CHF	No. of
	million	prop- erties	million	prop- erties	million	prop- erties	million	prop- erties	million	prop- erties
5.0 – 5.9	104.9	3							104.9	3
6.0 – 6.9	270.2	14	32.0	1	26.1	3			328.3	18
7.0 – 7.9	17.5	1	148.1	5	58.7	5			224.3	11
8.0 – 8.9			64.3	5	202.6	16			266.9	21
9.0 – 9.9	49.5	1			7.8	1	11.5	1	68.8	3
10.0 – 10.9							38.5	2	38.5	2
Total	442.1	19	244.4	11	295.2	25	50.0	3	1,031.7	58

The discount rate corresponds to the interest rate with which the net cash flow is discounted. This discount rate can be determined empirically, based on the figures drawn from past experience for other comparable properties, or on the basis of the current interest rate for long-term federal bonds, adding a risk premium for specific risks of a property. The rate is determined individually for each investment property.

3. Administrative Expense	in CHF thousand	2000/2001	1999/2000
Personnel		1,998	1,742
Consultant fees Management Support Team		3,169	1,363
Appraisal and audit expense		821	337
Other administrative expense		2,761	1,183
Capital taxes		876	0
Depreciation		174	128
Administrative expense		9,799	4,753

The increase of the administrative expense is a consequence of the larger portfolio and the necessary adjustments of the organization structure. The investment structure was optimized for legal and tax purposes on a European scale. The build-up of the public relations instruments (Internet presence, Rating Brochure, Semi-annual Report and extensive Annual Report) led to higher expenses as well. Furthermore, investments were made for the implementation of a risk management system. Personnel and consultant fees include CHF 1.275 million for the profit-sharing plan. The allocation of the bonus payments is explained in Note 20, page 87.

4. Net Financial Expense	in CHF thousand	2000/2001	1999/2000
Mortgage interest expense		32,747	16,235
Interest expense		881	391
Interest income		- 2,028	- 823
Income from securities		- 362	0
Exchange differences		150	169
Net financial expense		31,388	15,972

5. Income Taxes

Income tax expense

in CHF thousand	Switzerland	Germany	The Nether- lands	Belgium/ Luxembourg	Total
Business year 1999/2000					
Net income before taxes	532	5,928	22,641	0	29,101
Current taxes	201	206	92	0	499
Realization of deferred tax assets	300	1,139	0	0	1,439
Deferred taxes	3,032	0	980	0	4,012
Total income tax expense	3,533	1,345	1,072	0	5,950
Business year 2000/2001					
Net income before taxes	18,961	12,639	26,866	5,281	63,747
Current taxes	0	161	1,048	4	1,213
Realization of deferred tax assets	0	831	0	0	831
Deferred taxes	11,878	1,148	6,397	991	20,414
Total income tax expense	11,878	2,140	7,445	995	22,458

The current tax expense comprises all income taxes, including property capital gain taxes. Capital taxes are included in administrative expenses. The current tax expense includes non-recoverable withholding taxes on interests and dividends. During the business year 2000/2001, no such expenses arose.

Switzerland

In Switzerland, the maximum income tax rate applicable to companies with an ordinary tax status ranges from 25 to 30%, depending upon the canton (combined rate for federal, cantonal and communal taxes on net income before taxes). Cantonal or communal property capital gain taxes are between 20 and 60%, depending upon the canton or period of ownership (speculative extra charge of, for example, 50% for a period of ownership of, for example, 1 to 2 years, reduction of, for example, 50% for a period of ownership of, for example, 20 years). Capital tax amounts to an average of approximately 0.35% on the equity capital. As a holding company, Züblin Immobilien Holding AG is not subject to cantonal or communal income taxes and is subject to a reduced capital tax only (holding privilege). For federal income taxes, a holding company has an ordinary tax status, whereas investment income and net income are neutralized by the investment privilege. Due to tax loss carry forwards, no current income taxes result for the Swiss Group companies as of March 31, 2001.

Foreign countries

In The Netherlands, the income tax rate is 35%. Since most of the Dutch subsidiaries had a tax loss carry forward, only a minor income tax burden for the business year 2000/2001 occurred. Due to a change in tax reorganization rules, tax loss carry forwards expired as of December 31, 2000. They could almost be compensated by revaluation of the statutory real estate book values. With this revaluation of the properties, an additional tax depreciation potential was created.

In Germany, the corporate tax rate is new at 26.375% (25% plus solidarity surcharge of 5.5%), compared to approximately 40% in the previous year. Due to utilization of loss carry forwards and depreciation on tax values, the taxable income for the German subsidiaries was nominal.

The income tax rate in Belgium is approximately 42% (including 3% crisis tax), the one in Luxembourg is 37.45%. Due to tax depreciations and previous year losses, only minor income taxes remain for the real estate companies in Belgium and Luxembourg.

Deferred tax assets

in CHF thousand	Switzerland	Germany	The Nether- lands	Belgium/ Luxembourg	Total
Balance as of 1/1/1999	5,400	0	0	0	5,400
Additions	0	5,379	0	0	5,379
Realization	- 300	- 1,139	0	0	- 1,439
Balance as of 3/31/2000	5,100	4,240	0	0	9,340
Balance as of 4/1/2000	5,100	4,240	0	0	9,340
CTA to initial balance	0	- 169	0	0	- 169
Balance after currency adj.	5,100	4,071	0	0	9,171
Additions	0	0	0	0	0
Realization	0	- 831	0	0	- 831
CTA to transactions	0	17	0	0	17
Balance as of 3/31/2001	5,100	3,257	0	0	8,357

Deferred tax assets relate exclusively to tax loss carry forwards. These are recorded only to the extent that it is deemed probable that the related tax credits will be realized. Negative valuation differences are set off against deferred tax liabilities.

Deferred tax liabilities

in CHF thousand	Switzerland	Germany	The Nether- lands	Belgium/ Luxembourg	Total
Balance as of 1/1/1999	0	0	0	0	0
Additions due to acquisition of subsidiaries	0	2,255	897	2,166	5,318
Increase	3,032	0	980	0	4,012
Balance as of 3/31/2000	3,032	2,255	1,877	2,166	9,330
Balance as of 4/1/2000	3,032	2,255	1,877	2,166	9,330
CTA to initial balance	0	- 89	- 74	- 86	- 249
Balance after currency adj.	3,032	2,166	1,803	2,080	9,081
Increase	11,878	1,148	6,397	991	20,414
CTA to transactions	0	17	- 130	- 20	- 133
Balance as of 3/31/2001	14,910	3,331	8,070	3,051	29,362

Deferred tax liabilities relate to positive valuation differences and are calculated on the basis of tax rates valid as of the balance sheet date. Negative valuation differences are set off with positive valuation differences, as far as the tax situation permits.

6. Net Income per Share Basic earnings per share is calculated by dividing the reported consolidated net income by the average number of shares outstanding during the period.

in CHF	4/1/2000 to 3/31/2001	1/1/1999 to 3/31/2000
Weighted average shares outstanding	28,376,359	11,778,826
Net income for 12/15 months	41,288,844	23,150,709
Net income for 15 months per share at nominal value CHF 10	–	1.97
Net income for 12 months per share at nominal value CHF 10	1.46	1.57
Net income for 15 months per share at nominal value CHF 1	–	0.20
Net income for 12 months per share at nominal value CHF 1	0.15	0.16

During the last two business years, no dilutive effects occurred. Thus, no diluted income per share is presented.

7. Dividends At the next general shareholders' meeting, Züblin Immobilien Holding AG's Board of Directors will propose the distribution of dividends of CHF 0.30 per share for shares with a nominal value of CHF 10 and dividends of CHF 0.03 per share for those shares with a nominal value of CHF 1. All shares outstanding are entitled to dividends, except for treasury shares. The total amount of dividends is thus CHF 8,483,124.

8. Furnishings and Equipment	in CHF thousand	Office furnishings	EDP	Total 2000/2001	Total 1999/2000
	Acquisition costs				
	Balance as of 4/1/2000 / 1/1/1999	440	116	556	40
	Additions	141	109	250	556
	Disposals	0	0	0	- 40
	Balance as of 3/31	581	225	806	556
	Accumulated depreciation				
	Balance as of 4/1/2000 / 1/1/1999	84	44	128	8
	Additions	101	73	174	128
	Disposals	0	0	0	- 8
	Balance as of 3/31	185	117	302	128
	Net book value as of 3/31	396	108	504	428

9. Investment in Associated Company	in CHF thousand	3/31/2001	3/31/2000
	ZüblinSchlittler Bau AG (40% share)	5,420	4,258

See "Discontinuing operations" construction activities, pages 70–71

10. Accounts Receivable and Other Assets (current)	in CHF thousand	3/31/2001	3/31/2000
	Receivables from sale of real estate	14,049	13,779
	Property designated for sale	423	423
	Other current receivables	10,575	7,646
	Prepaid expenses and accrued income	4,764	3,548
	Total accounts receivable and other assets	29,811	25,396

Other current receivables mostly represent outstanding rental payments, while prepaid expenses are primarily prepayments and receivables from real estate managers.

11. Cash and Cash Equivalents

Cash and cash equivalents at the previous year-end were due to the capital increase in February 2000. In the meantime, the greater portion of this cash has been used to acquire real estate.

12. Share Capital

	Number of shares	in CHF thousand
Balance as of 1/1/1999		
Bearer shares with nominal value CHF 1	480,000	480
Bearer shares with nominal value CHF 10	7,680,000	76,800
		77,280
Change in bearer shares with nominal value CHF 10		
Capital increase on 4/15/1999	2,576,000	25,760
Capital increase on 9/7/1999	540,000	5,400
Capital increase on 10/20/1999	565,455	5,654
Capital increase on 2/18/2000	17,114,182	171,142
Total new bearer shares with nominal value CHF 10	20,795,637	207,956
Balance as of 3/31/2000		
Bearer shares with nominal value CHF 1	480,000	480
Bearer shares with nominal value CHF 10	28,475,637	284,756
		285,236
Less treasury shares		- 480
Balance as of 3/31/2000		284,756
Balance as of 3/31/2001		
Bearer shares with nominal value CHF 1	480,000	480
Bearer shares with nominal value CHF 10	28,475,637	284,756
		285,236
Less treasury shares		
Bearer shares with nominal value CHF 1	477,090	477
Bearer shares with nominal value CHF 10	198,847	1,988
		2,465
Balance as of 3/31/2001 without treasury shares		
Bearer shares with nominal value CHF 1	2,910	3
Bearer shares with nominal value CHF 10	28,276,790	282,768
		282,771
Authorized capital		
Balance as of 3/31/2000	5,704,727	57,047
Balance as of 3/31/2001		
(approved by general shareholders' meeting 7/7/2000)	14,261,818	142,618
Conditional capital		
Balance as of 3/31/2000	0	0
Balance as of 3/31/2001		
(approved by general shareholders' meeting 7/7/2000)	5,000,000	50,000
Conditional capital for profit-sharing plan		
Balance as of 3/31/2000	0	0
Balance as of 3/31/2001		
(approved by general shareholders' meeting 7/7/2000)	1,000,000	10,000

13. Minority Interests	in CHF thousand	3/31/2001	3/31/2000
	Minority interests	18,922	23,880

The following minority interests represent interest in subsidiaries not held directly or indirectly by the Züblin Immobilien Holding AG.

		3/31/2001	3/31/2000
	Minority interests in subsidiaries		
Freeward I C.V.	Portfolio	5.00%	5.00%
European City Estates N.V. (EurCE, NL)	Portfolio	0.00%	2.94%
	Minority interests in real estate companies of EurCE, NL		
Grote Marktstraat 39, 43, 50, 51 and Wagenstraat 31, 33, 37, 39	The Hague	50.00%	50.00%
Zekeringstraat 39-47	Amsterdam	50.00%	50.00%
De Run 1120-1150	Veldhoven	50.00%	50.00%
Middenweg 49	Moerdijk	10.00%	10.00%
Van Loenshof 56-168	Enschede	25.00%	25.00%

14. Mortgages Payable

Mortgages are long-term loans secured by liens on real estate which are subject to varying interest rates. Distinction is made between mortgages with floating interest rates (1–12 months) and mortgages subject to fixed interest rates maturing from 1 to 3 years, respectively beyond 3 years. Mortgages are denominated in currencies congruent with the related real estate investments.

in CHF thousand	Switzerland	Germany	The Nether- lands	Belgium/ Luxembourg	Total	%
Duration of contracts						
as of 3/31/2001						
1–12 months	20,730	29,166	51,136	9,106	110,138	16%
1–3 years	51,300	31,971	57,464	0	140,735	21%
Beyond 3 years	218,147	115,968	65,520	19,237	418,872	63%
Total	290,177	177,105	174,120	28,343	669,745	100%
Fixed interest rates						
as of 3/31/2001						
1–12 months	94,241	50,651	77,053	16,526	238,471	35%
1–3 years	112,660	31,971	60,667	0	205,298	31%
Beyond 3 years	83,276	94,483	36,400	11,817	225,976	34%
Total	290,177	177,105	174,120	28,343	669,745	100%
Average interest rates						
as of 3/31/2001						
1–12 months	4.29%	5.53%	5.85%	5.66%		
1–3 years	4.36%	6.54%	5.70%	0.00%		
Beyond 3 years	4.95%	6.12%	5.40%	6.60%		
Total	4.68%	6.02%	5.70%	5.97%		
Repayment and amortization						
as of 3/31/2001						
Borrowings	290,177	177,105	174,120	28,343	669,745	
Amortized loans	122,807	165,187	174,120	7,420	469,534	
in % of borrowings	42%	93%	100%	26%	70%	
Repayment and amortization	3,279	3,934	3,031	841	11,085	
in % of amortized loans	2.7%	2.4%	1.7%	11.3%	2.4%	

15. Provisions	in CHF thousand	Rental guarantee	Real estate transactions	Total
	Balance as of 1/1/1999	0	0	0
	Increase due to acquisition of EurCE, NL	595	2,336	2,931
	Use	0	- 570	- 570
	Reversal	0	0	0
	Balance as of 3/31/2000	595	1,766	2,361
	Balance as of 4/1/2000	595	1,766	2,361
	CTA to initial balance	- 24	- 70	- 94
	Currency-adjusted balance	571	1,696	2,267
	Use	0	- 797	- 797
	Reversal	0	- 314	- 314
	CTA to transactions	0	22	22
	Balance as of 3/31/2001	571	607	1,178
16. Accounts Payable and Accrued Liabilities (current)	in CHF thousand	3/31/2001		3/31/2000
	Purchase price payable for EurCE	0		102,103
	Purchase price payable for			
	Immobilien-gesellschaft Fiducia AG	0		22,429
	Other current accounts payable	9,365		12,317
	Accrued liabilities	12,543		11,796
	Total accounts payable and accrued liabilities	21,908		148,645

Other current accounts payable relate to acquisitions of real estate, while accrued liabilities largely contain accrued interest expense and prepaid rental revenues.

17. Guarantees, Contingent Liabilities	in CHF thousand	3/31/2001	3/31/2000
	Guarantees granted for the benefit of third parties	0	0
	Bank guarantees for the benefit of ZüblinSchlittler Bau AG	9,000	9,000

18. Assets Pledged as Security for Own Debt	in CHF thousand	3/31/2001	3/31/2000
	Market value of assets pledged	1,031,661	856,433
	Credit drawn (debt secured)	669,745	519,299

19. Contributions to Retirement Benefit Plan The Züblin Immobilien Group employed five persons as of year-end of 3/31/2001. Four persons are member of the retirement benefit plan with contribution priority. Except for the current insurance premiums, no other obligations exist. The total employer contribution amounted to CHF 22,000 in the business year 2000/2001.

20. Profit-sharing, respectively Employee Participation Plan CHF 300,000 out of CHF 1,275,000 of the profit-sharing fund were paid to employees and persons with a consultant agreement during the business year 2000/2001. CHF 975,000 were dedicated to the employee profit-sharing plan. This amount is paid one third each in cash, in shares and in options on shares of Züblin Immobilien Holding AG. The shares were bought in the market for an average cost of CHF 8.91, which resulted in a total of 36,476 shares. With a strike price of CHF 12.08 the option value was calculated at CHF 1.36 so that a total of 238,971 options were issued. To avoid any dilution of the net asset value (NAV), it was determined to buy the number of shares required for the options in the market, as long as the share price is below the strike price.

	Number of shares	in CHF
Balance as of 3/31/2001		
Shares profit-sharing plan (issue price CHF 8.91)	36,476	325,000
Strike price for option CHF 12.08/Price per option CHF 1.36	238,971	325,000
Cash paid		325,000
Total		975,000

Staggered lock-up period for shares straight-line over 3 years, for options 3 years fixed.

21. Subsequent Events

Conversion and reduction of the participation in ZüblinSchlittler Bau AG

At the end of 1999, Züblin Immobilien Holding AG reduced its share in ZüblinSchlittler Bau AG to 40%, by waiving its subscription rights in favor of CI Contractors Investors AG. CI Contractors Investors AG has the intention to increase its current activities in the construction business and wants to invest in other construction companies, which operate independently in the market. For this reason, Züblin Immobilien Holding AG has converted its 40% share in ZüblinSchlittler Bau AG for a 40% stake in CI Contractors Investors AG as of May 15, 2001.

With regard to a planned strategic acquisition, CI Contractors Investors AG will carry out a capital increase in the amount of CHF 6.45 million. Züblin Immobilien Holding AG will not participate and will waive its subscription rights. This will reduce Züblin Immobilien Holding AG's share in CI Contractors Investors AG from 40 to 25%.

Report of Real Estate Appraisers

Jones Lang LaSalle GmbH

To the Directors of Züblin Immobilien Holding AG

As instructed, we have valued for the purposes of your company's annual accounts the following properties held as of March 31, 2001.

In Switzerland

Baden, Rütistrasse 3/3a
Bern, Morgenstrasse 131
Bern, Morgenstrasse 136
Biel, Florastrasse 16,18
Egg, Gewerbestrasse 12/12a
Geneva, Bd. Carl-Vogt 17, 19
Hombrechtikon, Feldbachstrasse 81
Pully, Av. Général-Guisan 46/46a
Rümlang, Riedmattstrasse 9
Schwerzenbach, Bahnstrasse 24
Schwerzenbach, Eschenstrasse 2-6
Wettingen, Landstrasse 99
Wettingen, Landstrasse 115
Winterthur, Im Hölderli 10
Zollikofen, Industriestrasse 1
Zurich, Binzmühlestrasse 154
Zurich, Feldstrasse 133
Zurich, Hardturmstrasse 76
Zurich, Talstrasse 82

In Germany

Berlin, Maxstrasse 2-4
Berlin, Maxstrasse 3a
Erfurt, Lange Brücke 29
Hamburg, Albert-Einstein-Ring 17-21
Hamburg, Nagelsweg 37, 39
Hamburg, Pappelallee 33
Hamburg, Wandsbeker Zollstrasse 11-19
Rüsselsheim, Eisenstrasse 2-4
Stuttgart, Mittlerer Pfad 2-4
Stuttgart, Mittlerer Pfad 9
Stuttgart, Vor dem Lauch 14

In The Netherlands

Amsterdam, Paasheuvelweg 26
Amsterdam, Zekeringstraat 1-23
Amsterdam, Zekeringstraat 39-43
Amsterdam, Zekeringstraat 45-47
The Hague, Grote Markstraat/Wagenstraat/
 Achterraanstraat
Diemen, Diemerhof 10-12
Diemen, Diemerhof 16-18
Enschede, Van Loenshof 56-168
Moerdijk, Middenweg 49
Utrecht, Rijnzathe 8
Veldhoven, De Run 1120-1150

In Belgium

Brussels, Avenue Louise 120
Brussels, Rue de Genève 4

In Luxembourg

Howald, Rue de Scillas 20

The properties are known to us, and inspections have been made of all properties in accordance with your requirements. We have made relevant local enquiries and obtained such further information as we considered necessary for our purposes.

We confirm that the valuations have been carried out by us as External Valuers, qualified for the purposes of providing valuations in accordance with the Statements of Asset Valuation Practice and Guidance Notes published by the Royal Institution of Chartered Surveyors, and that they represent our opinion of the Open Market Values as at March 31, 2001 of the relevant interest in each of the above properties. No allowance has been made for any expenses of realisation, Value Added Tax or for taxation which might arise in the event of a disposal, nor costs of disposal such as legal and agency fees.

Our valuations are made on the basis of Open Market Value as defined by the Royal Institution of Chartered Surveyors. Open Market Value means the best price at which the sale of an interest in property might reasonably be expected to have been completed unconditionally for cash consideration on the date of valuation, assuming:

- a. a willing seller;
- b. that, prior to the date of valuation, there had been a reasonable period (having regard to the nature of the property and the state of the market) for the proper marketing of the interest, for the agreement of price and terms and for the completion of the sale;
- c. that the state of the market, level of values and other circumstances were, on any earlier assumed date of exchange of contracts, the same as on the date of valuation;
- d. that no account is taken of any additional bid by a prospective purchaser with a special interest;
- e. that both parties to the transaction had acted knowledgeably, prudently and without compulsion.

The above definitions concur with those of Fair Value as defined under paragraphs 27–49 of IAS 40 (2000), dated March 2000.

Furthermore, all property is considered as if free and clear of all encumbrances, i.e. easements, pre-emption clauses, liens or any other restriction on title. We do not take into account any liability of the property owner regarding taxes, single or recurring public or private contributions, charges, local community taxes and costs.

The Open Market valuations of buildings in the course of development/refurbishment are made on the assumption that the development/refurbishment works have been completed (with the benefit of any contracted lettings) less the estimated cost required to complete the development/refurbishment works.

The Open Market Valuations of properties, which are completely/partially vacant are made on the assumption that the vacant accommodation will take a certain period of time to re-let. Suitable rental voids, rent free periods and other incentives offered to the incoming tenants, in accordance with common practices in the open market as at the valuation date, have been considered in the valuation exercise.

Consequently, the capitalisation rates are adjusted to provide the necessary net initial yield and running yields that the market place will accept for each property.

Having regard to the foregoing, we are of the opinion that the total Gross Open Market Value of the above-mentioned properties, as at March 31, 2001 was:

		Gross	Gross
		market value	market value
		EUR	CHF ¹
Switzerland	19 properties	289,351,397	442,100,000
Germany	11 properties	159,983,230	244,438,000
The Netherlands	11 properties	123,975,931	189,423,000
Belgium and Luxembourg	3 properties	34,155,191	52,186,000
Total value			
(as sum of the individual values)		607,465,749	928,147,000

¹ rounded

Finally and in accordance with our standard practice, we must state that this valuation certificate is for the use only of the parties to whom it is addressed and no responsibility is accepted to any third party for the whole or any part of its contents. Neither the total report nor any reference to the report must be published in any document, circular letter or paper, without our previous written consent regarding the form as well as the connection in which it will be published.

Frankfurt, May 15, 2001

Jones Lang LaSalle GmbH

Darron P. White
National Director

Report of Real Estate Appraisers

CB Richard Ellis B.V.

To the directors of Züblin Immobilien Holding AG

As instructed, we have valued for the purposes of your company's annual accounts the following properties held as at March 31, 2001.

The Netherlands	Nieuwegein , Meentwal 1
Arnhem , Oude Oeverstraat 120	Nieuwegein , Zoomstede 13-19
De Bilt , Utrechtseweg 370	Rotterdam , Schiekade 34
The Hague , Daendelstraat 57	Utrecht , Kaap Hoorndreef 10-14
The Hague , Laan van der Meerdervoort 51	Utrecht , Kaap Hoorndreef 66-78
Dordrecht , Stationsweg 4	Zeist , Bergweg 25
Gouda , Tielweg 6	Zeist , Huis ter Heideweg 30-40
Huizen , Huizermaatweg 9-37	

The properties are known to us, and inspections have been made of all properties in accordance with your requirements. We have made relevant local enquiries and obtained such further information as we considered necessary for our purposes.

We confirm that the valuations have been carried out by us as External Valuers, qualified for the purposes of providing valuations in accordance with the Statements of Asset Valuation Practice and Guidance Notes published by the Royal Institution of Chartered Surveyors, and that they represent our opinion of the Open Market Values as at March 31, 2001 of the relevant interest in each of the above properties. No allowance has been made for any expenses of realization, Value Added Tax or for taxation which might arise in the event of a disposal, nor costs of disposal such as legal and agency fees.

Our valuations are made on the basis of Open Market Value as defined by the Royal Institution of Chartered Surveyors. Open Market Value means the best price at which the sale of an interest in property might reasonably be expected to have been completed unconditionally for cash consideration on the date of valuation, assuming:

- a willing seller;
- that, prior to the date of valuation, there had been a reasonable period (having regard to the nature of the property and the state of the market) for the proper marketing of the interest, for the agreement of price and terms and for the completion of the sale;
- that the state of the market, level of values and other circumstances were, on any earlier assumed date of exchange of contracts, the same as on the date of valuation;
- that no account is taken of any additional bid by a prospective purchaser with a special interest;
- that both parties to the transaction had acted knowledgeably, prudently and without compulsion.

The above definitions concur with those of Fair Value as defined under paragraphs 27-49 of IAS 40 (2000), dated March 2000.

Furthermore, all property is considered as if free and clear of all encumbrances, i.e. easements, pre-emption clauses, liens or any other restriction on title. We do not take into account any liability of the property owner regarding taxes, single or recurring public or private contributions, charges, local community taxes and costs.

The Open Market Valuations of buildings in the course of development/refurbishment are made on the assumption that the development/refurbishment works have been completed (with the benefit of any contracted lettings) less the estimated cost required to complete the development/refurbishing works.

The Open Market Valuations of properties, which are completely/partially vacant are made on the assumption that the vacant accommodation will take a certain period of time to re-let. Suitable rental voids, rent free periods and other incentives offered to the in-going tenants, in accordance with common practices in the open market as at the valuation date, have been considered in the valuation exercise.

Consequently, the capitalization rates are adjusted to provide the necessary net initial yield and running yields that the market place will accept for each property.

Having regard to the foregoing, we are of the opinion that the total Gross Open Market Value of the above-mentioned properties, as at March 31, 2001 was:

EUR 72,715,000 CHF 111,106,000

Finally and in accordance with our standard practice, we must state that this valuation certificate is for the use only of the parties to whom it is addressed and no responsibility is accepted to any third party for the whole or any part of its contents.

Amsterdam, May 12, 2001

CB Richard Ellis B.V.

M.C. Fidler MRICS
Associate Director Valuations

Report of the Group Auditors

To the general meeting of Züblin Immobilien Holding AG, Zurich

As auditors of the Group, we have audited the consolidated financial statements (income statement, balance sheet, cash flow statement, statement of changes in shareholders' equity and notes, pages 51 to 88) of the Züblin Immobilien Group for the year ended as of March 31, 2001.

These consolidated financial statements are the responsibility of the Board of Directors. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We confirm that we meet the legal requirements concerning professional qualification and independence.

Our audit was conducted in accordance with auditing standards promulgated by the Swiss profession, which require that an audit be planned and performed to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the consolidated financial statements. We have also assessed the accounting principles used, significant estimates made and the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the financial position, the results of operations and the cash flows in accordance with the International Accounting Standards (IAS), and comply with Swiss law.

We recommend that the consolidated financial statements submitted to you be approved.

Zurich, May 29, 2001

Ernst & Young AG

Beat Röthlisberger
Certified Accountant
(Auditor in Charge)

Martin Stäubli
Certified Accountant
(Auditor in Charge)

Financial Statements

Züblin Immobilien Holding AG

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Income Statement

in CHF thousand	Notes	2000/2001	1999/2000
Income			
Dividend income	1	18,793	17,474
Financial income		397	667
Total income		19,190	18,141
Expenses			
Administrative expense	2	3,579	1,813
Financial expense		615	376
Foreign exchange adjustments	3	4,565	0
Amortization of reorganization costs	4	500	500
Write-down of investments/Restructuring costs for construction business	5	- 1,162	8,242
Total expenses		8,097	10,931
Result			
Income before taxes		11,093	7,210
Income taxes		0	11
Net income		11,093	7,199

Information contained in the "Notes to the Financial Statements" is an integral part of the financial statements.

Balance Sheet

in CHF thousand	Notes	3/31/2001	3/31/2000
Assets			
Non-current assets			
Investments in subsidiaries	6	86,746	94,723
Furnishings and equipment		0	428
Investment in associated company	7	5,420	4,258
Organization costs	4	1,500	2,000
Loans to subsidiaries, net	8	218,174	131,254
Total non-current assets		311,840	232,663
Current assets			
Dividend receivables	9	3,600	17,474
Other receivables		399	236
Treasury shares	10	2,219	480
Cash and cash equivalents	11	5,929	79,246
Total current assets		12,147	97,436
Total assets		323,987	330,099
Shareholders' Equity and Liabilities			
Shareholders' equity			
Share capital	12	285,236	285,236
Additional paid-in capital	13	9,451	9,657
General legal reserve	14	500	50
Reserve for treasury shares	10	2,342	480
Retained earnings	15	10,493	7,407
Total shareholders' equity		308,022	302,830
Current liabilities			
Current payables		307	24,937
Accounts payable to associated company		0	1,816
Bank overdraft	16	15,000	216
Accrued liabilities		658	300
Total liabilities		15,965	27,269
Total shareholders' equity and liabilities		323,987	330,099

Information contained in the "Notes to the Financial Statements" is an integral part of the financial statements.

Notes to the Financial Statements

General Information

Züblin Immobilien Holding AG is the parent company of the Züblin Immobilien Group. The Group's operations are concentrated entirely in the management of its international real estate portfolio.

Züblin Immobilien Holding AG's financial statements have been prepared in compliance with Swiss Corporate Law and generally accepted economic principles. While the consolidated financial statements reflect the economic situation of the Group as a whole, the information contained in the Züblin Immobilien Holding AG's financial statements relates to the ultimate parent company alone. The retained earnings reported in these financial statements provide the basis for the decision regarding the allocation of earnings to be made during the general shareholders' meeting.

Notes

1. Dividend Income	in CHF thousand	2000/2001	1999/2000
	Swiss Property and Investments N.V.	11,004	16,474
	Züblin Immobilien AG	3,600	0
	Delva 1/7/9/10 B.V.	4,189	0
	Immobilien-gesellschaft Fiducia AG	0	1,000
	Total dividend income	18,793	17,474

2. Administrative Expense

The increase of the administrative expense is a consequence of the larger portfolio and the necessary adjustments of the organizational structure. The investment structure was optimized for legal and tax purposes on a European scale. The build-up of the public relations instruments (Internet presence, Rating Brochure, Semi-annual Report and extensive Annual Report) led to higher expenses as well. Furthermore, investments were made for the implementation of a risk management system. In addition, for the first time, this position contains capital taxes in the amount of CHF 0.6 million.

3. Foreign Exchange Adjustments

The currency differences relate for the most part to loans to subsidiaries and are, in most cases, not realized.

4. Depreciation Organization Costs

Organization costs are depreciated straight-line over 5 years.

5. Write-down/ Restructuring Costs for the Construction Business (previous year)	in CHF thousand	2000/2001	1999/2000
	Discontinuing operations/ restructuring costs construction business	0	5,500
	Write-down of investments in construction business	- 1,162	2,742
	Total write-down/restructuring costs	- 1,162	8,242

Based on the positive income development at ZüblinSchlittler Bau AG, it was possible to reverse the provisions for the write-down of the previous year in the amount of the proportional income for 2000/2001.

6. Investments in Subsidiaries	All the subsidiaries which are directly held are listed in the Notes to the Consolidated Financial Statements under paragraph 1. A complete list of all Group companies and real estate companies can be found in the Additional Information, pages 114–115.
7. Investments in Associated Company	In this position, the 40% share in ZüblinSchlittler Bau AG in the amount of CHF 5.4 million (previous year 4.3 million) is reported. The increase of the book value is the result of the partial release of the provisions of the past (compare also Note 5).
8. Loans to Subsidiaries	Loans granted to subsidiaries support long-term financing of investments in real estate or in real estate companies. Of the total loans outstanding of CHF 218.2 million, CHF 58.9 million (previous year CHF 109.5 million) have been granted to Züblin Immobilien AG, CHF 153.5 million (previous year CHF 19.8 million) to Swiss Property and Investments N.V., and CHF 6.3 million (previous year CHF 0) to Alda Properties SA.
9. Dividend Receivables	The dividend receivables from Group companies include only those dividends which are due for payment in the new business year.

10. Treasury Shares

Treasury shares are stated at the lower of cost or year-end market price. A “Reserve for treasury shares” equal to the total cost of such shares is set aside in shareholders’ equity.

Treasury shares for swap of bearer shares with nominal value CHF 1

	2000/2001		1999/2000	
	Number of	in CHF	Number of	in CHF
	shares		shares	
Bearer shares with nominal value CHF 10				
Balance as of 4/1	849	8,490	2,396	23,960
Disposal resulting from swap with nominal CHF 1 bearer shares	558	5,580	1,547	15,470
Balance as of 3/31	291	2,910	849	8,490
Bearer shares with nominal value CHF 1				
Balance as of 4/1	471,510	471,510	456,040	456,040
Addition resulting from swap with nominal CHF 10 bearer shares	5,580	5,580	15,470	15,470
Balance as of 3/31	477,090	477,090	471,510	471,510
Total balance as of 3/31		480,000		480,000
Allowance for loss in value		- 48,000		0
Balance as of 3/31		432,000		480,000

Treasury shares for trading position

Bearer shares with nominal value CHF 10				
Balance as of 4/1	0	0	0	0
Acquisition of bearer shares with nominal value CHF 10	198,556	1,861,546	0	0
Balance as of 3/31	198,556	1,861,546	0	0
Allowance for loss in value		- 74,542		0
Balance as of 3/31		1,787,004		0

Summary

Bearer shares with nominal value CHF 10	198,847	1,864,456	849	8,490
Bearer shares with nominal value CHF 1	477,090	477,090	471,510	471,510
Total acquisition costs/				
Reserve for treasury shares		2,341,546		480,000
Allowance for loss in value		- 122,542		0
Total balance treasury shares				
as of 3/31		2,219,004		480,000

11. Cash and Cash Equivalents

The decrease in cash and cash equivalents compared to the previous year is attributable to the increase of loans to Group companies (compare also Note 8).

12. Share Capital

	Number of shares	in CHF thousand
Balance as of 4/1/1999		
Bearer shares with nominal value CHF 1	480,000	480
Bearer shares with nominal value CHF 10	7,680,000	76,800
		77,280
Change in bearer shares with nominal value CHF 10		
Capital increase on 4/15/1999	2,576,000	25,760
Capital increase on 9/7/1999	540,000	5,400
Capital increase on 10/20/1999	565,455	5,654
Capital increase on 2/18/2000	17,114,182	171,142
Total new bearer shares with nominal value CHF 10	20,795,637	207,956
Balance as of 3/31/2000		
Bearer shares with nominal value CHF 1	480,000	480
Bearer shares with nominal value CHF 10	28,475,637	284,756
		285,236
Balance as of 3/31/2001		
Bearer shares with nominal value CHF 1	480,000	480
Bearer shares with nominal value CHF 10	28,475,637	284,756
		285,236
Authorized capital		
Balance as of 3/31/2000	5,704,727	57,047
Balance as of 3/31/2001		
(approved by general shareholders' meeting 7/7/2000)	14,261,818	142,618
Conditional capital		
Balance as of 3/31/2000	0	0
Balance as of 3/31/2001		
(approved by general shareholders' meeting 7/7/2000)	5,000,000	50,000
Conditional capital for profit-sharing plan		
Balance as of 3/31/2000	0	0
Balance as of 3/31/2001		
(approved by general shareholders' meeting 7/7/2000)	1,000,000	10,000

13. Additional Paid-in Capital	in CHF thousand	2000/2001	1999/2000
Balance as of 4/1		9,657	0
Additional paid-in capital from capital increase		0	21,259
Costs of capital increase 2/18/2000		- 206	- 11,602
Balance as of 3/31		9,451	9,657
14. General Legal Reserve	in CHF thousand	2000/2001	1999/2000
Balance as of 4/1		50	0
Allocation from retained earnings		450	50
Balance as of 3/31		500	50
15. Retained Earnings	in CHF thousand		
Retained earnings as of 3/31/2000 for allocation by the general shareholders' meeting 2000			7,407
Allocation to legal reserve (approved by general shareholders' meeting 7/7/2000)			- 450
Dividend payments (approved by general shareholders' meeting 7/7/2000)			- 5,695
Carry forward to new period			1,262
Allocation to reserve for treasury shares			- 1,862
Retained earnings for the business year 2000/2001			11,093
Retained earnings as of 3/31/2001 for allocation by the general shareholders' meeting 2001			10,493

16. Bank Overdrafts The increase in bank overdrafts relates to the bridge financing of a property of a subsidiary.

17. Contingent Liabilities	in CHF thousand	3/31/2001	3/31/2000
	Joint guarantees in favor of subsidiaries	85,000	68,500
	Annuity guarantees in favor of subsidiaries	8,626	10,931
	Guarantees to banks in favor of ZüblinSchlittler Bau AG	9,000	9,000

18. Major Shareholders As of March 31, 2001, the Co-operative Investment Fund Westblaak U.A., domiciled in Rotterdam, The Netherlands, held 30.7% (previous year 30.5%) of the voting rights in Züblin Immobilien Holding AG. Westblaak is controlled indirectly by members of the Jan Bosch family in Fribourg, Switzerland.

19. Subsequent Events Conversion and reduction of the participation in ZüblinSchlittler Bau AG
At the end of 1999, Züblin Immobilien Holding AG reduced its share in ZüblinSchlittler Bau AG to 40%, by waiving its subscription rights in favor of CI Contractors Investors AG. CI Contractors Investors AG has the intention to increase its current activities in the construction business and wants to invest in other construction companies, which operate independently in the market. For this reason, Züblin Immobilien Holding AG has converted its 40% share in ZüblinSchlittler Bau AG for a 40% stake in CI Contractors Investors AG as of May 15, 2001.

With regard to a planned strategic acquisition, CI Contractors Investors AG will carry out a capital increase in the amount of CHF 6.45 million. Züblin Immobilien Holding AG will not participate and will waive its subscription rights. This will reduce Züblin Immobilien Holding AG's share in CI Contractors Investors AG from 40 to 25%.

Proposal of the Board of Directors for the Allocation of Available Earnings

	in CHF
Earnings available for allocation	
Retained earnings from previous year	1,262,007.40
Allocation to reserves for treasury shares	- 1,861,546.00
Net income for the business year 2000/2001	11,092,582.23
Retained earnings as of 3/31/2001 for allocation by the general shareholders' meeting 2001	10,493,043.63
Allocation of earnings	
Distribution of ordinary dividends:	8,483,124.30
- Dividends of CHF 0.30 per bearer share with nominal value CHF 10	
- Dividends of CHF 0.03 per bearer share with nominal value CHF 1 (Treasury shares held by the company are not entitled to dividends.)	
Allocation to the general legal reserve	1,000,000.00
Balance to be carried forward to new period	1,009,919.33
General legal reserve	
General legal reserve as of 3/31/2001	500,000.00
Allocation	1,000,000.00
Total general legal reserve after allocation	1,500,000.00

Report of the Statutory Auditors

To the general meeting of Züblin Immobilien Holding AG, Zurich

As statutory auditors, we have audited the accounting records and the financial statements (income statement, balance sheet and notes, pages 96 to 104) of Züblin Immobilien Holding AG for the year ended March 31, 2001.

These financial statements are the responsibility of the Board of Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We confirm that we meet the legal requirements concerning professional qualification and independence.

Our audit was conducted in accordance with auditing standards promulgated by the Swiss profession, which require that an audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the financial statements. We have also assessed the accounting principles used, significant estimates made and the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accounting records and financial statements and the proposed appropriation of available earnings comply with Swiss law and the company's articles of incorporation.

We recommend that the financial statements submitted to you be approved.

Zurich, May 29, 2001

Ernst & Young AG

Beat Röthlisberger
Certified Accountant
(Auditor in Charge)

Martin Stäubli
Certified Accountant
(Auditor in Charge)

Additional Information

Züblin Immobilien Group

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Information on the Properties as of March 31, 2001

Portfolio Switzerland							
Property No.	City, address	Date of acquisition	Year of construction/renovation	Net rental income CHF 1,000	Vacancies %/CHF	Owner-ship %	Owner ¹
Region of Zurich							
1	Baden, Rütistrasse 3/3a	3/1/2000	1960/1990	722	6.81	100	I2
2	Egg, Gewerbestrasse 12/12a	4/1/2000	1982/1987	1,194	2.88	100	I2
3	Hombrechtikon, Feldbachstrasse 81	6/30/2000	1990	658	0.00	100	I2
4	Rümlang, Riedmattstrasse 9	12/1/1999	1982	1,754	0.00	100	I2
5	Schwerzenbach, Bahnstrasse 24	3/31/2000	1991	3,000	0.00	100	I2
6	Schwerzenbach, Eschenstrasse 2-6	1/1/2001	1991	425	0.00	100	I2
7	Wettingen, Landstrasse 115	12/31/1999	1990	355	32.63	100	I2
8	Wettingen, Landstrasse 99	3/1/2000	1994	2,632	3.67	100	I2
9	Winterthur, Im Hölderli 10	3/31/2000	1991/1992	907	4.36	100	I2
10	Zurich, Binzmühlestrasse 154	1/23/2001	1965/1988	4,769	0.00	100	I2
11	Zurich, Feldstrasse 133	10/1/2000	1972/1999	791	0.00	100	I2
12	Zurich, Hardturmstrasse 76	3/20/2000	1967/2001	621	0.00	100	I2
13	Zurich, Talstrasse 82	1/1/2000	1950	1,247	0.00	100	I2
Total region of Zurich				19,075	2.06		
Region of Bern							
14	Bern, Morgenstrasse 131	12/15/1999	1994	2,675	1.16	100	I2
15	Bern, Morgenstrasse 136	6/1/2000	1991	1,008	9.89	100	I2
16	Biel, Florastrasse 16/18	12/31/1999	1953/1955	1,888	2.97	100	I2
17	Zollikofen, Industriestrasse 1	12/21/1998	1990/1991	4,640	5.95	100	I2
Total region of Bern				10,211	4.61		
Region of Geneva							
18	Geneva, Boulevard Carl-Vogt 17/19	9/1/1999	1963	1,464	0.00	100	I2
19	Pully, Avenue Général-Guisan 46-46a	2/1/1999	1988	375	4.70	100	O3
Total region of Geneva				1,839	1.00		
Total portfolio Switzerland (19 properties)				31,125	2.85		

¹ Information on the owners see Overview of Ownership, pages 114-115

Plot size m ²	Office m ²	Trade/ Logistics m ²	Retail m ²	Storage m ²	Resi- dential m ²	Total us- able area m ²	Vacancies %/m ²	No.of parking spaces	Invest- ment category	Züblin Immobilien Rating™
1,172	2,722	-	374	907	107	4,109	6.08	32	Office	AA
4,894	5,474	-	-	1,211	-	6,685	2.26	71	Office	AA
6,440	1,783	480	-	1,178	-	3,441	0.00	99	Office	AA
5,090	9,955	95	841	1,596	-	12,486	0.00	163	Office	AAA
11,460	9,580	3,450	200	1,500	-	14,730	0.00	225	Office	AA
3,009	1,600	-	-	945	105	2,650	0.00	40	Office	AA
1,347	1,455	-	330	808	-	2,593	35.44	36	Office	AAA
5,453	2,509	-	5,120	3,272	309	11,210	7.47	200	Retail	AA
3,495	178	3,655	-	3,479	-	7,312	3.23	37	Trade	AA
46,069	-	17,520	-	-	-	17,520	0.00	10	Trade	AA
1,281	2,141	-	-	1,907	401	4,449	0.00	25	Office	AA
1,100	2,427	283	15	755	-	3,480	0.00	30	Office	AA
574	2,322	270	220	558	65	3,435	0.00	0	Office	AAA
91,384	42,146	25,753	7,100	18,115	986	94,099	2.54	968		
5,719	10,274	638	1,179	1,683	-	13,774	1.20	204	Office	AA
2,740	4,808	453	1,144	150	-	6,555	9.70	69	Office	AA
2,710	106	-	4,512	934	1,807	7,359	6.64	3	Retail	AA
4,942	14,631	-	-	15,551	-	30,182	15.16	204	Office	AAA
16,111	29,819	1,091	6,835	18,318	1,807	57,869	10.13	480		
2,066	6,165	-	366	-	-	6,531	0.00	25	Office	AA
1,966	1,098	-	-	145	-	1,243	6.52	38	Office	AAA
4,032	7,263	-	366	145	-	7,774	1.04	63		
111,527	79,227	26,844	14,301	36,577	2,793	159,742	5.22	1,511		

Portfolio Germany

Property No.	City, address	Date of acquisition	Year of construction/renovation	Net rental income CHF 1,000	Vacancies %/CHF	Owner-ship %	Owner ¹
Region of Berlin							
20	Berlin, Maxstrasse 2–4	9/27/2000	1908/1993	1,208	0.00	100	013
21	Berlin, Maxstrasse 3	9/27/2000	1994	613	19.15	100	013
Total region of Berlin				1,821	8.08		
Region of Frankfurt							
22	Rüsselsheim, Eisenstrasse 2–4	1/1/2000	1974/1989	1,466	17.72	100	016
Total region of Frankfurt				1,466	17.72		
Region of Hamburg							
23	Hamburg, Albert-Einstein-Ring 17–21	1/1/1999	1992	2,658	4.37	100	076
24	Hamburg, Nagelsweg 37, 39	1/1/1999	1986	2,140	0.00	100	074
25	Hamburg, Pappelallee 33	1/1/1999	1991	1,451	0.00	100	075
26	Hamburg, Wandsbeker Zollstrasse 11–19	1/1/1999	1970/1991	891	40.46	100	073
Total region of Hamburg				7,140	9.54		
Region of Stuttgart							
27	Stuttgart, Mittlerer Pfad 2–4	12/1/2000	1991	3,776	3.46	100	015
28	Stuttgart, Mittlerer Pfad 9	6/1/2000	1991	1,515	0.00	100	04
29	Stuttgart, Vor dem Lauch 14	1/1/2000	1982/1994	1,562	4.77	100	014
Total region of Stuttgart				6,853	3.18		
Region of Leipzig							
30	Erfurt, Lange Brücke 29 ²	1/1/2000	1920	–	100.00	100	017
Total region of Leipzig				–	100.00		
Total portfolio Germany (11 properties)				17,280	7.85		

Portfolio Belgium/Luxembourg

Region of Brussels							
31	Brussels, Avenue Louise 120	10/1/2000	1976	843	4.51	100	032
32	Brussels, Rue de Genève 4 ³	10/1/2000	1970	1,396	2.04	100	033
Total region of Brussels				2,239	3.03		
Region of Luxembourg							
33	Howald, Rue des Scillas 20	1/1/2000	1970/2000	1,801	8.71	100	041
Total Region of Luxembourg				1,801	8.71		
Total portfolio Belgium/Luxembourg (3 properties)				4,040	7.85		

¹ Information on the owners see Overview of Ownership, pages 114–115

² Under renovation

³ Condominium ownership 36% of the property

Plot size m²	Office m²	Trade/ Logistics m²	Retail m²	Storage m²	Resi- dential m²	Total us- able area m²	Vacancies %/m²	No.of parking spaces	Invest- ment category	Züblin Immobilien Rating™
3,904	8,437	-	-	773	-	9,210	0.00	78	Office	AA
2,034	3,566	-	-	68	-	3,634	19.37	33	Office	AA
5,938	12,003	-	-	841	-	12,844	5.48	111		
11,620	9,845	288	-	-	-	10,133	19.17	287	Office	AA
11,620	9,845	288	-	-	-	10,133	19.17	287		
7,538	13,620	-	-	349	-	13,969	5.02	242	Office	AA
4,616	8,744	-	-	478	28	9,250	0.46	191	Office	AA
2,956	6,451	-	-	150	-	6,601	0.00	113	Office	AA
2,901	6,311	-	-	555	-	6,866	45.43	97	Office	A
18,011	35,126	-	-	1,532	28	36,686	10.53	643		
8,521	18,393	-	-	3,061	-	21,454	5.61	303	Office	AA
3,620	7,186	-	-	878	-	8,064	0.00	112	Office	AA
6,998	7,851	547	-	333	-	8,731	5.38	173	Office	AAA
19,139	33,430	547	-	4,272	-	38,249	4.37	588		
2,037	1,573	-	303	-	676	2,552	100.00	0	Office	A
2,037	1,573	-	303	-	676	2,552	100.00	0		
56,745	91,977	835	303	6,645	704	100,464	10.69	1,629		
933	3,575	-	655	-	547	4,777	4.79	82	Office	AA
3,554	6,617	-	-	692	-	7,309	2.02	95	Office	AAA
4,487	10,192	-	655	692	547	12,086	3.12	177		
23,000	-	3,200	8,000	-	-	11,200	8.93	400	Retail	AAA
23,000	-	3,200	8,000	-	-	11,200	8.93	400		
27,487	10,192	3,200	8,655	692	547	23,286	5.91	577		

Portfolio The Netherlands

Property No.	City, address	Date of acquisition	Year of construction/ renovation	Net rental income CHF 1,000	Vacancies %/CHF	Owner-ship %	Owner ¹
Region of Amsterdam							
34	Amsterdam, Paasheuvelweg 26	1/1/2000	1991	692	0.00	100	I57
35	Amsterdam, Zekeringstraat 1-23	1/1/2000	1995	1,650	0.00	100	I57
36, 37	Amsterdam, Zekeringstraat 39-47	1/1/2000	1992	2,129	0.00	50	O68, O70
38, 39	Diemen, Diemerhof 10-12, 16-18	1/1/2000	1990	1,106	0.00	100	I57
Total region of Amsterdam				5,577	0.00		
Region of The Hague							
40	The Hague, Daendelstraat 57	7/1/1998	1979	243	0.00	100	I55
41	The Hague, Grote Marktstraat 39, 43, 50, 51 & Wagenstraat 31, 33, 37, 39	1/1/2000	1986	2,840	0.00	50	O66
42	Laan van Meerdervoort 51 ²	7/1/1998	1987/2001	139	80.54	100	I55
Total region of The Hague				3,222	19.51		
Region of Rotterdam							
43	Dordrecht, Stationsweg 4	7/1/1998	1962	700	0.26	100	I55
44	Gouda, Tielweg 6	7/1/1998	1990	272	23.62	100	I55
45	Moerdijk, Middenweg 49	1/1/2000	1998	3,552	12.49	90	O63
46	Rotterdam, Schiekade 34	7/1/1998	1961/2000	865	37.44	100	I55
Total region of Rotterdam				5,389	17.11		
Region of Utrecht							
47	De Bilt, Utrechtseweg 370	7/1/1998	1982	346	0.00	100	I55
48	De Meeren, Rijnzathe 8	1/1/2000	1990	1,574	0.00	100	O59
49	Nieuwegein, Meentwal 1	7/1/1998	1991	319	0.00	100	I55
50	Nieuwegein, Zoomstede 13-19	7/1/1998	1989	1,251	0.00	100	I55
51	Utrecht, Kaap Hoorndreef 10-14	7/1/1998	1972/2001	758	0.00	100	I55
52	Utrecht, Kaap Hoorndreef 66-78	7/1/1998	1975	542	0.00	100	I55
Total region of Utrecht				4,790	0.00		
Other regions							
53	Arnhem, Oude Oeverstraat 120	7/1/1998	1973	814	37.81	100	I55
54	Enschede, Van Loenshof 56-168	1/1/2000	2000	1,238	27.59	75	O61
55	Huizen, Huizermaatweg 9-37	7/1/1998	1986	536	0.00	100	I55
56	Veldhoven, De Run 1120-1150	1/1/2000	1990	367	42.09	50	O72
57	Zeist, Bergweg 25	7/1/1998	1983	273	0.00	100	I55
58	Zeist, Huis ter Heideweg 30-40 ²	7/1/1998	1980/2001	409	54.17	100	I55
Total other regions				3,637	33.58		
Total portfolio The Netherlands (25 properties)				22,615	15.40		
Total overall portfolio (58 properties)				75,060	7.80		

¹ Information on the owners see Overview of Ownership, pages 114-115² Under renovation

Plot size m²	Office m²	Trade/ Logistics m²	Retail m²	Storage m²	Resi- dential m²	Total us- able area m²	Vacancies %/m²	No. of parking spaces	Invest- ment category	Züblin Immobilien Rating™
2,940	3,627	-	-	-	-	3,627	0.00	67	Office	AAA
13,068	12,371	-	-	-	-	12,371	0.00	233	Office	AA
14,400	9,686	1,809	-	-	-	11,495	0.00	252	Office	AAA
6,611	6,000	-	-	-	-	6,000	0.00	174	Office	AA
37,019	31,684	1,809	-	-	-	33,493	0.00	726		
506	1,202	-	-	-	-	1,202	0.00	21	Office	AA
2,990	9,652	-	1,384	-	-	11,036	0.00	43	Office	AAA
1,942	3,600	-	-	-	-	3,600	79.03	51	Office	AA
5,438	14,454	-	1,384	-	-	15,838	17.96	115		
3,001	4,526	-	-	-	-	4,526	0.49	72	Office	AAA
1,800	2,026	-	-	-	-	2,026	23.10	62	Office	AA
120,298	1,550	53,224	-	-	-	54,774	33.36	-	Trade	AA
2,576	8,623	-	1,671	-	-	10,294	28.93	60	Office	AA
127,675	16,725	53,224	1,671	-	-	71,620	30.35	194		
1,998	2,093	-	-	-	-	2,093	0.00	12	Office	AA
8,205	7,002	-	-	-	-	7,002	0.00	182	Office	AAA
1,160	1,825	-	-	-	-	1,825	0.00	-	Office	AAA
1,555	7,101	-	-	-	-	7,101	1.23	50	Office	AAA
606	3,344	-	-	-	-	3,344	0.00	-	Office	AA
606	3,048	-	-	-	-	3,048	0.00	-	Office	AA
14,130	24,413	-	-	-	-	24,413	0.36	244		
1,055	6,224	-	-	-	-	6,224	41.52	6	Office	AA
2,292	-	-	6,805	-	-	6,805	27.07	-	Retail	AA
950	3,089	-	-	-	-	3,089	0.00	-	Office	AAA
5,925	3,560	-	-	-	-	3,560	42.28	86	Office	AA
1,770	619	-	991	-	-	1,610	0.00	21	Office	AA
5,465	4,637	-	-	-	-	4,637	53.35	63	Office	AA
17,457	18,129	-	7,796	-	-	25,925	32.42	176		
201,719	105,405	55,033	10,851	-	-	171,289	19.31	1,455		
397,478	286,802	85,912	34,110	43,916	4,045	454,781	11.77	5,172		

Overview of Ownership

Company code	Company name	City, address	Function	Owner of
Switzerland				
H1	Züblin Immobilien Holding AG	Zurich, Claridenstrasse 20	H	Participation in I2-03-04-S5-S51-AG6 (40%)
I2	Züblin Immobilien AG	Zurich, Claridenstrasse 20	I	Properties Nos. 1–18 in Switzerland
03	Züblin Immobilien Romandie AG	Zurich, Claridenstrasse 20	O	Property No. 19 in Pully
04	Weilimmo AG	Zurich, Claridenstrasse 20	O	Property No. 28 in Stuttgart
S5	Alda Properties SA	Geneva, Rue de Hesse 16	S	Participation in S31-S77-032-033
AG6	ZüblinSchlittler Bau AG	Zurich, Okenstrasse 4	AG	
Germany				
S11	EurCE Immobilien AG	Munich, Briennerstrasse 9	S	Participation in 012-013-014-015-016
012	ZH Immobilienverwaltungs GmbH	Hamburg, Albert-Einstein Ring 21	O	Reserve
013	Maxstrasse 2–4, 3a Immobilien GmbH	Berlin, Fraunhoferstrasse 33–36	O	Properties Nos. 20–21 in Berlin
014	Vor dem Lauch Liegenschafts GmbH	Munich, Briennerstrasse 9	O	Property No. 29 in Stuttgart
015	Mittlerer Pfad 2–4 Immobilien GmbH	Munich, Briennerstrasse 9	O	Property No. 27 in Stuttgart
016	Eisenstrasse Liegenschafts GmbH	Munich, Briennerstrasse 9	O	Property No. 22 in Rüsselsheim
017	Stadtkrug Erfurt Liegenschafts GmbH	Munich, Briennerstrasse 9	O	Property No. 30 in Erfurt
Belgium				
S31	Lisa SA	Brussels, Avenue Louise 120	S	Participation in 032
032	Gilts Investments S.A.	Brussels, Avenue Louise 120	O	Property No. 31 in Brussels
033	Le Genève No 4 S.A.	Brussels, Rue Wiertz 50	O	Property No. 32 in Brussels
Luxembourg				
041	Société d'Investissement de Howald S.A.	Luxembourg, 400, route d'Esch	O	Property No. 33 in Luxembourg

H = Holding Company

S = Subholding Company

P = Partnership Company (managing partner/limited partner)

I = Real Estate Investment Company (owner of various properties)

O = Real Estate Company (owner of one property)

AG = Associated Company

The participation is 100% if no percentage of the participation is indicated.

Company code	Company name	City, address	Function	Owner of
	Netherlands Antilles			
S51	Swiss Property and Investments N.V.	Curaçao, Margrietlaan 15	S	Participation in S52
	The Netherlands			
S52	European City Estates N.V.	Amsterdam, Kabelweg 37	S	Participation in S11-017 in Germany Participation in 041 in Luxembourg Participation in P53-S56-S60-P62-S64 in The Netherlands Participation in 073-074-075-076 in The Netherlands
P53	General City III B.V.	Amsterdam, Kabelweg 37	P	Participation of 94.9% in I55
P54	Sixth Sense B.V.	Amsterdam, Kabelweg 37	P	Participation of 0.1% in I55
I55	Freeward I C.V.	Amsterdam, Kabelweg 37	I	Properties Nos. 40-42-43-44-46-47-49- 50-51-52-53-55-57-58
S56	General City Prop.Holding B.V.	Amsterdam, Kabelweg 37	S	Participation in I57-S58
I57	General City Properties B.V.	Amsterdam, Kabelweg 37	I	Properties Nos. 34-35-38-39
S58	Rijnveste Property Holding B.V.	Amsterdam, Kabelweg 37	S	Participation in 059
059	Rijnveste Property B.V.	Amsterdam, Kabelweg 37	O	Property No. 48 in De Meern
S60	General City II B.V.	Amsterdam, Kabelweg 37	S	Participation of 75% in 061
061	Zuidmolen V.O.F.	Amsterdam, Kabelweg 37	O	Property No. 54 in Enschede
P62	General City Moerdijk B.V.	Amsterdam, Kabelweg 37	P	Participation in 063
063	Moerdijk Middenweg C.V.	Amsterdam, Kabelweg 37	O	Property No. 45 in Moerdijk
S64	Mingari B.V.	Amsterdam, Kabelweg 37	S	Participation in S65-S67-S69-S71
S65	Mingari Marktstraat B.V.	Amsterdam, Kabelweg 37	S	Participation of 50% in 066
066	Marktstraat V.O.F.	Amsterdam, Kabelweg 37	O	Property No. 41 in The Hague
S67	Mingari Omegapark I B.V.	Amsterdam, Kabelweg 37	S	Participation of 50% in 068
068	Omegapark I V.O.F.	Amsterdam, Kabelweg 37	O	Property No. 37 in Amsterdam
S69	Mingari Omegapark II B.V.	Amsterdam, Kabelweg 37	S	Participation of 50% in 070
070	Omegapark II V.O.F.	Amsterdam, Kabelweg 37	O	Property No. 36 in Amsterdam
S71	Mingari Twincenter B.V.	Amsterdam, Kabelweg 37	S	Participation of 50% in 072
072	Twincenter V.O.F.	Amsterdam, Kabelweg 37	O	Property No. 56 in Veldhoven
073	Delva 1 B.V.	Amsterdam, Kabelweg 37	O	Property No. 26 in Hamburg
074	Delva 7 B.V.	Amsterdam, Kabelweg 37	O	Property No. 24 in Hamburg
075	Delva 9 B.V.	Amsterdam, Kabelweg 37	O	Property No. 25 in Hamburg
076	Delva 10 B.V.	Amsterdam, Kabelweg 37	O	Property No. 23 in Hamburg
S77	Smort Properties B.V.	Amsterdam, Kabelweg 37	S	Participation in 032-033

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