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31.03.	Balance sheet date
05.07.2002	13 th general shareholders' meeting
22.11.2002	Semi-annual Report
12.06.2003	Presentation of annual results
04.07.2003	14 th general shareholders' meeting

Züblin share

Trading	SWX Swiss Exchange
Swiss Securities No.	976 983
Ticker symbols	ZUB and ZUBZ.S

Dieser Geschäftsbericht
liegt auch in Deutsch vor.

Key figures

in CHF million	1.4.2001 to 31.3.2002	1.4.2000 to 31.3.2001
Income statement		
Rental income	77.2	70.1
Operating income	82.9	112.8
EBITDA	64.5	95.6
Net income	34.7	41.3
Return on equity	10.5%	13.3%
Gross yield	7.2%	7.2%
Net yield	6.5%	6.4%
Balance sheet		
Investment properties	1,101.6	1,031.7
Total assets	1,169.5	1,097.4
Shareholders' equity	357.2	341.3
Minority interests	19.3	18.9
Net assets ¹	376.5	360.2
Total liabilities	793.0	737.2
Net assets as % of total assets	32.2%	32.8%
Share capital		
Share capital ²	281.7	282.8
Authorised capital	142.6	142.6
Conditional capital	60.0	60.0
Free float	69.3%	69.3%
Key figures per share with nominal value CHF 10		
Net income per share (EPS) in CHF ³	1.23	1.46
Net asset value (NAV) per share in CHF	12.68	12.07
Share price as of 31.3. in CHF	10.10	9.00
P/E ratio	8.2	6.2
Dividend in CHF	0.35 ⁴	0.30
Dividend yield	3.5% ⁴	3.3%
Valuation		
Enterprise value (EV) in CHF million ⁵	1,019.8	960.2
EV/EBITDA ratio	15.8	10.0

¹ Net assets = shareholders' equity + minority interests

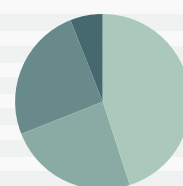
² Share capital after deduction of treasury shares

³ Net income divided by average number of shares entitled to dividends

⁴ Proposal to the general shareholders' meeting on 5 July 2002

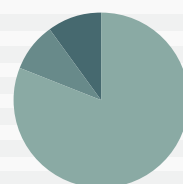
⁵ EV = market capitalisation + net debt

For definition of terms see page 116



Regional structure of the portfolio by market value as of 31.3.2002

44% Switzerland
25% Germany
25% The Netherlands
6% Belgium/Luxembourg



Structure of the portfolio by investment category in % of annual rental income as of 31.3.2002

81% Office
9% Trade/Logistics
10% Retail



Profile

The Züblin Immobilien Group purchases, manages and sells commercial real estate. The unique traits are the focus on European economic regions and, in this connection, the consistent use of the different real estate market cycles for investments and divestments.

Ambitious goals

- Return on equity:
above 10 percent p. a. (average over several years)
- Net income increase:
10 percent p. a. on rental income (average over several years)
- Portfolio growth:
CHF 2 billion in the short term
CHF 3 to 5 billion in the medium term
CHF 10 billion in the long term

Clear strategy

- Making use of the European real estate market cycles
- Application of rigorous selection criteria for the evaluation of properties
- Making use of the value chain:
Purchasing, creating added value, selling
- Abstaining from own development projects

Profit target met in difficult environment

Strong profit from rental activities

The Züblin Immobilien Group achieved a consolidated net income of CHF 34.7 million in the business year 2001/2002. Income from rental activities, which increased by 10 percent over last year to CHF 77 million, contributed a significant portion of CHF 24 million to total profit. After accounting for the change in deferred taxes, the profit due to revaluation of the properties amounts to CHF 5 million. The shareholders' equity was CHF 357 million as of 31 March 2002. The consolidated net income corresponds to a return on equity of 10.5 percent. The net asset value (NAV) per share of CHF 10 nominal value increased to CHF 12.68 (31.3.2001: CHF 12.07).

Value of the portfolio as of 31 March 2002: CHF 1.1 billion

The international real estate appraisers Jones Lang LaSalle and CB Richard Ellis, who are mandated with the valuation of the real estate portfolio, carried out the assessment of the open market value for each individual property as of the end of the business year. The significantly weaker economy in Europe had a negative effect on the valuation of some of our properties compared to the previous year. Against the lower valuations of our real estate portfolio of CHF 27 million stand the higher valuations of CHF 35 million. Overall, a net value increase of CHF 8 million resulted. Our portfolio has proved resistant to the economic slowdown; this is mainly attributable to the industrial mix of the tenants as well as to the well-balanced structure of the duration of the rental contracts. During the business year 2001/2002, we did not carry out any

large-scale transaction but the portfolio was carefully complemented with five new properties. Of the new properties, one is located in Belgium, three in Germany and one in Switzerland. One property each in Germany and in The Netherlands was sold with profit.

Corporate governance

Transparency builds trust – in the presentation of the portfolio, in the reporting and now in corporate governance as well. In this annual report, we have dedicated an entire chapter (see pages 10 to 16) to this topic in order to provide our shareholders with a complete insight into the Züblin Immobilien Group's management and controlling principles. We thus emphasise the importance we attach to corporate governance and meet the publication requirements of the SWX Swiss Exchange on corporate governance one year before they come into force.

With four members, the Board of Directors of Züblin Immobilien Holding AG is deliberately kept small to allow a flexible and efficient decision-making process. Presently, the double mandate of Chairman of the Board and CEO is balanced by three non-executive members of the Board who also form the audit and the remuneration committees. Thanks to the availability of the non-executive members of the Board, their expert knowledge and extensive experience can be drawn upon by the members of the Group Management in an open dialogue also outside of the Board meetings.

Ecological sustainability

Ecological sustainability is an important strategic factor for any real estate investment company. Not only is ecological sustainability continuously gaining importance in the eyes of institutional and private investors, but moreover, a positive effect on the long-term financial performance can be achieved. A real estate investment company has various possibilities to directly and indirectly influence the economic use of financial and natural resources. Properties built to maintain their value and save energy in the long term also lead to significant savings in operational expenses (maintenance, energy consumption), and selecting properties with easy access to public transportation indirectly contributes to reducing air pollution. By applying the Züblin Immobilien Rating™ and the establishment of a technical report, the Züblin Immobilien Group, as a rule, analyses and assesses economic as well as ecological aspects when evaluating new properties. In order to fully benefit from the value chain – purchasing, creating added value, selling – the ecological potential is assessed and realised as well, especially in reconstruction and refurbishment projects. By consequently adhering to the principles of sustainability, the Züblin Immobilien Group takes both its ecological responsibility towards the society and the environment and its economic responsibility towards its tenants and shareholders seriously.

Risk management – a continuous process

Risk management is a continuous process and one of the central tasks of the Group Management. The risk management of the Züblin Immobilien Group provides a

powerful tool for an effective corporate governance. Professional risk management strives to continuously analyse, identify and quantify the various risks, to manage the individual risks as well as to monitor the performance of the risk management in accordance with our strategy. As risk management is of utmost importance to Züblin, it is described in detail on pages 17 to 19 of this annual report.

Profit from our investment in the construction business

During the business year 2001/2002, CI Contractors Investors AG, in which Züblin Immobilien Holding AG has a participation of 25 percent, acquired 67 percent of Eggstein AG, Kriens/LU, the Swiss market leader in special earth construction. The construction group has thus gained a new, important core competency. After only six months, commercial and organisational synergies of this acquisition were already visible. CI Contractors Investors AG achieved a net income of CHF 4.3 million in the period from 1 January 2001 to 31 December 2001. The shareholders and the management of the construction group are determined to become a leader in the Swiss construction industry in the most important regional markets by expanding and increasing their presence; the financial and organisational requirements to reach this goal have been provided. The Züblin Immobilien Holding AG will not be financially involved in the planned expansion.



Dr. Franz Hidber
Chairman of the Board
of Directors

Higher dividend and positive share price development

Our result, in particular the quality of the net income from rental activities, allows to pay a higher dividend than in the previous year. Based on a 30 to 40 percent pay-out ratio of the realised net income, the Board of Directors proposes to the general shareholders' meeting to increase the dividend to CHF 0.35 per share of CHF 10 nominal value, corresponding to 3.5 percent of the nominal value as well as of the share price as of the end of the business year.

During the business year 2001/2002, the Züblin share performed positively in three aspects: the share proved stable and resistant in an unfavourable environment – the share price rose 12.3 percent between 1 April 2001 and 31 March 2002, while the SPI lost 6.3 percent in the same period. Second, with an average trading volume of 32,500 shares per day, investors showed their interest. In relation to market capitalisation, our share enjoyed one of the highest trading volumes among real estate investment companies at the SWX Swiss Exchange. And third, the discount to the net asset value decreased from 25 to 20 percent in the reported period. We attribute this development to the increased investors' confidence in us as a response to the higher transparency of our reporting and to the consistent implementation of our strategy.

Outlook

To ensure future growth, the Board of Directors and the Group Management have thoroughly analysed various options for expansion – in particular possible take-overs. Due to the differences in the strategic orientation of Züblin and possible candidates, no such transaction has been

carried out so far, but we continue to actively pursue all interesting options. We consider compatible strategies and ensuing shareholder benefit as prerequisites for a possible acquisition. By taking advantage of the real estate market cycles in European economic regions, we intend to further expand our portfolio through acquisitions of individual properties as well as real estate portfolios. When purchasing real estate, it is our aim to pay part of the purchase price in Züblin shares. Individual properties with no additional value potential are marketed to be sold. By maintaining a good relationship with our tenants, by actively managing the available area and by professional market observation, we intend to realise the optimal value potential of various properties.

It is our goal to achieve a return on equity of more than 10 percent p.a. on average over several years and an increase of the net asset value (NAV) of the Züblin share to CHF 13.30 – taking into account the distribution of dividends – also in the next business year.

Thanks

We would like to thank our shareholders for the confidence they have in us. We will continue to pursue our strategy in order to create consistent added value. We would also like to thank our employees and our Management Support Team. The strong team spirit within our Group and the high level of personal identification with our strategy are the most valuable assets in attaining our challenging goals.



Dr. Franz Hidber
Chairman of the Board of Directors

SPI clearly outperformed

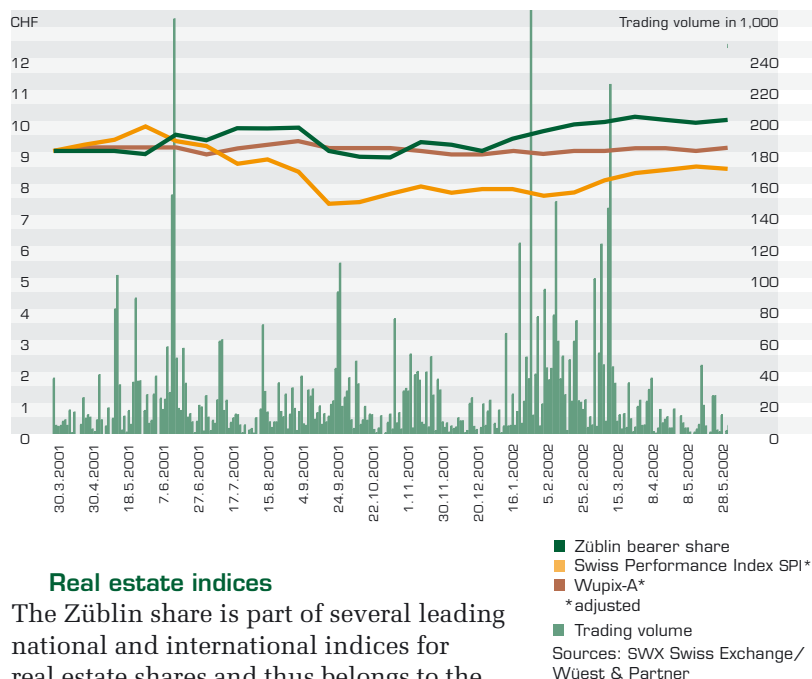
Share price development

In the business year 2001/2002, the Züblin share has proved stable and resistant in an unfavourable stock market environment. While the SPI (Swiss Performance Index) decreased by 6.3 percent between 1 April 2001 and 31 March 2002, the price for the Züblin share rose by 12.3 percent. The Wupix-A index by Wüest & Partner for listed Swiss real estate investment companies, which only showed an increase of 1.2 percent in the same period, was clearly outperformed as well. The discount of the share price to the net asset value (NAV) of 20 percent as of 31 March 2002 was lower compared to last year's discount of 25 percent. However, the Züblin share still has significant upside potential from an asset and income valuation perspective.

Share price and market capitalisation 4.1.2001 to 31.3.2002

High*	CHF 10.10
Low*	CHF 8.05
1.4.2001	CHF 9.00
31.3.2002	CHF 10.10
Market capitalisation	
as of 31.3.2002	CHF 288,115,000

* Basis: closing prices at the SWX Swiss Exchange



Real estate indices

The Züblin share is part of several leading national and international indices for real estate shares and thus belongs to the investment universe of institutional investors in Switzerland and abroad:

SWX Real Estate Index

Wupix-A

GPR General

EPRA

At present, the index of the European Public Real Estate Association (EPRA) comprises 73 European real estate shares. Based on market capitalisation and trading volume, the shares of two Swiss real estate investment companies are included in the EPRA index – one of them being Züblin. The index shows the development of listed real estate companies in Europe and serves as a benchmark for largely diversified real estate portfolios. The EPRA index not only allows for comparison within the real estate segment but also with indices of other segments.

Trading volume

From 1 April 2001 to 31 March 2002, a volume of CHF 76 million was traded. The daily average volume was 32,500 shares, equivalent to CHF 307,500. Last year's figures showed a daily average of 31,100 shares, equivalent to CHF 296,000. In the SWX segment for real estate investment

companies, this represents one of the highest volumes relative to market capitalisation.

The Züblin share is listed under the Swiss Securities No. 976 983 at the SWX Swiss Exchange in the segment of real estate investment companies. Its ticker symbols are ZUB and ZUBZ.S.

Share key figures

Bearer share with nominal value CHF 10	31.3.2002	31.3.2001
Net income per share (EPS) in CHF	1.23	1.46
Net asset value per share (NAV) in CHF	12.68	12.07
Share price as of 31.3. in CHF	10.10	9.00
P/E ratio	8.2	6.2
Dividend in CHF	0.35*	0.30
Dividend yield in %	3.5*	3.3

* Proposal to the general shareholders' meeting of 5.7.2002.

Share capital as of 31 March 2002

Ordinary capital	CHF 285,262,560 divided into 28,526,256 bearer shares with nominal value CHF 10
Authorised capital	CHF 142,618,180 divided into 14,261,818 bearer shares with nominal value CHF 10 Issuance permitted until 6.7.2002*
Conditional capital	CHF 50,000,000 (for convertible bond or bond with warrant) divided into 5,000,000 bearer shares with nominal value CHF 10 CHF 10,000,000 (for profit-sharing plan) divided into 1,000,000 bearer shares with nominal value CHF 10

* The Board of Directors proposes the renewal of the authorised capital to the general shareholders' meeting of 5.7.2002.

Changes in the capital during the past 3 years

15.4.1999	Capital increase of CHF 25,760,000
	from authorised capital with subscription rights
7.9.1999	Capital increase of CHF 5,400,000
	from authorised capital without subscription rights, fully paid in by way of a contribution in kind in connection with the acquisition of a property
20.10.1999	Capital increase of CHF 5,654,550
	from authorised capital without subscription rights, fully paid in by compensation of receivables in connection with the acquisition of a property
16.2.2000	Capital increase of CHF 171,141,820
	by way of ordinary capital increase with subscription rights and public placement
6.7.2001	Introduction of a unitary share structure
	by converting 477,090 bearer shares of CHF 1 nominal value into 47,709 bearer shares of CHF 10 nominal value and a capital increase by CHF 26,190

Dividend policy

The annual pay-out ratio shall be in the order of 30 to 40 percent of realised profit. For the business year 2001/2002, the Board of Directors proposes to the general shareholders' meeting a dividend payment of CHF 0.35 per share of CHF 10 nominal value.

Major shareholders

With a 30.7 percent stake, Co-operative Investment Fund Westblaak UA, Rotterdam, is the largest shareholder of Züblin Immobilien Holding AG as of 31 March 2002. The Board of Directors and the Group Management have no knowledge of any other shareholders controlling more than 5 percent of the share capital.

Outstanding options

As of 31 March 2002, 238,970 options on shares from the profit-sharing plan for the financial year 2000/2001 were outstanding. One option entitles to buy one share of Züblin Immobilien Holding AG. The options may be exercised from 7 May 2004 to 6 May 2006 at a strike price of CHF 12.08 per share.

Treasury shares

As of 31 March 2002, Züblin Immobilien Holding AG held 358,097 treasury shares, 238,970 of which are reserved to cover outstanding options.

Transparency in corporate governance

Introduction

Since its reorganisation in 1998, the Züblin Immobilien Group has been committed to a high level of transparency. The information in this annual report conforms to the SWX Swiss Exchange directive on corporate governance which will come into force for annual reports covering the business year 2002. In addition, these requirements have also been incorporated in Züblin's revised organisational by-laws.

Investor relations

The Züblin Immobilien Holding AG provides its shareholders and the capital markets with open and up-to-date information and maximum transparency. The main information instruments are the annual report and the semi-annual report,

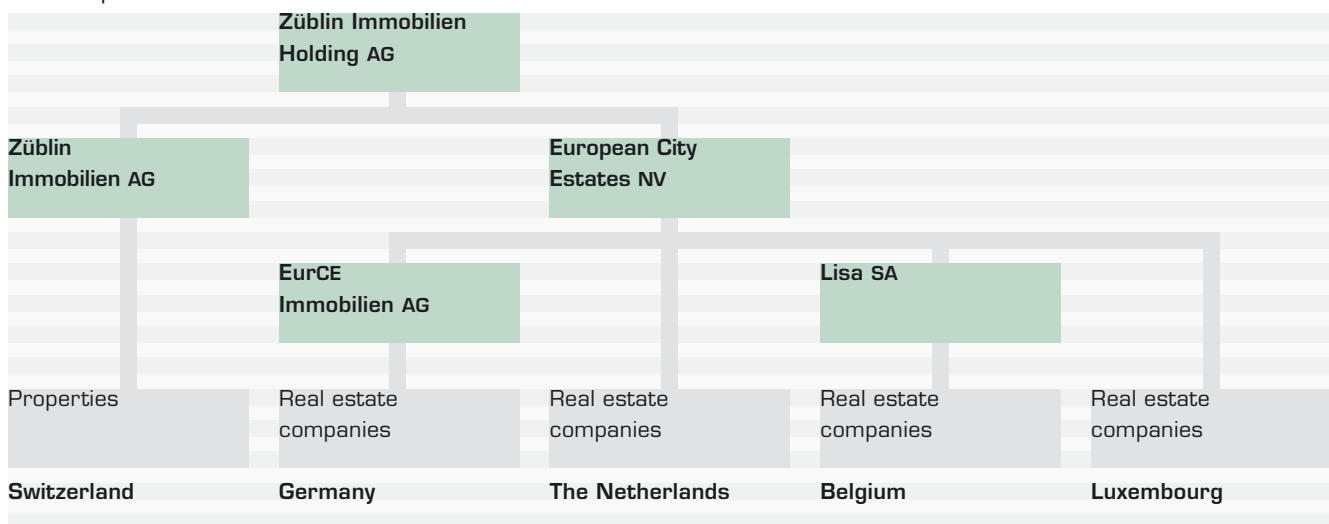
the website (www.zueblin.ch), press releases, the presentation of the annual financial figures to the media and analysts as well as the general shareholders' meeting. In September 2001, www.zueblin.ch was awarded for best Internet site of all listed companies in Switzerland by the economic newspaper «Finanz und Wirtschaft». As a listed company, the Züblin Immobilien Group is obliged to provide all information which may have a direct influence on the share price (ad hoc publicity, Art. 72 of the listing regulations). The listing regulations are available under www.swx.ch. For any additional information, please contact

Dr. Franz Hidber
Chairman of the Board of Directors and CEO
Phone +41 1 206 29 39
franz.hidber@zueblin.ch

Management structure

Board of Directors		Dr. Franz Hidber , Chairman
		Pierre N. Rossier , Deputy Chairman
		Jan G. Bosch
		Dr. Dr. h.c. Henri B. Meier
Group Management		Dr. Franz Hidber , CEO
		Bruno Schefer , CFO
Management Support Team	internal	Maria Annunziata , Portfolio Management Switzerland
		Thomas Kaul , Finance
	external	Marc Bloch , Acquisitions Switzerland
		Enrico van Erkelens , Portfolio Management Europe
		Dr. Christoph Joller , Legal Adviser Real Estate
		Haydar Odok , Capital Markets
		Dr. Stephan Pfenninger , Tax Adviser

Group structure



Management structure

The Board of Directors is responsible for the definition of the company strategy while the Group Management's duty is its implementation. The management of Züblin comprises the Group Management (CEO and CFO) and the internal Management Support Team. It focuses on operational tasks and represents the Züblin Immobilien Group towards third parties. The external Management Support Team is made up of external specialists who support the decision-making process and serve as advisers to the Group Management. Its members are not authorised to represent the company, with the exception of Enrico van Erkelens who, together with the Group's CFO, acts as general manager of various foreign companies of the Züblin Immobilien Group. Additional information on the members of the Board of Directors, the Group Management and the Management Support Team is available under www.zueblin.ch.

Group structure

The Züblin Immobilien Holding AG's participations in various subholdings and subsidiaries are listed in detail on page 68 (Group companies as of 31 March 2002) as well as on pages 114 and 115 (overview of ownership). The management of the subholdings and subsidiaries merely fulfil legal and statutory duties and otherwise act in accordance with the directives of the Group Management. The information on the minority interest in CI Contractors Investors AG (construction activities) can be found on pages 65 to 67.

Board of Directors

	Member since	Elected until the general shareholders' meeting
Franz Hidber, Chairman (1934) Dr. oec., from Mels in Wollerau. CEO of the Züblin Immobilien Group.	1998	2003
Pierre N. Rossier, Deputy Chairman (1944) Business Economist, from Villarzel in Erlenbach. Delegate of the Board of Directors of Rossier Mari & Associates AG, Investment Consultants, Zurich.	1998	2003
Jan G. Bosch (1938) citizen of The Netherlands in Fribourg. Entrepreneur in the international real estate and hotel business. Representative of the largest shareholder of Züblin Immobilien Holding AG: Co-operative Investment Fund Westblaak UA, Rotterdam.	1998	2003
Henri B. Meier (1936) Dr. Dr. h.c., from Buttisholz in Buonas. CFO and member of the Executive Committee and member of the Board of Directors of Roche Holding AG between 1986 and 2000. Additional board mandates with listed companies: Roche Holding AG, Rentenanstalt/Swiss Life, Givaudan AG, Grand Hotel Victoria-Jungfrau AG.	2001	2004

The members of the Board of Directors are elected for a tenure of three business years. As a rule, the members of the Board of Directors resign from their positions upon reaching the age of 70. The Board of Directors constitutes itself and elects a chairman and a deputy chairman from its midst.

The Board of Directors is composed of the Chairman, who simultaneously is Chief Executive Officer (CEO) of the Züblin Immobilien Group, and three non-executive members.

Executive member

The double mandate of Chairman and CEO reflects the present size of the Züblin Immobilien Group. The Board of Directors can fully benefit from the expertise and market knowledge of its Chairman/CEO for the most important decisions pertaining to the purchase and sale of real estate. In addition, the combination of the two functions ensures a flexible and quick decision-making process.

Non-executive members

The non-executive members of the Board of Directors ensure an effective corporate governance since they also fulfil the duties of the audit and the remuneration committee.

No non-executive member of the Board has held an executive office within the Züblin Immobilien Group during the last three years or has any major business relations with the Group.

Jan G. Bosch is the representative of the Bosch family who controls the Co-operative Investment Fund Westblaak UA, Rotterdam, the largest shareholder of the Züblin Immobilien Holding AG with a stake of 30.7 percent.

Duties and competencies

The Board of Directors convenes as often as the business requires it; in the course of the business year 2001/2002, the Board of Directors convened nine times. It is quorate if the majority of the members is present. The decisions require a majority of the votes. The Board of Directors is responsible for the definition of the Group's strategy, the supervision of the Group and the constitution of the organisation, the appointment and dismissal of the members of the Group Management as well as the structuring of the accounting, the financial planning and controlling. The Board of Directors takes all decisions on the purchase and sale of real estate, establishes annual targets as well as the annual budget and the investment budget for the real estate portfolio.

Committees

The audit committee assesses the Group Management with regard to the implementation of the strategy, the compliance with the law, the articles of incorporation, internal regulations and the directives as well as risk management.

The audit committee assesses the external auditor and examines the results of the audit, the accounting principles and the internal financial control systems.

The remuneration committee develops principles for the remuneration (including profit-sharing plan) of the Board of Directors and the Group Management and reviews the performance of the Chairman of the Board.

Both committees make their decisions by majority vote. They report and make proposals to the Board of Directors.

Group Management

- Franz Hidber, CEO
(1934) Dr. oec., from Mels/SG in Wollerau. Chief Executive Officer (CEO) of the Züblin Immobilien Group and Chairman of the Board of Directors of Züblin Immobilien Holding AG since 1998.
- Bruno Schefer, CFO
(1953) from Teufen/AR in Herrliberg. Chief Financial Officer (CFO) of the Züblin Immobilien Group since 1997.

Management contracts

Certain duties of the portfolio management in Germany, The Netherlands, Belgium and Luxembourg are delegated to Equity Estate BV, Amsterdam, and Equity Estate Deutschland GmbH, Berlin. For this purpose Züblin has entered into several management contracts. Based on these contracts, Enrico van Erkelens, Managing Director of Equity Estate BV, acts, together with the CFO of the Züblin Immobilien Group, as Managing Director of various companies of the Group and thus has an executive function. Remuneration is based on the results and the transactions completed (purchase and sales). The majority of the contracts may be terminated annually with a term of notice of 3 or 6 months, respectively.

Remuneration

Upon proposal of the remuneration committee, the Board of Directors determines the annual compensation for the members of the Board and the Group Management, which consists of a base salary and a component linked to personal performance and the achievement of business targets (see profit-sharing plan).

Non-executive members of the Board of Directors

In the business year 2001/2002, the non-executive members of the Board of Directors were paid a total of CHF 255,000. In addition, they received a profit share for the business year 2000/2001 of a total of 40,440 options as well as an allocation of a total of 6,734 shares.

Executive member of the Board of Directors and Group Management

In the business year 2001/2002, the Chairman of the Board, who is also the CEO, and the CFO were paid a total of CHF 1,311,000 (Board of Directors' fees, salary and cash bonus). In addition, they received a profit share for the business year 2000/2001 of a total of 198,530 options as well as an allocation of a total of 29,742 shares. In principle, the salary of the members of the Group Management is insured in the pension fund. No additional claims to the pension fund exist. The employment contracts for the members of the Group Management are agreed upon with a term of notice of one year. The exit compensation in the case of termination through

the employer is equal to two annual compensations including a profit share calculated on the average of the two previously accounted business years.

In the business year 2001/2002, the highest individual compensation paid to a member of the Board of Directors was CHF 779,000.

Profit-sharing plan

In the business year 2000/2001, the Board of Directors implemented a profit-sharing plan for the Board of Directors and the Group Management, two thirds of which consists of an allocation of shares with variable lock-up periods, and options. In order to prevent dilution in the future, the Company purchased the shares, which were necessary to cover the outstanding options, in the market. Since significant opportunity costs incurred and since almost 10 percent of the capital would be bound to cover the outstanding options under these conditions, the Board of Directors decided to replace the options by shares, subject to a lock-up period of four years, commencing with the business year 2001/2002. The profit-sharing scheme is mainly based on attaining the business targets, in particular an average return on equity of 10 percent.

Participation in the Company

As of 31 March 2002, the participations of the members of the Board of Directors and the Group Management in the Züblin Immobilien Holding AG are as follows:

Shares	Number of shares	thereof from profit-sharing plan ¹	
Non-executive members			
of the Board of Directors ²	326,234	6,734	
Chairman of the Board and members of the Group Management	34,742	29,742	
Total	360,976	36,476	
in % of outstanding capital	1.3		

Share options	Number of options	Strike price ³ in CHF	Exercise period
Non-executive members			
of the Board of Directors ²	40,440	12.08	7.5.04 to 6.5.06
Chairman of the Board and members of the Group Management	198,530	12.08	7.5.04 to 6.5.06
Total	238,970		

¹ Shares allocated via profit-sharing plan are subject to a lock-up period (see page 85).

² Not including the participation of the Investment Fund Westblaak which may be found in the chapter on the Züblin share under «Major shareholders».

³ The strike price for the options cannot be adapted.

Auditor

Since 1998, Ernst & Young AG, Zurich, is auditor of the Züblin Immobilien Group and statutory auditor of Züblin Immobilien Holding AG. Martin Stäubli acts as auditor in charge since the business year 1999/2000. The auditor is elected for one year by the general shareholders' meeting. The auditor carries out his duties within the framework of the legal requirements as well as in accordance with the standards promulgated by the profession. The audit com-

mittee may give additional controlling tasks to the auditor, in particular concerning identified key risk positions. The auditor regularly informs the Group Management and the audit committee on his findings and brings forward suggestions for improvement. In the business year 2001/2002, the fee for Ernst & Young was CHF 364,500 for the audit and CHF 143,600 for legal advisory.

Independent real estate appraisers

At the end of each business year, the open market value of each individual property of the Züblin portfolio is determined by independent external real estate appraisers. This requirement accords to the regulations of IAS 40 (Investment Property), applied by the Züblin Immobilien Group. The two mandated international specialists – Jones Lang LaSalle (Switzerland, Germany, Belgium, Luxembourg) and CB Richard Ellis (The Netherlands) – use the discounted cash flow method for their assessments. In this procedure, the present real estate value is established by discounting the future income and expenses over a forecast period of 10 years. In the business year 2001/2002, the fee for the annual appraisals was CHF 321,100 for Jones Lang LaSalle and CHF 196,600 for CB Richard Ellis. For additional services CHF 269,500 were paid to Jones Lang LaSalle.

Participation and protection rights of shareholders

The shareholders of Swiss companies are accorded extensive participation and protection rights. The protection rights include, among others, the information and inspection right (OR 696, 697), the right to special audit (OR 697a), the right to call a general meeting of shareholders (OR 699/III), the right to inclusion in the agenda (OR 699/III), the right to challenge resolutions of the general shareholders' meeting (OR 706 ff) and the right to sue for damages (OR 752 ff). The participation rights include primarily the right to attend the gen-

eral shareholders' meeting, freedom of opinion and the right to vote (OR 694). The articles of the Swiss Code of Obligations are available under www.admin.ch, the articles of incorporation of Züblin Immobilien Holding AG are available under www.zueblin.ch.

Change of control and defensive action

According to Art. 32, para. 1 of the Federal Law on Stock Exchanges and Securities Trading (Stock Exchange Law), the obligation to make an offer is indicated if someone directly or indirectly acquires equity securities which exceed the level of 33¹/₃ percent of the voting rights. According to Art. 29 of the Stock Exchange Law, in the case an offer has been submitted, the Board of Directors has the obligation to provide the shareholders with the information necessary to examine the offer and is not authorised to take defensive action (no significant modification to assets and liabilities of the company from the moment the offer is submitted, with the exception of transactions which were approved by the general shareholders' meeting). The articles of the Stock Exchange Law are available under www.admin.ch.

In the case of a takeover, the Board of Directors and the Group Management are entitled to a takeover bonus which depends on the takeover price. A takeover is effected in the case that an offeror is in possession of more than 50 percent of the shares of Züblin Immobilien Holding AG. If any member of the Board of Directors and the Group Management is no longer active for the Züblin Immobilien Group after the takeover, he is entitled to an exit compensation of three annual compensations, excluding any share of profits.

Recognise, measure and control risks

Background

The Züblin Immobilien Group purchases real estate in European economic regions, creates added value through an active management of the properties and then sells them. To refinance the real estate portfolio, loans are taken in the currency of the country for up to 70 percent of the financing. The loans are predominantly a mixture of variable and fixed interest rate mortgages. The duration and conditions of the loan contracts depend on the rental situation and the planned time framework for the sale of individual properties.

Categories of risks

Business risks include primary risks which are inherent to our business strategy, as well as secondary risks that may arise from the business activity. The exact description of the risks involved enables the shareholders to assess the risk-return structure of the Züblin share.

The **primary risks** of the Züblin Immobilien Group comprise:

- Real estate risks
- Interest rate risks
- Currency risks

The **secondary risks** include refinancing or liquidity risk, credit risk and tax risks – especially those caused by deferred taxes.

Targets and principles of financial risk management

In order to secure the annual target of a 10 percent return on equity over several years, the Züblin Immobilien Group implements a consistent risk management. Züblin thus is able to control the spread between the rental income and the refinancing costs. The diversification into different geographic regions and into different use types of the real estate makes the Züblin share an optimised real estate investment with a limited currency risk.

Real estate risks

The management of real estate risks is one of the core competencies of the Züblin Immobilien Group. Basically, it includes the real estate market risk and the rental risk. The real estate market risk is in direct relation with the real estate market cycles. This risk can partly be reduced through the Züblin Immobilien Group's investment strategy which is diversified into the different European economic regions. The rental risk is determined by the use type of a property, the tenant mix, the creditworthiness of the tenants, the vacancies, the potential for rental increases and the recoverable costs. Based on these determinants, the control of the real estate risks is in the hands of the real estate management.

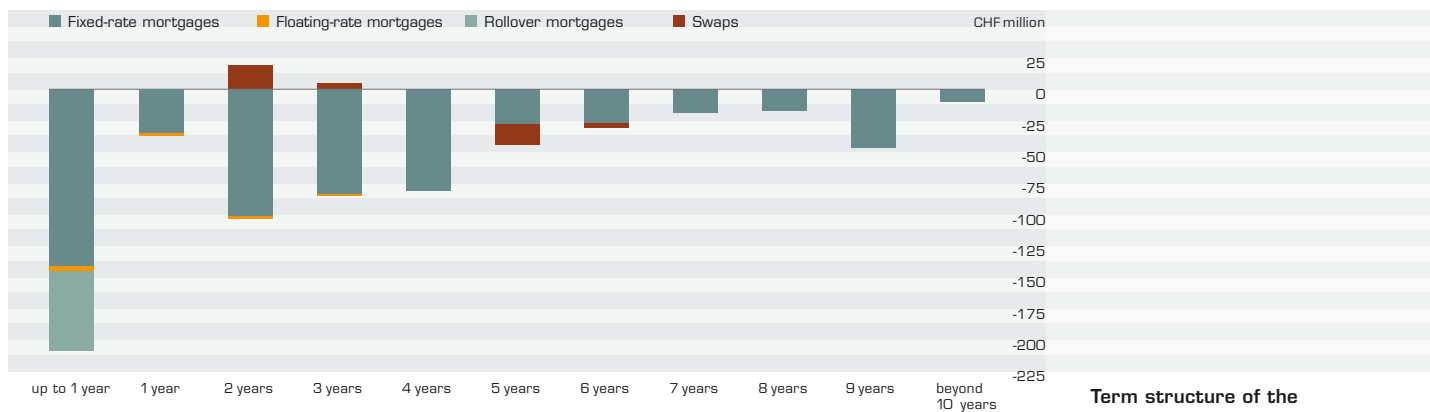
Interest rate risks

Interest rate risks are created by the fluctuations of the interest rates and the development of the interest rate curve. These risks are only incurred if the refinancing of the real estate portfolio requires it. The interest rate risks are kept to a minimum by selecting the appropriate credit contract duration, respectively interest rate structure and, depending on the circumstances, the risks are controlled by employing appropriate hedging instruments for which there is a market. Hedging transactions are recorded and evaluated in a risk management system. The Züblin Immobilien Group abstains from speculative financial transactions.

Currency risk

Approximately two thirds of the Züblin Immobilien Group's real estate portfolio is located in Euro-denominated countries. The larger portion of the currency risk is eliminated by taking Euro loans for financing real estate located in Euro-denominated countries. The remaining currency risk on the equity which is invested in the European portfolio and on the net income stemming from Euro-denominated countries is not covered.

Primary risks	Real estate risks	Interest rate risks	Currency risk
Category of risk	Main risk of a real estate investment company	Depends on the degree of debt financing	Depends on the investment strategy and refinancing
Hedging of risk	<ul style="list-style-type: none"> – Minimise the real estate risks through diversification – Minimise the rental risks through real estate management – No other measures are possible 	<ul style="list-style-type: none"> – Active management of the spread between rental income and refinancing costs through structuring of the mortgage portfolio and hedging measures 	<ul style="list-style-type: none"> – Minimise through currency-congruent refinancing – No hedging
Secondary risks	<ul style="list-style-type: none"> – Refinancing and liquidity risk – Credit risk – Tax risk 		



Term structure of the mortgage portfolio.

Structures of financial risk management

The Board of Directors of Züblin Immobilien Holding AG establishes the risk policy of the Züblin Immobilien Group and decides on medium-term measures which are necessary for an efficient risk control. The Group Management is responsible for monitoring the risk profile, the implementation of the measures to control risks, including the use of hedging instruments, as well as for providing for a regular reporting. A modern asset liability management system, tailored to the needs of the Züblin Immobilien Group, is provided for

measuring the actual financial risks and to monitor the development of risks. With this system, all interest rate and currency risks – including the existing interest rate hedges – are continuously recorded and evaluated.

Recent developments

In February 2002, a forward swap for CHF 20.8 million was entered into. This interest rate hedging transaction serves to secure the interest rate structure for the period between 2005 and 2008 to refinance a part of the Swiss real estate portfolio (see note 16 to the financial statements on page 84). Through the hedging transaction, a future interest rate level is secured which is lower than the actual refinancing rate. The future return of the properties involved will be increased through this measure.

Added value without development risk

Züblin Immobilien	Co-operation	Real estate developer
Securing attractive properties at an early stage without own development risk		Building permit Total contractor agreement Construction guarantee 70% pre-let

Strategy

The Züblin Immobilien Group refrains from own development projects. In order to secure attractive new buildings with high value potential at an early phase, the Züblin Immobilien Group enters into co-operation agreements with leading developers without having to take over the development risk. An obligation to purchase the building is only entered into when the project is granted a building permit by the authorities, when a total contractor guarantees the construction of the building and when at least 70 percent of

the property is rented out in advance.

With this strategy, the Züblin Immobilien Group provides the investors with an opportunity to participate in a diversified European portfolio of commercial properties with a clearly defined risk-return profile.

The example of Pfäffikon

This modern office building in Pfäffikon/SZ was purchased in March 2002, following a co-operation agreement with the real estate developer IWB Generalunternehmung AG which Züblin entered into in autumn 2000. The main elements of the co-operation agreement were the detailed description of the development plot, the tenant specification as well as the net yield. The property, with a usable area of 5,428 m², is occupied fifty-fifty by the technology group Unaxis Holding AG as their headquarters and by LGT Capital Management AG from Liechtenstein. Long-term rental contracts with both tenants were signed. Compared with the purchase price which was agreed upon 18 months ago, this property already recorded a significant added value after this year's valuation. The following factors have contributed to the favourable result:

Attractive location

- The upper part of the Lake of Zurich has a long tradition as a domicile for international groups such as Holcim, Kühne & Nagel and Geberit. In the past few years, the region has become a centre for specialised financial service companies such as LGT, RMF and BZ Bank.



Location

Optimal access to public transportation (railway connection to the airport) and road network (freeway Zurich-Chur). High living and leisure quality.

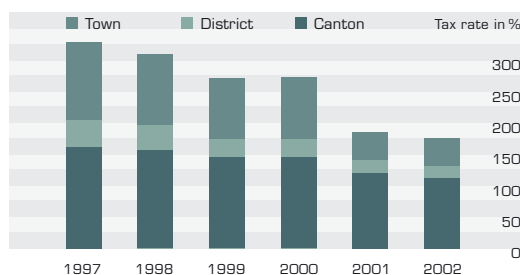


Flexible use of the property due to two separate complexes with independent access facilities and a sanitary installation system.

- Pfäffikon is a very attractive location also in the long term because it is directly connected with several railway lines and has direct access to the freeway A3.
- Attractive tax rates as well as high living and leisure quality make the region very attractive for corporations and their employees.

Sustainability guaranteed

- The modern infrastructure is geared to the requirements of ecological sustainability.
- The building's conception with two separate complexes, each of which has its own access facilities and sanitary installation system, allows a flexible use of the property by one or several tenants. This supports the continuity of rental income.



Attractive tax environment. Tax rate of Pfäffikon/SZ (town of Freienbach).

High value through co-operation and right timing

- The co-operation with the local developer ensured the best use of local inside knowledge.
- The timing of the transaction was perfect in several aspects. The town of Freienbach, where the property is located, lowered its rates for local taxes by more than 50 percent; at the same time, the canton of Schwyz and the district lowered their tax rates by 20 percent.



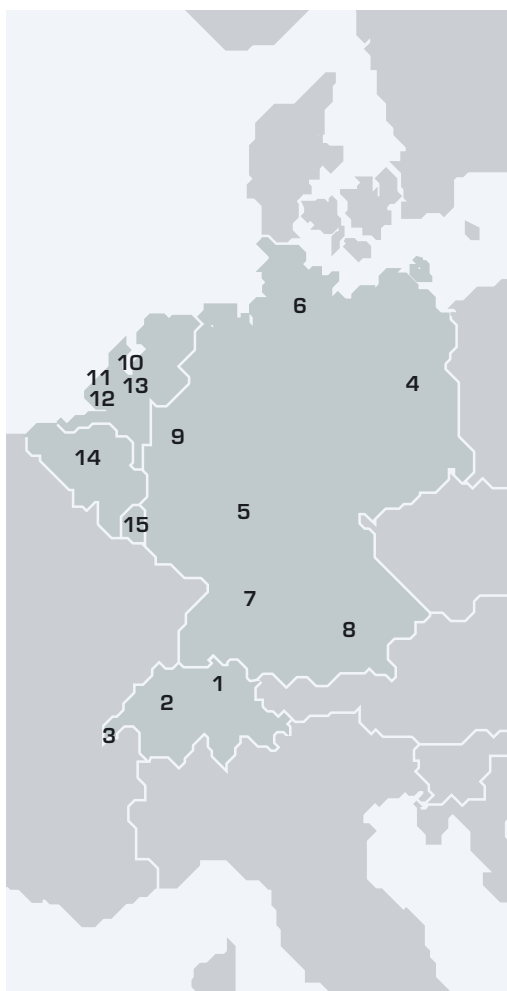
Diversification creates optimal risk-return profile

Investment strategy

By diversifying into various European economic regions, the Züblin Immobilien Group has built up a portfolio of commercial real estate with an optimal risk-return profile.

When evaluating the properties, rigorous selection criteria are applied. For investments and divestments, the different real estate market cycles in Europe are exploited: real estate is purchased in those regions where the real estate market cycle is in the upward phase while in regions where the peak of the cycle has been reached, the aim is to sell. During the time the properties are part of the portfolio the existing potential is realised in order to create added value.

The Züblin Immobilien Group consciously abstains from own development projects but enters instead into co-operation agreements with developers in order to get a hold on attractive properties while avoiding development risks.



The Züblin portfolio

Switzerland

- 1 Zurich
- 2 Bern
- 3 Geneva

Germany

- 4 Berlin
- 5 Frankfurt
- 6 Hamburg
- 7 Stuttgart
- 8 Munich
- 9 Düsseldorf

The Netherlands

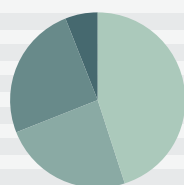
- 10 Amsterdam
- 11 The Hague
- 12 Rotterdam
- 13 Utrecht

Belgium/Luxembourg

- 14 Brussels
- 15 Luxembourg

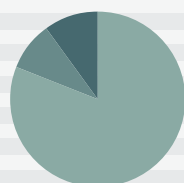
Total portfolio as of 31 March 2002

Market value	CHF 1,101.6 million
	EUR 750.9 million
Number of properties	61
Usable area	471,495 m ²
Annual rental income	CHF 78.5 million
Vacancy rate (CHF)	9.1%



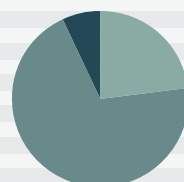
Regional structure of the portfolio by market value

44%	Switzerland
25%	Germany
25%	The Netherlands
6%	Belgium/Luxembourg



Structure of the portfolio by investment category in % of annual rental income

81%	Office
9%	Trade/Logistics
10%	Retail



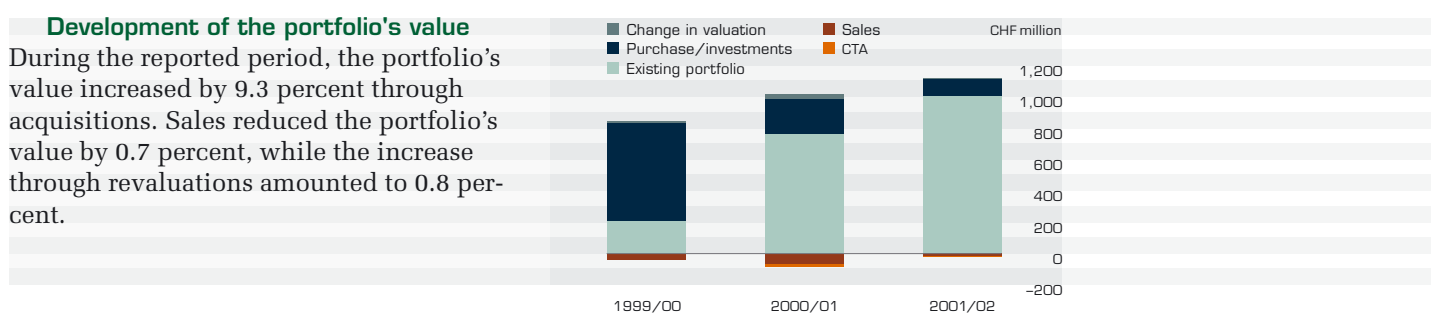
Structure of the portfolio by Züblin Immobilien Rating™

14	AAA
43	AA
4	A

Development of the portfolio

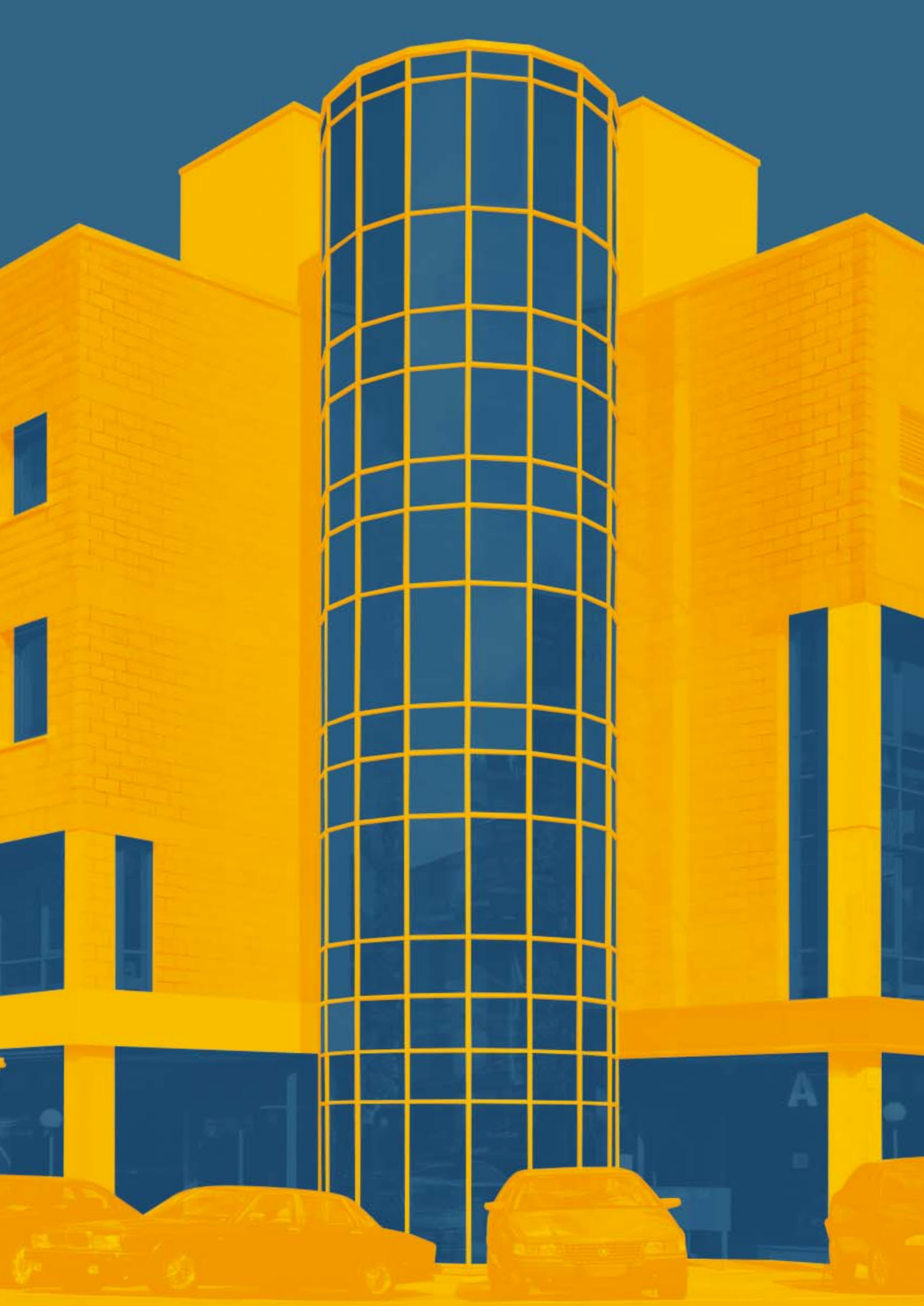
During the reported period, only few of the properties examined fulfilled the rigorous assessment criteria of the Züblin Immobilien Group. As a consequence, the portfolio grew only slightly since last year. Five properties for a total price of CHF 84.5 million were acquired in Switzerland, Germany and Belgium, while one property each was sold with profit in Germany and The Netherlands. Due to the cautious activities of investors in the second half of the business year, Züblin sold less properties than would have been indicated based on the background of the real estate market cycles. Due to the weaker EUR/CHF foreign exchange rate, the total value of the portfolio increased only by 6.8 percent from CHF 1,031.7 million to CHF 1,101.6 million. The annual valuation of the portfolio through independent real estate appraisers shows a mixed picture, depending on the market situation, the quality and the rental situation of the properties: a higher valuation of totally CHF 35 million stands against a lower valuation of CHF 27 million.

Largest tenants		Share of rent in % of annual rental income
Walter Meier Group (Switzerland)		3.9
Senter for Technology (The Netherlands)		2.5
Unaxis Management AG (Switzerland)		2.0
Moerdijk Marine Terminal (The Netherlands)		1.9
SBB Generaldirektion (Switzerland)		1.9
Total		12.2



Market development

The real estate market showed a positive development in the first months of the business year 2001/2002. However, as a consequence of world-wide recession and the terrorist attacks of 11 September 2001, the growth in the European real estate market suffered a significant slow-down in late summer/early autumn. After rental as well as investment activities almost came to a standstill, the market has shown new signs of life since spring 2002. Top rents in economic centres have mostly held their levels or have only slightly decreased in some areas. Overheated rental rates again normalised, especially in regions where the area supply was concentrated on the IT, media and telecommunication businesses.

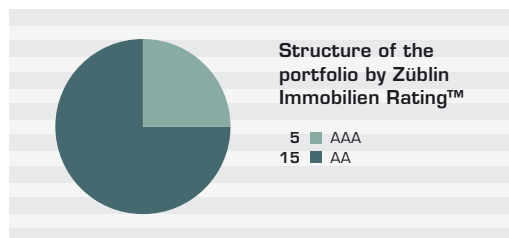
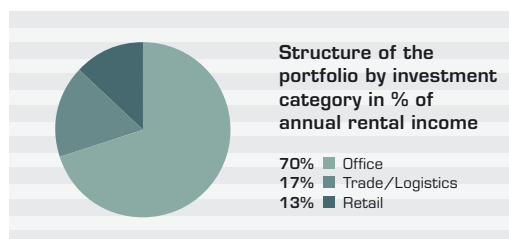
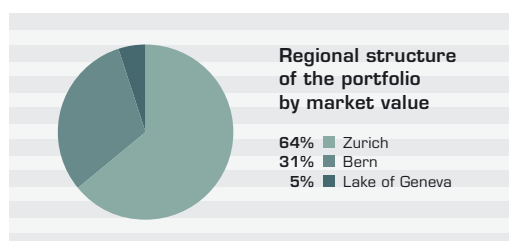


Portfolio in Switzerland as of 31 March 2002

Development of the portfolio

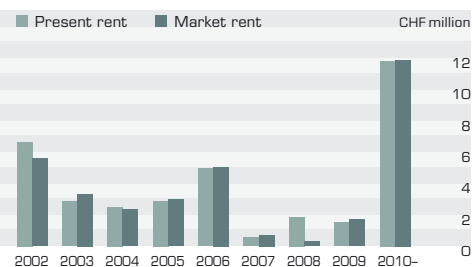
In the business year 2001/2002, the Züblin Immobilien Group concentrated its efforts mainly on creating added value for the existing portfolio and examined various possibilities for acquisitions. Within the scope of a co-operation with the real estate developer IWB Generalunternehmung AG, a fully rented new office building in Pfäffikon/SZ was purchased in March 2002. As the returns of most of the examined properties did not fulfil the criteria of the Züblin Immobilien Group it refrained from acquiring any other properties. The contract with the British Internet service company, Tele City, who occupied a property at Binzmühlestrasse in Zurich, was dissolved. After finding an acceptable solution for both parties, Züblin can now concentrate on finding a suitable new tenant until the end of 2002. Negotiations with several potential tenants are presently taking place.

Market value	CHF 486.6 million
	EUR 331.7 million
Number of properties	20
Usable area	164,962 m ²
Annual rental income	CHF 34.4 million
Vacancy rate (CHF)	2.1%



Analysis of rental contracts

In the Swiss portfolio, contract rents are predominantly below market rents. The current year is exceptional since the rental payments of Tele City will be terminated. In the next three years, 34 percent of the rental contracts will have to be renewed.



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.

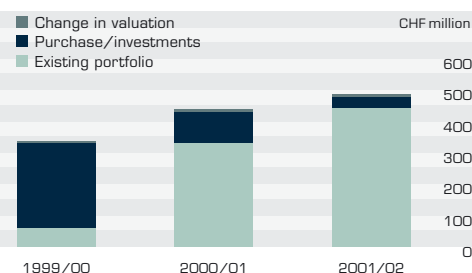
Largest tenants

Share of rent in % of annual rental income

	Swiss portfolio	Total portfolio
Walter Meier Group, Schwerzenbach	8.9	3.9
Unaxis Management AG, Pfäffikon	4.6	2.0
SBB Generaldirektion, Zollikofen	4.2	1.9
Etat de Genève, Police, Geneva	4.1	1.8
LGT Capital Management AG, Pfäffikon	3.4	1.5
Total	25.2	11.1

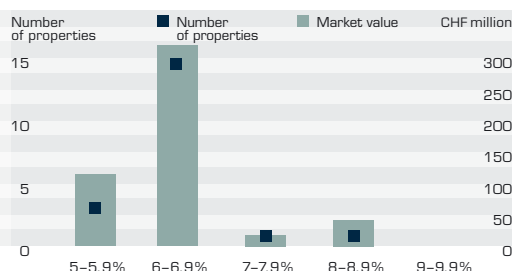
Development of the portfolio's value

During the reported period, the Swiss portfolio increased its value by 7.6 percent through acquisitions and investments. The revaluation resulted in an increase of the value by 2.5 percent.



Discount rates

For 67 percent of the portfolio, discount rates of 6 to 7 percent were applied. The lowest rate was 5.25 percent. Compared to the previous year, no significant changes occurred.



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 71.

Office real estate market in Switzerland

Region/ City	Usable area million m ²	Turnover new/re-lettings million m ²	Vacancy rate %	Top rents per m ² CHF/year	Trend (2 to 3 years)		
					Demand	Supply	Rents
Basel	3.3	0.1	2.7	600	→	→	→
Bern	1.7	0.1	3.9	750	→	→	↗
Geneva	2.7	0.1	4.0	1,020	→	→	↗
Zurich	7.0	0.3	1.3	1,280	→	↗	→

Sources: Jones Lang LaSalle, Wüest & Partner, first quarter 2002

Market development

During the first half-year of 2001, several large-scale real estate transactions, such as the portfolio sales of Swisscom and Novartis, were carried out in Switzerland. In the region of Zurich, where the Züblin Immobilien Group has almost two thirds of its Swiss portfolio, the rents remained stable or began to retreat slightly after the sharp increase of the past few years. Compared to the end of 2001, when demand for office space practically came to a standstill, the market has shown some new signs of life during the first quarter of 2002. The

low vacancy rate of 1 percent shows that office space in the centre is still very much in demand. In the Zurich region, many development projects are being planned at the moment. Even if some of these projects will not immediately be realised, especially in Zurich North, a glut and the resultant inevitable pressure on rents will have to be taken into consideration.

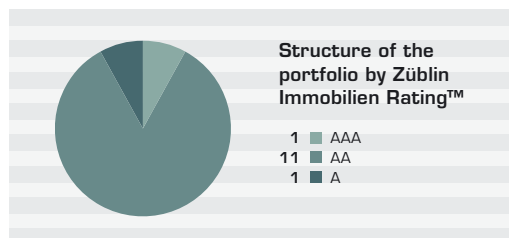
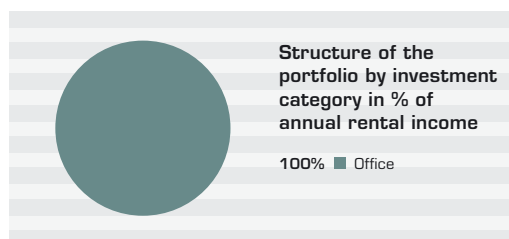
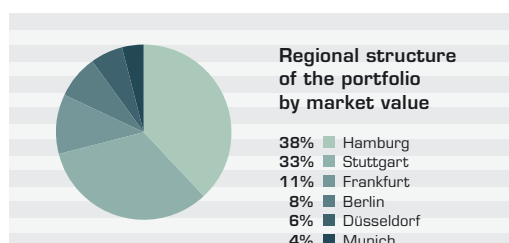


Portfolio in Germany as of 31 March 2002

Development of the portfolio

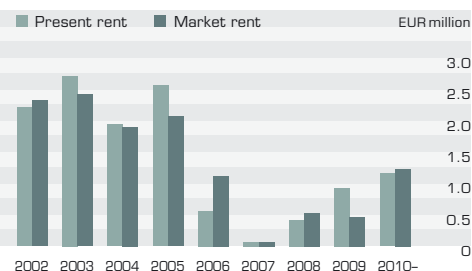
During the business year 2001/2002, the Züblin Immobilien Group expanded its portfolio in Germany with three additional properties in Munich, Wiesbaden and Düsseldorf. It now has a foothold in all the important economic regions in Germany. In Erfurt, the last property, which was not located in any of the economic regions where Züblin wants to be represented, was sold with profit. With the aim to create added value for the existing portfolio, steps were initiated to transform or to refurbish some of the properties. This, on the other hand, temporarily led to higher vacancies.

Market value	CHF 268.6 million
	EUR 183.1 million
Number of properties	13
Usable area	111,752 m ²
Annual rental income	CHF 18.5 million
Vacancy rate (CHF)	11.4%



Analysis of rental contracts

In the next three years, rental contracts covering 54 percent of today's annual rental income will expire. The market rents of these contracts are 4 percent below the present rents.



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.

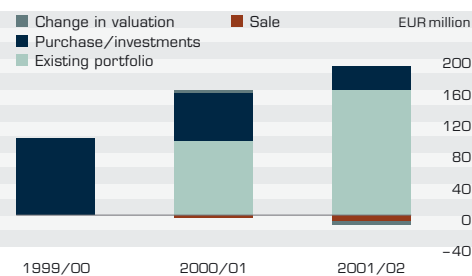
Largest tenants

Share of rent in % of annual rental income

	German portfolio	Total portfolio
General Motors Services, Rüsselsheim	7.8	1.9
Freie und Hansestadt, Hamburg	7.3	1.7
Strabag AG, Hamburg	4.3	1.0
Topbau, Munich	3.9	0.9
H.F. Reemtsma, Hamburg	3.8	0.9
Total	27.1	6.4

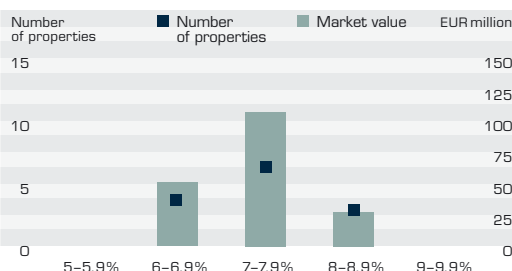
Development of the portfolio's value

During the reported period, the German portfolio increased its value by 17.7 percent through acquisitions and investments. The revaluation resulted in a reduction of the value by 2.9 percent.



Discount rates

For 58 percent of the portfolio, discount rates of 7 to 8 percent were applied. None of the rates is below 6.5 percent. Compared to the previous year, no significant changes occurred.



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 71.

Office real estate market in Germany

Region/ City	Usable area million m ²	Turnover new/re-lettings million m ²	Vacancy rate %	Top rents per m ² EUR/year	Trend (2 to 3 years)		
					Demand	Supply	Rents
Berlin	15.7	0.4	6.6	336	↗	→	→
Düsseldorf	5.2	0.4	4.9	306	→	↗	→
Frankfurt	10.2	0.6	3.3	570	↗	↗	↗
Hamburg	12.5	0.4	2.7	294	→	↗	→
Munich	15.6	0.9	1.8	384	↗	↗	→
Stuttgart	6.7	0.2	1.8	234	↘	↗	→

Source: Jones Lang LaSalle, first quarter 2002

Market development

A strong demand for office space and low vacancies resulted in an increase of rents in the first half-year of 2001. Due to the general cooling of the economic climate by autumn, however, the real estate market in Germany was subject to a correction. This was reflected in the generally slightly decreasing top rents and the slightly higher vacancies. Since the hopes for an economic recovery were fulfilled in the first quarter of 2002, the market has again

become more active. There are still significant differences not only between the individual economic regions but also within the same agglomeration: Munich, which represents the strongest market for office space, has a vacancy rate of less than 2 percent, while Berlin still shows a figure of 6.6 percent.

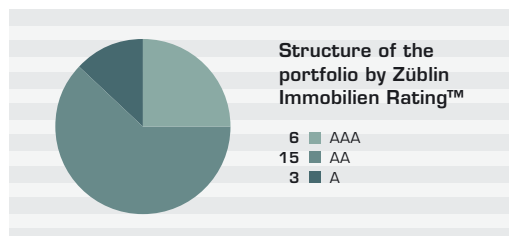
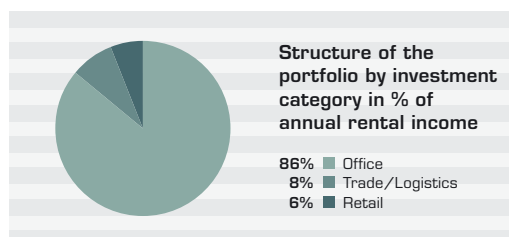
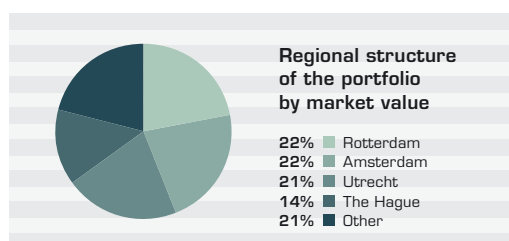


Portfolio in The Netherlands as of 31 March 2002

Development of the portfolio

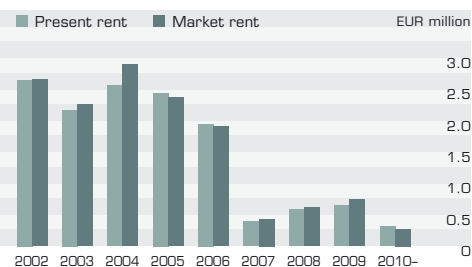
As a result of the situation on the real estate market and the cautious activities of investors in the second half of the business year 2001/2002, the Züblin Immobilien Group did not sell as many properties in The Netherlands as it had planned. One property was sold in Veldhoven which was held by Züblin and Apollo Real Estate in a joint venture. With a sales price of CHF 6.9 million a profit was achieved, compared with the valuation as of 31 March 2001. The measures to increase the value of the Dutch portfolio were further pushed ahead. At present, four properties in Amsterdam are under renovation which inevitably led to a higher temporary vacancy rate. In order to find new tenants for the property in Moerdijk, which became partially vacant as a consequence of a decline of the logistics business, intensive marketing activities are being undertaken.

Market value	CHF 279.6 million
	EUR 190.6 million
Number of properties	24
Usable area	165,426 m ²
Annual rental income	CHF 20.0 million
Vacancy rate (CHF)	18.8%



Analysis of rental contracts

In the next three years, rental contracts covering 54 percent of today's annual rental income will expire. Market rents are approximately 6 percent above the present rents which shows a significant potential for a value increase.



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.

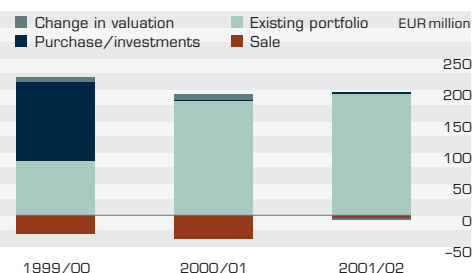
Largest tenants

Share of rent in % of annual rental income

	Dutch portfolio	Total portfolio
Senter for Technology, The Hague	9.7	2.5
Moerdijk Marine Terminal, Rotterdam	7.4	1.9
Commit Arbo, De Meern	6.4	1.6
Rijksgebouwendienst, Nieuwegein	5.7	1.5
A-bdrijven Zeist Holding BV, Zeist	4.8	1.2
Total	34.0	8.7

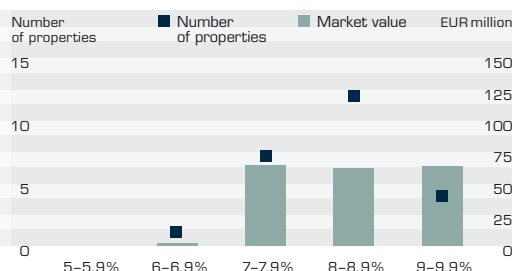
Development of the portfolio's value

During the reported period, the Dutch portfolio increased its value by 1.7 percent through investments. Sales resulted in a reduction by 2.3 percent while the revaluation reduced the value by another 0.7 percent.



Discount rates

For 32 percent of the portfolio or 50% of the properties, discount rates of 8 to 9 percent were applied. Compared to the previous year, higher discount rates were applied for some of the properties.



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 71.

Office real estate market in The Netherlands

Region/ City	Usable area million m ²	Turnover new/re-lettings million m ²	Vacancy rate %	Top rents per m ² EUR/year	Trend (2 to 3 years)		
					Demand	Supply	Rents
Amsterdam	6.2	0.3	6.5	363	↘	↗	↗
Rotterdam	3.5	0.1	3.7	182	→	↗	↗
The Hague	4.2	0.2	2.8	209	↗	↗	↗
Utrecht	2.1	0.1	3.1	197	→	↗	↘

Source: Jones Lang LaSalle, first quarter 2002

Market development

In The Netherlands, the economic downturn, combined with a partially sharp fall in demand for office space has had a negative impact on the real estate market. Since, at the same time, the area supply was increased, a buyer's market ensued and rents have generally slightly fallen. Regional differences also occur in the Dutch market. In Amsterdam, where the demand by IT, media and telecommunication was especially slack, top rents came down for the first time since 1992. In Rotterdam, on the other hand, top rents remained unchanged for five consecutive quarters despite a decreasing demand.

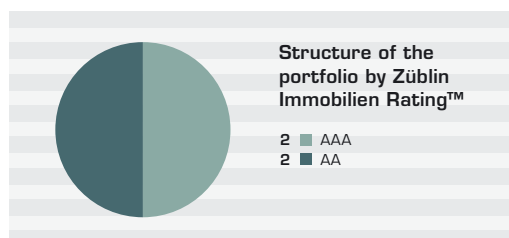
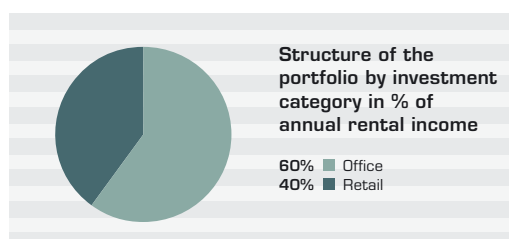
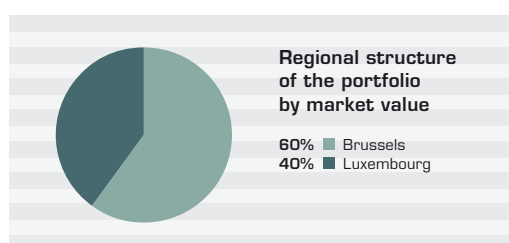


Portfolio in Belgium/Luxembourg as of 31 March 2002

Development of the portfolio

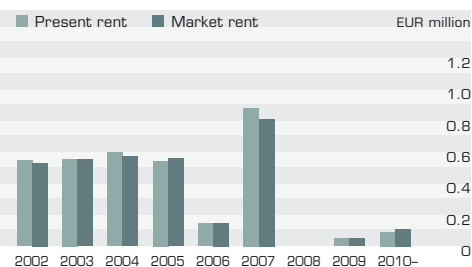
In the reported period, the portfolio in Belgium was augmented by another property in Brussels. The property in Luxembourg was further upgraded. A part of the property is presently under renovation and is already rented out. The sale of the property is planned as soon as the market environment allows to realise a value increase.

Market value	CHF 66.8 million
	EUR 45.5 million
Number of properties	4
Usable area	29,353 m ²
Annual rental income	CHF 5.5 million
Vacancy rate (CHF)	2.5 %



Analysis of rental contracts

In the next three years, rental contracts covering 50 percent of today's annual rental income will expire. The market rents of these contracts are approximately 3 percent below the present rents. Due to the excellent location and with a view to the satisfaction of the tenants, Züblin expects to be able to renew the contracts at today's conditions.



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.

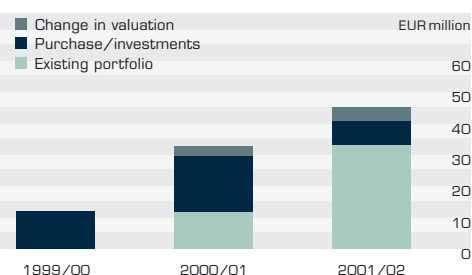
Largest tenants

Share of rent in % of annual rental income

	Portfolio	
	Belgium/Luxembourg	Total portfolio
Abay TS, Brussels	26.2	1.7
Aventure Luxembourg SA, Luxembourg	7.7	0.5
Staples, Brussels	7.5	0.5
Van Rymentant, Brussels	5.6	0.4
Brantano, Luxembourg	4.0	0.3
Total	51.0	3.4

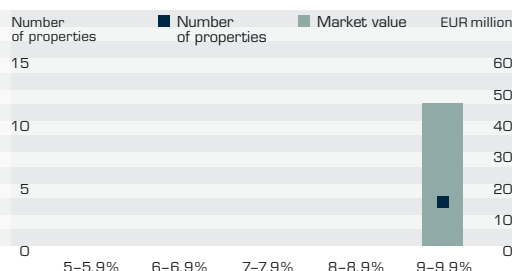
Development of the portfolio's value

During the reported period, the portfolio in Belgium increased its value by 53 percent through acquisitions. The market value of the Luxembourg property increased by 22 percent through the revaluation.



Discount rates

For all properties in Belgium and Luxembourg, discount rates of 9.25 to 9.75 percent were applied. Compared to the previous year, no significant changes occurred.



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 71.

Office real estate market in Belgium/Luxembourg

Region/ City	Usable area million m ²	Turnover new/re-lettings million m ²	Vacancy rate %	Top rents per m ² EUR/year	Trend (2 to 3 years)		
					Demand	Supply	Rents
Brussels	10.6	0.4	8.1	248	→	→	↗
Luxembourg	2.0	0.1	2.4	402	↗	↗	→

Source: Jones Lang LaSalle, first quarter 2002

Market development

Brussels also experienced a weaker market in the second half-year of 2001. However, a stabilising effect was created by the relatively high demand for office space, 40 percent of which is attributable to the needs of public authorities. Top rents increased during 2001 and have reached the top levels of 1991. The vacancies differ significantly between the individual districts: the vacancy rate in the centre is below 4 percent while in the agglomeration, vacancies of up to 10 percent were recorded.

The market in Luxembourg is still characterised by a strong growth of new office space for which more than 50 percent were related to the demands of the financial services industry. Although vacancies increased, the vacancy rate of 2.4 percent is still very low.



Consolidated financial statements

Züblin Immobilien Group

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High return from rental income and a further increase of market value

Return on equity – goal achieved

In an environment which was heavily influenced by economic and political insecurity, the Züblin Immobilien Group achieved its goal of attaining a return on equity of more than 10%. High rental income (7.2% on the average value of the portfolio) and a further increase of the market value of the real estate were instrumental for achieving a return on equity of 10.5%.



Bruno Schefer, CFO

Rental income is the basis

Clearly, the basis for the good results was the profit from rental activities which amounted to CHF 24.2 million, representing 7.3% of the equity used. In relation to the rental income, costs were again kept at a low level: the direct real estate costs of 10.2% were very low and on an international level, the administration costs of 11.6% were also comparatively low. The financial costs in relation to the average mortgages have only slightly changed in comparison with the previous year.

Profit from sales of investment properties

In the business year 2001/2002, two properties were sold for CHF 7.5 million. The resulting profit amounted to CHF 0.5 million or 6.7% of last year's market value.

Slightly positive change of market value

The difficult market environment naturally had an influence on the valuation of the portfolio. In some regions, especially in The Netherlands and Germany, negative valuation adjustments were the inevitable result. However, thanks to successful acquisitions and measures that increased the value of various properties, Züblin was able to create a significant added value,

so that the total portfolio's market value increased by CHF 5.2 million. As of the balance sheet date, the deferred tax liabilities decreased significantly by CHF 2.7 million compared to last year, due to the longer holding period of the real estate. After taking into account the costs for the real estate valuations as well as for tax advisory services and the minority interests, the increase of the market value amounted to CHF 5.3 million.

Positive changes in deferred tax assets from previous year losses

Due to the restructuring of the company's organisation and the ensuing loss compensation against future profits, additional deferred tax assets were created. The positive effect after deduction of costs amounted to CHF 4.2 million.

Composition of the net income

The consolidated net income of CHF 34.7 million is composed as follows:

in CHF million	
Net income from rental activities	24.2
Profit from sales of investment properties	0.5
Profit from change of market value ¹	5.3
Capitalisation of deferred tax assets	4.2
Contribution minority interest in construction	0.5
Consolidated net income	34.7

¹ Including deferred taxes, minority interests and costs.

Positive development of the NAV

The NAV was CHF 12.07 as of 31 March 2001. After deduction of the dividend of CHF 0.30 for the business year 2000/2001, this year's earnings per share of CHF 1.23 and the effect of foreign exchange translation (EUR/CHF) of -4% or CHF 0.32, the NAV rose to CHF 12.68 as of 31 March 2002.

Consolidated income statement

in CHF thousand	Notes	1.4.2001 to 31.3.2002	1.4.2000 to 31.3.2001
Income			
Rental income		77,217	70,087
Profit from sales of investment properties		501	3,725
Income from negative goodwill		0	596
Changes in market value of investment properties	2	5,220	38,440
Total operating income		82,938	112,848
Expenses			
Real estate expense		5,836	5,957
Maintenance and repairs		2,015	1,706
Administrative expense	3	10,940	9,799
Net financial expense	4	35,743	31,388
Total operating expenses		54,534	48,850
Result			
Operating profit		28,404	63,998
Minority interests in net income		- 1,088	- 1,413
Result from discontinuing construction operations		496	1,162
Net income before taxes		27,812	63,747
Taxes	5	- 6,863	22,458
Net income		34,675	41,289
Net income per share with nominal value CHF 10	6	CHF 1.23	CHF 1.46

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	31.3.2002	31.3.2001
Assets			
Non-current assets			
Investment properties	2	1,101,618	1,031,661
Furnishings and equipment	8	2,004	504
Investment in associated company	9	5,916	5,420
Deferred tax assets	5	17,501	8,357
Total non-current assets		1,127,039	1,045,942
Current assets			
Accounts receivable and other assets	10	24,239	29,811
Cash and cash equivalents		18,250	21,695
Total current assets		42,489	51,506
Total assets		1,169,528	1,097,448

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	31.3.2002	31.3.2001
Shareholders' equity and liabilities			
Shareholders' equity			
Share capital	11	281,681	282,771
Reserves		9,451	9,451
Retained earnings		66,056	49,111
Total shareholders' equity		357,188	341,333
Minority interests	12	19,280	18,922
Liabilities			
Mortgages payable	13	708,140	669,745
Provisions	14	0	1,178
Deferred tax liabilities	5	30,923	29,362
Long-term liabilities		739,063	700,285
Accounts payable and accrued liabilities	15	29,629	20,882
Liabilities from income tax		1,823	1,026
Bank overdraft		22,545	15,000
Current liabilities		53,997	36,908
Total liabilities		793,060	737,193
Total shareholders' equity and liabilities		1,169,528	1,097,448

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	1.4.2001 to 31.3.2002	1.4.2000 to 31.3.2001
Cash flows from operating activities			
Net income before taxes		34,675	63,747
Adjustments for:			
Interest expense	4	36,876	31,600
Changes in market value of investment properties	2	- 5,220	- 38,440
Contribution from discontinuing construction operations		- 496	- 1,162
Changes in deferred taxes	5	- 7,583	n.a.
Income from negative goodwill		0	- 596
Depreciation of furnishings and equipment	8	321	174
Changes in net current assets		14,592	- 7,763
Decrease in provisions	14	- 1,155	- 1,111
Interest paid		- 36,220	- 31,600
Income tax paid		- 541	- 1,213
Net cash from operating activities		35,249	13,636
Cash flows from investing activities			
Investments in investment properties		- 93,684	- 170,170
Disposals of investment properties		7,425	68,356
Capital expenditures in furnishings and equipment	8	- 1,820	- 250
Investments in subsidiaries excluding cash acquired		- 1,639	- 16,760
Net cash for investing activities		- 89,718	- 118,824
Cash flows from financing activities			
Bank overdraft		7,545	14,645
Mortgages		53,495	116,730
Liabilities from investments		- 141	- 122,364
Dividends paid to shareholders	7	- 8,460	- 5,695
Acquisition of treasury shares		- 973	- 1,862
Net cash from financing activities		51,466	1,454
Foreign currency translation adjustments for cash and cash equivalents		- 442	- 1,012
Decrease in cash and cash equivalents		- 3,445	- 104,746
Cash and cash equivalents as of the beginning of period		21,695	126,441
Cash and cash equivalents as of the end of period		18,250	21,695

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 1.4.2000	284,756	9,657	22,197	316,610
Dividends			- 5,695	- 5,695
Capital increase expenses 18.2.2000		- 206	0	- 206
Treasury shares	- 1,985		123	- 1,862
Foreign currency translation adjustments			- 8,803	- 8,803
Net income			41,289	41,289
Balance as of 31.3.2001	282,771	9,451	49,111	341,333
Dividends			- 8,460	- 8,460
Capital increase 6.7.2001	26		- 26	0
Derivative financial instruments			94	94
Treasury shares	- 1,116		143	- 973
Foreign currency translation adjustments			- 9,481	- 9,481
Net income			34,675	34,675
Balance as of 31.3.2002	281,681	9,451	66,056	357,188
Less treasury shares				
Balance as of 1.4.2001	- 2,465		123	- 2,342
Increase (nominal value)	- 1,116			- 1,116
Adjustment to acquisition cost			143	143
Balance as of 31.3.2002 at cost	- 3,581		266	- 3,315
Foreign currency translation adj.				
Balance as of 1.4.2001			- 8,803	- 8,803
Adjustments in the reported period			- 9,481	- 9,481
Balance as of 31.3.2002			- 18,284	- 18,284

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 31 March 2002 were approved by the Board of Directors on 30 May 2002 and will be proposed for approval by the general shareholders' meeting on 5 July 2002. 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 9 employees as of 31 March 2002. 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 since 1 January 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 31 March 2002.

Changes in accounting principles

First-time application of the following revised/new IAS standards beginning as of 1 January 2001:

- IAS 12 (rev.) Income taxes
- IAS 19 (rev.) Employee benefits
- IAS 39 (rev.) Financial instruments

The implementation of the revised or new accounting principles did not require any restatements.

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 that of the parent company.

Minority interests represent interests in subsidiaries (real estate investment companies or real estate companies) not directly or indirectly held by the Group. A list of the Group companies is included in the other notes to the consolidated financial statements (see note 1).

Investment in associated company/Equity method of accounting

On 15 May 2001, the Züblin Immobilien Holding AG exchanged its 40%-investment in ZüblinSchlittler Bau AG for a 40%-share in CI Contractors.

On 29 June 2001, CI Contractors Investors AG carried out a capital increase of CHF 6.45 million in which Züblin Immobilien Holding AG did not participate and waived its subscription rights. Following this transaction, the participation of Züblin Immobilien Holding AG in CI Contractors Investors AG amounts to 25%. In accordance with IAS 35 (Discontinuing operations), the participation continues to be reported separately from the activities of our core business.

The 25%-stake in CI Contractors Investors AG is accounted for using the equity method. The reported book value of the investment corresponds to the participation in the shareholders' equity of the associated company as of the end of the business year of CI Contractors Investors AG, i.e. as of 31 December 2001. Similarly, the pro rata share of the income is reported in the income statement which is based on the business year of CI Contractors Investors AG.

Translation of foreign currencies

Foreign currency transactions

Balance sheet positions which are denominated in foreign currencies are translated using the 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 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). The translation rates used are disclosed on page 68 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 judgement 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**Rental income**

Income reported from real estate operations includes exclusively net rental income without taking rental expenses into account. Rental income is reported on an accrual basis (pro rata temporis).

Profit from sales of investment properties

The profit 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 the income statement.

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 capitalised 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 by 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 base differs positively from Group values, deferred income taxes are determined and recorded by applying tax rates to the differences as of the balance sheet date (liability method). Deferred taxes on properties are calculated on the basis of the tax rates applicable as of the balance sheet date or according to the tax system applicable to the individual property.

Negative differences are capitalised as deferred tax assets if the tax provisions permit offsetting against taxable profits.

Deferred tax assets from tax loss carry forwards as of the balance sheet date are capitalised to the extent that the offset against future taxable profits is deemed probable.

In Switzerland, depending upon the canton, the maximum income tax rate applicable to companies with an ordinary tax status ranges from 20 to 25% (combined maximum tax rate for federal, cantonal and communal taxes on net income before taxes). The cantonal and communal capital gain taxes on property sales are between 20 and 60% (up to 50% extra charge for speculative transactions with a short-term property holding duration of 1 to 2 years, up to 50% reduction for a long-term property holding duration of, for example, 20 years). The capital tax is an average of approximately 0.35% of the equity.

For foreign properties, the following rates were applied for deferred taxes:

- Germany: 26.375%
- The Netherlands: 35.0%
- Belgium: 40.17%
- Luxembourg: 30.38%

Withholding taxes on the distribution of 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 timing, 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 and office refurbishments 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 recognised individual 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 different 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 be estimated reliably. 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 9 persons as of 31 March 2002. Of these, 8 employees are members of a defined contribution retirement benefit plan. With the exception of the annual payment of the fixed contribution to the retirement benefit plan, no further obligations exist.

Profit-sharing plan

With the payment of a share of the profits, Züblin Immobilien Holding AG wants to create an incentive to reach the company's annual targets and thus bring in line the interests of the Board of Directors and the Group Management with those of the shareholders. To achieve this, the Board of Directors implemented a profit-sharing plan in the business year 2000/2001. This profit-sharing plan was slightly adapted starting with the business year 2001/2002. Since the opportunity costs for preventing dilution caused by issuing new shares upon the exercise of options are too high for the other shareholders, options will no longer be allocated in the future. As a replacement for the options, shares with a lock-up period of 4 years have been allocated for the business year 2001/2002. Profit-sharing benefits will now consist of one third in cash, one third in shares with a staggered lock-up period of 1 to 3 years and one third in shares with a fixed lock-up period of 4 years. The specific share of the profits to be distributed is primarily based on the return on equity that has been achieved.

The general shareholders' meeting of 7 July 2000 approved the creation of conditional capital of CHF 10 million nominal value for the issuance of shares within the framework of the profit-sharing plan.

The shares for the profit-sharing plan will be purchased by Züblin Immobilien Holding AG on the stock exchange or will be issued out of the conditional capital created for this particular purpose. When allocating the shares, no dilution must occur for the other shareholders.

Financial instruments

All financial instruments are initially recorded at their acquisition cost, including transaction costs. Following the initial recording, the derivative financial instruments are reported at their market value. With the exception of those derivative financial instruments which either fulfil the requirements of a “cash flow hedge” or of an equity hedging instrument, the changes in market value are reported under financial income (financial expenses) of the reported period.

The Züblin Immobilien Group uses some derivative financial instruments in order to actively control the spread between rental income and refinancing costs. The so-called interest rate forward contracts or swaps are treated as “cash flow hedges”. “Cash flow hedges” serve to hedge those risks which may have an effect on the amounts or the schedule of future cash flows. In order to be able to account a hedging transaction, the hedging instrument and the underlying transaction have to fulfil certain requirements regarding documentation, probability of actually materialising, effectiveness and reliable valuation. For “cash flow hedges”, the hedging instrument is reported at market value. When accounting for the change in market value of the hedging instrument, the part which is effective for the hedging transaction is reported under shareholders’ equity and the remaining part having no influence on the transaction is reported under financial income (financial expenses). If a hedging transaction is related to a fixed commitment or to a planned business transaction with a high probability of materialising, the accrued market value changes of the hedging instrument reported under shareholders’ equity are dissolved on the date of the initial recording of the liability to be hedged and are included in the initial book value of the liability.

For the management of treasury shares which are either used as payment for real estate acquisitions or serve as collateral for the options of the profit-sharing plan, derivative financial instruments are employed. They are accounted as derivative financial instruments. Changes in the market value are reported under shareholders’ equity.

Segment information

The primary business segment information is shown by geographical location of the investment properties. The secondary reporting format is presented by investment categories of the investment properties. The Züblin Immobilien Group has defined the investment categories as follows: office, trade/logistics and retail (see segment information, pages 58 to 63).

Impairment of assets (IAS 36)

As of each balance sheet date, an enterprise has to assess whether there is any indication that any assets may be impaired. If any such indication exists, the enterprise has to assess the recoverable amount of the asset and reduce its possibly higher book value 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, the guidelines govern the management of cash and cash equivalents and the obtaining of 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. The use of financial instruments should aim at increasing and optimising income. Decisions regarding the use of such financial instruments are made exclusively by the Group Management. Information regarding outstanding financial instruments as well as cash and cash equivalent balances are reported to the 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 13, 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 medium 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 2001/2002

in CHF thousand	Switzerland	Germany	The Nether- lands	Belgium/ Luxembourg	Holding	Total
Income						
Rental income	32,033	17,575	22,647	4,962	0	77,217
Profit from sales	0	127	374	0	0	501
Income from negative goodwill	0	0	0	0	0	0
Changes in market value	11,038	- 6,991	- 2,015	3,188	0	5,220
Total operating income	43,071	10,711	21,006	8,150	0	82,938
Expenses						
Real estate expense	2,351	587	2,794	104	0	5,836
Maintenance and repairs	884	190	725	216	0	2,015
Administrative expense	4,552	1,341	1,475	316	3,256	10,940
Net financial expense	13,319	10,952	9,321	2,250	- 99	35,743
Total operating expenses	21,106	13,070	14,315	2,886	3,157	54,534
Result						
Operating profit	21,965	- 2,359	6,691	5,264	- 3,157	28,404
Minority interests in net income			- 1,088			- 1,088
Income from discontinuing construction operations					496	496
Net income before taxes	21,965	- 2,359	5,603	5,264	- 2,661	27,812
Taxes	5,649	- 6,077	- 5,034	- 1,401	0	- 6,863
Net income	16,316	3,718	10,637	6,665	- 2,661	34,675
Assets						
Investment properties	486,600	268,608	279,647	66,763	0	1,101,618
Other assets	15,528	13,775	17,635	5,576	15,396	67,910
Total assets	502,128	282,383	297,282	72,339	15,396	1,169,528
Liabilities						
Mortgages payable	310,233	196,662	165,436	35,809	0	708,140
Other liabilities	36,754	10,356	12,680	6,986	18,144	84,920
Total liabilities	346,987	207,018	178,116	42,795	18,144	793,060
Key figures						
Gross yield	6.9%	6.9%	7.9%	8.5%		7.2%
Net yield	6.2%	6.5%	6.7%	8.0%		6.5%

Segment information for the business year 2000/2001

in CHF thousand	Switzerland	Germany	The Nether- lands	Belgium/ Luxembourg	Holding	Total
Income						
Rental income	26,214	15,317	25,885	2,671	0	70,087
Profit 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
Key figures						
Gross yield	6.8%	7.7%	7.8%	5.3%		7.2%
Net yield	6.0%	7.3%	6.7%	4.9%		6.4%

Segment information for the business year 2001/2002

Investment properties and changes in market value (fair value)					
in CHF thousand	Switzerland	Germany	The Nether-lands	Belgium/Luxembourg	Total
Market value as of 1.4.2001	442,100	244,361	295,233	49,967	1,031,661
CTA to initial value	0	- 9,741	- 11,767	- 1,991	- 23,499
Currency-adjusted market value	442,100	234,620	283,466	47,976	1,008,162
Acquisitions of investment properties	30,905	40,053	0	13,539	84,497
Value-enhancing expenditures	2,558	2,396	4,776	32	9,762
Disposals of investment properties	0	- 766	- 6,659	0	- 7,425
CTA to transactions	- 1	- 847	37	- 276	- 1,087
Market value as of 31.3.2002 before reappraisal	475,562	275,456	281,620	61,271	1,093,909
Positive adjustments to market value	23,037	207	5,696	5,607	34,547
Negative adjustments to market value	- 11,999	- 7,198	- 7,711	0	- 26,908
Gross change in market value	11,038	- 6,991	- 2,015	5,607	7,639
CTA to change of market value	0	143	42	- 115	70
Market value as of 31.3.2002	486,600	268,608	279,647	66,763	1,101,618
Gross change in market value	11,038	- 6,991	- 2,015	5,607	7,639
Profit share third parties	0	0	0	- 2,419	- 2,419
Net change in market value	11,038	- 6,991	- 2,015	3,188	5,220
Net influence on income statement through change in market value					
Change in market value	11,038	- 6,991	- 2,015	3,188	5,220
Change in deferred taxes	- 4,141	766	5,320	756	2,701
Minority interests and related expenses		- 1,000	- 1,588		- 2,588
Net influence on change in market value	6,897	- 7,225	1,718	3,943	5,333

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 1.4.2000	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 as of 31.3.2001 before reappraisal	428,305	237,368	282,218	45,791	993,682
Positive adjustments to market value	20,284	10,610	19,111	6,831	56,836
Negative adjustments 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 31.3.2001	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
Change in deferred taxes	- 11,878	- 1,148	- 6,397	- 991	- 20,414
Net influence on change in market value	1,917	5,950	6,887	3,272	18,026

Segment information for the business year 2001/2002

Segment information according to investment categories

in CHF thousand	Switzerland	Germany	The Netherlands	Belgium/ Luxembourg	Total
Annual rental income					
Office	24,098	18,528	17,324	3,303	63,253
Trade/Logistics	5,728	0	1,509	0	7,237
Retail	4,577	0	1,210	2,213	8,000
Total annual rental income	34,403	18,528	20,043	5,516	78,490
Market value					
Office	360,700	268,608	219,280	40,357	888,945
Trade/Logistics	52,400	0	35,721	0	88,121
Retail	73,500	0	24,646	26,406	124,552
Total market value	486,600	268,608	279,647	66,763	1,101,618
Usable area in m²					
Office	121,869	111,752	104,009	18,053	355,683
Trade/Logistics	24,832	0	54,754	0	79,586
Retail	18,260	0	6,663	11,300	36,223
Total usable area in m²	164,961	111,752	165,426	29,353	471,492
Vacancy in m² ¹					
Office	5,952	12,533	10,579	754	29,818
Trade/Logistics	0	0	34,716	0	34,716
Retail	1,079	0	2,509	2,800	6,388
Total vacancy in m²	7,031	12,533	47,804	3,554	70,922
Overview of the expiry of rental contracts ²					
2002	19%	18%	19%	16%	19%
2003	8%	21%	16%	16%	14%
2004	7%	15%	19%	18%	13%
2005	9%	21%	18%	16%	14%
2006	15%	5%	14%	4%	12%
2007–	42%	20%	14%	30%	28%
	100%	100%	100%	100%	100%

¹ Vacant properties which generate rental income as of the balance sheet date are not qualified as vacancies.

² Annual rental income according to the expiry of rental contracts.

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
Annual 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 annual rental income	31,125	17,278	22,615	4,041	75,059
Market 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 market 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
Vacancy 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 vacancy in m²	8,339	10,735	33,079	1,376	53,529

“Discontinuing operations”

Construction activities

Since 31 December 1999, when the participation in ZüblinSchlittler Bau AG was reduced from 100 to 40%, the construction activities were reported separately from the real estate activities in accordance with IAS 35 (Discontinuing operations).

On 15 May 2001, the Züblin Immobilien Holding AG transferred its 40%-participation in ZüblinSchlittler Bau AG to CI Contractors Investors AG and received 40% of the company's shares in compensation.

CI Contractors Investors AG carried out a capital increase of CHF 6.45 million on 29 June 2001, in which the Züblin Immobilien Holding AG did not participate and waived its subscription rights. The participation of Züblin Immobilien Holding AG in CI Contractors Investors AG amounts to 25% after this transaction.

Following the reduction of the participation to 25%, the financial reporting was duly adapted. In the annual financial statements of the Züblin Immobilien Group as of 31 March, the result of the participation in CI Contractors Investors AG is now included as of its year-end, 31 December.

Since in the previous year, the participation in ZüblinSchlittler Bau AG was reported and the business year had been adapted to that of Züblin Immobilien Holding AG, the result of the first quarter 2001, which has already been accounted for, needed to be deducted from the consolidated result of CI Contractors Investors AG. Thus, Züblin's share in the result of CI Contractors Investors AG's financial statements refers to a period of 9 months only.

In the future, the participation will no longer be reported under “Discontinuing operations” in the annual financial statements.

“Discontinuing operations”

Construction activities

Income statement	CI Contractors Investors AG	ZüblinSchlittler Bau AG
in CHF thousand	1.1.2001 to 31.12.2001	1.4.2000 to 31.3.2001
Income		
Operating income	86,318	57,488
Expenses		
Operating expenses	- 77,931	- 54,199
Other income/expenses	0	- 652
Depreciation of plant and equipment	- 2,941	0
Extraordinary income	- 422	0
Financial expense	- 376	0
Taxes	- 176	0
Minority interests	- 170	0
Result		
Earnings from construction activities	4,302	2,637
Participation of Züblin Immobilien Holding AG	25%	40%
1.4.2000 to 31.3.2001 (12 months)		1,055
Reversal valuation reserve		107
1.1.2001 to 31.12.2001 (12 months)	1,076	
Less earnings 1.1.2001 to 31.3.2001 (3 months)	- 580	
Income from discontinuing operations	496	1,162

Balance sheet	CI Contractors	ZüblinSchlittler
	Investors AG	Bau AG
in CHF thousand	31.12.2001	31.3.2001
Assets		
Non-current assets	21,173	7,383
Current assets	33,382	23,841
Total assets	54,555	31,224
Shareholders' equity and liabilities		
Shareholders' equity	23,665	13,549
Minority interests	691	0
Long-term liabilities	2,181	2,113
Short-term liabilities	28,018	15,562
Total liabilities	30,199	17,675
Total shareholders' equity and liabilities	54,555	31,224
Share of Züblin Immobilien Holding AG	25%	40%
Share in shareholders' equity	5,916	5,420
Cash flow statement		
in CHF thousand	1.1.2001 to 31.12.2001	1.4.2000 to 31.3.2001
Cash flow		
Cash flow from operating activities	8,367	- 4,460
Cash flow from investing activities	- 9,580	- 37
Cash flow from financing activities	310	6,036
Increase/decrease in cash and cash equivalents	- 903	1,539
Cash and cash equivalents as of the beginning of the period	2,971	694
Cash and cash equivalents as of the end of the period	2,068	2,233

Other notes

Foreign exchange rates

Balance sheet Income statement/Cash
flow statement (average rate)

in CHF	31.3.2002	31.3.2001	2001/2002	2000/2001
1 EUR	1.4670	1.5279	1.49745	1.5595

1. Investments in subsidiaries

Group companies as of 31 March 2002
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 31 March 2002:

Company	Domicile	31.3.2002	31.3.2001
		Share in %	Share in %
Züblin Immobilien AG	Zurich	99.96	99.96
European City Estates NV	Amsterdam	100.00	100.00

The companies in which third parties hold minority interests can be found under “minority interests” on page 81. A complete list of all Group companies and real estate companies is included in the additional information, pages 114 to 115.

Changes during the reported period
Delva 22 BV, Amsterdam

On 25 June 2001, European City Estates NV acquired Delva 22 BV at net asset value for EUR 1.0 million, and thus indirectly acquired the remaining minority interests of 5% in Freeward I CV.

Alda Properties SA, Geneva

As of 30 September 2001, Alda Properties SA's participation in two real estate companies which hold properties in Belgium was transferred to the European holding European City Estates NV. Consequently, Alda Properties SA was merged with Züblin Immobilien Holding AG as of 30 September 2001.

Weilimmo AG, Zurich

Züblin Immobilien Holding AG transferred its participation in Weilimmo AG to the German subholding EurCE Immobilien AG as of 1 April 2001.

Swiss Properties and Investments NV, Curaçao

On 12 September 2001, Swiss Properties and Investments NV was put under liquidation. Consequently, all assets and liabilities of Swiss Properties and Investments NV, in particular the participation in European City Estates NV, were transferred to Züblin Immobilien Holding AG. The liquidation of the company was completed in February 2002.

Ave Hermann Debroux 17-19 Property NV, Brussels

EurCE Belco I NV, Brussels

On 1 June 2001, these companies were founded with a share capital of EUR 62,000 each as subsidiaries of Lisa SA and Le Genève 4 SA. These real estate companies hold the property at Avenue Hermann Debroux in Brussels.

EurCE 2001/1 Vermögensverwaltung GmbH, Munich

EurCE 2001/2 Vermögensverwaltung GmbH, Munich

On 26 September 2001, these companies were founded with a share capital of EUR 25,000 each as subsidiaries of EurCE Immobilien AG. Subsequently, they acquired one property each and were renamed in Rossstrasse 96 Immobilien GmbH and Streiflacher Strasse 7 Immobilien GmbH.

EurCE 2002/1 Vermögensverwaltung GmbH, Munich

EurCE 2002/2 Vermögensverwaltung GmbH, Munich

On 27 March 2002, these companies were founded with a share capital of EUR 25,000 each as subsidiaries of EurCE Immobilien AG. The real estate companies will be used to acquire further properties in Germany.

Züblin Immobilien Romandie AG

The company was merged with Züblin Immobilien AG as of 31 March 2002.

**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
Appraisal by Jones Lang LaSalle	486,600	268,608		66,763	821,971
Appraisal by CB Richard Ellis			279,647		279,647
Properties at market value 31.3.2002	486,600	268,608	279,647	66,763	1,101,618

The reports of the two real estate appraisers for the reappraisal as of 31 March 2002 are reproduced on pages 90 to 93.

Change in market values

Business year 2000/2001	13,795	7,098	13,284	4,263	38,440
Business year 2001/2002	11,038	- 6,991	- 2,015	3,188	5,220

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 60 to 61.

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.

Discount rates applied as of 31 March 2002

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	111.3	3							111.3	3
6.0-6.9	318.9	15	74.1	4	2.6	1			395.6	20
7.0-7.9	17.5	1	155.8	6	93.7	7			267.0	14
8.0-8.9	38.9	1	38.7	3	90.6	12			168.2	16
9.0-9.9					41.9	2	66.8	4	108.7	6
10.0-10.9					50.8	2			50.8	2
Total	486.6	20	268.6	13	279.6	24	66.8	4	1,101.6	61

The discount rate corresponds to the interest rate with which the net cash flow is discounted. This 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 therefore determined individually for each investment property.

3. Administrative expense	in CHF thousand	2001/2002	2000/2001
	Personnel	2,675	1,998
	Consultant fees Management Support Team	2,079	3,169
	Appraisal and audit expense	845	821
	Other administrative expense	4,626	2,761
	Capital taxes	395	876
	Depreciation	320	174
	Administrative expense	10,940	9,799

A part of the additional costs is attributable to the large-scale reorganisation of complex corporate structures, especially in Belgium and Germany. Costs were also incurred for the examination of real estate acquisitions which subsequently were not realised. Moreover, a new software system for the real estate management, which is operational since 1 April 2002, was introduced.

A total of CHF 1.15 million is included in personnel expenses and consultant fees for the profit-sharing plan. The allocations within this profit-sharing plan are explained in note 20, page 85.

4. Net financial expense	in CHF thousand	2001/2002	2000/2001
	Mortgage interest expense	35,420	32,747
	Interest expense	1,456	881
	Interest income	- 567	- 2,028
	Income from securities	- 566	- 362
	Exchange differences	0	150
	Net financial expense	35,743	31,388

5. Taxes

Tax expense

in CHF thousand	Switzerland	Germany	The Nether- lands	Belgium/ Luxembourg	Total
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
Realisation of deferred taxes (expense)	0	831	0	0	831
Creation of deferred taxes (expense)	11,878	1,148	6,397	991	20,414
Total tax expense	11,878	2,140	7,445	995	22,458
Business year 2001/2002					
Net income before taxes	19,304	- 3,447	6,691	5,264	27,812
Current taxes (expense)	0	255	286	0	541
Deferred tax assets from tax loss carry forwards					
Increase (income)	0	- 5,566	0	- 645	- 6,211
Realisation (expense)	1,508	0	0	0	1,508
Deferred tax assets from negative valuations					
Increase (income)	- 1,491	- 2,815	0	- 455	- 4,761
Realisation (expense)	0	0	0	0	0
Deferred tax liabilities from positive valuations					
Realisation (income)	- 6,489	0	- 5,320	- 972	- 12,781
Increase (expense)	12,121	2,049	0	671	14,841
Total tax expense/income	5,649	- 6,077	- 5,034	- 1,401	- 6,863

The current tax expense comprises all income taxes, including property capital gain taxes. Capital taxes are included in operating expenses.
The current tax expense includes non-recoverable withholding taxes on interest and dividends. During the business year 2001/2002 no such expenses arose.

Switzerland

In the cantons which do not levy capital gain taxes on property sales, a tax rate of approximately 21% (average) on pre-tax income from investment property (including direct federal tax) is applied. In those cantons with a capital gain tax on property sales, tax rates of between 50 and 60% (including direct federal tax) are applied, depending on the duration of ownership. The property sales capital gain tax includes extra charges for speculative transactions and discounts for long-term ownership; therefore, the tax burden decreases parallel to the duration of ownership. In the event that write-offs are retrieved, they are considered in the income tax rate.

As a holding company, Züblin Immobilien Holding AG is not subject to cantonal or communal income taxes. Nevertheless, it is subject to a reduced capital tax (holding privilege). For federal income taxes, a holding company has an ordinary tax status, whereas investment income and net income are neutralised as a result of the investment privilege.

Foreign countries

In The Netherlands, the current income tax rate is 35%. Most of the Dutch subsidiaries had a tax loss carry forward, resulting in a minor income tax burden. Due to a change in tax provisions implemented in 2001, the possibility for offsetting of tax loss carry forwards in the future is uncertain. Therefore, all previous year losses were compensated by revaluating the properties in accordance with commercial law. Through this revaluation in accordance with commercial law, additional write-off potential was created for tax purposes.

In Germany, the corporate tax rate is 26.375% (25% plus solidarity surcharge of 5.5%). Due to tax losses in 2002 and previous year losses, which were only registered as tax assets in the reported period, a negative tax expense of approximately CHF 6 million resulted.

The income tax rate in Belgium is 40.17%. The income tax rate in Luxembourg is 30.38% (previous year: 37.45%). Due to tax depreciation and previous year losses, no income tax is due for the real estate companies in Belgium and Luxembourg.

Deferred tax assets from tax loss carry forwards

in CHF thousand	Switzerland	Germany	The Nether- lands	Belgium/ Luxembourg	Total
Balance as of 1.4.2000	5,100	4,240	0	0	9,340
CTA to initial balance	0	- 169	0	0	- 169
Balance as of 1.4.2000 after currency adjustments	5,100	4,071	0	0	9,171
Additions (income)	0	0	0	0	0
Realisation (expense)	0	- 831	0	0	- 831
CTA to transactions	0	17	0	0	17
Balance as of 31.3.2001	5,100	3,257	0	0	8,357
Balance as of 1.4.2001	5,100	3,257	0	0	8,357
CTA to initial balance	0	- 130	0	0	- 130
Balance as of 1.4.2001 after currency adjustments	5,100	3,127	0	0	8,227
Additions	0	0	0	0	0
Increase (income)	0	5,566	0	645	6,211
Realisation (expense)	- 1,508	0	0	0	- 1,508
CTA to transactions	0	- 113	0	- 13	- 126
Balance as of 31.3.2002	3,592	8,580	0	632	12,804

Deferred tax assets relate exclusively to tax loss carry forwards from realised losses. These are recorded only to the extent that it is deemed probable that the related tax assets will be realised in the future.

Deferred tax assets from tax loss carry forwards not capitalised

in CHF thousand	Switzerland	Germany	The Nether- lands	Belgium/ Luxembourg	Total
Balance as of 31.3.2002	4,100	8,582	991	632	14,305

Deferred tax assets from negative valuations

in CHF thousand	Switzerland	Germany	The Nether- lands	Belgium/ Luxembourg	Total
Balance as of 1.4.2001	0	0	0	0	0
Additions	0	0	0	0	0
Increase (income)	1,491	2,815	0	455	4,761
Realisation (expense)	0	0	0	0	0
CTA to transactions	0	- 56	0	- 8	- 64
Balance as of 31.3.2002	1,491	2,759	0	447	4,697

Deferred tax assets from negative valuations are created if the consolidated book values of properties are below the related taxable book values.

Total deferred tax assets

in CHF thousand	Switzerland	Germany	The Nether- lands	Belgium/ Luxembourg	Total
Deferred tax assets from tax loss carry forwards	5,100	3,257	0	0	8,357
Deferred tax assets from negative valuations	0	0	0	0	0
Balance as of 31.3.2001	5,100	3,257	0	0	8,357
Deferred tax assets from tax loss carry forwards	3,592	8,580	0	632	12,804
Deferred tax assets from negative valuations	1,491	2,759	0	447	4,697
Balance as of 31.3.2002	5,083	11,339	0	1,079	17,501

Deferred tax liabilities

in CHF thousand	Switzerland	Germany	The Nether- lands	Belgium/ Luxembourg	Total
Balance as of 1.4.2000	3,032	2,255	1,877	2,166	9,330
CTA to initial balance	0	- 89	- 74	- 86	- 249
Balance as of 1.4.2000 after currency adjustments	3,032	2,166	1,803	2,080	9,081
Increase (expense)	11,878	1,148	6,397	991	20,414
CTA to transactions	0	17	- 130	- 20	- 133
Balance as of 31.3.2001	14,910	3,331	8,070	3,051	29,362
Balance as of 1.4.2001	14,910	3,331	8,070	3,051	29,362
CTA to initial balance	0	- 133	- 321	- 121	- 575
Balance as of 1.4.2001 after currency adjustments	14,910	3,198	7,749	2,930	28,787
Additions	0	0	0	0	0
Increase (expense)	12,121	2,049	0	671	14,841
Realisation (income)	- 6,489	0	- 5,320	- 972	- 12,781
CTA to transactions	0	- 41	107	10	76
Balance as of 31.3.2002	20,542	5,206	2,536	2,639	30,923

The deferred tax liabilities relate to positive valuation differences in the consolidated financial statements to the actual tax value of the properties. They are calculated on the basis of tax rates valid as of the balance sheet date.

In the case of a sale of shares of foreign real estate companies, no capital gain tax is due. The transfer of deferred tax liabilities to a buyer of shares is taken into account based on local business practice by offering a discount on the purchase price in the amount of 50% of the deferred tax liabilities. This deferred discount on the purchase price is reported in the consolidated financial statements as a deferred tax liability.

6. Net income per share Net income per share corresponds to the reported consolidated net income, divided by the average number of shares entitled to dividends.

in CHF	1.4.2001 to 31.3.2002	1.4.2000 to 31.3.2001
Average number of shares entitled to dividends	28,222,620	28,376,359
Net income	34,675,489	41,288,844
Net income per share with nominal value of CHF 10	1.23	1.46

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

7. Dividends At the general shareholders' meeting, the Board of Directors of Züblin Immobilien Holding AG will propose the distribution of a dividend of CHF 0.35 per share with a nominal value of CHF 10. Treasury shares are not entitled to dividends. The total amount of dividends is CHF 9,858,856.

8. Furnishings and equipment	in CHF thousand	Office re-furbishment	Office furnishings	EDP	Total 2001/2002	Total 2000/2001
Acquisition costs						
Balance as of 1.4.	18	563	225	806	556	
Additions	1,149	227	444	1,820	250	
Disposals	0	0	0	0	0	
Balance as of 31.3.	1,167	790	669	2,626	806	
Accumulated depreciation						
Balance as of 1.4.	0	185	117	302	128	
Additions	41	144	135	320	174	
Disposals	0	0	0	0	0	
Balance as of 31.3.	41	329	252	622	302	
Net book value as of 31.3.	1,126	461	417	2,004	504	

9. Investment in associated company	in CHF thousand	31.3.2002	31.3.2001
	ZüblinSchlittler Bau AG (participation of 40%)		5,420
	CI Contractors Investors AG (participation of 25%)	5,916	

See "Discontinuing operations" construction activities, pages 65 to 67.

On 15 May 2001, Züblin Immobilien Holding AG exchanged its 40%-investment in ZüblinSchlittler Bau AG for a 40%-share in CI Contractors Investors AG.
On 29 June 2001, CI Contractors Investors AG carried out a capital increase of CHF 6.45 million in which Züblin Immobilien Holding AG did not participate. Following this transaction, Züblin Immobilien Holding AG's share in CI Contractors Investors AG is 25%. According to IAS 35 (Discontinuing operations) this participation continues to be reported separately from the real estate activities.

10. Accounts receivable and other assets (current)	in CHF thousand	31.3.2002	31.3.2001
	Receivables from sale of real estate	0	14,049
	Property designated for sale	423	423
	Other current receivables	12,499	10,575
	Derivative financial instruments	9	0
	Prepaid expenses and accrued income	11,308	4,764
	Total accounts receivable and other assets	24,239	29,811

Current receivables mostly represent outstanding rental payments, while prepaid expenses and accrued income are primarily prepayments.

11. Share capital		Number of shares	in CHF thousand
Balance as of	Outstanding shares		
31.3.2001	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
	Shares entitled to dividends		
	Bearer shares with nominal value CHF 1	2,910	3
	Bearer shares with nominal value CHF 10	28,276,790	282,768
			282,771
Changes in the capital	Creation of unitary share (AGM 6.7.2001)		
	Conversion of 477,090 own bearer shares with nominal value CHF 1 into 47,709 bearer shares with nominal value CHF 10	- 477,090	- 477
		47,709	477
	Increase of nominal value for 2,910 bearer shares from CHF 1 to CHF 10	- 2,910	- 3
		2,910	29
	Acquisition of treasury shares		
	Acquisition of treasury shares on the stock exchange	111,541	1,116
Balance as of	Outstanding shares		
31.3.2002	Bearer shares with nominal value CHF 1	0	0
	Bearer shares with nominal value CHF 10	28,526,256	285,263
	Less treasury shares		
	Bearer shares with nominal value CHF 10	358,097	3,581
	Shares entitled to dividends		
	Bearer shares with nominal value CHF 10	28,168,159	281,682
Authorised and conditional capital	Authorised capital		
	Balance as of 31.3.2001 (AGM 7.7.2000)	14,261,818	142,618
	Balance as of 31.3.2002	14,261,818	142,618
	Conditional capital for convertible bond or bond with warrant		
	Balance as of 31.3.2001 (AGM 7.7.2000)	5,000,000	50,000
	Balance as of 31.3.2002	5,000,000	50,000
	Conditional capital for profit-sharing plan		
	Balance as of 31.3.2001 (AGM 7.7.2000)	1,000,000	10,000
	Balance as of 31.3.2002	1,000,000	10,000

12. Minority interests	in CHF thousand	31.3.2002	31.3.2001
	Minority interests	19,280	18,922

The following minority interests represent interest in real estate investment companies or real estate companies not held directly or indirectly by the Züblin Immobilien Holding AG.

		31.3.2002	31.3.2001
	Minority interests in real estate investment companies		
Freeward I CV	Portfolio	0.00%	5.00%
	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%
Middenweg 49	Moerdijk	10.00%	10.00%
Van Loenshof 56-168	Enschede	25.00%	25.00%

* The property in Veldhoven was sold.

13. 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.

as of 31.3.2002	in CHF thousand	Switzerland	Germany	The Nether- lands	Belgium/ Luxembourg	Total	%
Duration of contracts	1–12 months	18,965	97,355	103,044	17,867	237,231	33%
	1–3 years	120,143	0	27,443	0	147,586	21%
	beyond 3 years	171,125	99,307	34,949	17,942	323,323	46%
	Total	310,233	196,662	165,436	35,809	708,140	100%
Term structure	1–12 months	6,300	43,654	63,468	17,867	131,289	19%
	1–3 years	116,829	0	39,576	0	156,405	22%
	beyond 3 years	187,104	153,008	62,392	17,942	420,446	59%
	Total	310,233	196,662	165,436	35,809	708,140	100%
Average interest rates	1–12 months	3.60%	5.10%	5.46%	4.39%		
	1–3 years	4.39%		5.10%			
	beyond 3 years	4.66%	6.06%	5.40%	6.14%		
	Total	4.50%	5.58%	5.39%	5.27%		
Repayment and amortisation	Current borrowings	310,233	196,662	165,436	35,809	708,140	
	Loans to be amortised	167,305	161,294	78,271	8,924	415,794	
	in % of borrowings	54%	82%	47%	25%	59%	
	Repayment and amortisation from 1.4.2002–31.3.2003	4,878	3,086	2,683	998	11,645	
	in % of amortised loans	2.9%	1.9%	3.4%	11.2%	2.8%	
	in % of borrowings	1.6%	1.6%	1.6%	2.8%	1.6%	

14. Provisions	in CHF thousand	Rental guarantee	Real estate transactions	Total
	Balance as of 1.4.2000	595	1,766	2,361
	CTA to initial balance	- 24	- 70	- 94
	Balance as of 1.4.2000			
	after currency adjustments	571	1,696	2,267
	Use	0	- 797	- 797
	Reversal	0	- 314	- 314
	CTA to transactions	0	22	22
	Balance as of 31.3.2001	571	607	1,178
	Balance as of 1.4.2001	571	607	1,178
	CTA to initial balance	- 23	- 24	- 47
	Balance as of 1.4.2001			
	after currency adjustments	548	583	1,131
	Use	- 548	- 583	- 1,131
	Reversal	0	0	0
	CTA to transactions	0	0	0
	Balance as of 31.3.2002	0	0	0
15. Accounts payable and accrued liabilities (current)	in CHF thousand		31.3.2002	31.3.2001
	Other current accounts payable		19,554	8,339
	Derivative financial instruments		35	0
	Accrued liabilities		10,040	12,543
	Total accounts payable and accrued liabilities		29,629	20,882

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

16. Derivative financial instruments

As of 31 March 2002, interest rate swaps and options on Züblin shares with the following parameters were recorded:

	Expiry	Contract value	Positive replacement value ¹	Negative replacement value ²	Effect on income statement in the years
Forward interest rate swap	03.2007	20,800	9		2004/07
Option on Züblin shares	06.2002	4,750		35	
Total		25,550	9	35	

¹ Assets

² Liabilities

The changes in the market value of “cash flow hedges” and the option on Züblin shares are reported in shareholders’ equity as follows:

in CHF thousand	2001/2002	2000/2001
Balance as of 1.4.	0	0
Change in the reported period	94	0
Balance as of 31.3.	94	0

17. Guarantees, contingent liabilities

in CHF thousand	31.3.2002	31.3.2001
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	31.3.2002	31.3.2001
Book value of assets pledged	1,101,618	1,031,661
Credit drawn (debt secured)	708,140	669,745

19. Liabilities from long-term rental contracts

In connection with the rental agreement for the company offices of Züblin Immobilien AG, a fixed rental commitment of 4 years in the amount of CHF 1.45 million was entered into. Of this, commitments in the amount of CHF 0.16 million, with a contract duration of one year, were transferred to a third party.

20. Profit-sharing plan

For the business year 2001/2002, a profit share of CHF 1,125,000 was determined. Thereof, CHF 110,000 are paid to employees in cash. CHF 1,015,000 are used for the profit-sharing plan. This amount is paid one third in cash and two thirds in shares of Züblin Immobilien Holding AG. The profit-sharing plan was adapted for the business year 2001/2002. Since the opportunity costs for preventing future dilution caused by issuing new shares upon the exercise of options are too high for the other shareholders, an allocation of options will no longer take place in the future. For the business year 2001/2002, instead of options, an allocation of shares with a lock-up period of 4 years has been made within the scope of the profit-sharing plan. The shares were already bought in the market. The issue price for all 67,970 shares is CHF 9.96 per share.

Profit-sharing plan for the business year 2001/2002

	Number	in CHF
Cash payment		338,000
Shares with staggered lock-up periods of 1–3 years	33,985	338,491
Shares with fixed lock-up period of 4 years	33,985	338,490
Total		1,014,981

Overview of shares with a lock-up and options after allocation
for the business year 2001/2002

		Price ¹		locked up until			
		in CHF	May 2003	May 2004	May 2005	May 2006	Total
			No.	No.	No.	No.	No.
Shares	Staggered lock-up period						
	Profit-sharing plan 2000/2001	8.91	12,158	12,159			24,317
	Profit-sharing plan 2001/2002	9.96	11,328	11,328	11,329		33,985
Shares	Fixed lock-up period						
	Profit-sharing plan 2001/2002	9.96				33,985	33,985
Options	Exercise period 7.5.04–7.5.06						
	Profit-sharing plan 2000/2001	12.08		238,971			238,971
	Total		23,486	262,458	11,329	33,985	331,258

¹ Issue price, respectively exercise price

21. Contributions to retirement benefit plan

The Züblin Immobilien Group employed 9 persons as of the balance sheet date of 31 March 2002. 8 persons are members of a defined contribution retirement benefit plan. Except for the annual payment of the fixed contribution to the retirement benefit plan, no other obligations exist. The total contribution by the employer amounted to CHF 85,795 in the business year 2001/2002 (previous year: CHF 22,000).

22. Related parties

For the business year 2001/2002, no major transactions with related parties have to be reported. Information on the remuneration of the Board of Directors and of the Group Management are included in the chapter on corporate governance, page 14.

23. Subsequent events

No mentionable events occurred since the balance sheet date.

24. Information according to the additional rules for the listing of real estate companies at the SWX Swiss Exchange

Art. 13 (annual reporting) of the Additional Rules for the Listing of Real Estate Companies at the SWX Swiss Exchange stipulates: “In addition to the provisions contained in Art. 64 LR, the following additional information must be included in the annex to the annual financial statements of real estate companies”:

Information on real estate and investments

(Art. 13, clause 1, annex – scheme D point 1.3.3)

General information on real estate (scheme D point 1.3.3.1)

A complete list of the properties with all information required can be found on pages 106 to 115 of the annual report. This additional information is an integral part of the notes to the consolidated financial statements.

General information on the individual investment categories (scheme D point 1.3.3.2)
The information required is given under segment information on pages 62 to 63.

Information on the largest tenants (scheme D point 1.3.3.3)

	Share of rent in % of annual rental income
Walter Meier Group (Switzerland)	3.9%
Senter for Technology (The Netherlands)	2.5%
Unaxis Management AG (Switzerland)	2.0%
Moerdijk Marine Terminal (The Netherlands)	1.9%
SBB Generaldirektion (Switzerland)	1.9%
Total	12.2%

Information on development projects (scheme D point 1.3.3.4)
The Züblin Immobilien Group has no development projects in its portfolio.

Investments in real estate companies (scheme D point 1.3.3.5)
A complete list of all participations as of 31 March 2002 can be found on pages 114 to 115. This additional information is an integral part of the notes to the consolidated financial statements.

Present value (fair value) of the real estate portfolio (Art. 13, clause 2)

As of the balance sheet date, a revaluation of all properties was carried out by external, independent real estate appraisers certified by the Royal Institution of Chartered Surveyors (RICS). The current fair values are listed in the segment information, broken down by investment categories on pages 60 to 61.

Details on the initial and final inventories of real estate holdings as well as changes in market values (Art. 13, clause 3)

The changes in initial and final inventories with investments and disposals as well as the total profit and loss are presented separately under Segment Information, broken down by investment category, on pages 60 to 61.

Individual disclosure of significant investments and disposals (Art. 13, clause 4)

The properties acquired or sold during the reported period can be found on pages 106 to 113 and are specially marked.

Deviations from the investment policy (Art. 13, clause 5)

The Züblin Immobilien Group has not deviated from the strategy described on pages 3 and 23 during the business year 2001/2002.

Business transactions with related parties or companies associated with the Züblin Immobilien Group (Art. 13, clause 6)

No business transactions were carried out with related parties or with associated companies.

Information on contingent liabilities, off-balance-sheet obligations and derivative financial instruments as well as assessment criteria applied in determining the current fair value (Art. 13, clause 7a)

The assessment criteria and the business transactions are described in detail in the notes to the consolidated financial statements on page 56 as well as under other notes 16 and 17 in the notes to the consolidated financial statements.

Information on the changes in the global assumptions and assessment criteria (Art. 13, clause 7b)

The assessment criteria were not changed. The statutory auditor examined the plausibility of the valuation method applied and concluded that the method allows the determination of the fair value.

Disclosure of the appraisers commissioned to conduct the valuation of the real estate holdings as well as disclosure of the valuation method (Art. 13, clauses 8 and 9)

The expert appraisers Jones Lang LaSalle and CB Richard Ellis are independent of the Züblin Immobilien Group and all other persons retained.

The reports of the appraisers are printed on pages 90 to 93. In Switzerland, Germany, Belgium and Luxembourg, the portfolio was appraised by Jones Lang LaSalle and in The Netherlands by CB Richard Ellis. The valuation methods are described in detail in the notes to the consolidated financial statements on page 54 as well as in the expert reports.

Overview of maturities of long-term rental contracts (Art. 13, clause 10)

An overview of maturities of the rental contracts broken down by investment category can be found on page 62.

Property management (Art. 13, clause 11)

The management of the properties is carried out by Group Management and by those persons listed under “Management Support Team” on page 10.

Information on financing (Art. 13, clause 12)

Details on maturities, interest rates and amortisation of the financing are given on page 82.

Information on potential conflicts of interest (Art. 13, clause 13)

Potential conflicts of interest exist neither for members of the Board of Directors and the Group Management nor for the statutory auditors, property managers and real estate appraisers.

Accounting of the real estate portfolio at current fair values

The investment properties are accounted for at fair values in accordance with IAS 40 as of the balance sheet date.

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 31 March 2002.

In Switzerland

Baden, Rütistrasse 3/3a
Bern, Morgenstrasse 131
Bern, Morgenstrasse 136
Biel, Florastrasse 16/18
Egg, Gewerbestrasse 12/12a
Geneva, Boulevard Carl-Vogt 17/19
Hombrechtikon, Feldbachstrasse 81
Pfäffikon, Churerstrasse 120/122
Pully, Avenue 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
Düsseldorf, Ross Strasse 96
Germering, Streiflacher Strasse 7
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
Wiesbaden, Kreuzberger Ring 24

In Belgium

Brussels, Avenue Hermann Debrox 17-19
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 Appraisal and Valuation Manual published by the Royal Institution of Chartered Surveyors, and that they represent our opinion of the market values as at 31 March 2002 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 market value as defined by the Royal Institution of Chartered Surveyors. Market value means the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each 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 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 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 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 market value of the previously mentioned properties as at 31 March 2002 was:

		Gross	Gross
		market value	market value
		EUR	CHF
Switzerland	20 properties	331,697,342	486,600,000
Germany	13 properties	183,100,000	268,607,700
Belgium and Luxembourg	4 properties	45,510,000	66,763,170
Total value		560,307,342	821,970,870
(as sum of the individual values)			

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, 10 April 2002

Jones Lang LaSalle GmbH

ppa. Andrew M. Groom MRICS

Report of real estate appraisers

CB Richard Ellis BV

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 31 March 2002.

The Netherlands	The Hague , Grote Marktstraat 39-53/
Arnhem , Oude Oeverstraat 120	Wagenstraat 31-39
Amsterdam , Paasheuvelweg 26	The Hague , Laan van Meerdervoort 51
Amsterdam , Zekeringstraat 1-23	Huizen , Huizermaatweg 9-37
Amsterdam , Zekeringstraat 39-43	De Meern , Rijnzathe 8
Amsterdam , Zekeringstraat 45-47	Moerdijk , Middenweg 49
De Bilt , Utrechtseweg 370	Nieuwegein , Zoomstede 13-19
Diemen , Diemerhof 10-12	Nieuwegein , Meentwal 1
Diemen , Diemerhof 16-18	Rotterdam , Schiekade 34
Dordrecht , Stationsweg 4	Utrecht , Kaap Hoornreed 10-14
Enschede , Van Loenshof 56-168	Utrecht , Kaap Hoornreed 66-78
Gouda , Tielweg 6	Zeist , Bergweg 25
The Hague , Daendelstraat 57	Zeist , Huis ter Heideweg 30-40

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 31 March 2002 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 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 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 properties mentioned before, as at 31 March 2002, was:

EUR 190,625,000 CHF 279,646,875

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, 22 May 2002

CB Richard Ellis BV

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 45 to 89) of the Züblin Immobilien Group for the year ended as of 31 March 2002.

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, 31 May 2002

Ernst & Young AG

Martin Stäubli
Certified Accountant
(Auditor in charge)

Beat Röthlisberger
Certified Accountant
(Auditor in charge)

Financial statements

Züblin Immobilien Holding AG

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Income statement

in CHF thousand	Notes	2001/2002	2000/2001
Income			
Dividend and other income	1	25,945	18,793
Release of provision for construction activities	2	496	1,162
Financial income		728	397
Total income		27,169	20,352
Expenses			
Administrative expense	3	3,256	3,579
Financial expense		629	615
Foreign currency translation adjustments	4	6,689	4,565
Amortisation of organisation costs	5	500	500
Total expenses		11,074	9,259
Result			
Income before taxes		16,095	11,093
Taxes		0	0
Net income		16,095	11,093

Information contained in the notes to the financial statements is an integral part of the financial statements.

Balance sheet

in CHF thousand	Notes	31.3.2002	31.3.2001
Assets			
Non-current assets			
Investments in subsidiaries	6	180,554	86,746
Investments in associated company	7	5,916	5,420
Organisation costs	5	1,000	1,500
Loans to subsidiaries	8	135,194	218,174
Total non-current assets		322,664	311,840
Current assets			
Dividend receivables	9	0	3,600
Other receivables		811	399
Treasury shares	10	3,315	2,219
Cash and cash equivalents		7,010	5,929
Total current assets		11,136	12,147
Total assets		333,800	323,987
Shareholders' equity and liabilities			
Shareholders' equity			
Share capital	11	285,263	285,236
Additional paid-in capital	12	9,451	9,451
General legal reserve	13	1,500	500
Reserve for treasury shares	10	3,315	2,342
Retained earnings	14	16,127	10,493
Total shareholders' equity		315,656	308,022
Current liabilities			
Current payables		309	307
Bank overdraft	15	17,025	15,000
Accrued liabilities		810	658
Total liabilities		18,144	15,965
Total shareholders' equity and liabilities		333,800	323,987

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 on 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 and other income	in CHF thousand	2001/2002	2000/2001
Swiss Property and Investments NV		0	11,004
Züblin Immobilien AG		0	3,600
Delva 1/7/9/10 BV		0	4,189
Income from restructuring		25,945	0
Total dividend and other income		25,945	18,793

The income from restructuring in the amount of CHF 25.9 million stems from the reorganisation of the participations described under note 6 "investments in subsidiaries". In the reported business year, Züblin Immobilien Holding AG renounced dividend payments by the subsidiaries.

2. Release of provision for construction activities	in CHF thousand	2001/2002	2000/2001
Release of provision for construction activities		496	1,162
Total release of provisions		496	1,162

Due to the positive income development at CI Contractors Investors AG, the provisions were again reduced by the amount of the income from the participation for the year 2001.

3. Administrative expense	The administrative expense was again reduced by 9% compared to the previous year. Included in the expenses are, in particular, the costs for the optimisation of the Group structure and expenses for investor relations instruments such as the annual report, semi-annual report and the Internet presence. In addition, capital taxes are included in this position.
4. Foreign currency translation adjustments	The currency differences relate mostly to loans to subsidiaries and are, in most cases, not realised.
5. Depreciation of organisation costs	Organisation costs are depreciated straight-line over 5 years.
6. Investments in subsidiaries	On 12 September 2001, Swiss Properties and Investments NV was put under liquidation. Subsequently, all assets and liabilities, in particular the participation in European City Estates NV, were transferred to Züblin Immobilien Holding AG. The increase of the book value of the investments in subsidiaries is mainly due to the reorganisation of the Group structure. All subsidiaries held directly by Züblin Immobilien Holding AG are listed in the notes to the consolidated financial statements under note 1 "Investments in subsidiaries". A complete list of all Group companies can be found under additional information, pages 114 to 115.
7. Investments in associated company	In this position, the 25%-share in CI Contractors Investors AG in the amount of CHF 5.9 million (previous year: CHF 5.4 million) is reported. The increase of the book value is the result of the partial release of the provisions (see also note 2).
8. Loans to subsidiaries	Loans granted to subsidiaries support long-term financing of investment properties or investments in real estate companies. Of the loans outstanding of CHF 135.2 million, CHF 61.4 million (previous year CHF 58.9 million) have been granted to Züblin Immobilien AG and CHF 73.8 million to European City Estates NV (previous year CHF 153.5 million to Swiss Property and Investments NV).
9. Dividend receivables	Since, in the reported period, no dividend payments to Züblin Immobilien Holding AG were made by the subsidiaries, no receivables exist under this position.

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 acquisition cost is set aside in shareholders' equity.

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

	2001/2002		2000/2001	
	Number of	in CHF	Number of	in CHF
	shares		shares	
Bearer shares with nominal value CHF 10				
Balance as of 1.4.	291	2,910	849	8,490
Disposal due to conversion into bearer shares with nominal value CHF 1	291	2,910	558	5,580
Balance as of 31.3.	0	0	291	2,910
Bearer shares with nominal value CHF 1				
Balance as of 1.4.	477,090	477,090	471,510	471,510
Addition due to conversion into bearer shares with nominal value CHF 10	0	0	5,580	5,580
Disposal due to conversion into bearer shares with nominal value CHF 10	477,090	477,090		
Balance as of 31.3.	0	0	477,090	477,090
Total balance as of 31.3.		0		480,000
Allowance for loss in value		0		- 48,000
Balance as of 31.3.		0		432,000

Treasury shares as trading position

Bearer shares with nominal value CHF 10				
Balance as of 1.4.	198,556	1,861,546	0	0
Acquisition of bearer shares with nominal value CHF 10	111,541	973,855	198,556	1,861,546
Addition due to conversion into bearer shares with nominal value CHF 10	48,000	480,000		
Balance as of 31.3.	358,097	3,315,401	198,556	1,861,546
Allowance for loss in value		0		- 74 542
Balance as of 31.3.		3,315,401		1,787,004

Summary

Bearer shares with nominal value CHF 10	358,097	3,315,401	198,847	1,864,456
Bearer shares with nominal value CHF 1	0	0	477,090	477,090
Total acquisition costs/				
Reserve for treasury shares		3,315,401		2,341,546
Allowance for loss in value		0		- 122,542
Total balance treasury shares as of 31.3.		3,315,401		2,219,004

11. Share capital		Number of shares	in CHF thousand
Balance as of	Outstanding shares		
31.3.2001	Bearer shares with nominal value CHF 1	480,000	480
	Bearer shares with nominal value CHF 10	28,475,637	284,756
			285,236
Changes in the capital	Creation of unitary shares with nominal value CHF 10		
(AGM 7.6.2001)	Conversion of 477,090 own bearer shares with nominal value CHF 1 into 47,709 bearer shares with nominal value CHF 10	- 477,090	- 477
		47,709	477
	Increase of the nominal value for 2,910 bearer shares from CHF 1 to CHF 10	- 2,910	- 3
		2,910	29
Balance as of	Outstanding shares		
31.3.2002	Bearer shares with nominal value CHF 1	0	0
	Bearer shares with nominal value CHF 10	28,526,256	285,263
Authorised and conditional capital	Authorised capital		
	Balance as of 31.3.2001 (AGM 7.7.2000)	14,261,818	142,618
	Balance as of 31.3.2002	14,261,818	142,618
	Conditional capital for convertible bond or bond with warrant		
	Balance as of 31.3.2001 (AGM 7.7.2000)	5,000,000	50,000
	Balance as of 31.3.2002	5,000,000	50,000
	Conditional capital for profit-sharing plan		
	Balance as of 31.3.2001 (AGM 7.7.2000)	1,000,000	10,000
	Balance as of 31.3.2002	1,000,000	10,000
12. Additional paid-in capital	in CHF thousand	2001/2002	2000/2001
	Balance as of 1.4.	9,451	9,657
	Capital increase costs 18.2.2000	0	- 206
	Balance as of 31.3.	9,451	9,451

13. General legal reserve	in CHF thousand	2001/2002	2000/2001
	Balance as of 1.4.	500	50
	Allocation from retained earnings	1,000	450
	Balance as of 31.3.	1,500	500
14. Retained earnings	in CHF thousand		
	Retained earnings as of 31.3.2001 for allocation by the general shareholders' meeting 2001		10,493
	Allocation to legal reserve (approved by general shareholders' meeting 6.7.2001)		- 1,000
	Dividend payments (approved by general shareholders' meeting 6.7.2001)		- 8,460
	Carry forward to new period		1,033
	Net income for the business year 2001/2002		16,095
	Allocation to reserve for treasury shares		- 974
	Increase of the nominal value by CHF 9 for 2,910 bearer shares		- 26
	Retained earnings as of 31.3.2002 for allocation by the general shareholders' meeting 2002		16,128
15. Bank overdrafts	The increase in bank overdrafts relates to the temporary financing of subsidiaries.		
16. Contingent liabilities	in CHF thousand	31.3.2002	31.3.2001
	Joint guarantees in favour of subsidiaries	111,600	85,000
	Annuity guarantees in favour of subsidiaries	7,423	8,626
	Guarantees to banks in favour of ZüblinSchlittler Bau AG	9,000	9,000
17. Major shareholder	As of 31 March 2002, the Co-operative Investment Fund Westblaak UA, domiciled in Rotterdam, The Netherlands, held 30.7% (previous year 30.7%) of the voting rights in Züblin Immobilien Holding AG. Westblaak is controlled indirectly by a trust which is set up for the benefit of members of the family of Jan Bosch, Fribourg, Switzerland.		
18. Subsequent events	No mentionable events occurred since the balance sheet date.		

Proposal of the Board of Directors for the allocation of retained earnings

	in CHF
Earnings available for allocation	
Retained earnings from previous year	1,032,917.08
Allocation to reserves for treasury shares	- 973,836.25
Increase of the nominal value by CHF 9 for 2,910 bearer shares	- 26,190.00
Net income for the business year 2001/2002	16,094,709.39
Retained earnings as of 31.3.2002 for allocation by the general shareholders' meeting 2002	16,127,600.22
Allocation of earnings	
Distribution of ordinary dividends:	9,858,855.65
Dividend of CHF 0.35 per bearer share with nominal value CHF 10 (treasury shares held by the company are not entitled to dividends)	
Allocation to the general legal reserve	1,000,000.00
Allocation to the free reserve	4,000,000.00
Balance to be carried forward to new period	1,268,744.57
General legal reserve	
General legal reserve as of 31.3.2002	1,500,000.00
Allocation	1,000,000.00
Total general legal reserve after allocation	2,500,000.00
Free reserve	
Free reserve as of 31.3.2002	0.00
Allocation	4,000,000.00
Total free reserve after allocation	4,000,000.00

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 103) of Züblin Immobilien Holding AG for the year ended 31 March 2002.

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, 31 May 2002

Ernst & Young AG

Martin Stäubli
Certified Accountant
(Auditor in charge)

André Kym
Certified Accountant
(Auditor in charge)

Additional information

Züblin Immobilien Group

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- 114 Overview of ownership

Information on the properties as of 31 March 2002

Portfolio Switzerland

Property No.	City, address	Date of acquisition	Year of construction/renovation	Annual rental income CHF 1,000	Vacancy rate (CHF) %	Ownership %	Owner ¹
Region of Zurich							
1	Baden, Rütistrasse 3/3a	1.3.2000	1960/1990	765	1.19	100	I2
2	Egg, Gewerbestrasse 12/12a	1.4.2000	1982/1987	1,218	0.33	100	I2
3	Hombrechtikon, Feldbachstrasse 81	30.6.2000	1990	672	0.00	100	I2
■ 4	Pfäffikon, Churerstrasse 120/122	27.3.2002	2002	2,727	0.00	100	I2
5	Rümlang, Riedmattstrasse 9	1.12.1999	1982	1,799	0.96	100	I2
6	Schwerzenbach, Bahnstrasse 24	31.3.2000	1991	3,066	0.00	100	I2
7	Schwerzenbach, Eschenstrasse 2–6	1.1.2001	1991	450	0.00	100	I2
8	Wettingen, Landstrasse 115	31.12.1999	1990	445	10.96	100	I2
9	Wettingen, Landstrasse 99	1.3.2000	1994	2,679	2.05	100	I2
10	Winterthur, Im Hölzli 10	31.3.2000	1991/1992	959	0.00	100	I2
² 11	Zurich, Binzmühlestrasse 154	23.1.2001	1965/1988	4,769	0.00	100	I2
12	Zurich, Feldstrasse 133	10.1.2000	1972/1999	799	0.00	100	I2
13	Zurich, Hardturmstrasse 76	20.3.2000	1967/2001	621	0.00	100	I2
14	Zurich, Talstrasse 82	1.1.2000	1950	1,317	0.00	100	I2
	Total region of Zurich			22,286	0.63		
Region of Bern							
15	Bern, Morgenstrasse 131	15.12.1999	1994	2,797	0.00	100	I2
16	Bern, Morgenstrasse 136	1.6.2000	1991	963	12.85	100	I2
17	Biel, Florastrasse 16/18	31.12.1999	1953/1955	1,897	2.72	100	I2
18	Zollikofen, Industriestrasse 1	21.12.1998	1990/1991	4,597	7.98	100	I2
	Total region of Bern			10,254	5.47		
Region of Geneva							
19	Geneva, Boulevard Carl-Vogt 17/19	1.9.1999	1963	1,482	0.00	100	I2
20	Pully, Avenue Général-Guisan 46–46a	1.2.1999	1988	381	0.00	100	I2
	Total region of Geneva			1,863	0.00		
	Total portfolio Switzerland (20 properties)			34,403	2.09		

■ Newly purchased properties in the business year 2001/2002.

¹ Information on the owners see overview of ownership, pages 114–115.

² The rental contract with Tele City UK Limited was dissolved; the rents agreed upon will be paid until 31 December 2002. The building is vacant.

	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	Vacancy rate (m ²) %	No. of parking spaces	Invest- ment category	Züblin Immobilien Rating™
	1,172	2,722	–	374	907	107	4,109	2.80	39	Office	AA
	4,894	5,474	–	–	1,211	–	6,685	0.28	83	Office	AA
	6,440	1,783	480	–	1,178	–	3,441	0.00	99	Office	AA
	5,428	5,249	–	–	279	–	5,528	0.00	162	Office	AAA
	5,090	9,955	95	841	1,596	–	12,486	0.40	106	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	21.48	34	Office	AA
	5,453	2,509	–	5,120	3,272	309	11,210	5.31	200	Retail	AA
	3,495	178	3,655	–	3,479	–	7,312	0.00	36	Trade	AA
	46,069	–	17,520	–	–	–	17,520	0.00	10	Trade	AA
	1,281	2,141	–	–	1,907	401	4,449	0.00	26	Office	AA
	1,100	2,427	283	15	755	–	3,480	0.00	34	Office	AA
	574	2,322	270	220	558	65	3,435	0.00	0	Office	AAA
	96,812	47,395	25,753	7,100	18,395	987	99,629	1.34	1,094		
	5,719	10,274	638	1,179	1,683	–	13,774	0.00	181	Office	AA
	2,740	4,808	453	1,144	150	–	6,555	9.70	120	Office	AA
	2,710	–	–	4,369	874	1,807	7,050	6.87	3	Retail	AA
	4,942	14,631	–	–	15,551	–	30,182	15.16	204	Office	AAA
	16,111	29,713	1,091	6,692	18,258	1,807	57,561	9.89	508		
	2,066	6,165	–	366	–	–	6,531	0.00	25	Office	AA
	1,966	1,098	–	–	145	–	1,243	0.00	38	Office	AAA
	4,032	7,263	–	366	145	–	7,774	0.00	63		
	116,955	84,371	26,844	14,158	36,798	2,794	164,964	4.26	1,665		

Portfolio Germany

Property No.	City, address	Date of acquisition	Year of construction/renovation	Annual rental income CHF 1,000	Vacancy rate (CHF) %	Ownership %	Owner ¹
Region of Berlin							
^{2,3} 21	Berlin, Maxstrasse 2–4	27.9.2000	1908/1993	1,136	0.00	100	012
22	Berlin, Maxstrasse 3a	27.9.2000	1994	561	18.46	100	012
	Total region of Berlin			1,697	6.96		
Region of Frankfurt							
² 23	Rüsselsheim, Eisenstrasse 2–4	1.1.2000	1974/1989	1,454	23.89	100	015
■ 24	Wiesbaden, Kreuzberger Ring 24	1.8.2001	2001	870	0.00	100	016
	Total region of Frankfurt			2,324	16.42		
Region of Hamburg							
25	Hamburg, Albert-Einstein-Ring 17–21	1.1.1999	1992	2,553	3.73	100	074
26	Hamburg, Nagelsweg 37, 39	1.1.1999	1986	1,866	5.96	100	072
27	Hamburg, Pappelallee 33	1.1.1999	1991	1,046	23.61	100	073
² 28	Hamburg, Wandsbeker Zollstrasse 11–19	1.1.1999	1970/2002	717	45.24	100	071
	Total region of Hamburg			6,182	15.49		
Region of Stuttgart							
29	Stuttgart, Mittlerer Pfad 2–4	1.12.2000	1991	3,419	12.46	100	014
30	Stuttgart, Mittlerer Pfad 9	1.6.2000	1991	1,439	0.00	100	03
31	Stuttgart, Vor dem Lauch 14	1.1.2000	1982/1994	1,517	4.61	100	013
	Total region of Stuttgart			6,375	8.07		
Region of Munich							
■ 32	Munich-Germering, Streiflacher Strasse 7	1.3.2002	1999	725	0.00	100	018
	Total region of Munich			725	0.00		
Region of Düsseldorf							
■ 33	Düsseldorf, Ross Strasse 96	1.11.2001	1984	1,225	8.23	100	017
	Total region of Düsseldorf			1,225	8.23		
	Total portfolio Germany (13 properties)			18,528	11.41		

Sales in the business year

■	Erfurt, Lange Brücke 29	1.1.2000	1920	–	–	100	
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■ Newly purchased properties in the business year 2001/2002.

■ Properties sold in the business year 2001/2002.

¹ Information on the owners see overview of ownership, pages 114–115.

² Under renovation.

³ The building is vacant and is presently under renovation. Due to rental guarantees rents are being paid.

	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	Vacancy rate (m ²) %	No. of parking spaces	Invest- ment category	Züblin Immobilien Rating™
	3,904	8,437	–	–	773	–	9,210	0.00	78	Office	AA
	2,034	3,568	–	–	73	–	3,641	19.42	33	Office	AA
	5,938	12,005	–	–	846	–	12,851	5.50	111		
	11,620	9,845	288	–	–	–	10,133	24.38	323	Office	AA
	2,372	3,708	–	–	–	–	3,708	0.00	85	Office	AA
	13,992	13,553	288	–	–	–	13,841	17.85	408		
	7,538	13,307	–	–	349	–	13,656	3.84	242	Office	AA
	4,616	8,744	–	–	506	–	9,250	6.05	191	Office	AA
	2,956	6,451	–	–	150	–	6,601	23.77	113	Office	AA
	2,901	6,311	–	–	555	–	6,866	46.69	99	Office	A
	18,011	34,813	–	–	1,560	–	36,373	16.11	645		
	8,521	19,948	–	–	1,683	–	21,631	11.94	299	Office	AA
	3,620	7,186	–	–	878	–	8,064	0.00	108	Office	AA
	6,998	8,397	–	–	333	–	8,730	4.08	173	Office	AAA
	19,139	35,531	–	–	2,894	–	38,425	7.65	580		
	2,512	3,295	–	–	234	–	3,529	0.00	68	Office	AA
	2,512	3,295	–	–	234	–	3,529	0.00	68		
	1,315	6,679	–	–	54	–	6,733	8.27	75	Office	AA
	1,315	6,679	–	–	54	–	6,733	8.27	75		
	60,907	105,876	288	–	5,588	–	111,752	11.22	1,887		
	2,037	–	–	1,260	–	2,518	3,778	100.00	n.a.	Office	A

Portfolio The Netherlands

Property No.	City, address	Date of acquisition	Year of construction/renovation	Annual rental income CHF 1,000	Vacancy rate (CHF) %	Ownership %	Owner ¹
Region of Amsterdam							
34	Amsterdam, Paasheuvelweg 26	1.1.2000	1991	663	0.00	100	I57
35	Amsterdam, Zekeringstraat 1–23	1.1.2000	1995	1,625	0.00	100	I57
² 36	Amsterdam, Zekeringstraat 45–47	1.1.2000	1992	575	58.80	50	O68
² 37	Amsterdam, Zekeringstraat 39–43	1.1.2000	1992	338	59.99	50	O70
38	Diemen, Diemerhof 10–12	1.1.2000	1990	391	0.00	100	I57
39	Diemen, Diemerhof 16–18	1.1.2000	1990	700	0.00	100	I57
	Total region of Amsterdam			4,292	23.62		
Region of The Hague							
40	The Hague, Daendelstraat 57	1.7.1998	1979	234	0.00	100	I55
41	The Hague, Grote Marktstraat 39, 43, 50, 51 & Wagenstraat 31, 33, 37, 39	1.1.2000	1986	2,782	0.00	50	O66
42	The Hague, Laan van Meerdervoort 51	1.7.1998	1987/2001	675	4.11	100	I55
	Total region of The Hague			3,691	0.78		
Region of Rotterdam							
43	Dordrecht, Stationsweg 4	1.1.1998	1962	683	0.00	100	I55
44	Gouda, Tielweg 6	1.7.1998	1990	344	0.00	100	I55
45	Moerdijk, Middenweg 49	1.1.2000	1998	1,509	58.43	90	O63
46	Rotterdam, Schiekade 34	1.7.1998	1961	866	36.59	100	I55
	Total region of Rotterdam			3,402	43.51		
Region of Utrecht							
47	De Bilt, Utrechtseweg 370	1.7.1998	1982	341	0.00	100	I55
48	De Meern, Rijnzathe 8	1.1.2000	1990	1,555	0.00	100	O59
49	Nieuwegein, Meentwal 1	1.7.1998	1991	308	0.00	100	I55
50	Nieuwegein, Zoomstede 13–19	1.7.1998	1989	1,234	0.00	100	I55
² 51	Utrecht, Kaap Hoorndreef 10–14	1.7.1998	1972/2001	746	0.00	100	I55
52	Utrecht, Kaap Hoorndreef 66–78	1.7.1998	1975	538	0.00	100	I55
	Total region of Utrecht			4,722	0.00		
Other regions							
² 53	Arnhem, Oude Oeverstraat 120	1.7.1998	1973	971	18.67	100	I55
54	Enschede, Van Loenshof 56–168	1.1.2000	2000	1,210	26.16	75	O61
55	Huizen, Huizermaatweg 9–37	1.7.1998	1986	528	0.00	100	I55
56	Zeist, Bergweg 25	1.7.1998	1983	274	0.00	100	I55
57	Zeist, Huis ter Heideweg 30–40	1.7.1998	1980/2001	956	0.00	100	I55
	Total other regions			3,939	14.19		
	Total The Netherlands (24 properties)			20,046	18.76		

Sales in the business year

■	Veldhoven, De Run 1120–1150	1.1.2000	1990			50	
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■ Properties sold in the business year 2001/2002.

¹ Information on the owners see overview of ownership, pages 114–115.

² Under renovation.

	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	Vacancy rate (m ²) %	No. of parking spaces	Invest- ment category	Züblin Immobilien Rating™
	2,940	3,644	-	-	-	-	3,644	0.00	66	Office	AAA
	13,068	12,094	-	-	-	-	12,094	0.00	233	Office	AA
	9,030	5,132	1,809	-	10	-	6,951	53.24	136	Office	A
	5,370	3,535	993	-	-	-	4,528	49.76	116	Office	A
	2,668	2,008	-	-	-	-	2,008	0.00	57	Office	AA
	3,943	3,672	-	-	-	-	3,672	0.00	117	Office	AA
	37,019	30,085	2,802	-	10	-	32,897	18.10	725		
	506	1,202	-	-	-	-	1,202	0.00	21	Office	AA
	2,990	9,652	-	1,383	-	-	11,035	0.00	43	Office	AA
	1,942	3,506	-	-	-	-	3,506	4.85	47	Office	AA
	5,438	14,360	-	1,383	-	-	15,743	1.08	111		
	3,001	3,752	-	-	-	-	3,752	0.00	72	Office	AAA
	1,800	2,021	-	-	-	-	2,021	0.00	56	Office	AA
	120,298	1,550	53,204	-	-	-	54,754	63.40	30	Trade	A
	2,576	7,029	-	1,594	-	-	8,623	34.05	46	Office	AA
	127,675	14,352	53,204	1,594	-	-	69,150	54.45	204		
	1,998	2,093	-	-	-	-	2,093	0.00	36	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	7,341	-	-	-	-	7,341	0.00	50	Office	AAA
	606	3,344	-	-	-	-	3,344	0.00	-	Office	AA
	606	3,150	-	-	-	-	3,150	0.00	-	Office	AA
	14,130	24,755	-	-	-	-	24,755	0.00	268		
	1,055	6,923	-	-	-	-	6,923	21.94	9	Office	AA
	2,292	-	-	6,663	-	-	6,663	37.66	-	Retail	AA
	950	3,048	-	-	-	-	3,048	0.00	-	Office	AAA
	1,770	690	-	920	-	-	1,610	0.00	21	Office	AA
	5,465	4,637	-	-	-	-	4,637	0.00	64	Office	AA
	11,532	15,298	-	7,583	-	-	22,881	17.60	94		
	195,794	98,850	56,006	10,560	10	-	165,426	28.90	1,402		
	5,925	3,560					3,560		86	Office	AA

Portfolio Belgium/Luxembourg

Property No.	City, address	Date of acquisition	Year of construction/renovation	Annual rental income CHF 1,000	Vacancy rate (CHF) %	Ownership %	Owner ¹
Region of Brussels							
58	Brussels, Avenue Louise 120	1.10.2000	1976	741	13.04	100	032
² 59	Brussels, Rue de Genève 4	1.10.2000	1970	1,348	2.05	100	033
■ 60	Brussels, Avenue Hermann Debroux 17-19	1.9.2001	1989	1,214	0.00	100	034/035
	Total region of Brussels			3,303	4.05		
Region of Luxembourg							
³ 61	Howald, Rue des Scillas 20	1.1.2000	1970/2001	2,213	0.00	100	041
	Total region of Luxembourg			2,213	0.00		
	Total Belgium/Luxembourg (4 properties)			5,516	2.46		

Total portfolio

Total portfolio (61 properties)

78,493

9.13

■ Newly purchased properties in the business year 2001/2002.

¹ Information on the owners see overview of ownership, pages 114–115.² Condominium ownership 36% of the property.³ Under renovation.

	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	Vacancy rate (m ²) %	No. of parking spaces	Invest- ment category	Züblin Immobilien Rating™
	933	3,575	–	655	–	547	4,777	12.69	82	Office	AA
	3,554	6,618	–	–	692	–	7,310	2.02	95	Office	AA
	5,082	5,351	–	–	615	–	5,966	0.00	183	Office	AAA
	9,569	15,544	–	655	1,307	547	18,053	4.18	360		
	23,000	–	–	11,300	–	–	11,300	24.78	400	Retail	AAA
	23,000	–	–	11,300	–	–	11,300	24.78	400		
	32,569	15,544	–	11,955	1,307	547	29,353	12.11	760		
	406,225	304,641	83,138	36,673	43,703	3,341	471,495	15.04	5,714		

Overview of ownership

Com-pany code	Company name	City, address	Function	Owner of
Switzerland				
H1	Züblin Immobilien Holding AG	Zurich, Claridenstrasse 20	H	Participation in I2-012-S51-AC4 (25%)
I2	Züblin Immobilien AG	Zurich, Claridenstrasse 20	I	Properties Nos. 1–20
O3	Weilimmo AG	Zurich, Claridenstrasse 20	O	Property No. 30
AC4	CI Contractors Investors AG	Zurich, Okenstrasse 8	AC	
Germany				
S11	EurCE Immobilien AG	Munich, Brienner Strasse 9	S	Participation in O3-012-013-014-015-016-017-018
O12	Maxstrasse 2–4, 3a Immobilien GmbH	Munich, Brienner Strasse 9	O	Properties Nos. 21–22
O13	Vor dem Lauch Liegenschafts GmbH	Munich, Brienner Strasse 9	O	Property No. 31
O14	Mittlerer Pfad 2–4 Immobilien GmbH	Munich, Brienner Strasse 9	O	Property No. 29
O15	Eisenstrasse Liegenschafts GmbH	Munich, Brienner Strasse 9	O	Property No. 23
O16	Kreuzberger Ring 24 Immobilien GmbH	Munich, Brienner Strasse 9	O	Property No. 24
O17	Rossstrasse 96 Immobilien GmbH	Munich, Brienner Strasse 9	O	Property No. 33
O18	Streiflacher Strasse 7 Immobilien GmbH	Munich, Brienner Strasse 9	O	Property No. 32
Belgium				
S31	Lisa SA	Brussels, Avenue Louise 120	S	Participation in O32-033-034-035
O32	Gilts Investments SA	Brussels, Avenue Louise 120	O	Property No. 58
O33	Le Genève No 4 SA	Brussels, Rue Wiertz 50	O	Property No. 59
O34	Ave Hermann Debroux 17–19 Property NV	Brussels, Rue Wiertz 50	O	Property No. 60
O35	EurCE Belco I NV	Brussels, Rue Wiertz 50	O	Property No. 60
Luxembourg				
O41	Société d'Investissement de Howald SA	Luxembourg, Route d'Esch 400	O	Property No. 61
O42	Uta SA	Luxembourg, Route d'Esch 400	O	Reserve for co-operation project

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)

AC = Associated company

If no percentage of the participation is indicated the holding (direct and indirect) is 100%.

Inactive companies that will be liquidated are not listed.

Com- pany code	Company name	City, address	Function	Owner of
The Netherlands				
S51	European City Estates NV	Amsterdam, Kabelweg 37	S	Participation in S11-013-015-S31-034-041-042 (70%)-P52-P53-S54-S56-S60-P62-S64-071-072-073-074
P52	General City III BV	Amsterdam, Kabelweg 37	P	Participation in I55
P53	Sixth Sense BV	Amsterdam, Kabelweg 37	P	Participation in I55
S54	Delva 22 BV	Amsterdam, Kabelweg 37	S	Participation in I55
I55	Freeward I CV	Amsterdam, Kabelweg 37	I	Properties Nos. 40-42-43-44-46-47-49-50-51-52-53-55-56-57
S56	General City Property Holding BV	Amsterdam, Kabelweg 37	S	Participation in I57-S58
I57	General City Properties BV	Amsterdam, Kabelweg 37	I	Properties Nos. 34-35-38-39
S58	Rijnveste Property Holding BV	Amsterdam, Kabelweg 37	S	Participation in 059
059	Rijnveste Property BV	Amsterdam, Kabelweg 37	O	Property No. 48
S60	General City II BV	Amsterdam, Kabelweg 37	S	Participation in 061 (75%)
061	Zuidmolen VOF	Amsterdam, Kabelweg 37	O	Property No. 54
P62	General City Moerdijk BV	Amsterdam, Kabelweg 37	P	Participation in 063 (90%)
063	Moerdijk Middenweg CV	Amsterdam, Kabelweg 37	O	Property No. 45
S64	Mingari BV	Amsterdam, Kabelweg 37	S	Participation in S65-S67-S69
S65	Mingari Marktstraat BV	Amsterdam, Kabelweg 37	S	Participation in 066 (50%)
066	Marktstraat VOF	Amsterdam, Kabelweg 37	O	Property No. 41
S67	Mingari Omegapark I BV	Amsterdam, Kabelweg 37	S	Participation in 068 (50%)
068	Omegapark I VOF	Amsterdam, Kabelweg 37	O	Property No. 36
S69	Mingari Omegapark II BV	Amsterdam, Kabelweg 37	S	Participation in 070 (50%)
070	Omegapark II VOF	Amsterdam, Kabelweg 37	O	Property No. 37
071	Delva 1 BV	Amsterdam, Kabelweg 37	O	Property No. 28
072	Delva 7 BV	Amsterdam, Kabelweg 37	O	Property No. 26
073	Delva 9 BV	Amsterdam, Kabelweg 37	O	Property No. 27
074	Delva 10 BV	Amsterdam, Kabelweg 37	O	Property No. 25

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)

AC = Associated company

If no percentage of the participation is indicated the holding (direct and indirect) is 100%.

Inactive companies that will be liquidated are not listed.

Definition of terms

Annual rental income

Annual rent stemming from rental contracts as of the balance sheet date. This figure does not include any recoverable costs which can be charged to tenants.

EBITDA (Earnings before interest, tax, depreciation and amortisation)

Operating income plus net financing expenses and amortisation.

Enterprise value (EV)

Market capitalisation as of the balance sheet date (shares entitled to dividends at the actual share price) plus minority interests and net debt (liabilities subject to interest, excluding current assets).

Equity per share (net asset value; NAV)

Shareholders' equity as of the balance sheet date (after deduction of deferred taxes), divided by the number of shares entitled to dividends (outstanding shares, excluding treasury shares).

Gross yield

Rental income of the reported period in percent of the average market value of the investment properties.

Market value investment properties

For the annual report, the market value is assessed by independent external real estate appraisers. As of the balance sheet date for the semi-annual financial statements, the market value of the annual report is adjusted for investments made during the reported period as well as for properties sold or acquired.

Net income per share (earnings per share; EPS)

Consolidated net income (after taxes), divided by the number of shares entitled to dividends (outstanding shares, excluding treasury shares).

Net yield

Rental income of the reported period less maintenance and repairs as well as real estate expense in percent of the average market value of the investment properties.

Return on equity

Consolidated net income (after taxes) in percent of the equity available (shareholders' equity at the beginning of the reported period, after dividend payments and changes in shareholders' equity).

Vacancy (in CHF)

Vacant space as of the balance sheet date, valued at market conditions (market rent).

Vacancy rate (CHF)

Vacancy (in CHF) in percent of annual rental income potential (annual rental income plus vacancies [in CHF]).

Vacancy rate (m²)

Vacant space as of the balance sheet date in percent of the total usable area.



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Züblin Immobilien Holding AG
Claridenstrasse 20
CH-8002 Zurich

Phone +41 (0)1 206 29 39
Fax +41 (0)1 206 29 38
info@zueblin.ch
www.zueblin.ch

Responsible for
investor relations:
Dr. Franz Hidber,
Chairman of the Board of Directors

franz.hidber@zueblin.ch