



2011  
Half-year Report

# PROFILE & KEY FIGURES

PEACH PROPERTY GROUP AG IS ONE OF THE LEADING DEVELOPERS OF LUXURY RESIDENTIAL PROPERTY IN EUROPE.

Its activities cover the entire value creation chain for the development of real estate from location assessment and project management right through to completion, marketing and sale or leasing. Based on this comprehensive range of services from the initial idea through to project completion and the focus on the most attractive locations in Europe, Peach Property Group is in a position to offer its customers highly exceptional properties.

Peach Property Group AG employs 34 real estate and financial specialists at its headquarters in Zurich and at its German branch in Cologne. Current Group projects amount to a targeted marketing volume totalling around 800 million CHF.

## Key figures

		30.06.2011	30.06.2010
<b>Peach Property Group (consolidated)</b>			
Operating income	in thousands of CHF	6,242	34,543
Operating profit/EBIT	in thousands of CHF	-5,291	24,569
Profit/(loss) for the period	in thousands of CHF	-6,262	16,626
		<b>30.06.2011</b>	<b>31.12.2010</b>
NAV IFRS	in thousands of CHF	99,436	112,477
NAV market value <sup>1</sup>	in thousands of CHF	137,703	146,529
Total shareholders' equity	in thousands of CHF	99,436	112,477
Equity ratio (reported)	in %	51	53
Equity ratio (at NAV market value <sup>1</sup> )	in %	57	57
Employees		34	34
<b>Peach Property Group shares</b>			
Diluted earnings per share	in CHF	-1.30	6.18
		<b>30.06.2011</b>	<b>31.12.2010</b>
NAV IFRS per share	in CHF	20.53	23.22
NAV market value <sup>1</sup> per share	in CHF	28.43	30.25
Share price	in CHF	24.35	31.00
Market capitalisation	in thousands of CHF	117,955	150,169

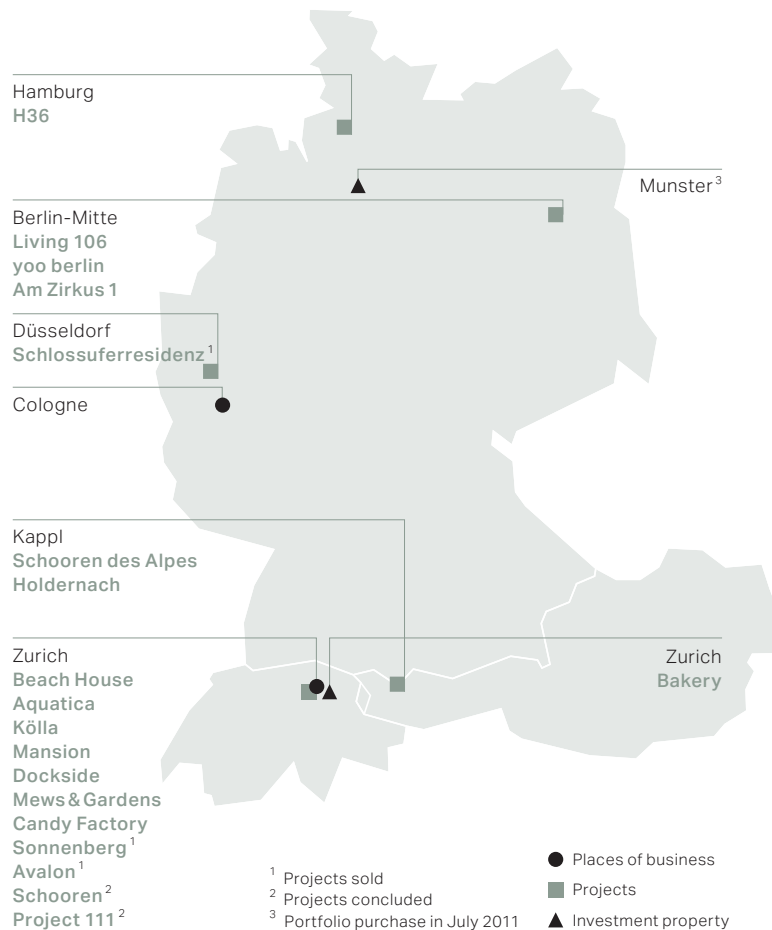
<sup>1</sup> NAV market value calculated on the basis of the Wüest & Partner valuation, account having been taken of deferred taxes.

# PORTFOLIO

HIGH-VALUE RESIDENTIAL PROPERTY AND LUXURY REAL ESTATE ARE THE BEDROCK OF THE PORTFOLIO.

Peach Property Group focuses on city and holiday residences for discerning property owners and investors. The properties' main features are their first-class location, high quality and incomparable finish that satisfy the demands and lifestyle of their owners.

The Peach Property Group's current development portfolio encompasses a total of 14 projects in Greater Zurich, Berlin, Hamburg, and the Austrian holiday resort of Kappl near Ischgl as well as investment properties in the Zurich and Hamburg regions.



REPORT  
MILESTONES  
IN THE FIRST  
HALF OF 2011

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# DEAR SHAREHOLDER,

Peach Property Group AG has made good progress in the first half of 2011. All of our development projects reached their planned milestones. This has seen the market value of our property portfolio under management increase to 272.2 million CHF, up 3% since the end of 2010, according to the valuation by the independent real estate valuer Wüest&Partner. The Peach Property Group is laying the foundations for regular revenue streams in the future by further developing its strategy towards retaining a higher number of leased investment properties in its portfolio.

## **Income trend in line with expectations in the first half of the year**

At 6.2 million CHF, however, operating income in the first half of 2011 was significantly lower than in the same period in the previous year (first half of 2010: 34.5 million CHF). This fall in operating income came as no surprise because – as expected – no major projects were concluded or profits from acquisitions recorded in the first half-year. Income from property development in the first six months of 2011 amounted to 4.2 million CHF (first half of 2010: 2.6 million CHF), partially offset by expenses from property development of 3.4 million CHF (first half of 2010: 2.5 million CHF). Gross profit from sales revenues increased in the first half-year to 0.8 million CHF, up from 0.1 million CHF in the same period in 2010. At 1.6 million CHF, sales and marketing expenses were lower than in the previous year (2.3 million CHF). The lower operating income level also had a knock-on effect on operating profit (EBIT), which recorded a loss of –5.3 million CHF in the first half of 2011 (first half of 2010: 24.5 million CHF). The result for the period amounts to –6.3 million CHF (first half of 2010: 16.7 million CHF), of which –1.9 million CHF is attributable to foreign exchange losses. This corresponds to diluted earnings per share of –1.30 CHF (first half of 2010: 6.18 CHF).

The market value of the Peach Property Group's property portfolio under management rose by 3% to 272.2 million CHF as against 31 December 2010, adversely affected as it was by the significant appreciation of the Swiss franc. Constant exchange rates would have resulted in a 5% increase in market value to 278.5 million CHF.

As at 30 June 2011, total shareholders' equity amounts to 99.4 million CHF, which corresponds to a robust equity ratio of 51% (31.12.2010: 53%).

### Key project milestones reached

In the first half of 2011, the Peach Property Group pressed on with its Swiss, German and Austrian development projects in accordance with the agreed schedule:

- On the “Peninsula” site in Wädenswil, preparatory pre-construction work got under way and the approximately four-metre-high noise barrier was installed between the site and the SBB railway line. An exclusive cooperation agreement was signed with the renowned landscape designer Enzo Enea to design the entire park and garden area. In the matter of the appeal against the building consent granted for the “Aquatica” project, the Peach Property Group held discussions with all the appellants. Their concerns were addressed and the overall Peninsula concept fine-tuned. The appeal process is still ongoing. A planning application for the “Mews&Gardens” project was submitted as planned at the end of June.
- The Peach Property Group brought “Living 106”, its first project in Berlin, to a successful conclusion.
- The necessary civil engineering work for “yoo berlin” – our large-scale project in Berlin being realised in collaboration with top designer Philippe Starck – was completed in July; structural engineering work commenced on 1 August 2011. At the same time, the design team worked together with the future owners of the site’s apartments to determine individual interior decoration and furnishing concepts.
- In the building adjacent to “yoo berlin”, the Peach Property Group is constructing a 311-room hotel as part of the “Am Zirkus 1” sub-project. A 20-year lease agreement for the running of the hotel was signed with the Fattal Group, which already operates 24 Leonardo hotels in Germany.
- The foundation stone for the first of the two construction stages for the “Harvestehuderweg 36” project in Hamburg was laid in a ceremony on 19 May 2011.
- Structural engineering work on the “Schooren des Alpes” project in Kappl near Ischgl proceeded on schedule. Optimisation measures for the customised final construction stage are currently being implemented in consultation with the customers.



Dr. Christian Wenger  
Chairman of the Board of Directors



Dr. Thomas Wolfensberger  
Chief Executive Officer,  
Member of the Board of Directors

We have broken new ground in our communication with current and potential customers with the launch of our customer magazine "Peach Paper". The publication "Peach Paper" is published twice a year (in spring and autumn) and sent out to around 10,000 readers.

#### **Strategic development**

As a shareholder, you will be particularly interested to learn of the further development of the strategy of Peach Property Group AG that we have undertaken in the first half of 2011: in addition to its current focus on property developments in the luxury and high-quality residential property segment, Peach Property Group AG also plans to build up its portfolio of highly profitable investment properties in future, with the aim of using the regular revenue streams from rental income to even out the more sporadic inflows of income from project business. We intend to purchase only investment properties that will allow us to apply our expertise in acquisition, development, structuring and marketing and thus permit us to exploit competitive advantages and generate added value.

## Segments and strategies

	Luxury residential property	High-quality residential property	Rental properties
Rental income	3–4%	5%	7–10% <sup>1</sup>
Development potential	high	medium	low
Income	concentrated	constant	constant
	Sale		Portfolio

<sup>1</sup> Estimated return based on the net base rent in relation to the acquisition costs.

The three segments of the real estate market on which the Peach Property Group focuses differ in terms of development potential and the frequency and extent of rental income. Projects for luxury residential property offer substantial potential for development. Due to the comparatively low return from rental income, these projects are sold after completion, meaning that income is generated in a highly concentrated manner. The company's approach to rental properties focuses on highly profitable investment properties that generate regular rental income. In the high-quality residential property segment, the profile of each project is analysed individually before a decision is made on whether greater value can be gained from selling or leasing the property in question.

### Issue of a euro bond

Within the framework of the abovementioned new strategy, our German subsidiary Peach Property Group (Deutschland) GmbH has issued a euro bond. The resulting revenue is primarily earmarked for the financing of new and existing projects as well as the development of investment properties in Germany. The publicly issued bond for up to 50 million EUR, with a coupon rate of 6% and a term of five years, is listed on the Open Market of the German Stock Exchange (ISIN code: DE000A1KQ8K4, WKN: A1KQ8K). The bond is to be placed mainly with institutional investors in Germany and Switzerland. The issue began on 4 July 2011 and the subscription period runs until the end of the year.

### First investment properties acquired in Germany

With the acquisition of our first portfolio of investment properties in Germany in mid-July, we have already taken the first step in implementing our new strategy. The portfolio comprises 376 residential units and has a total living space of 26,000 m<sup>2</sup>. The properties are located in Munster in the Lüneburger Heide region and are within the catchment area for the major cities of Hamburg and Hanover.

The purchase price of 9 million EUR including auxiliary purchase costs is to be recouped through annual rental income of some 1.2 million EUR, which represents a gross return of over 13%. If maintenance costs are deducted, the net return still amounts to 9.75%.

#### Comparison of returns for the Munster portfolio

	Net initial return <sup>1</sup>	Interest rate, risk-free investment <sup>2</sup>	Return differential
Munster portfolio	9.75%	2.61%	7.14%
Comparable properties in Germany <sup>4</sup> (EUR)	7.00 – 8.00% <sup>3</sup>	2.61%	4.40 – 5.40%
Comparable properties in Switzerland <sup>4</sup> (CHF)	5.00 – 6.00% <sup>3</sup>	1.23%	3.75 – 4.75%

<sup>1</sup> Net initial return = (Annual net base rent – Service charges at owner's expense) / Acquisition costs (incl. auxiliary purchase costs)

<sup>2</sup> Switzerland: ten-year Federal bonds/SNB, 10 August 2011;

Germany: ten-year bearer debentures/Deutsche Bundesbank, 10 August 2011

<sup>3</sup> Source: Wüest & Partner

<sup>4</sup> Properties of comparable real estate quality and comparable location in terms of the country as a whole

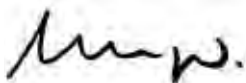
## Outlook

In the second half of 2011, we intend to remain on the lookout for suitable high-yield portfolios of investment properties for acquisition. The placement of the euro bond, which is intended to increase the financial resources available to Peach Property Group AG for the implementation of its strategy, will run until the end of the year.

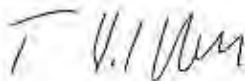
At project level, we once again have a number of milestones in our sights: at the "Peninsula" site in Wädenswil, we are expecting building consent for the "Mews & Gardens" project in winter, while at the same time work on the "Beach House" project is set to continue. In the matter of the "Aquatika" appeal, the consultation period and the replication and rejoinder stages will last until the end of August. We are expecting the court of appeal (Baurekursgericht) to comment on the "Aquatika" building consent in the second half of the year. If no agreement is reached, the case will pass to the administrative court, with adjudication likely by the end of 2012. If the case were to be escalated further to the federal supreme court, a final ruling could then be expected towards the end of 2013. The topping-out ceremony for the first construction stage of the "Harvestehuderweg 36" project (Alsterkamp 43) is scheduled for late September. We also plan to begin work on the second stage of construction before the end of the year. In Berlin, structural engineering work for the twin projects "yoo berlin" and "Am Zirkus 1" is under way. And finally, the topping-out ceremony for the "Schooren des Alpes" project is to take place in the autumn.

## Thanks

On behalf of the Board of Directors and executive management, we would like to thank our employees, who over the past six months have given their all in support of the Peach Property Group. Our thanks also go to our customers for their appreciation of the work that we do. And last but not least, we would like to thank you, our shareholders, for your confidence in us.



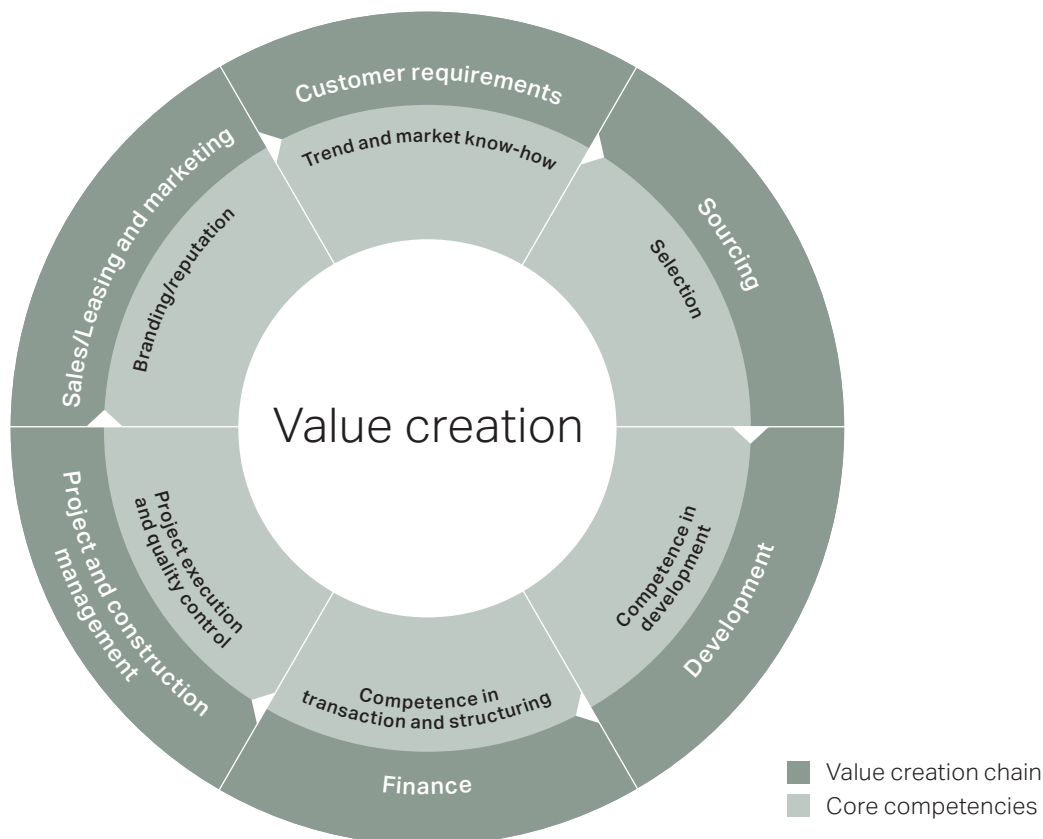
Dr. Christian Wenger  
Chairman of the Board of Directors



Dr. Thomas Wolfensberger  
Chief Executive Officer,  
Delegate of the Board of Directors

# THE BUSINESS MODEL

PEACH PROPERTY GROUP HAS BUILT UP ITS CORE COMPETENCIES ALONG THE VALUE CREATION CHAIN OF REAL ESTATE DEVELOPMENT. THE COMPANY'S BUSINESS MODEL IS BASED ON THE INTEGRATED INTERACTION OF THESE COMPETENCIES AND CREATES ADDED VALUE FOR CUSTOMERS AND SHAREHOLDERS.



### Customer requirements

The Peach Property Group focuses on development projects in the high-quality residential property sector and on rental properties held for investment purposes. The company knows its customers well and gears its projects to their requirements.

### Sourcing

In order to identify new projects, the Peach Property Group systematically monitors real estate markets. It has a network of architects, consultants and estate agents at its disposal and receives enquiries from land owners. From the range of possible properties, the company quickly and efficiently filters out those with suitable development potential. Strict selection criteria mean that only five per cent of all projects identified are actually concluded.

### Development

The Peach Property Group conceives and positions its projects based on customer requirements. Its aim in every project is to create added value for the customer. The usually highly complex consent procedure is one of the core elements of this task.

### Financing

Projects, including investments in portfolio properties, are structured right from the initial stage and financing is secured with appropriate instruments, including the successful deployment of junior or mezzanine financing. The company maintains close contact with investors and financial institutions and highlights the importance of stringent reporting standards.

### Construction management

In its construction management activities, the Peach Property Group relies on clearly defined, transparent processes. Only well-established companies are brought in for construction purposes. Systematic controls ensure that quality, costs and deadlines are respected.

### Marketing and sale/leasing

Work begins to market a project right from the early stage of its development. In addition to its own team of sales specialists, the Peach Property Group works with the most prominent estate agents. Construction work on a project usually starts once off-plan sales have reached 40 to 50 per cent of the total. For its investment properties, the Peach Property Group targets healthy returns and structural optimisation.

# PENINSULA BEACH HOUSE



2

Featuring 23 exclusive condominiums, the Peninsula Beach House is being built right on the shore of Lake Zurich.



**Location**

Peninsula, Wädenswil, Canton of Zurich, Switzerland.

**Building**

The Peninsula Beach House, with saleable floor area totalling 4,745m<sup>2</sup>, comprises 23 residential units ranging in size from 130 to 290m<sup>2</sup>. Residents have access to a spacious wellness and fitness zone as well as a multi-purpose gym for yoga, pilates, aerobics and squash.

**Surrounding area**

The Peninsula Beach House is being built on the former Giessen site on a 30,000m<sup>2</sup> peninsula on Lake Zurich. The site will be transformed to create parks and gardens forming the backdrop for a blend of modern architecture and the existing structures' original building style.

**Construction progress**

The preparatory pre-construction work, including the installation of a noise barrier between the site and the SBB railway line, was completed in the first half of 2011. To give potential residents the opportunity to get a feel for living in the Peninsula Beach House, the Peach Property Group has set up a showhome with the same layout as the apartments under construction – complete with terrace, furnished and designed in the style of the potential fixtures and fittings. Landscape designer Enzo Enea and his team have already begun planning the park and garden concept for the whole of the Peninsula site.

[www.beach-house.ch](http://www.beach-house.ch)

- 1 Clear, elegant design by the well-known architects Buchner Bründler.
- 2 Sense of spaciousness in the exclusive wellness zone complete with 20-metre indoor pool.
- 3 Gardens and surroundings landscaped by enea landscape architecture.
- 4 Unique living atmosphere in the newly constructed showhome.
- 5 Noise barrier, to be constructed as a living wall.



# HARVESTEHUDER WEG 36



The project's captivating feature is its unique location right on the Outer Alster Lake. Residents will enjoy the best of both worlds: refined seclusion of an exclusive residential area in close proximity to the city centre.





1



3



4



2

**Location**

Harvestehuder Weg 36 and Alsterkamp 43, Hamburg, Germany.

**Building**

The project as a whole comprises residential space totalling 8,929m<sup>2</sup>. Five four-storey buildings will house 63 flats ranging in size from 80 to 280m<sup>2</sup>. The architectural style at Harvestehuder Weg 36 is based on simple lines, large-scale windows and offset terraces to re-interpret the style of the classical white Alster villas. The amenities include an in-house fitness and spa zone as well as 125 underground parking spaces, some of which have direct lift access to the apartments.

**Surrounding area**

The attractiveness of this complex, comprising both Harvestehuder Weg 36 and Alsterkamp 43, is attributable to its unique location on the Outer Alster Lake, tradition-

ally an exclusive residential area of Hamburg. The villas are surrounded by an expanse of parkland.

**Construction progress**

The foundation stone for the first stage of construction at Alsterkamp 43 was laid in a ceremony on 19 May 2011. The topping-out ceremony for this section is scheduled for late September 2011. At the same time as the construction work, a showhome was set up on the site to give an impression of the unique location and what the apartments will look like. As part of the preparatory measures prior to the second stage of construction at Harvestehuder Weg 36, the remaining existing buildings were demolished by the end of August.

[www.harvestehuderweg36.de](http://www.harvestehuderweg36.de)

1 Classic modernity of the five buildings in the Harvestehude quarter.

2 The living area is bathed in light and offers a view of Hamburg's Outer Alster Lake.

3 High ceilings give a feel of elegance and spaciousness.

4 Construction work on the first implementation phase began in spring 2011.

# YOO BERLIN AM ZIRKUS 1



On a unique historic site on the Spree in Berlin-Mitte, the Peach Property Group and designer Philippe Starck are in the process of building 87 apartments as well as a hotel.





- 1 Central location right by the Spree in Berlin-Mitte.
- 2 Wellness and spa zone, conceived by top designer Philippe Starck.
- 3 There are four interior design concepts to choose from.
- 4 The penthouse, the high-end living concept for the top floors.
- 5 Technically challenging civil engineering work with 350 m<sup>2</sup> showhome in the background.



**Location**  
Am Zirkus 1, Berlin, Germany.

**Building**  
"yoo berlin" comprises saleable residential space of 12,800 m<sup>2</sup>. In addition, the building will feature a lobby plus a wellness and spa zone with bar and café. This project consists of 87 residential units with areas of between 62 m<sup>2</sup> and 339 m<sup>2</sup>, divided into six different layouts and four interior design concepts. Star designer Philippe Starck is responsible for the apartments' interior design. The "yoo berlin" building is a ten-storey free-standing building whose clear lines and large windows will give the structure an airy, transparent appearance. In the adjacent building, the Peach Property Group is constructing a hotel with 311 rooms as well as office and commercial units.

**Surrounding area**  
The project is being built on a historic site directly on the Spree, next to the Berliner Ensemble theatre on Bertolt-Brecht-Platz

in the immediate vicinity of Friedrichstrasse in Berlin-Mitte. Am Zirkus 1 is rich in tradition and "yoo berlin" will be taking over the address which once belonged to the theatre of Max Reinhardt and later the old Friedrichstadtpalast.

**Construction progress**  
After commissioning the general contractor and completing civil engineering work in July, the preparatory work for the structural engineering stage began on 1 August 2011. The foundation stone will be laid in autumn. The plans for the interior design are already at an advanced stage: potential buyers were treated to an exclusive preview of the wellness and spa zone and the public areas in May. The design team is currently finalising the customised living concept in consultation with customers, including floor plans and interior design (classic, minimal, culture, nature).

[www.yooberlin.com](http://www.yooberlin.com)



# SCHOOREN DES ALPES



2

Luxurious apartments in one of the Alps' foremost winter sports regions: Schooren des Alpes meets the highest standards with regard to lifestyle and ambiance – Elevated Living.

**Location**

Kappl (near Ischgl), Tyrol, Austria.

**Building**

Schooren des Alpes comprises 2,305 m<sup>2</sup> of saleable living space divided into twelve residential units with a wellness and spa zone. The façade of Schooren des Alpes exudes quiet elegance. Internally, this architectural gem features high-quality finishes and modern design.

**Surrounding area**

Schooren des Alpes combines sustainability and luxury in a prime location in the immediate vicinity of Ischgl, set amid the majesty of the Tyrolean mountains.

**Construction progress**

The Peach Property Group remains on schedule with the structural engineering work at Schooren des Alpes. The topping-out ceremony is scheduled for late autumn. A stone façade has been chosen, thus determining the building's future appearance. In consultation with customers, the design team has put the finishing touches to the apartments' floor plans and is in the process of selecting the materials for the customised final construction stage.

[www.elevated-living.at](http://www.elevated-living.at)



- 1 Alpine character thanks to high-quality stone façade.
- 2 Interior design characterised by functionality and natural materials.
- 3 View of the mountain landscape of the Ischgl holiday region.
- 4 Building shell shortly before completion.



# SHARES

THE REGISTERED SHARES OF PEACH PROPERTY GROUP AG ARE TRADED UNDER THE MAIN STANDARD OF THE SIX SWISS EXCHANGE. INVESTORS CAN FIND CURRENT INFORMATION ABOUT THE COMPANY AND ITS SHARES AT [WWW.PEACHESTATES.COM](http://WWW.PEACHESTATES.COM).

## Number of shares

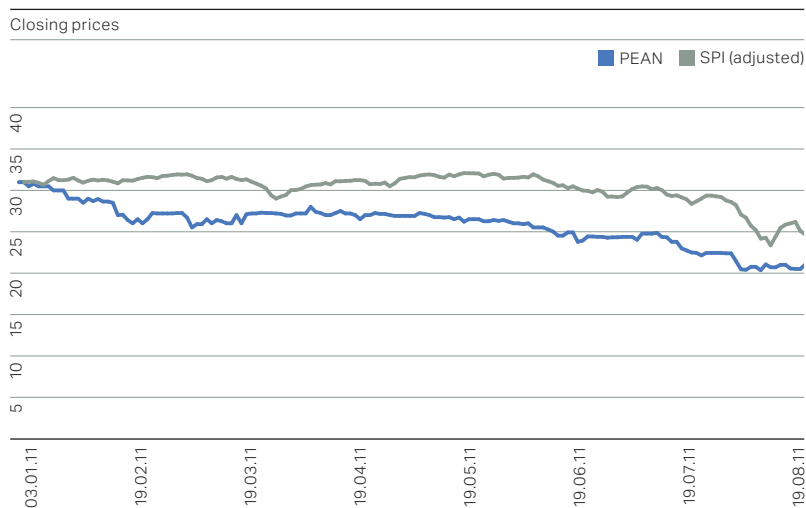
		30.06.2011	31.12.2010
Share capital	in CHF	4,844,150	4,844,150
Number of registered shares issued		4,844,150	4,844,150
Nominal value per registered share	in CHF	1.00	1.00
Number of treasury shares		32,324	15,615
Number of registered shares outstanding		4,811,826	4,828,535

## Key figures per share

		30.06.2011	30.06.2011
Diluted earnings per share	in CHF	-1.30	6.18
		30.06.2011	31.12.2010
NAV IFRS per share	in CHF	20.53	23.22
NAV market value per share	in CHF	28.43	30.25
Share price	in CHF	24.35	31.00
Market capitalisation	In thousands of CHF	117,955	150,169

### Share price

Registered share of Peach Property Group AG relative to the Swiss Performance Index (SPI) from 3 January to 19 August 2011.



#### Ticker symbols

Securities number: 11 853 036 / ISIN code: CH0118530366  
 Ticker symbol: PEAN / Bloomberg: PEAN: SW / Reuters: PEAN

#### Contacts

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[office@sag.ch](mailto:office@sag.ch)

#### Important dates

Shareholders' meeting: 11 May 2012

### Information

Peach Property Group AG provides information to its shareholders and the capital market in an open, timely and transparent manner. Financial reporting takes the form of annual and half-year reports in German and English. These are prepared in accordance with the International Financial Reporting Standards (IFRS). Price-relevant facts are published in accordance with the obligation relating to ad hoc publicity. Constantly updated information about the company can be found online at [www.peachestates.com](http://www.peachestates.com). Moreover, the website also provides an opportunity for all interested parties to subscribe to the e-mail newsletter.

FINANCIAL  
STATEMENTS  
CONSOLIDATED  
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# CONSOLIDATED INCOME STATEMENT

In thousands of CHF	Notes	1 <sup>st</sup> half-year ended 30 June	
		2011	2010
Income from property development		4,219	2,561
Income from investment properties		742	0
Other operating income	5	1,281	31,982
<b>Operating income</b>		<b>6,242</b>	<b>34,543</b>
Expense from property development		-3,373	-2,492
Expense from investment properties		-257	0
Personnel expenses		-3,669	-3,002
Other operating expenses		-2,555	-2,061
Sales and marketing expenses	6	-1,596	-2,316
Depreciation and amortisation		-83	-103
<b>Operating expenses</b>		<b>-11,533</b>	<b>-9,974</b>
<b>Operating profit</b>		<b>-5,291</b>	<b>24,569</b>
Financial income	5	1,034	1,721
Financial expenses	5	-3,161	-6,431
Share of loss of associates and joint ventures	5	-768	0
<b>Profit/(loss) before income tax</b>		<b>-8,186</b>	<b>19,859</b>
Income tax expense		1,924	-3,233
<b>Profit/(loss) for the period</b>		<b>-6,262</b>	<b>16,626</b>
<b>Profit/(loss) attributable to:</b>			
Owners of the parent		-6,262	16,653
Non-controlling interests		0	-27
<b>Basic earnings/(loss) per share (CHF)</b>	11	<b>-1.30</b>	<b>7.07</b>
<b>Diluted earnings/(loss) per share (CHF)</b>	11	<b>-1.30</b>	<b>6.18</b>

The notes are an integral part of these consolidated semi-annual financial statements.

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In thousands of CHF	Notes	1 <sup>st</sup> half-year ended 30 June	
		2011	2010
<b>Profit/(loss) for the period</b>		<b>-6,262</b>	<b>16,626</b>
<b>Other comprehensive income:</b>			
Currency translation differences	10	-1,451	-664
<b>Other comprehensive income for the period</b>		<b>-1,451</b>	<b>-664</b>
<b>Total comprehensive income for the period</b>		<b>-7,713</b>	<b>15,962</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the parent		-7,713	15,989
Non-controlling interests		0	-27

The notes are an integral part of these consolidated semi-annual financial statements.

# CONSOLIDATED BALANCE SHEET

## Assets

In thousands of CHF	Notes	30.06.2011	31.12.2010
<b>Current assets</b>			
Cash and cash equivalents		7,067	31,122
Trade receivables		1,033	2,121
Other current receivables	7	14,305	9,388
Prepaid expenses and accrued income		733	515
Development properties	8	148,666	147,563
<b>Total current assets</b>		<b>171,804</b>	<b>190,709</b>
<b>Non-current assets</b>			
Investment properties		7,454	7,454
Equipment		298	332
Intangible assets		39	41
Other non-current receivables		1,478	1,478
Investments in associates and joint ventures		8,459	9,695
Retirement benefit assets		101	101
Deferred tax assets		4,019	2,600
<b>Total non-current assets</b>		<b>21,848</b>	<b>21,701</b>
<b>Total assets</b>		<b>193,652</b>	<b>212,410</b>

The notes are an integral part of these consolidated semi-annual financial statements.

**Liabilities**

In thousands of CHF	Notes	30.06.2011	31.12.2010
<b>Current liabilities</b>			
Trade payables		2,105	2,882
Customer prepayments		1,276	3,312
Other payables		2,968	2,869
Accrued expenses and deferred income		1,321	2,336
Current income tax liabilities		2,676	2,683
Mortgages	9	64,125	64,072
Current loans	9	3,511	217
Current provisions		461	679
<b>Total current liabilities</b>		<b>78,443</b>	<b>79,050</b>
<b>Non-current liabilities</b>			
Non-current loans	9	7,000	10,700
Non-current provisions		2,307	2,818
Deferred tax liabilities		6,466	7,365
<b>Total non-current liabilities</b>		<b>15,773</b>	<b>20,883</b>
<b>Total liabilities</b>		<b>94,216</b>	<b>99,933</b>
<b>Equity</b>			
Share capital	10	4,844	4,844
Treasury shares	10	-951	-485
Share premium	10	67,287	72,273
Other reserves	10	2,323	3,650
Retained earnings	10	25,933	32,195
		<b>99,436</b>	<b>112,477</b>
Non-controlling interests		0	0
<b>Total shareholders' equity</b>		<b>99,436</b>	<b>112,477</b>
<b>Total liabilities and shareholders' equity</b>		<b>193,652</b>	<b>212,410</b>

The notes are an integral part of these consolidated semi-annual financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

In thousands of CHF	Notes	1 <sup>st</sup> half-year ended 30 June	
		2011	2010
Profit before income taxes		-8,186	19,859
<b>Adjustments for:</b>			
- Depreciation and amortisation		83	103
- Impairment of receivables		0	0
- Gain from acquisition of joint venture "Am Zirkus 1"	5	0	-10,534
- Gain from disposal of Beach House AG	5	0	-19,507
- Net foreign exchange losses	5	1,869	4,075
- Interest income	5	-510	-198
- Interest expenses	5	768	833
- Change in retirement benefit asset		0	64
- Other non cash-effective items		-610	-659
- Share of loss of associates and joint ventures	5	768	0
- Share-based payment	10	124	702
- Change in provisions		-707	1,382
<b>Change in working capital:</b>			
- Trade receivables		1,083	6,102
- Other receivables		-4,735	-7,890
- Prepaid expenses and accrued income		1,487	1,145
- Development properties		-6,118	-12,852
- Trade payables		-730	-8,256
- Customer prepayments		-2,034	9,835
- Other payables		586	9,333
- Accrued expenses and deferred income		-2,672	-2,326
<b>Cash flows from operating activities</b>		<b>-19,534</b>	<b>-8,789</b>

The notes are an integral part of these consolidated semi-annual financial statements.

In thousands of CHF	Notes	1 <sup>st</sup> half-year ended 30 June	
		2011	2010
Cash flows from operating activities		-19,534	-8,789
Interest paid		-493	-30
<b>Net cash flows from operating activities</b>		<b>-20,027</b>	<b>-8,819</b>
Purchase of equipment		-43	-87
Purchase of intangible assets		-8	0
Acquisition of associates and joint ventures		-11	0
Acquisition of joint venture "Am Zirkus 1"		0	-1
Disposal of Beach House AG		0	12
Interest received		1	1
<b>Cash flow from investment activities</b>		<b>-61</b>	<b>-75</b>
Proceeds from current financial liabilities	9	4,226	6,173
Repayment of current financial liabilities	9	-1,897	-2,449
Proceeds from non-current financial liabilities	9	406	1,057
Repayment of non-current financial liabilities	9	-1,094	-45
Purchase of treasury shares	10	-982	0
Sale of treasury shares	10	424	0
Capital increase		-82	2,007
Dividends paid	10	-4,812	0
<b>Cash flow from financing activities</b>		<b>-3,811</b>	<b>6,743</b>
<b>Increase/(decrease) in cash</b>		<b>-23,899</b>	<b>-2,151</b>
Cash at the beginning of the half-year		31,122	4,879
Exchange losses on cash		-156	-48
<b>Cash at the end of the half-year</b>		<b>7,067</b>	<b>2,680</b>

The notes are an integral part of these consolidated semi-annual financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

In thousands of CHF	attributable to owners of Peach Property Group AG							Total non-controlling interest	Total
	Share capital	Treasury shares	Share premium	Other reserves	Retained earnings	Total			
<b>Balance at 1 January 2010</b>	<b>2,356</b>	<b>0</b>	<b>9,526</b>	<b>8,755</b>	<b>14,200</b>	<b>34,837</b>	<b>36</b>	<b>34,873</b>	
<b>Comprehensive income</b>									
Profit for the period					16,653	16,653	-27	16,626	
<b>Other comprehensive income</b>									
Currency translation differences				-664		-664		-664	
<b>Total other comprehensive income</b>				<b>-664</b>		<b>-664</b>		<b>-664</b>	
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-664</b>	<b>16,653</b>	<b>15,989</b>	<b>-27</b>	<b>15,962</b>	
<b>Transactions with owners</b>									
Capital increase	7					7		7	
Convertible loan			2,000			2,000		2,000	
Share-based payment				702		702		702	
Transactions with non-controlling interests							-9	-9	
<b>Total transactions with owners</b>	<b>7</b>	<b>0</b>	<b>2,000</b>	<b>702</b>	<b>0</b>	<b>2,709</b>	<b>-9</b>	<b>2,700</b>	
<b>Balance at 30 June 2010</b>	<b>2,363</b>	<b>0</b>	<b>11,526</b>	<b>8,793</b>	<b>30,853</b>	<b>53,535</b>	<b>0</b>	<b>53,535</b>	

The notes are an integral part of these consolidated semi-annual financial statements.

In thousands of CHF	attributable to owners of Peach Property Group AG						Total non-controlling interest	Total
	Share capital	Treasury shares	Share premium	Other reserves	Retained earnings			
<b>Balance at 1 January 2011</b>	<b>4,844</b>	<b>-485</b>	<b>72,273</b>	<b>3,650</b>	<b>32,195</b>	<b>112,477</b>	<b>0</b>	<b>112,477</b>
<b>Comprehensive income</b>								
Loss for the period					-6,262	-6,262		-6,262
<b>Other comprehensive income</b>								
Currency translation differences	10			-1,451		-1,451		-1,451
<b>Total other comprehensive income</b>				<b>-1,451</b>		<b>-1,451</b>		<b>-1,451</b>
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-1,451</b>	<b>-6,262</b>	<b>-7,713</b>	<b>0</b>	<b>-7,713</b>
<b>Transactions with owners</b>								
Capital increase			-82			-82		-82
Share-based payment	10			124		124		124
Dividends	10		-4,812			-4,812		-4,812
Transactions with non-controlling interests						0		0
<b>Total transactions with owners</b>	<b>0</b>	<b>0</b>	<b>-4,894</b>	<b>124</b>	<b>0</b>	<b>-4,770</b>	<b>0</b>	<b>-4,770</b>
<b>Treasury shares</b>								
Purchase of treasury shares	10	-982				-982		-982
Sale of treasury shares	10	516	-92			424		424
<b>Total Treasury shares</b>	<b>0</b>	<b>-466</b>	<b>-92</b>	<b>0</b>	<b>0</b>	<b>-558</b>	<b>0</b>	<b>-558</b>
<b>Balance at 30 June 2011</b>	<b>4,844</b>	<b>-951</b>	<b>67,287</b>	<b>2,323</b>	<b>25,933</b>	<b>99,436</b>	<b>0</b>	<b>99,436</b>

The notes are an integral part of these consolidated semi-annual financial statements.

# NOTES TO THE CONSOLIDATED SEMI-ANNUAL FINANCIAL STATEMENTS

## 1. Business activities

Peach Property Group (Peach) is an integrated real estate developer and investor in the luxury residential segment and luxury vacation residences. Ultimate parent company of the group is Peach Property Group AG, located at See-strasse 346 in 8038 Zurich. The business activities cover the entire business cycle from acquisition to sale of properties. In selected areas, Peach also works with external partners. Peach is located at the very best locations only. At present, there are projects at the most upmarket areas on the shores of Lake Zurich, in Berlin, Hamburg and Austria. These consolidated unaudited semi-annual financial statements of Peach were authorised for issue by the board of directors on 24 August 2011.

## 2. Basis of preparation

This condensed consolidated interim financial information for the half-year ended 30 June 2011 has been prepared in accordance with IAS 34, "Interim financial reporting". This condensed consolidated interim financial information does not contain all information and disclosures, which are required for year-end reporting, and should be read in conjunction with the annual financial statements for the year ended 31 December 2010, which have been prepared in accordance with IFRSs.

The accounting policies applied in these consolidated semi-annual financial statements are consistent with those of the annual financial statements for the year ended 31 December 2010, except as described under changes in accounting policies in the first half-year 2011.

## Changes in accounting policies in the first half-year 2011

Peach has adopted the following new and amended IFRS standards and interpretations for the first half-year 2011:

- IAS 24 revised (2009) – Related party disclosures
- Amendments to IAS 32 – Financial instruments: presentation: Classification of rights issues
- IFRIC 19 – Extinguishing financial liabilities with equity instruments
- Amendments to IFRIC 14 – IAS 19: Limits on a defined benefit asset, minimum funding requirements and their interaction

Adoption of the new and amended IFRS standards and interpretations had no impact on these semi-annual consolidated financial statements

## New standards, amendments and interpretations issued but not yet effective

The following standards, amendments and interpretations to existing standards have been published but are not effective yet and were not early adopted in these consolidated financial statements. The expected impact on these consolidated semi-annual financial statements of Peach Group has not been systematically analysed. The impact disclosed in the table below is just a first assessment from management.

Standards/Interpretations	Date effective	Impact	Planned application
Amendments to IFRS 7 – Financial instruments: disclosures: transfer of financial assets	1 July 2011	<sup>1</sup>	Financial year 2012
Amendments to IAS 12 – Deferred tax: recovery of underlying assets	1 January 2012	<sup>3</sup>	Financial year 2012
IFRS 9 – Financial instruments: measurement and classification	1 January 2013	<sup>3</sup>	Financial year 2013

<sup>1</sup> No significant impact on the consolidated financial statements expected for Peach.

<sup>2</sup> Will require additional disclosures or changes in the presentation of the consolidated financial statements for Peach.

<sup>3</sup> Impact on the consolidated financial statements for Peach cannot be sufficiently assessed yet.

### 3. Changes in presentation

Peach believes that the information content for readers of the financial statements can be improved, if sales and marketing expenses are separately presented from other operating expenses in the consolidated income statement. This change in presentation has no impact on profit or loss and equity. Comparative prior period information has been adjusted accordingly in the consolidated income statement. The same amount presented now separately as sales and marketing expenses were included within other operating expenses in last years consolidated semi-annual financial statement.

Marketing expenses include costs, which are directly attributable to a development property. Sales expenses are sales provisions, which become due upon closing of the registered purchase agreement but before transfer of ownership. Sales and marketing expenses are directly recorded in the semi-annual income statement when the costs are incurred.

### 4. Segment information

Management has determined the operating segments based on the reports reviewed by the CEO, the chief operating decision maker (CODM) of the Group.

He determines the business activities and monitors the internal reporting in order to assess the performance and allocate resources. Property development is the only operating segment of the Peach Group. Investment properties do not represent a separate segment, under the circumstance that the objective is to support the development of properties. Property development comprises acquisition of properties, development of the property, construction and sales management. The main activities include development of the property, project planning, financing as well as sales and client relationship management. The Group is focusing exclusively on delivering luxury residential properties in some of Europe's best locations. The properties are located in or nearby city centers and in some of Europe's finest holiday resorts. Geographically, the current development properties are located in Switzerland, Germany and Austria.

## 5. Profit or loss for the half-year

Profit or loss for the half-year includes the following items, which are unusual because of their nature, size or incidence:

In thousands of CHF	1 <sup>st</sup> half-year ended 30 June	
	2011	2010
<b>Other income</b>	<b>1,281</b>	<b>31,982</b>
Interest income	510	198
Foreign exchange gains	524	1,523
<b>Financial income</b>	<b>1,034</b>	<b>1,721</b>
Interest expenses	-768	-834
Foreign exchange losses	-2,393	-5,597
<b>Financial expenses</b>	<b>-3,161</b>	<b>-6,431</b>
<b>Share of loss of associates and joint ventures</b>	<b>-768</b>	<b>0</b>

Other income for the first half-year 2010 include mainly TCHF 10,534 gain from acquisition "Am Zirkus" and TCHF 19,507 gain from sale of Beach House AG. For the first half-year 2011, there were no such transactions and consequently other income has decreased.

Foreign exchange gains are smaller compared to the previous period due to the decrease of borrowings denominated in EUR.

The board has determined that, based on the expansion and strengthening of the presence of Peach in Germany as well as due to additional projects in Germany, it is neither planned nor likely that repayment of the group loans incurred from the acquisition of the German project entities to Peach German

Properties II AG will occur in the foreseeable future. Some of these group loans are therefore treated as net investment in a foreign operation. Consequently, foreign exchange gains and losses from these loans are recorded within other comprehensive income.

On 30 June 2010, Peach German Properties AG, a wholly owned subsidiary of Peach Property Group AG, acquired from ING Real Estate Germany GmbH (ING) an 80% share in the joint venture company "Am Zirkus GmbH & Co. KG", which is a German project entity. The equity method is applied to measure the joint venture. The Group's share of loss in the joint venture is recorded in the consolidated income statement.

## 6. Marketing- und Vertriebskosten

In thousands of CHF	1 <sup>st</sup> half-year ended 30 June	
	2011	2010
Sales expenses	455	1,271
Marketing expenses	1,141	1,045
<b>Total sales and marketing expenses</b>	<b>1,596</b>	<b>2,316</b>

For the first half-year 2011, Peach was able to close officially notarised sales contracts in the amount of TCHF 20,366. This includes sales of development properties from subsidiaries as well as sales of properties from associates and joint ventures. Sales of properties, for which conveyance (transfer of risks and rewards) has already taken place, are recorded in the consolidated income statement and not included in the amount above.

#### 7. Other receivables

In thousands of CHF	30.06.2011	31.12.2010
Other receivables	14,305	9,388

Peach Property Group AG has increased its shareholding in Beach House AG from 35.5% to 46.6%. With acquisition of the additional 11.1% shares, Peach has also taken over loans and interest receivables of total TCHF 2,064. These loans and receivables are recorded in other receivables.

#### 8. Development properties

Development properties, which are recorded at cost, include:

	30.06.2011 TEUR	30.06.2011 TCHF	31.12.2010 TEUR	31.12.2010 TCHF
Yoo Berlin, DE-Berlin	38,408	46,047	36,117	45,031
Chausseestrasse, DE-Berlin	3,576	4,287	6,007	7,489
Harvestehuder Weg, DE-Hamburg	51,860	62,175	50,118	62,487
Etzelstrasse 17, CH-Wollerau		312		279
Bergstrasse 26, CH-Küsnacht		159		156
Peninsula, CH-Wädenswil		30,668		28,782
Schooren des Alpes, A-Kappl near Ischgl	4,038	4,841	2,531	3,155
Cala Falco, E-Mallorca	1	1	1	1
Holdernach, A-Kappl near Ischgl	147	176	147	183
<b>Total</b>		<b>148,666</b>		<b>147,563</b>

On 17 Mai 2011, Peach signed a sales agreement and acquired property no. 815 located at Etzelstrasse 11 in Wollerau with a total area of 5,355 m<sup>2</sup> by the newly incorporated subsidiary, WSZ Residential Development AG in Sarnen, with a share capital of TCHF 100. The land register entry will be made during the 4<sup>th</sup> quarter of 2011. The acquisition price amounts to TCHF 12,852. Thereof, Peach has made a prepayment of TCHF 250 and recorded within other receivables. The rest of the acquisition price will be due upon land register entry. Peach plans to construct residential condominiums. Construction is estimated to start by the end of 2013 or be-

ginning of 2014 respectively. Otherwise, no properties were acquired during the first half-year 2011.

With respect to the property Chausseestrasse Berlin, only the units, for which risks and rewards have not been transferred yet, are still recorded.

Changes in book values of foreign development projects include adjustments due to changes in foreign currencies. The foreign development projects are also denominated in their respective local currency, in order to enhance the quality of the half-year financial statements.

#### Information to the development properties

Location	Status	Site area in m <sup>2</sup>	Potential restoration register	Purchase date	Project description	Project status 30.06.2011	Planned realisation
<b>Switzerland</b>							
Wädenswil							
- Island to Mansion 1	Existing	24	no	August 08	Environs	Planning	open
- Mansion 2	Building land – submission	986	yes	August 08	Resid.-Condo	Planning	open
- Beach House	Building land – submission approved; associate	8,185	yes	August 08	Resid.-Condo	On sale	2011
- Seeclub, 1 <sup>st</sup> building state	Right of construction given to Seeclub	811	yes	August 08	Environs	Planning	
- Aquatica incl. Villa	Building land – submission	6,172	yes	August 08	Resid.-Condo	Planning	open
- Mews 1+2	Existing	1,595	yes	August 08	Rental	Planning	open
- Gardens	Existing	2,941	yes	August 08	Rental	Planning	open
- Dockside	Existing	3,058	yes	August 08	Rental	Planning	open
Wollerau							
- Candy Factory	3 <sup>rd</sup> party land owner	5,444	yes		Resid.-Condo		2011
<b>Austria</b>							
Kappl							
- Schooren des Alpes	In construction	1,123	no	April 07	Resid.-Condo	On Sale	2011
<b>Germany</b>							
- Yoo Berlin	In construction	13,310	no	December 07	Resid.-Condo	On Sale	2010
- Chausseestrasse, Berlin	Completed	5,345	no	October 07	Resid.-Condo	93% sold	2010
- Harvestehuder Weg, Hamburg	Existing/1. stage in construction	9,754	no	July 07	Resid.-Condo	On Sale	2011/2012

**9. Current and non-current loans and mortgages**

In thousands of CHF	30.06.2011	31.12.2010
Bank loans	500	217
Mortgages	64,125	64,072
Subscription loans from related parties	3,000	3,000
Other loans	7,011	7,700
<b>Total</b>	<b>74,636</b>	<b>74,989</b>
thereof current mortgages	29,997	36,492
thereof non-current mortgages	34,128	27,580
thereof current loans	3,511	217
thereof non-current loans	7,000	10,700
	<b>74,636</b>	<b>74,989</b>

The maturities are as follows:

In thousands of CHF	30.06.2011	31.12.2010
Due within 0–6 months	30,497	22,339
Due within 7–12 months	3,011	14,370
Due within 1–2 years	6,896	6,605
Due within 2–5 years	34,232	31,675
<b>Total</b>	<b>74,636</b>	<b>74,989</b>

Maturities of the mortgages are based on the agreements with the lending banks. The maturity of the mortgage due within 2–5 years is in line with the estimated duration of the development and sale of the project. The respective project is recorded within current assets, however. Mortgages due within 0–6 months include a rollover loan for Peninsula Wädenswil as well as a mortgage for Harvestehuder Weg, Hamburg, which was secured by a refinancing.

**10. Share capital**

On 30 June 2011, Peach Property Group AG's share capital amounts to TCHF 4,844 and is divided into 4,844,150 shares with a nominal value of CHF 1 per share.

The company acquired 37,283 own shares for total cash payment of TCHF 982 and sold 20,574 own shares for total cash consideration of TCHF 424. On 30 June 2011, the 32,324 (31 December 2010: 15,615) treasury shares held are not eligible to receiving dividends. Consequently, the share capital bearing dividend rights on 30 June 2011 amounts to TCHF 4,812 (31 December 2010: TCHF 4,829) and is divided into 4,811,626 (31 December 2010: 4,828,535) shares.

The authorised share capital on 30 June 2011 amounts to TCHF 618, which is divided into 617,630 shares, and remains unchanged from 31 December 2010. The conditional share capital on 30 June 2011 amounts to TCHF 220, which is divided into 219,601 shares, and remains also unchanged from 31 December 2010.

The annual general meeting approved on 6 Mai 2011 dividends payable of TCHF 4,812, divided into CHF 1.00 per dividend bearing share, from share premiums.

Other reserves include value of employee services from share-based payment arrangements with consultants, employees and board members, and currency translation differences from consolidation as well as currency translation differences from the loan treated as net investment in foreign operation.

## 11. Earnings per share

### a) Basis earnings or loss per share

Basic earnings or loss per share is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the year.

### b) Diluted earnings or loss per share

Diluted earnings or loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The company's share options have a dilutive effect on earnings per share. To calculate the impact for the share options, the average number of options outstanding and the average fair value per share are decisive. All options with an exercise price which is lower than the average fair value per share are taken into consideration for the calculation of diluted earnings per share. For share options, which fall under IFRS 2 "Share-based payment" and where the vesting period has not elapsed, the fair value of any services to be supplied to the entity in the future under the share option arrangement was added to the exercise price.

In thousands of CHF	1 <sup>st</sup> half-year ended 30 June	
	2011	2010
Profit/(loss) attributable to equity holders of the company in TCHF	-6,262	16,653
Dilutive effects	0	12
Profit/(loss) to calculate diluted earnings per share in TCHF	-6,262	16,665
Weighted average number of ordinary shares in issue	4,815,380	2,355,814
Adjustment for share options	0	330,644
Adjustment for assumed conversion of convertible debt	0	10,076
Weighted average number of registered shares in issue to calculate diluted earnings/(loss) per share	4,815,380	2,696,534
Earnings/(loss) per share in CHF	-1.30	7.07
Diluted earnings/(loss) per share in CHF	-1.30	6.18

## 12. Related party transactions

In thousands of CHF	1 <sup>st</sup> half-year ended 30 June	
	2011	2010
<b>Other operating expenses</b>		
– Members of management	40	64
– Other related parties	67	0
– Associates and joint ventures	254	0
– Entities, which are controlled by a member of management	374	0
<b>Interest income from loans / receivables</b>		
– Family members of management	1	140
– Associates and joint ventures	509	0
<b>Interest expenses</b>		
– Family members of management	155	140
– Other related parties	120	298

Transactions with related parties are settled at arm's length conditions.

## 13. Commitments for future investments

Peach has to make future payments of TCHF 12,602 which are in connection with the acquisition of the development property Etzelstrasse 11, Wollerau, and as defined in the purchase agreement, dated 17 May 2011. This amount will be due upon entry in the land register, i.e. upon transfer of risks and rewards to Peach. This amount represents the unpaid balance of the purchase price, where a prepayment of TCHF 250 has been rendered to date. A penalty of TCHF 250 would become due, if the purchase price will be transferred with delay.

## 14. Contingent liabilities

The Group has bank guarantees of total TEUR 2,329 (TCHF 2,792) to secure installments from buyers of properties.

In connection with the lending arrangement between Yoo Berlin GmbH & Co. KG and KBC bank Germany, which is to secure interim financing of the property construction amounting to EUR 58.5 m (CHF 70.1 m), Peach Property Group AG had to enter a cost-overrun and completion guarantee with the lending bank.

With the acquisition of the shares in the project entity "Am Zirkus 1", the lending bank, Norddeutsche Landesbank, requested an appropriate risk allocation between all parties involved. Consequently, Peach German Properties AG had to enter a share capital guarantee amounting to EUR 1.98 m (CHF 2.38 m) and a cost-overrun guarantee in the amount of maximum EUR 5.52 m (CHF 6.62 m).

Peach German Properties AG, a 100% subsidiary of Peach, has committed itself to guarantee sufficient financing for Am Zirkus Berlin GmbH & Co. KG by issue of a letter of comfort and subordination, which is limited up to an amount of maximum TEUR 4,000, so that all liabilities can be paid when due.

### 15. Assets pledged as collateral for own commitments

In thousands of CHF	30.06.2011	31.12.20
Cash and cash equivalents	2,510	548
Other receivables	0	750
Development properties	142,643	143,771

These are the carrying values of assets, which are partially or in full pledged. These assets are pledged for total liabilities amounting to TCHF 64,125.

### 16. Seasonality of operations

The development and sale of properties generate in the course of the year no consistent income. Depending on the number of transfer of ownership of units and the volume of ongoing projects respectively, revenues can be higher in the first or the second half of the year.

### 17. Events occurring after the reporting period

All possible priority notice entries for the project "living 106", Berlin have been made until 5 August 2011 in the land register. The MABV guarantees issued by the lending bank were sent back to the bank by the notary's office.

The newly incorporated subsidiary, Peach Property Projekt I GmbH, which will operate under Munster Portfolio GmbH, acquired investment properties in Munster for a price of CHF 9m including acquisition costs, which is based on the officially notarized sale agreement dated 11 July 2011. The acquisition price will be due on 7 October 2011. At this date, ownership, benefits and encumbrances as well as the risks will be transferred to the buyer. The property was valued by an independent real estate expert simultaneously to the completed due diligence. According to this valuation, the market value of the acquired portfolio amounts to TEUR 11,954. Currently the vacancy rate is at 5.4%. Based on the market environment, it is estimated that the vacancy rate will be at 5% in the long run. Net return of the portfolio is at 9,75% p.a. Peach Property Group (Deutschland) GmbH issued a 5-year bond (term from 18 July 2011 to 30 June 2016) in the amount of TEUR 50,000 at 6.6% interest, in order to fund the development of a investment property portfolio as well as to develop properties in the upper class residential segment in Germany. Further significant information can be found in the prospectus authorised by "BaFin".

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#### Important dates

General Meeting: 11 May 2012

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Publisher:

Peach Property Group AG, Zurich

Contents conception/text:

Dynamics Group AG, Zurich

Design conception/realisation:

Linkgroup AG, Zurich

Manufactured and printed in Switzerland

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The Half-year Report was written in  
German and translated into English.  
The printed German version is binding.

The Half-year Report can be downloaded  
online at [www.peachestates.com](http://www.peachestates.com)



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