



Zueblin Real Estate (ownership of real estate in Switzerland and other selected European countries)

Züblin owns a portfolio of office, retail and logistics properties worth CHF2bn in Switzerland, Germany, France and the Netherlands. Züblin is the only real estate company listed on the SWX Swiss Exchange, which offers investors diversification in the European property segment. The French subsidiary has already been spun-off as a tax efficient real estate investment trust (REIT) and Züblin holds a stake of 68%. The national German organisation is also to be converted to REIT status. Thanks to the economic climate that is more conducive to lettings, the vacancy rate of 11% is expected to fall below 10% over the course of Züblin's fiscal year 2007/08. Züblin's obvious valuation discount of 20% compared to its Swiss peers is not justifiable in our opinion. With its actual set-up and the support from the current market environment, we think that the stocks valuation is too low and see an upside potential of 25%. We rate the company a Buy.

Speaker:
Bruno Schefer, CEO

Sector: Real estate
Market cap: EUR 0.3b