



Swiss Foundation
for International
Real Estate Investments

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Media release

2007/08: Continued Expansion

Gratifying performance of direct investments

Zurich, January 22, 2009 – In business year 2007/08 (ended as of September 30, 2008), AFIAA continued its strategy of consistent expansion. Adjusted for currency effects, net asset value (NAV) per share rose slightly from CHF 131.19 to CHF 132.31, while the negative development of the exchange rates of all three investment currencies (USD, CAD, EUR) vis-à-vis the Swiss Franc resulted in a decrease in nominal NAV from CHF 132.08 to CHF 128.60 year-on-year. In contrast, the capital commitments of the now 13 invested pension funds (previous year: 12) increased by around 8 percent to CHF 563 million.

With the direct acquisition of six additional properties at a total investment cost of CHF 195 million, AFIAA consistently pursued its course of expansion in 2007/08 and increased the diversification of its portfolio continuously - on the one hand, geographically through the first acquisition in Spain; and on the other hand, regarding the types of properties through various investments in logistics properties. Simultaneously, AFIAA succeeded in selling an office building in New York at a high profit of around 48% after holding it for two and a half years, during which time it was continuously renovated.

As of the balance sheet date, there are 26 direct investments (previous year: 21) in the portfolio, as well as shares in three funds that in turn hold 60 separate properties. AFIAA invested primarily in established properties generating stable income (Core Assets), but also in real estate with a potential to increase in value (Value Added Assets). A smaller share was invested in development projects (Opportunity Assets) acquired through indirect investment.

The stability of the AFIAA direct investment portfolio was apparent in the annual revaluation of every property: despite the subprime crisis, total portfolio value increased slightly. This gratifying development stood in contrast to the loss in value of

the three indirect investments, which - together with the negative development of the exchange rates - led to a slight bottom-line decrease in nominal NAV.

Change in management and preparation for further growth

Hans Jürg Stucki turned over management responsibility and the CEO position to Hans Brauwers as of August 8, 2008. The change in AFIAA's management went according to plan, after Hans Jürg Stucki decisively characterized AFIAA's success over the last four years and was personally responsible for the successful development of the portfolio. Hans Brauwers has many years of management experience at large real estate investment companies operating globally and will contribute knowledge that will be valuable in promoting the further growth of AFIAA.

AFIAA Investment AG, which is responsible for management, examined and streamlined its organization and internal processes in the reporting period. At the same time, AFIAA expanded its capacities in order to accommodate its continued expansion. The number of employees increased correspondingly from 15 to 18 people in the reporting period.

In addition, an update audit in June 2008 confirmed the ISO 9001 certificate first issued in 2007. Thus, with its management system, AFIAA continues to meet the globally recognized standard for consistent, high quality management.

Take advantage of opportunities

The worsening economic situation and the cycles of the real estate markets in general continue to present opportunities. With respect to the current business year, AFIAA set the goal of taking advantage of opportunities which present themselves to enter, in particular, into markets that have recently experienced significant price adjustments. An initial investment has already been made in Spain, and additional opportunities in currently attractive markets such as Australia and Great Britain are now being examined intensively.

About AFIAA

AFIAA Swiss Foundation for International Real Estate Investments, Zurich, is an investment fund under Swiss law focusing on investment in international properties. AFIAA offers tax-exempt Swiss pension funds an attractive investment instrument with a clear profile to specifically enhance their portfolio.

AFIAA is represented in Zurich, Munich, Vienna, Madrid, New York, and Toronto, and invests primarily directly in selected locations. The portfolio currently includes 26 direct investments with sustainable growth potential in the USA, Canada, Germany, France, Austria, and Spain. Total investment volume is about CHF 780 million. In order to ensure broad diversification of its investments, AFIAA also invests in three funds.

You can find more information about AFIAA under www.afiaa.com.

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