

Press release**Zurich, 21 March 2018****Significantly improved results in both business segments**

- **Revenue up 17% to CHF 190 million**
- **EBITDA before revaluations and disposal gains up by 30% to CHF 37.3 million**
- **Net profit 28% higher at CHF 57.6 million**
- **Rental income up 13% to CHF 47.5 million, like-for-like rise of 1.9%**
- **Vacancy rate still low at 3.5%**
- **Substantial increase in EBIT margin at Real Estate Services to 5.3%**
- **Dividend of CHF 2.35 per share proposed**

2017 was a very positive year for both parts of the business. This success was due to organic growth and acquisitions in the Company's two segments – **Properties** and **Real Estate Services** – as well as to further sustainable cost optimisations. The value of the property portfolio rose thanks to purchases made in attractive locations, as well as to revaluations. The Real Estate Services segment increased its revenue organically through new mandates, and the full integration of Hauswartprofis. Measures taken to increase profitability in this segment already had a positive effect, leading to a further sustainable increase in the EBIT margin. Financial expenses were significantly reduced as planned.

Sustainable revenue growth – Increase in net profit

Investis saw revenue increase 17% to CHF 190 million in 2017 (prior year CHF 162 million). EBITDA before revaluations and gains on disposals rose year-on-year by 30% to CHF 37.3 million (CHF 28.7 million). Market-driven portfolio appreciation of CHF 25.0 million, plus disposal gains and depreciation, led to an EBIT of CHF 60.9 million. EBIT had reached CHF 76.4 million in 2016 owing to unusually high, market-driven valuation gains.

The optimisation of financing structures begun in 2016 was continued during the year under review with the issue of two further bonds. Investis placed its second-ever bond issue, with a volume of CHF 140 million, a two-year term and a coupon of 0.25%, in February 2017, followed by a third in October 2017 worth CHF 180 million, with a coupon of 0.75% and a term of five years. The average interest rate during the year under review was 0.7% (prior year 2.0%). Investis used the attractive conditions on the capital market to reduce its financial expenses significantly to CHF 4.1 million. The equivalent figure in 2016 (CHF 19.7 million) included CHF 5.9 million for the premature termination of swap contracts and CHF 6.6 million for the recognition of the remaining swaps in the income statement. Adjusted for these swap costs of CHF 12.5 million, financial expenses were reduced by 43% in the year under review.

Tax income stood at CHF 0.2 million (prior year tax expense of CHF 13.6 million), which includes a positive deferred tax effect of CHF 10.8 million (implementation of corporate tax reform in Canton Vaud). However, the expected average tax rate remains 23% (prior year 24%) until the implementation of Tax Proposal 17.

Overall this left Investis with a 28% higher net profit of CHF 57.6 million (prior year CHF 45.1 million). Earnings per share went up to CHF 4.49 (prior year CHF 3.88). Net profit excluding revaluation effects came to CHF 26.8 million (prior year CHF 9.4 million).

Net asset value (NAV) per share excluding deferred tax relating to properties rose to CHF 55.91 (prior year CHF 54.85). The increase was small because the goodwill from the acquisition of Hauswartprofis was charged against equity. This meant that the benchmark figure was diluted by CHF 1.16 per share.

“Investis is outperforming expectations and gained further in stature over the last financial year. The very good result underlines the progress we’ve made in both segments of our business, and the successful implementation of our growth strategy. After a very pleasing first six months of 2017, results for the second half were even better. Our increasing revenue momentum makes us confident about the further growth of our business activities”, says Stéphane Bonvin, CEO of Investis.

Adding value by expanding the portfolio and sustainably increasing rental income in the Properties segment

CHF 131 million was invested in the acquisition of additional investment properties as well as in development projects. Some properties have also been sold. Together with revaluation gains of CHF 25.0 million (prior year CHF 46.6 million), the value of the portfolio increased by 14% to CHF 1,121 million (prior year: CHF 981 million). As at 31.12.2017, the portfolio comprised 139 properties with 2,508 residential units.

During the year under review, rental income increased by 13% to CHF 47.5 million (prior year CHF 41.9 million), with a continued low vacancy rate of 3.5 % (prior year 3.7%). On a like-for-like basis, rental income went up by a pleasing 1.9% (prior year 1.1%), pushing growth to the upper end of the long-term trend of 1 – 2%. By contrast, property costs only rose slightly, leading to an increase in the gross margin to 73% (prior year 70%). Overall, the Properties segment achieved operating profit (EBIT) of CHF 58.0 million (prior year CHF 76.7 million). Operating profit in 2016 was boosted by unusually high valuation gains.

In November 2017, Investis increased its stake in “La Foncière de la Dixence SA” – the project company planning and financing the Dixence Resort in Hérémece – from 50% to 75%, thus becoming the majority shareholder. Since then, the Dixence Resort project in Hérémece has been fully consolidated in the results.

Further increase in profitability in the Real Estate Services segment

Investis also continued its growth in Real Estate Services, increasing this segment’s revenue to CHF 148 million (prior year CHF 136 million). There was organic revenue growth in both activities, **Property Management** and **Facility Services**. The full integration of Hauswartprofis, the company acquired in January 2017, contributed CHF 18 million to revenue. The cessation of general contractor activities in the construction management business resulted in a CHF 15 million reduction in revenue. Rents under management in the Property Management business went up to CHF 1.68 billion (prior year CHF 1.58 billion).

The number of employees in the Real Estate Services segment rose to 1,397 (prior year 1,132), mainly due to the acquisition of Hauswartprofis.

Revenue growth and the operational improvements made as a result of initiatives taken to increase profitability led to an EBIT margin of 5.3% (prior year 2.9%), as well as a doubling of operating profit (EBIT) to CHF 7.8 million (prior year CHF 3.9 million). After the increase in the EBIT margin to 5.0% in the first half-year, it went up again in the second half to 5.6%, which exceeded expectations.

Very solid balance sheet

Total assets increased to CHF 1.2 billion as at 31.12.2017, with a comfortable equity ratio of 46.0% (prior year 50.7%). Deferred tax liabilities came to CHF 155 million (prior year CHF 146 million). Interest-bearing financial liabilities amounted to CHF 436 million (prior year CHF 326 million) while the loan-to-value ratio increased from 33% to 39% as at end-2017.

Demand for rental apartments in the Lake Geneva region remains very high - Business models for real estate services in transition

The real estate market around Lake Geneva remains very attractive. Demand is still high, especially for rental apartments in the lower and middle price bands in central locations, i.e. in the cities of Geneva and Lausanne and their conurbations. This situation is reflected in the fact that Investis has a very low vacancy rate compared to the industry in general. Likewise, investor demand for residential properties remains high.

Digitalisation is bringing ongoing change to the real estate services business, and this is creating significant opportunities. Investis is fully committed to digital transformation and is stepping up cooperation with innovative start-up companies that are driving digitalisation in the real estate sector. "We want to digitalise most of our activities and processes, so we can offer our customers optimised and innovative products and services. This will create highly efficient workflows for all stakeholders", says Stéphane Bonvin.

Annual General Meeting: Dividend payment of CHF 30 million and creation of additional conditional capital

At the Annual General Meeting on 20 April 2018, shareholders will be asked to approve an unchanged dividend of CHF 30.08 million, or CHF 2.35 per share, in the form of a repayment from reserves from capital contributions. This corresponds to a dividend payout ratio of 52%. The Board of Directors will also propose the creation of additional conditional share capital in the amount of CHF 128,000, divided into 1,280,000 registered shares with a nominal value of CHF 0.10 each, in order to have the option to issue bonds or similar debt instruments with conversion rights and/or warrants.

Outlook

The outstanding results reported for 2017 vindicate and reaffirm the growth strategy pursued by Investis. Based on the progress being made and the Company's good market position, the Board of Directors and Executive Board believe that both segments will see another sustainable increase in revenue in 2018. The Real Estate Services segment is targeting a further increase in its EBIT margin.

Investis is confirming its medium-term targets for 2019:

- Properties: annualised rental income > CHF 50 million
- Real Estate Services: high single-digit EBIT margin
- Financing: through unsecured senior debt

Reporting

The 2017 Annual Report is available at <https://reports.investisgroup.com/17/ar> and on our website at www.investisgroup.com/en under Investors / Reporting.

There will be a conference call on the annual results for media and analysts (in English) today at 10 am. Following the presentation of the annual results, Stéphane Bonvin (CEO) and René Hasler (CFO) will be available to answer questions.

The dial-in numbers are as follows:

+41 (0)58 310 50 00 (Europe)

+44 (0)207 107 06 13 (UK)

+1 (1)631 570 56 13 (USA)

Please dial in 5 minutes prior to the start of the conference call. The accompanying presentation is also available on our website from 7 am under Investors / Reporting: (<https://www.investisgroup.com/nc/en/investors/>).

Interested parties are also invited to follow the media and analysts conference call via live webcast on our website (www.investisgroup.com) under Investors / Reporting.

Agenda

20 April 2018 ordinary Annual General Meeting 2018

30 August 2018 Publication of the half-year results 2018

If you have any questions, please contact:

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About Investis Group

Founded in 1994, Investis Group is a leading residential property company in the Lake Geneva region and a national real estate services provider active in the two synergetic segments of Properties and Real Estate Services. The portfolio of Investis Properties consists almost exclusively of residential properties located in the Lake Geneva region and was valued at CHF 1,121 million as at 31 December 2017. Investis Real Estate Services is active throughout Switzerland with well-known local brands. For further information: www.investisgroup.com

SELECTED KEY FIGURES

Investis financial key figures		31.12.2017	31.12.2016
Revenue	CHF 1,000	189,987	161,916
EBITDA before revaluations/disposals	CHF 1,000	37,311	28,695
EBIT	CHF 1,000	60,871	76,369
Net profit	CHF 1,000	57,604	45,077
Net profit without revaluation effects	CHF 1,000	26,789	9,419
Funds From Operations (FFO) ¹⁾	CHF 1,000	29,460	17,844
Total assets			
Total assets	CHF 1,000	1,238,222	1,099,750
Mortgages and bonds	CHF 1,000	436,357	325,572
Gross LTV		39%	33%
Deferred tax liabilities	CHF 1,000	154,977	145,579
Total shareholders' equity	CHF 1,000	568,989	557,570
Equity ratio		46.0%	50.7%
Number of employees			
Headcount (as at period end)		1,420	1,146
FTE (full-time equivalent, average over the period)		1,143	902

1) FFO is defined as cash flow from operating activities + investments in properties held for sale + interest received less interest paid.

Data per share		31.12.2017	31.12.2016
Share ratios			
Share capital	CHF 1,000	1,280	1,280
Number of registered shares issued/outstanding		12,800,000	12,800,000
Nominal value per share	CHF	0.10	0.10
Share data			
NAV per outstanding share	CHF	44.38	43.48
NAV per outstanding share not including deferred tax with regard to investment properties	CHF	55.91	54.85
Earnings per share (basic/diluted)	CHF	4.49	3.88
Gross dividend ¹⁾	CHF	2.35	2.35
Dividend yield ¹⁾		3.8%	4.1%
Payout ratio ¹⁾		52.4%	68.0%
Share price			
Share price – high	CHF	64.95	61.95
Share price – low	CHF	55.40	53.00
Share price at end of period	CHF	62.65	57.00
Average number of shares traded per day		5,562	9,094
Market capitalisation at end of period	CHF 1,000	801,920	729,600

1) Intended distribution per share in accordance with the proposal to the Annual General Meeting of 20 April 2018.

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ANNUAL REPORT 2017

Properties key figures		31.12.2017	31.12.2016
Residential investment properties	CHF 1,000	940,629	841,961
Commercial investment properties	CHF 1,000	127,784	113,129
Investment properties under construction	CHF 1,000	14,826	64
Undeveloped plots of land	CHF 1,000	1,673	7,328
Properties held for sale	CHF 1,000	35,805	18,141
Total property portfolio	CHF 1,000	1,120,717	980,622
Total buildings		139	136
Total residential units		2,508	2,334
Average discount rate		3.62%	3.71%
Revenue	CHF 1,000	47,492	41,852
Like-for-like rental growth		1.9%	1.1%
EBITDA before revaluations/disposals	CHF 1,000	32,394	27,293
EBIT	CHF 1,000	58,039	76,679
Annualised full occupancy property rent	CHF million	51.5	46.9
Annualised property rent	CHF million	49.6	45.2
Vacancy rate		3.5%	3.7%
Real Estate Services key figures		31.12.2017	31.12.2016
Rents under management	CHF billion	1.68	1.58
Revenue	CHF 1,000	147,637	136,094
of which property management		53%	56%
of which facility services		46%	32%
of which construction management		1%	12%
EBIT	CHF 1,000	7,839	3,892
EBIT margin		5.3%	2.9%