

Wüest & Partner

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**Annual Report
2008**

Foreword

2008 Annual Report

The financial year in 2008 was a turbulent year throughout the world, with the financial crisis dominating events from the middle of the year onwards. In keeping with tradition, we would like to take the opportunity provided by the Annual Report to look back upon this challenging period and at the same time to look ahead to 2009. As in previous years, it is not our intention to produce a detailed financial report.

On course despite heavy seas ...

Last year will probably be remembered in history as the year that unleashed an untold number of problems and upheavals on the world. This makes us all the more proud that, in addition to mastering the various challenges, we were again able to significantly improve our operating results. Accordingly, Wüest & Partner created around ten new staff positions last year. Our strong client relationships underpinned by mutual trust have proven to be both robust and reliable, even in these most unstable of times.

... but with increased vigilance for potential risks

Wüest & Partner has always adhered to a strategy of sustainable development, and strives to achieve constant growth without being influenced by the whims of fashion or individual trends. Our strong track record inspires and motivates us to look ahead to the next few years with confidence and yet also with moderation. We are convinced that committed and reliable consultancy services will be in demand in both good times and bad.

We are pleased to present Wüest & Partner's latest Annual Report to you. We hope that it will make interesting reading.



The partners from left to right:

Marcel Scherrer

Martin Hofer

Matthias Arioli

Urs Hausmann

Dieter Marmet

Andreas Bleisch

Christoph Zaborowski

Jan Bärthel

Matthias Haag

Marco Feusi

Andreas Ammann

Mission and structure

Striving for all-round excellence

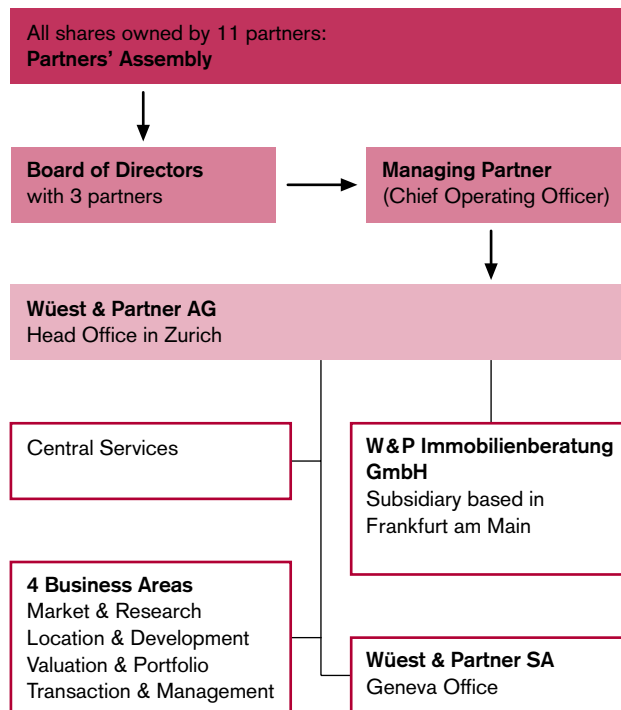
Wüest & Partner is a leading consulting firm in Switzerland and in Germany that provides independent consultancy services focussed on the property and construction sectors, urban development and locational trends. Since its inception in 1985, Wüest & Partner has been committed to delivering the highest standards of excellence in all products and services. For a number of years, the international dimension has played an increasing role in the advisory activity of our company.

Efficient, flexible organisational structure

Wüest & Partner attaches high priority to an adjusted and efficient organisational structure with flat hierarchies. Each project and commission is managed and co-ordinated by one of our eleven partners, with project teams comprising senior and regular consultants. Our flexible organisation enables us to deliver highly professional, cost-effective service within the timeframe dictated by our clients. We ensure our proximity to clients in French-speaking Switzerland and in Germany through our branch in Geneva and through our wholly owned subsidiary in Germany – W&P Immobilienberatung GmbH, headquartered in Frankfurt am Main.

Independence and enterprise

Wüest & Partner AG's shares are fully owned by its partners, all of whom are active in the company. Managing Partner Dieter Marmet acts as Chief Operating Officer. The Board of Directors is made up of the following partners: Urs Hausmann (Chairman), Matthias Arioli (Deputy Chairman) and Martin Hofer. Each partner is (jointly) in charge of one strategic business area and bears responsibility for its development.



Turnover and staff

Further growth in consultancy revenues

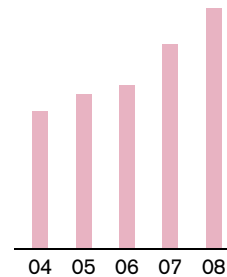
Consolidated consultancy revenues in 2008 totaled CHF 26.9 million (EUR 18.0 million). This corresponds to an increase of just under 20% compared to the previous year. Average annual turnover growth between 2004 and 2008 stands at approximately 15%. Last year also saw productivity remain stable at a high level.

Highly-qualified, multidisciplinary consulting team

The number of employees rose once again, in line with the growth in consultancy revenues. At present, Wüest & Partner has a headcount of 110 (including its valuer network and subsidiaries) with a total capacity of 81 full-time equivalents. 88 percent of staff hold a university degree and more than half have an additional second degree or a doctorate. In addition, five employees are also members of the Royal Institution of Chartered Surveyors. The teams are put together on a multidisciplinary basis, with the company employing architects, engineers and economists as well as natural and social scientists.

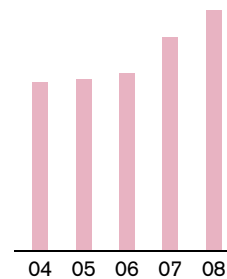
Continuity and expansion of teams

The last business year was characterised by a low fluctuation rate and signs of a slight easing within the labour market. In total, the company made 12 new appointments. The average employee age across the company is 34.5 years. 22% of all staff come from the EU, mainly Germany, though we also have consultants whose mother tongue is English, French or Italian. At the end of 2008, the senior management of the company comprised 10 partners and 14 senior consultants.



Consultancy revenue

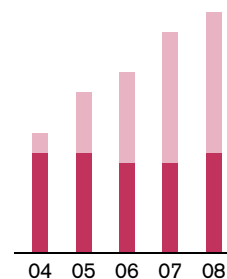
2004	CHF 15.1 m
2005	CHF 17.0 m
2006	CHF 18.0 m
2007	CHF 22.4 m
2008	CHF 26.9 m



Workforce

(full-time equivalents)

2004	56
2005	57
2006	59
2007	71
2008	81



Partners and

Senior Consultants (SC)

2004	10 Partners	2 SC
2005	10 Partners	6 SC
2006	9 Partners	9 SC
2007	9 Partners	13 SC
2008	10 Partners	14 SC

Clients and projects

Strong growth in number of projects

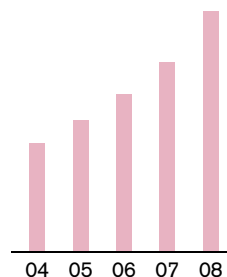
The 2008 financial year saw around 1,700 projects successfully completed on behalf of and in collaboration with a total of over 800 different clients. Wüest & Partner was again pleased to witness the continuing expansion of its client base, with first-time customers accounting for more than 20% of last year's turnover. The share of total consultancy revenue generated by the five largest clients currently stands at approximately 30%.

Widely diversified customer base

From small commissions to highly complex and challenging projects, Wüest & Partner consciously addresses a wide-ranging spectrum of needs with its services. Featuring prominently are institutional real estate investors and financial industry representatives, which together generate about two thirds of turnover. Thanks to its branch in Geneva and its subsidiary in Frankfurt am Main, Wüest & Partner deals with an ever-growing customer base. Private customers commissioning smaller projects receive the same care and attention from Wüest & Partner as its business clients.

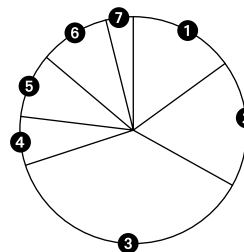
Broad-based services portfolio

In the past financial year, Wüest & Partner once again managed to noticeably strengthen its market position in all business areas. For the majority of mandates, the focus was on property valuation. In addition to the valuation of existing holdings, activity in this area centred in particular around the valuation of new acquisitions. Another business area to develop positively was that of valuation services for the public sector – i.e. valuations under IPSAS. The provision of ongoing consultancy services to development projects has now become the second-largest business area.



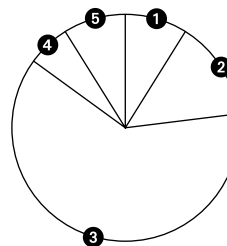
Client count

2004	379
2005	457
2006	549
2007	659
2008	836



Clients in 2008 (turnover)

- 1 Banks
- 2 Pension funds, insurers
- 3 Investment companies
- 4 Development companies
- 5 Other corporate clients
- 6 Public authorities
- 7 Private clients



Consultancy fields in 2008 (turnover)

- 1 Market
- 2 Development
- 3 Valuation
- 4 Strategy
- 5 Management

2008 project highlights

Property and location mandates

In the 2008 financial year, there was a satisfying increase in mandates for independent property and location searches. Particularly noticeable in this area is the successful securing of building land for a “Factory for creative industry” in the city of Zurich, due to be developed and realised over the next two years with the support of Wüest & Partner.

Transaction support

For many years Wüest & Partner has also offered its services as an independent consultant in complex real estate portfolio and corporate transactions. Despite the decline in transaction volumes in the Swiss real estate market, we once again played an active role in a number of sophisticated portfolio and corporate transactions in 2008. In addition to two major company divestments involving prior restructuring, Wüest & Partner also advised on the sale of a number of shopping centres.

Balance sheet valuations

In the “Real estate valuation for institutional investors” business area, Wüest & Partner was able to further expand its already strong market position. The largest and oldest Swiss real estate fund was also added to the list of our customers for whom we undertook balance sheet valuations in 2008. Furthermore, we also acquired other leading pension funds for these recurring valuation mandates, as well as a number of real estate funds domiciled in French-speaking Switzerland.

Valuation and rating models

For 10 years now, Wüest & Partner has provided valuation and rating tools for the financial sector. Last year, we were able to develop and oversee the implementation of a new application for valuing real estate for a leading Swiss mortgage bank. In addition, the launch of the Swiss location and market rating instrument on the internet (“Rating Platform”) represents a milestone for this proven analytical tool.

Consulting for public authorities

In 2008 we further strengthened and diversified the consulting services we provide to public authorities. By acting as a partner in municipality mergers, Wüest & Partner established a new business area. In particular, the valuation of administrative and financial assets for a large German-speaking canton, in line with the regulatory IPSAS provisions, represented a notable success.

Teaching activities and public relations

For many years now, the company’s partners and selected senior consultants have been engaged in teaching at academic institutions. In 2008, the total time spent lecturing at various universities in German-speaking Switzerland, French-speaking Switzerland and Germany exceeded 300 hours. In addition, over 100 presentations were given to corporate customers, associations and at public events.

Further milestones in 2008

IPD performance measurement and benchmarking

In April 2008, IPD and Wüest & Partner presented for the sixth time the latest benchmark results for the Swiss real estate market. Representatives of IPD provided an impressive overview of the development of real estate returns in the USA and in selected western European countries.

2008 Immo-Monitoring

April also saw the publication of the spring edition of our property market report "Immo-Monitoring", which appears at regular intervals. For the second time, a client event in Geneva was arranged to coincide with the publication. It was attended by around 80 guests from French-speaking Switzerland.

2009 Immo-Monitoring

At the end of October, Wüest & Partner published the autumn edition of its standard work on the Swiss real estate market. Now into its 17th year, Immo-Monitoring was officially presented to a record number of more than 500 guests at the Kongresshaus in Zurich.

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Since the autumn of 2008, Wüest & Partner has provided its clients and all other interested parties with access to a free internet site that gives an overview of all brownfield industrial and infrastructure sites in Switzerland. The database currently lists some 350 such sites and will be updated on a regular basis. A number of exciting consultancy mandates have already been successfully completed thanks to this tool.

Establishment of a written code of conduct

Prompted on the one hand by the company's internal growth, and on the other by the desire to provide external parties with transparency and consistency, Wüest & Partner has decided to draw up and publish an internal code of conduct. This code of conduct has acted as a yardstick and guideline for all our activities since the end of 2008. The values set out in the code have remained unchanged since the inception of Wüest & Partner.

Professionalisation of risk management

Wüest & Partner now fulfils the criteria set out in the latest amendments to the Swiss stock corporation law requiring the setup and maintenance of an internal control system, including a risk management function. In November 2008, an internal project focusing on risk management was launched as a supplement to the existing internal control system, thereby putting in place the prerequisites for an integrated view of this crucial issue.

Jan Bärthel appointed partner

In the fourth quarter, Jan Bärthel was elected into the circle of Wüest & Partner shareholders, becoming the company's 11th partner. Further increasing Jan's level of involvement in the company will enable us to expand and secure for the long term our competencies in the business areas of portfolio valuation and consultancy in the context of real estate financing. In particular, his CIS HypZert (F) certification provides him with the necessary qualification to value real estate for financing purposes in Germany.

Outlook

Learning organisation as general principle

Wüest & Partner has an open and positive attitude to new developments and trends, and therefore responds actively to the challenges of the market. Our clients demand first-class services, which is why as an agile organisation we put a lot of thought into issues involving knowledge management and learning organisations. This is true both for our ongoing project work and at a strategic level. At the same time, due attention is given to the cultivation of our traditional values, which include flexibility, independence, beyond-the-call-of-duty commitment and multidisciplinary thinking.

Promoting and cultivating corporate culture

Wüest & Partner has always set great store by the active nurturing of an in-house corporate culture. Up until now, this culture has thrived but in an “unwritten” sense. Given the growing size of our company, we have now given written expression to the key values, attitudes, and standards that Wüest & Partner subscribes to. This is designed to ensure that new staff are also able to rapidly internalise the values that we cherish.

Experience and innovation

The products and services of Wüest & Partner are based on knowledge and experience. The consultancy team that has remained stable over many years embodies the element of professional experience; whilst at the same time, young employees together with ongoing further training help to ensure that fresh ideas and innovation permeate the company.