

# Wüest & Partner

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**Annual Report  
2007**

# Foreword

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## 2007 Annual Report

The company uses the Annual Report as an opportunity to take stock of its achievements to date and to outline the targeted changes. The aim is not to produce a detailed financial report but rather to review the quality of services provided during the previous business year.

## Success consistent with the strong economy...

The Swiss economy in 2007 grew in line with expectations despite the US subprime crisis. Once again the economy in general fared excellently. Wüest & Partner entered into the year with great vigor and optimism, a positive attitude that was, in retrospect, fully justified: In 2007, Wüest & Partner achieved the best company results in its history.

## ... but also irrespective of it

Ever since its formation, Wüest & Partner has championed a policy of sustained corporate development, underpinned by continuous growth, immune to fleeting fashions and economic fluctuations. Wüest & Partner is proud of its performance record and convinced that there is a demand for dedicated and reputable consulting in good times and in 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:

Dieter Marmet

Urs Hausmann

Marcel Scherrer

Christoph Zaborowski

Andreas Bleisch

Matthias Haag

Marco Feusi

Martin Hofer

Andreas Ammann

Matthias Arioli

# Mission and structure

## Striving for all-round excellence

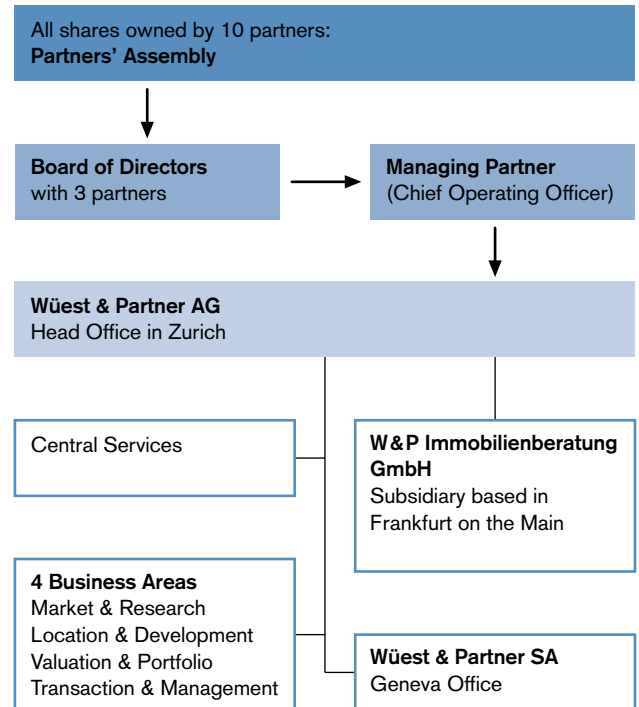
Wüest & Partner is a leading consulting firm providing independent counselling services focussed on the property and construction sectors, urban development and locational trends. Since its inception in 1985, Wüest & Partner has been committed to delivering the highest standards of excellence in all products and services. In the last two years, the international side of our consulting activities has achieved increasing importance.

## Efficient, flexible organisational structure

Wüest & Partner attaches high priority to an efficient, flexible organisational structure with flat hierarchies. Each project and commission is managed and co-ordinated by one of the ten current partners together with project teams comprising senior consultants and further advisors. Our flexible teams enable us to deliver a highly professional, cost-effective service within the timeframe dictated by our clients. Our branches in Geneva and Frankfurt ensure an even closer proximity to our customers in Western Switzerland and Germany.

## 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

## Steady growth in revenues and productivity

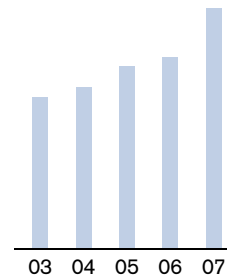
Consultancy revenues in 2007 came to CHF 22.45 million (EUR 13.6 million). This corresponds to an increase of over 25% compared to the previous year. Average annual turnover growth (between 2003 and 2007) thereby stands at 12.3%. In addition to the rise in total turnover, 2007 also brought a renewed increase in work productivity.

## Young and multidisciplinary consulting team

The number of employees – including partners – has seen a dramatic increase in the last five years. At present, Wüest & Partner has a headcount of 91 (including its valuer network) with a total capacity of 71 full-time equivalents. The average employee age across the entire company is 34.7 years. 20% of all current employees come from the EU (mainly Germany). To foster its traditionally multidisciplinary knowledge base, the company recruits architects, engineers and economists as well as natural and social scientists.

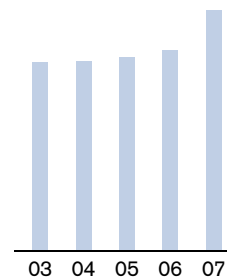
## Qualifications and experience highly valued

The job market in the past financial year was tight. Nevertheless, attractive job profiles helped Wüest & Partner to fill the positions arising from the company's expansion with well-qualified consultants. 92% of all current employees have a university degree and almost half of them also have a second degree or doctorate. By the end of 2007, in addition to the nine partners, Wüest & Partner had 13 senior consultants, four more than in the previous year.



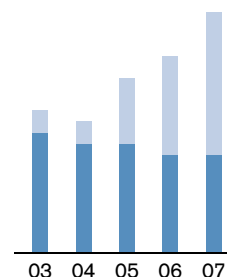
### Consultancy revenue

2003	CHF 14.1 m
2004	CHF 15.1 m
2005	CHF 17.0 m
2006	CHF 18.0 m
2007	CHF 22.4 m



### Workforce (full-time equivalents)

2003	56
2004	56
2005	57
2006	59
2007	71



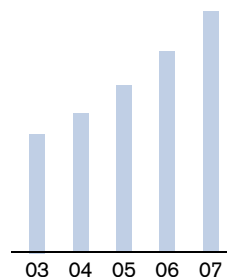
### Partners and Senior Consultants (SC)

2003	11 Partners	2 SC
2004	10 Partners	2 SC
2005	10 Partners	6 SC
2006	9 Partners	9 SC
2007	9 Partners	13 SC

# Clients and projects

## Rapid growth in number of projects

Fiscal year 2006 saw around 1,400 projects successfully completed on behalf of and in collaboration with a total of over 600 different clients. Wüest & Partner was particularly pleased to witness the continuing expansion of its client base with first-time customers accounting for 20% of last year's turnover. The share of total consultancy revenue generated by the five biggest clients now stands at just over 30%.

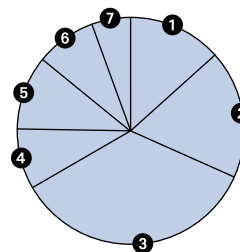


## Client count

2003	324
2004	379
2005	457
2006	549
2007	659

## Broadly diversified customer base

From small, routine commissions to highly complex and challenging projects, Wüest & Partner addresses a wide-ranging spectrum of needs with its services. Featuring prominently are the institutional real estate investors and finance-sector representatives, which together generate about two thirds of the turnover. As the internationalisation of capital flows progresses, Wüest & Partner, now backed by its new branches in Geneva and Frankfurt, is also attracting increasing attention from a global clientele. Private customers commissioning smaller projects receive the same care and attention from Wüest & Partner as its business clients.

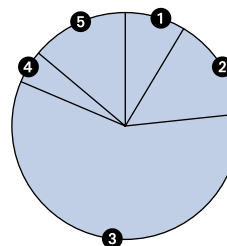


## Clients in 2007 (turnover)

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

## Services portfolio: Focus on valuations

In the last business year, Wüest & Partner managed to strengthen its market position in all strategic business areas. Valuation services accounted for around half of the revenues. Around 6,000 investment properties with an indicative market value of around CHF 60 bn (EUR 36.4 bn) were valued in 2007. As a result of the buoyant market, the Pre-Acquisition Valuation and Transaction Support business areas witnessed above-average growth.



## Consultancy fields in 2007 (turnover)

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

# 2007 project highlights

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## Property Development

Wüest & Partner fields a large independent team of experts dedicated exclusively to the development of real estate projects. One of the pivotal projects in 2007 was the “Urban Living Concept” for a large Swiss city declared by its authorities as a mandatory guideline for urban development policy.

## Transaction Support

For ten years Wüest & Partner has also offered its services as an independent consultant in complex real estate portfolio and corporate transactions. Two major and three medium-sized commissions undertaken in 2007 allowed us to underline our credentials in the fields of due diligence reviews, sales documentation, corporate valuation and property taxation.

## “Valuation server” – DCF Valuations

Since the summer of 2003 Wüest & Partner has been working with the Valuation Server, an in-house development. With the latest version 2.2 released at the beginning of 2007 this software is now also available in French and English. A further customer in the finance sector was won for the system, with a successful implementation during the third quarter of last year.

## Restructuring and Financing

Last year, Wüest & Partner acted as consultant on a dozen or so high-profile financing and restructuring schemes involving asset swaps, leverage buyouts and consulting in a business organisation context. Of particular note in this respect were the numerous acquisition and financing-related valuations for international clients who – especially in the first half of the year – showed a keen interest in the Swiss real-estate market.

## Valuation and Rating Models

For the last eight years, Wüest & Partner has provided valuation and rating tools for the finance sector. Almost 50 clients now make routine use of these instruments including, since 2007, an additional cantonal bank and three further insurance companies.

## Consulting for Public Authorities

By broadening its range of services, Wüest & Partner is also increasingly diversifying into the public sector. It embarked on a multiple-year consulting mandate in strategic property management for a large Swiss city last year.

## Teaching Activities and Public Relations

For many years now, the company’s partners and selected senior consultants have been engaged in academic teaching. In 2007, the total time spent lecturing at various universities in German- and French-speaking Switzerland exceeded 250 hours. In addition, over 100 presentations were given to corporate customers, associations and at public events.

# Further milestones in 2007

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## **IPD performance measurement and benchmarking**

In April, IPD and Wüest & Partner presented the latest benchmark results for the Swiss real-estate market for the fifth time. IPD's annual European Conference took place in May.

## **2007 Immo-Monitoring**

Volumes 3 and 4 of the 2007 property market report appeared at the end of April, meeting as always with a great media response.

## **Opening of subsidiary in Frankfurt**

W&P Immobilienberatung GmbH commenced operations in Frankfurt am Main on 1<sup>st</sup> August. Wholly owned by Wüest & Partner, W&P Immobilienberatung offers the same services and is committed to the same business values as its parent company. The first official customer event took place at the beginning of November in the Frankfurter Hof.

## **2008 Immo-Monitoring**

The redesigned standard reference work on the Swiss real estate market was published at the end of October. Now into its 16th year, Immo-Monitoring was officially presented to over 450 guests in the Kongresshaus Zurich.

## **Improvements to online services**

The expansion of Wüest & Partner's online services in the fourth quarter of 2007 provided clients with access to new features (such as ratings).

## **Renovation and expansion of premises**

Renovation and expansion work at the offices at Gotthardstrasse 6 in Zurich commenced in October. Since the beginning of 2008, Wüest & Partner has over 80 modern and attractive workplaces occupying a total of around 1,300 m<sup>2</sup> in Zurich's city centre.

## **Introduction of internal control system (IKS)**

Wüest & Partner now fulfils the criteria in the latest amendments to the Swiss stock corporation law requiring the set-up and maintenance of an internal control system. This challenging internal project was successfully completed in December 2007.

## **A new partner: Andreas Bleisch**

In the fourth quarter, Andreas Bleisch was elected as a member of the Wüest & Partner shareholders. His energy and commitment to the firm will enable us to further expand and secure in the long term our competencies in the areas of transaction support, corporate valuation and property taxation.

# Outlook

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## **The right mix of tradition and innovation**

Wüest & Partner has an open and positive attitude to new developments and trends and therefore responds actively to the challenges of the market. To deliver the top-notch services that our clients expect, the company is constantly on the lookout for innovations and refinements. As an expanding business, we also put a lot of thought into issues involving knowledge management and learning organisations. 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.

## **Geographical expansion: Consolidation and growth**

The founding of W&P Immobilienberatung GmbH constituted a first step in expanding beyond our national border. In this regard, our aim in the medium term is to strengthen and consolidate this commitment. Parallel to this, Wüest & Partner is also carefully watching the increasing internationalisation of the property markets. We will investigate and, if appropriate, seize any new opportunities arising.

## **Partnership appointments**

The company's partners see it as their task to guarantee the utmost professionalism and highest standards in the provision of consultancy services. In order to be able to fulfill this task, even as the volume of business increases, employees who share our company values and culture will be steadily added to our executive staff. This also ties in with our belief that our products and services are mainly knowledge and experience-based. Qualified bearers of know-how therefore form the foundation of our consulting work.