

GROUP OVERVIEW

Profile	07
Report to shareholders	08
Milestones	13
Strategy and investment policy	14
Properties	16
Real Estate Services	18
Share information, bond information	22

PROFILE

Unique residential property company with a nationwide real estate services business

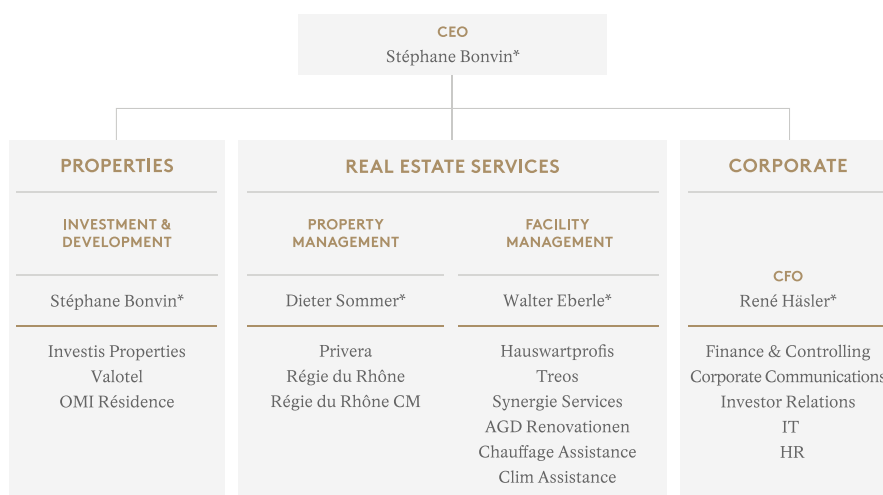
Founded in 1994, Investis Group is a leading residential property company in the Lake Geneva region and a national real estate services provider active in both property management and facility management. Investis **Properties** has a portfolio of predominantly residential properties in the middle price segment. Investis **Real Estate Services** works with well-known local brands throughout Switzerland. The Group has been listed on the stock exchange since June 2016.



HIGHLY ENTREPRENEURIAL MANAGEMENT

The Executive Board consists of Chief Executive Officer Stéphane Bonvin – who founded Investis in 1994 – Chief Financial Officer René Häsler, as well as Head of Property Management Dieter Sommer and Head of Facility Management Walter Eberle. Investis is characterised by a lean structure and a highly entrepreneurial and experienced management.

Organisation chart, valid as of 1 April 2017



* Member of the Executive Board

REPORT TO SHAREHOLDERS

2016 – a milestone year for Investis

Dear Shareholders

Dear Sir or Madam

2016 will go down as a pivotal year in the Company's history of more than two decades. The successful listing on the stock exchange (IPO) in June, and the associated step into the wider public arena, marked the beginning of a new era for Investis. Entering the capital market enabled Investis to expand its shareholder base and its access to funds, which will help fuel the sustainable growth planned for the two segments Properties and Real Estate Services.

In its first half-year as a listed company Investis has progressed as planned. The proceeds from the IPO were used to make some attractive investments and highly promising acquisitions. Investis acquired the minority stake in Investis Patrimoine SA and took over facility management company Clim-Assistance SA. In 2016 Investis achieved a solid result. It was able to further enhance its position as the leading company for residential properties in the Lake Geneva region, and as a provider of real estate services throughout Switzerland.



SIGNIFICANT RISE IN OPERATING PROFIT – SUSTAINABLE REVENUE GROWTH

Investis increased its revenue by 3% to CHF 162 million in 2016 (prior year: CHF 157 million). The **Properties** and **Real Estate Services** segments both contributed to this growth. As expected, operating expenses rose accordingly. In particular, personnel reinforcements at Property and Facility Management, and the strengthening of Corporate, had an impact on reported costs. Significantly higher valuation gains of CHF 46.6 million were recorded in the existing portfolio thanks to the 1.1% increase in like-for-like rental income and continuing lower interest rates. Overall, Investis increased its operating profit (EBIT) by 27% to CHF 76.4 million (PY: CHF 60.2 million).

In order to optimise its financing structure and to benefit from the current attractive conditions on the capital market, Investis successfully issued a CHF 100 million fixed-rate bond with a coupon of 0.55% and a tenor of five years. The proceeds were used to repay mortgages. As a consequence, some interest rate swaps were terminated prematurely, resulting in settlement payments of CHF 5.9 million, while the remaining swaps were recognised in the financial statements. Due to these additional swap costs, financial expenses increased to CHF 19.7 million (PY: 7.7 million). Weighted average interest costs were reduced by 0.2% to 2.0% (PY: 2.2%). The effective tax rate amounted to 23% (PY: 17%). Net profit stood at CHF 45.1 million, slightly above the prior year (CHF 44.6 million). Net asset value (NAV) per share excluding deferred taxes with regard to investment properties rose to CHF 54.85 (PY: CHF 52.93).

Investis has proved itself as a listed company, and has implemented the current growth strategy as planned. The solid result underscores the reliability of the business model, which is based on the two segments **Properties** and **Real Estate Services**. The attractive property portfolio in the Lake Geneva region, which is being further optimised by strategic investments, provides a very solid earnings base. In the Real Estate Services division, highly promising growth prospects are opening up as part of the ongoing consolidation. In both these segments Investis has made effective use of opportunities for sustainable growth and further improved its market position.

HIGHER REVALUATION GAINS STRENGTHEN FOCUS ON LAKE GENEVA REGION

Rental income rose by 3% to CHF 41.9 million (PY: CHF 40.8 million), while direct expenses fell to just over 30% (PY: 36%) thanks to a reduced need for renovation works and a continuing increase in cost effectiveness.

Investis has developed its property portfolio effectively, investing a total of CHF 88 million in buying new properties with a gross yield of above 5% and completing the construction of two new investment properties. At the same time, it has made strategic sales, securing a gain on disposal of CHF 3.0 million. Significant revaluation gains of CHF 46.6 million (PY: CHF 31.0 million) reinforce the Group's focus on residential properties in prime locations in the Lake Geneva region, as well as on rental activities and active portfolio management. The Properties segment reported an operating profit (EBIT) of CHF 76.7 million, an increase of 35% over the prior year (CHF 56.9 million).

Purchases and revaluation gains led to an increase in the value of the property portfolio to CHF 981 million (PY: CHF 857 million). At the end of the year the portfolio comprised 136 properties with 2,334 residential units.

The annualised full occupancy property rent as at 31 December 2016 rose to CHF 46.9 million. The vacancy rate stood at 3.7%, which is slightly higher than a year ago, though still very low for the sector. The increase is attributable to properties acquired or completed in the year under review which were not yet fully rented, as well as to the total overhaul of one building.

FURTHER GROWTH POTENTIAL IN THE REAL ESTATE SERVICES SEGMENT

The Real Estate Services segment reported a positive performance with an increase in revenue of 4% to CHF 136 million (PY: CHF 131 million). This growth was driven by Property Management and Facility Management services, while Construction Management saw a decline in revenue. Property Management – the strongest revenue pillar, contributing 56% of the total – increased its revenue in 2016 by 4.3% thanks to newly gained mandates, which also entailed initial costs. The rents under management by Property Management rose by CHF 200 million to CHF 1.58 billion. Revenue at Facility Management (share of revenue: 32%) rose by 7.9%, mainly due to the expansion of complementary services. By contrast, Construction Management (share of revenue: 12%) reported a decline in revenue of 10.6%. The larger overall business volumes also called for additional resources, hence the rise in headcount to 1,132 employees and the 9% increase in associated personnel expenses. These higher expenses led to a decline in the Real Estate Services segment's operating profit (EBIT) to CHF 3.9 million (PY: CHF 6.2 million).

Investis aims to exploit the growth potential of the Real Estate Services segment more systematically in future by concentrating on its Property and Facility Management services. Construction Management as a general contracting service will no longer be offered. This will reduce risk and increase the operating margins.

Investis acquired the company Hauswartprofis AG in January 2017. Hauswartprofis is a respected and established brand that will bring additional experience and expertise to Facility Management. With this acquisition, Investis is gradually implementing its growth strategy in the Real Estate Services segment and expanding its market position.

SUCCESSFUL AND EFFICIENT REFINANCING – VERY SOLID BALANCE SHEET – DIVIDEND PAYOUT OF CHF 30 MILLION

Investis made use of the attractive conditions on the capital market and investors' great trust and confidence to further optimise its financing structure. After the successful capital increase during the IPO in June, a five-year bond was issued to reduce mortgage financing. As a consequence of the new financing strategy, some swaps were terminated prematurely in 2016 and the designated purpose of the remaining swaps was changed from hedging to trading. The negative fair value of CHF 6.6 million (volume of CHF 72.5 million) was recognised in the financial statements.

Total assets increased by 12% to CHF 1.1 billion. 89% of assets are tied to the property portfolio, and the Loan-To-Value (LTV) decreased to 33%. Provisions for deferred tax liabilities were CHF 146 million (+9.8%). The equity ratio at the end of 2016 was a comfortable 50.7% (PY: 43.4%), attesting to the financial stability of Investis. The Group's financing policy remains conservative.

As announced, a dividend payment of CHF 30.08 million, or CHF 2.35 per share, will be proposed to shareholders at the Annual General Meeting on 27 April 2017. This corresponds to a payout ratio of 68%.

BROADENING OF CAPABILITIES THANKS TO AN EXPANDED EXECUTIVE BOARD

To support the growth strategy in the Real Estate Services segment, the Board of Directors has decided to broaden the Executive Board's skill base. With effect from 1 April 2017, Dieter Sommer (CEO of Privera since 2014) and Walter Eberle (CEO of Hauswartprofis since 2009 and CEO of Treos since January 2017) will join and strengthen the Executive Board. Management of the Real Estate Services segment will be spread across the two activities Property Management and Facility Management. Dieter Sommer will head Property Management services and Walter Eberle will be responsible for Facility Management services.

Catherine Dubey, who has made a major contribution to the successful development of the Real Estate Services segment in recent years, will now concentrate on development activities in the Properties segment, and will therefore be stepping down from the Executive Board. The Board of Directors and Executive Board would like to thank Catherine Dubey for her great commitment and enthusiasm in developing the Real Estate Services segment.

PROPERTY MARKET REMAINS VERY ATTRACTIVE

In 2016, Switzerland's property market was affected by a negative interest rate environment and a slight uptick in the Swiss economy. Thanks to persistently low interest rates, property continues to be a very popular investment; as a result, property prices are going up and yields are falling. Although the Swiss economy rallied a little, office and retail properties are still having to combat high vacancy rates, in part because of the ever-increasing share of shopping done online. Residential property, by contrast, continues to enjoy lively demand, especially in the major urban centers. These market developments vindicate the strategy and investment policy pursued by Investis. With a portfolio made up primarily of residential properties in attractive locations close to Lake Geneva, demand continues to be high, so vacancy rates remain low.

In the real estate services business, pressure on margins intensified further, though the trend towards digitalisation offers major opportunities here. Automation can make internal processes faster and more efficient, leaving employees to focus more on customer support and property-related services. The Investis Group identified this structural change long ago, and is committed to ever-greater digitalisation within the property sector.

With its business model, its strategy and its investment policy, Investis is very confident that it remains well positioned in a challenging market environment.

OUTLOOK

The accelerated dynamics resulting from the listing will continue to invigorate the Group's growth strategy in 2017. Sustainable increases in revenue are expected in all areas of activity. However, discontinuation of the Construction Management activity as a general contracting service will have a negative impact on revenue, but will have a positive impact on the EBIT margin.

The acquisition of Hauswartprofis AG will also contribute to revenue growth in the Real Estate Services segment. Investis will continue to optimise the Group, particularly with regard to financing. In February 2017 another bond of CHF 140 million with a coupon of 0.25% and a tenor of two years was placed to pay off mortgages.

In view of the current progress and good market positioning in both segments, we expect our solid business performance to continue in the 2017 financial year. Our medium-term targets remain unchanged.

On behalf of the Board of Directors and the Executive Board of Investis Holding SA, we would like to express our sincere gratitude to our shareholders for placing their trust in Investis, and to our staff for their great commitment and loyalty.



Riccardo Boscardin
Chairman of the Board of Directors



Stéphane Bonvin
CEO

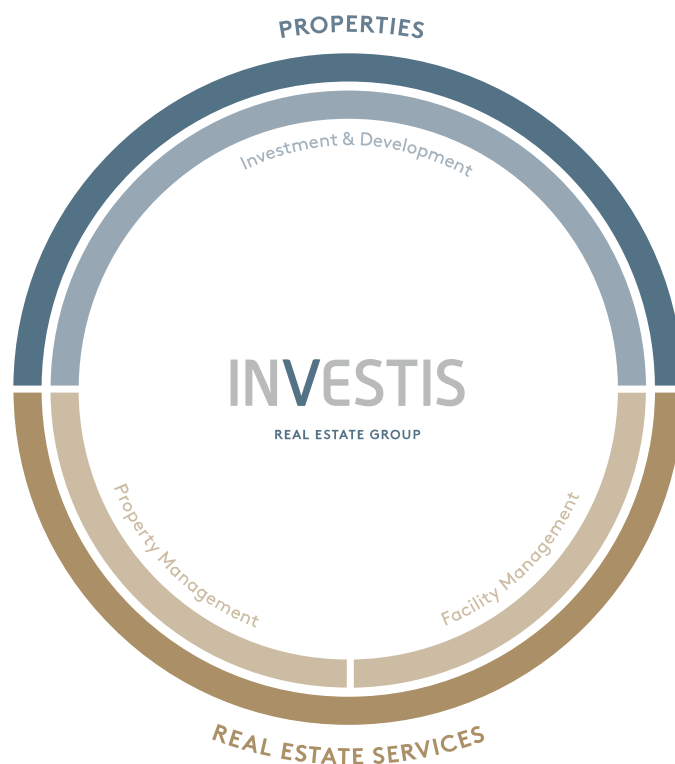
MILESTONES

Since its foundation in 1994, Investis has been driven by an entrepreneurial approach and has focused on value creation with a long-term perspective.

2017	<ul style="list-style-type: none"> Issue of a second fixed-rate bond of CHF 140 million Completion of acquisition of Hauswartprofis AG
2016	<ul style="list-style-type: none"> Issue of a first fixed-rate bond of CHF 100 million Acquisition of Clim-Assistance SA Acquisition of the minority stake in Investis Patrimoine SA Entry onto the capital market on 30 June 2016 through the successful initial public offering (IPO) with an issue volume of CHF 148.4 million
2015	<ul style="list-style-type: none"> Acquisition of Valotel SA, SI Clovil SA, Rey'novtoit, Imhoff.ch Sàrl, La Pomardière SA
2014	<ul style="list-style-type: none"> Increase of shareholding in the pro-rata consolidated company La Foncière de la Dixence SA from 25% to 50% Acquisition of Privera AG, Treos AG, AGD Renovationen AG, Bufag SA and Chauffage-Assistance SA. Investis Group expands its real estate services offering across the whole of Switzerland
2013	<ul style="list-style-type: none"> Spinoff of Sorenova SA as a construction management company Acquisition of Valaisia Crans-Montana SA
2012	<ul style="list-style-type: none"> Acquisition of Synergie Services Facility Management SA
2011	<ul style="list-style-type: none"> Entry into the real estate services market with the completion of the acquisition of Régie du Rhône SA
2009	<ul style="list-style-type: none"> The company name was changed to Investis
2007	<ul style="list-style-type: none"> Creation of a Holding structure
2002	<ul style="list-style-type: none"> Consolidation of the property portfolio
1997	<ul style="list-style-type: none"> Compagnie Foncière de la Cité SA acquires its first buildings in the Canton of Geneva
1996	<ul style="list-style-type: none"> Compagnie Foncière de la Cité SA accumulates residential properties in the Canton of Vaud
1994	<ul style="list-style-type: none"> Foundation of Compagnie Foncière de la Cité SA

STRATEGY AND INVESTMENT POLICY

Investis aims to be the market leader for residential property in the Lake Geneva region and for real estate services throughout Switzerland. The Company is also targeting continued successful growth with a conservative financing profile in its “**Properties**” residential property business, as well as further expansions of its “**Real Estate Services**” business, both organically and through acquisitions, by means of the following measures:



CONTINUATION OF BUY-AND-HOLD STRATEGY THROUGH SELECTED INVESTMENTS IN THE PROPERTIES SEGMENT

Investis is keen to continue its long-term buy-and-hold strategy, and to further expand the scope of its residential property portfolio through acquisitions and selected development projects. In view of the positive demographic trend and favourable macroeconomic factors, the Group plans to maintain its focus on residential property for a target audience with mid-range incomes in the Lake Geneva region, particularly in the metropolitan areas of Geneva and Lausanne.

PRESERVATION AND GROWTH OF PORTFOLIO VALUES THROUGH ACTIVE PORTFOLIO MANAGEMENT

The investment focus is on properties and projects with sustainable, attractive returns and long-term value enhancement potential. Investis seeks to preserve and increase the value of its real estate portfolio through active portfolio management. A high level of occupancy and constant cost optimisation enable value to be systematically preserved and increased. Investis is also involved in realising targeted and cost-efficient renovation projects, including optimising energy efficiency. This is in addition to constructional measures such as the extension of rentable floor space through additional storeys and conversions.

INCOME GROWTH THROUGH A BROAD RANGE OF REAL ESTATE SERVICES ACROSS SWITZERLAND

The Real Estate Services segment generates attractive added value for Investis and its stakeholders. The Group also seeks national recognition by offering real estate services across Switzerland. In addition, the Group intends to add further offerings to its range of services in its Property Management and Facility Management activities.

GREATER EFFICIENCY AND ENHANCED QUALITY THROUGH DIGITALISATION

Digitalisation of internal processes permit shorter and more efficient process flows. Staff are thus free to concentrate on activities that add more value, such as advising clients. Investis also intends to push ahead with the digitalisation of client interfaces in order to improve its service offering.

SOLID FINANCING STRATEGY WITH A SOUND CAPITAL BASE

The Group is solidly financed and targets a gross loan-to-value ratio (LTV) of under 40%. In addition, the Group strives to optimise its financing structure on a continuous basis and use the most suitable financing sources over the long term, including opportunities presented by the capital market.

PROPERTIES

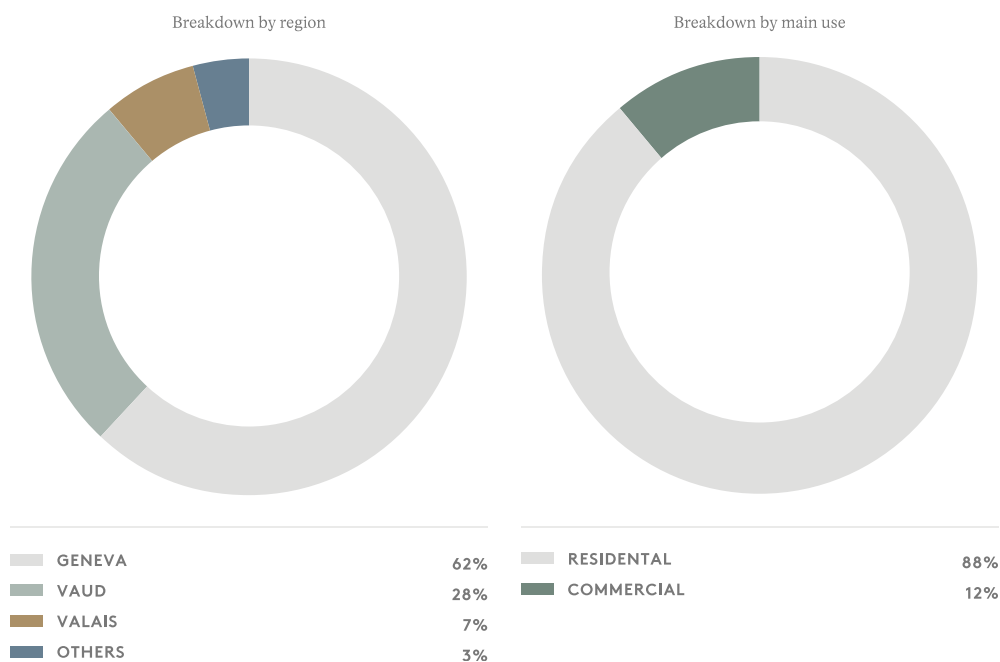
The portfolio of Investis Properties consists predominantly of residential properties located in the Lake Geneva region. It was valued at CHF 981 million as at 31 December 2016

Investis has developed its Properties business line over more than 20 years. It generated revenues of CHF 41.9 million and an operating profit (EBIT) of CHF 76.7 million during the fiscal year 2016.



FOCUSED ON THE LAKE GENEVA REGION

Within the Properties business segment, investing is the main activity and consists of the ownership and development of a residential property portfolio focused on the Lake Geneva region. The portfolio is located within the Lake Geneva region, the Cantons of Geneva and Vaud as well as, to a smaller extent, the Canton of Valais. In the Cantons of Geneva and Vaud, the majority of buildings are clustered around Geneva and Lausanne. The following graph depicts the geographical distribution of the properties:



MAINLY RESIDENTIAL PROPERTIES

The portfolio consists of 2,334 middle-income residential units in 136 buildings. Based on market value and main use, 88% of the properties are used for residential purposes and 12% for commercial purposes.

BUY AND HOLD STRATEGY

Investis pursues a long-term buy and hold strategy, meaning that it rents the properties after acquisition and strategically manages them to enhance their long-term rental income and value. Refurbishments, including value-adding works to rental units and buildings, are completed based on a five-year plan. The majority of the properties have been refurbished under the Group's ownership.

--> Detailed information on the properties is available on the [company website](#) as well as under [property portfolio](#) in this annual report.

DEVELOPMENT

Investis carries out opportunistic developments aiming at high returns on sales. To this end, Investis selectively purchases the land, obtains the necessary construction permits, develops the properties and subsequently rents or sells them.

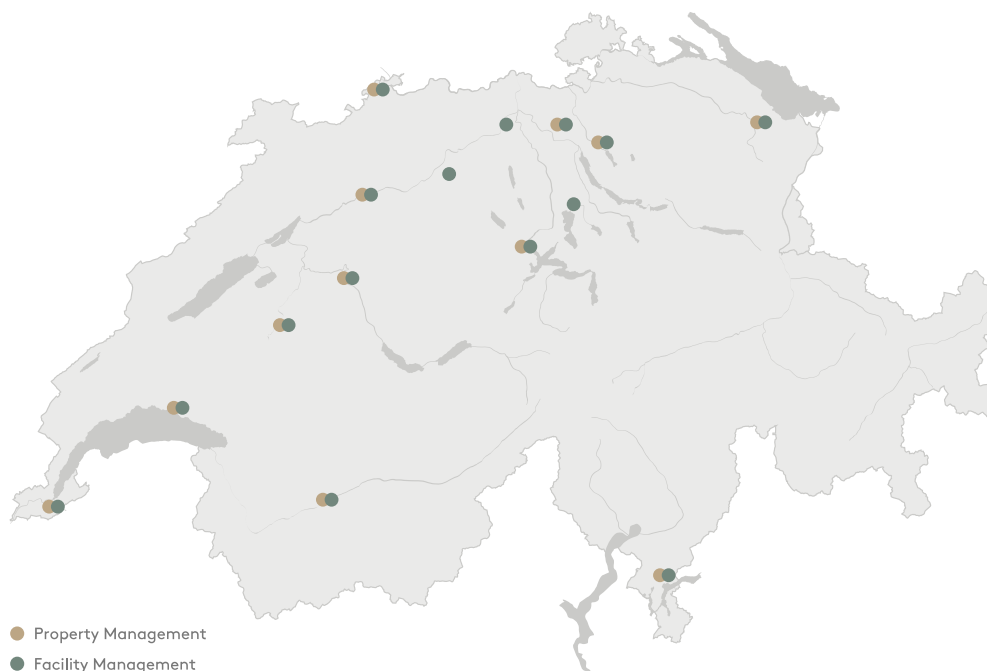
SERVICED APARTMENTS

The Serviced Apartments activity consists of the operation of 77 serviced apartments under the OMI Residences brand. The apartments are located in the center of Geneva and managed by Régie du Rhône SA.

REAL ESTATE SERVICES

Investis Real Estate Services is active with well-known local brands throughout Switzerland

In the Real Estate Services business segment, Investis pursues two activities throughout Switzerland, namely Property Management and Facility Management. This business segment generated a revenue of CHF 136.1 million in 2016, while the rental volumes managed by Property Management were CHF 1.58 billion.



PROPERTY MANAGEMENT

The Property Management activities are offered by **Privera AG, Régie du Rhône SA** and **Régie du Rhône Crans-Montana SA**.

The main activities are lease management, center management, letting and brokerage services, investment advisory as well as management of co-ownership associations and construction management. These services include:

Property management of

- Multi-storey dwellings
- Office and commercial properties
- Retail properties and shopping centers
- Co-ownership
- Condominium properties

Co-ownership associations

- Complete organisation and operation of large and challenging property complexes
- Coordination of all property management services as well as accounting
- Reporting that meets the highest requirements
- Planning and implementation of building measures in the interests of the investor

Center management

- Development of new shopping centers
- Property and market analyses, market research
- Center positioning
- Center management and operational management
- Switzerland-wide retail marketing
- Center marketing and promotional activities
- Support/guidance for tenants' associations
- Alterations and modernisations

Letting management

- First-time, renewal and special lettings of residential and commercial properties, office, service and retail spaces
- Market and site analyses
- Property and usage analyses
- Letting and marketing concepts
- Property marketing, letting management

Brokerage

- Procurement/sale of properties
- Valuations/surveys
- Market and site analyses
- Property and usage analyses
- Development of sales concepts
- Property search mandates
- Property marketing

Construction Management

- Building condition assessments
- Energy-optimisation measures
- Completion of alterations and renovations
- Construction project and general management as per SIA 102 and SIA 112
- Client fiduciary and advisory services

FACILITY MANAGEMENT

The Group companies active in Facility Management are **Hauswartprofis AG, Treos AG, Synergie Services Facility Management SA, AGD Renovationen AG, Chauffage-Assistance SA and Clim-Assistance SA.**

Investis' Facility Management offers a wide range of services in the maintenance of buildings and outdoor services for residential, office, commercial buildings and shopping centers. The particular services are:

Caretaking services

- Caretaking
- Cleaning
- Winter service
- Maintenance of green areas and surroundings
- Disposal
- Technical maintenance

Cleaning services

- Routine cleaning
- Window and facade cleaning
- Cleaning of outdoor areas
- Special cleaning, escalator cleaning
- Pest control
- Disposal and disposal concepts

Building technology

- Operation and monitoring
- Inspection
- Fault analysis
- Maintenance
- Repairs
- Approval and commissioning
- On-call service
- Energy monitoring

Management services

- Property management
- Reporting
- Accounting and budgeting
- Surface management
- Warranty management
- Contract management
- Strategic purchasing

Project management

- Technical projects
- Relocation planning
- Operational adjustments

Concepts

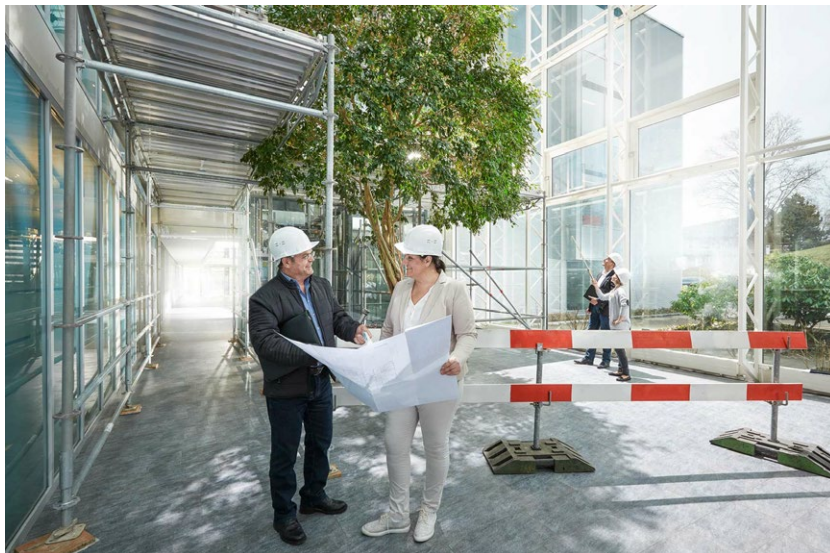
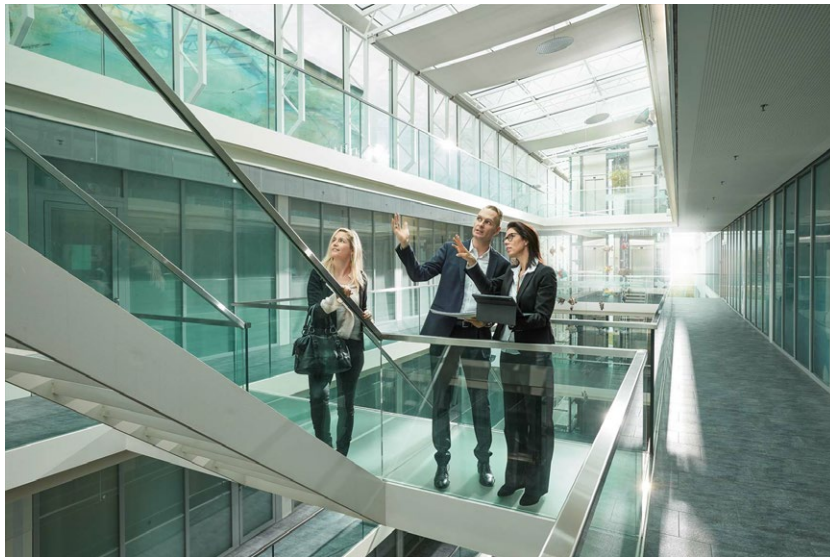
- Facility management during construction
- Operational planning/optimisation of operations
- Management concepts
- Safety concepts
- Blackout test
- Fire control tests
- Evacuation concepts
- Energy optimisation concepts
- Quality audits
- Condition analyses

Building services

- Help desk
- Parking management
- Security and shut down management
- Reception and telephony
- Postal and logistics services
- Office supplies
- Relocations

Concierge services

- House sitting
- Troubleshooter
- Laundry service
- Cleaning service
- Window and shutter cleaning

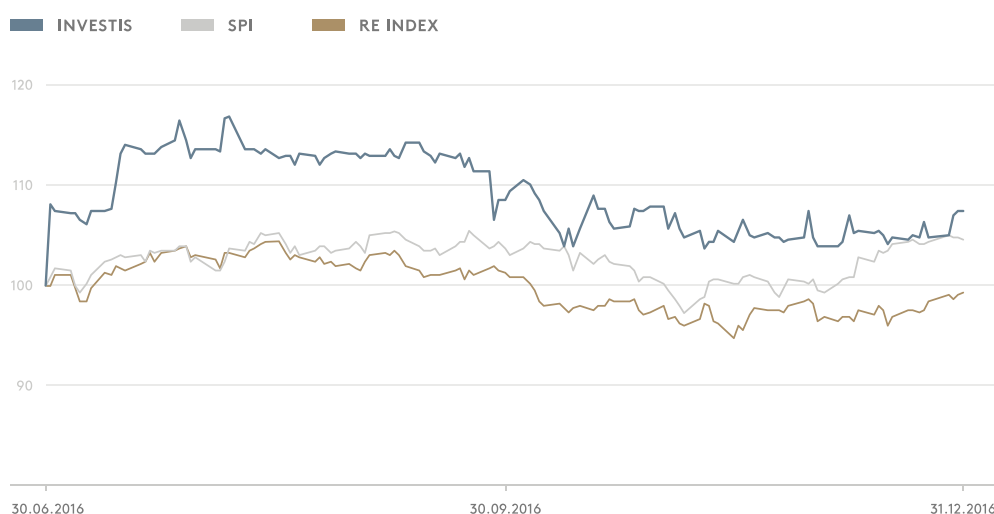


SHARE INFORMATION, BOND INFORMATION

Investis can look back on an eventful 2016, the highlight of which was the successful IPO of Investis Holding SA on 30 June 2016. Entering the capital market and thereby expanding the shareholder base has provided Investis Group with a solid foundation, enabling it to accelerate its current growth.

The registered shares of Investis Holding SA are traded on the SIX Swiss Exchange in Zurich and are listed in accordance with the Standard for Real Estate Companies.

SHARE PRICE DEVELOPMENT



Share price – high	CHF	61.95
Share price – low	CHF	53.00
Share price as at 31.12.2016	CHF	57.00
Average number of shares traded per day	Number	9,094
Market capitalisation as at 31.12.2016	CHF 1,000	729,600

In order to optimise the financing structure and to benefit from the attractive conditions on the capital market, Investis Holding SA successfully issued a fixed-rate bond in the fiscal year 2016 and a second in February 2017 (post-closing event).

OUTSTANDING FIXED-RATE BONDS

ISIN	CH 033 764 551 6	CH 035 259 586 9
Trading currency	CHF	CHF
Issuing volume	100 million	140 million
Listing	SIX Swiss Exchange	SIX Swiss Exchange
Coupon	0.55%	0.25%
Tenor	5 years	2 years
Payment date	15 November 2016	14 February 2017