

Immediate Report: Completion Of Transaction For The Purchase Of Properties In Switzerland

Further to the immediate report published by the Company on 25th June 2006 (reference 042778-01-2006), the Company hereby gives notice that the purchase agreements were signed in connection with the purchase of 12 yielding properties throughout Switzerland (hereinafter referred to as “**the properties**”), of a total area of approx. 85,000 sq.m., in consideration for a total of approx. CHF 101.5 million (not including transaction expenses) (hereinafter referred to as “**the transaction**”).

The transaction was effected through a foreign company, registered in Luxembourg, in which the Company holds, through a fully-owned (indirectly) subsidiary, approx. 60% of the issued share capital (hereinafter referred to as “**the joint corporation**”). The joint corporation intends holding the properties through a number of holding corporations registered in Switzerland. See the immediate report dated 25th June 2006 for particulars relating to the joint corporation’s management principles.

The sum of CHF 70.6 million of the transaction consideration (in addition to an advance of CHF 5 million that was paid previously) was paid on the date of the completion of the transaction and the transaction in respect of nine of the properties was completed.

The completion of the transaction with regard to three of the properties and payment of the balance of the consideration will be effected subject to the Geneva Municipality’s waiver of the right of refusal granted to it to purchase the said properties. The period for exercising the said refusal right is until the end of November 2006.

As at the date of this report, approx. 75% of the areas of the properties are rented to various tenants (of which 25% of the properties’ area is rented to a leading Swiss telecommunications company), with various commercial uses, such as offices, logistics, storage and parking. The average duration balance of the leases pursuant to the existing lease agreements for the properties is approx. 3.8 years. As at the date of this report, the rental income from the properties totals approx. CHF 8 million per annum and the net income (after expenses) totals approx. CHF 6 million per annum.

In order to finance the transaction an agreement has been signed by the joint corporation with a foreign bank, pursuant to which the foreign bank has granted the joint corporation a loan of approx. 90% of the aggregate amount payable under the

transaction (i.e., the purchase price of the properties plus the transaction expenses). The loan is for a period of five years with fixed annual interest of approx, 3.75%. Payments on account of the principal in respect of the loan shall be paid as from the end of 18 months from the date of the grant of the loan or as from a later date subject to the fulfilment of a number of terms and conditions. The loan is secured by various collateral as is the norm in similar transactions. The Company has not given a guarantee to the foreign bank for the repayment of the loan by the joint corporation.