



**Public Tender Offer**

of

**Swiss Prime Site AG, Olten**

for all publicly held

**bearer shares with a nominal value of CHF 50 each**

of

**Maag Holding AG, Zurich**

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**Offer Price:** CHF 190.00 (net) per bearer share of Maag Holding AG with a nominal value of CHF 50.00 minus the gross amount of dividends or other distributions (e.g. reductions of the nominal value of shares) per bearer share, if any, paid out prior to the closing date of this offer.

**Offer Period:** 23 December 2004 to 24 January 2005, 4.00 p.m. (CET)

**CREDIT SUISSE FIRST BOSTON**

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Maag Holding AG  
Bearer shares with a nominal value  
of CHF 50 each

Security Number  
240 080

ISIN  
CH 000 240 080 9

Telekurs Ticker Symbol  
MAG

**Offer prospectus of 23 December 2004**

# **Sales Restrictions**

## **United States of America**

The tender offer described herein is not being made in the United States of America (the “United States”) and may be accepted only outside the United States. Offering materials with respect to the tender offer may not be distributed in or sent to the United States and may not be used for the purpose of making an offer to purchase or the solicitation of an offer to tender any securities by anyone in any jurisdiction, including the United States, in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

## **United Kingdom**

The offering documents in connection with the tender offer described herein are being distributed in the United Kingdom only to and are directed at (a) persons who have professional experience in matters relating to investments falling within Article 19 (1) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001, as amended, in the United Kingdom (the “Order”) or (b) high net worth entities, and other persons to whom they may otherwise lawfully be communicated, falling within Article 49 (1) of the Order (all such persons together being referred to as “relevant persons”). Any person who is not a relevant person should not act or rely on this document or any of its contents.

## **Other Jurisdictions**

The tender offer described herein is not directly or indirectly made in a country or a jurisdiction in which such offer would be illegal, otherwise violate the applicable law or an ordinance or which would require Swiss Prime Site AG to change the terms or conditions of the tender offer in any way, to submit an additional application to or to perform additional actions in relation to any state, regulatory or legal authorities. It is not intended to extend the tender offer to any such country or such jurisdiction. Documents relating to the tender offer must neither be distributed in such countries or jurisdictions nor be sent to such countries or jurisdictions. Such documents must not be used for the purpose of soliciting the purchase of securities of Maag Holding AG by anyone from such countries or jurisdictions.

## A Background of the Public Tender Offer

Maag Holding AG, Zurich, ("**Maag**") has a share capital of CHF 51,063,450.00, divided into 1,021,269 bearer shares with a nominal value of CHF 50.00 each ("**Maag Shares**"). The Maag Shares are listed in the segment for real estate companies (*Immobilien Gesellschaften*) of the SWX Swiss Exchange.

On 5 December 2004, Swiss Prime Site AG, Olten, ("**SPS**") entered into share purchase agreements with major shareholders of Maag, i.e. RSE Grundbesitz und Beteiligungs-AG, Hamburg, Klöckner-Werke AG, Hamburg, and GBN Immobilien AG in Nachlassliquidation, Zurich, regarding their Maag Shares. As per the consummation of these purchase agreements, which is planned to take place between 4 and 14 January 2005, approx. 45% of the share capital and the voting rights of Maag will be transferred to SPS. In order to obtain full control over Maag, SPS pre-announced a public tender offer for all publicly held Maag Shares on 6 December 2004. Between the pre-announcement and the publication of this Offer prospectus, SPS has entered into a share purchase agreement with another major shareholder of Maag, Testa Inmuebles en Renta, S.A., Madrid, ("**Testa**") regarding the purchase of all of its Maag Shares (corresponding to 20.25% of the share capital and voting rights of Maag). The closing of this share purchase agreement is anticipated to take place between 21 and 23 December 2004.

The board of directors of Maag supports the public tender offer of SPS.

## B Public Tender Offer

- 1. Pre-announcement** The public tender offer of SPS ("**Offer**") was pre-announced by electronic submission to the relevant electronic media on 6 December 2004 and in the print media on 8 December 2004.
- 2. Scope of the Offer** The Offer extends to all publicly held Maag Shares, the number of which as per 17 December 2004 may be calculated as follows:
  - Total number of Maag Shares: 1,021,269
  - Minus the number of Maag Shares held by Maag: 0
  - Minus the number of Maag Shares purchased by SPS respectively for which SPS has entered into purchase agreements: 672,906

**Number of publicly held Maag Shares: 348,363**
- 3. Offer Price** The net offer price per Maag Share corresponds to CHF 190.00 ("**Offer Price**"). The Offer Price is reduced by the gross amount of dividends or other distributions (e.g. reductions of the nominal value of shares) per Maag Share, if any, paid out prior to the closing date of this Offer.

The Offer Price includes a premium of 15.1% compared to the average daily closing prices of Maag Shares during the last 30 trading days prior to the publication of the pre-announcement of the Offer. The Offer Price is 36% below the Net Asset Value ("**NAV**") per each Maag Share (after deferred taxes) as per 30 September 2004.

During the years listed hereafter, the closing prices of Maag Shares at the SWX Swiss Exchange were between:

(CHF)	2001	2002	2003	2004*
Highest	261.00	244.00	200.00	192.75
Lowest	195.00	170.00	150.00	149.00

\* 1 January to 17 December 2004

Closing price prior to pre-announcement of the Offer  
(3 December 2004): CHF 177.00

Closing price as per 17 December 2004: CHF 191.10  
Source: Bloomberg

4. **Offer Period**  
The offer period starts on 23 December 2004 and ends on 24 January 2005, 4:00 p.m. (CET) ("**Offer Period**").  
  
SPS reserves the right to extend the Offer Period one or several times. An extension beyond 40 trading days requires the prior consent of the Swiss Takeover Board.
5. **Additional Acceptance Period**  
If the Offer is successful, the Offer Period will be extended by an additional acceptance period of 10 trading days for the subsequent acceptance of the Offer ("**Additional Acceptance Period**"). The Additional Acceptance Period is expected to be open from 28 January 2005 to 10 February 2005, 4:00 p.m. (CET).
6. **Condition**  
The Offer is subject to the following condition precedent:  
  
At the end of the (possibly extended) Offer Period, SPS holds at least 75% of all Maag Shares.  
  
In case this condition is not fulfilled as per the end of the (possibly extended) Offer Period, SPS is entitled to declare its withdrawal from the Offer. SPS reserves the right to waive the condition.

## C Information on SPS

1. **Name, registered office, share capital and principal business purpose**  
SPS is a stock corporation formed under Swiss law with its registered office in Olten.  
  
As of 17 December 2004, SPS's share capital amounted to CHF 684,533,390.00, divided into 4,026,667 registered shares with a nominal value of CHF 170.00 each ("**SPS Shares**"). The share capital was fully paid up. In addition, SPS has a conditional share capital in the maximum amount of CHF 154,020,000.00, which corresponds to 906,000 SPS Shares with a nominal value of CHF 170.00 each. Out of this amount, a maximum amount of CHF 102,680,000.00 is reserved for option and conversion rights in relation to bonds or similar debentures, the maximum remaining amount of CHF 51,340,000.00 is reserved for shareholders' option rights.  
  
The SPS Shares are listed in the segment for real estate companies of the SWX Swiss Exchange. The articles of association of SPS contain an opting-up clause, i.e. a mandatory bid in accordance with article 32 of the Swiss Federal Act on Stock Exchanges and Securities Trading ("**SESTA**") is only required if an acquirer holds voting rights in SPS in excess of 49% (whether exercisable or not).

SPS is the holding company of the SPS group. As per 17 December 2004 SPS held, directly or indirectly, 100% of the shares of the fully consolidated companies listed below:

- SPS Immobilien AG, Olten.
- SPS Immobilien Residenz AG, Olten.
- Société Immobilière Rue Céard No. 14, Wangen near Olten.
- SPS Finance Limited, Jersey (UK).

SPS is a real estate investment company which owns real estate for business purposes in selected Swiss business locations. Its investments are primarily carried out by its Swiss subsidiaries. SPS Finance Limited provides financing services within the SPS group, in particular to SPS Immobilien AG.

**2. Shareholders with more than 5% of the voting rights**

As per 1 December 2004, the following shareholders held more than 5% of the voting rights:

1. The pension fund of Credit Suisse Group (Switzerland), Zurich, held 863,305 SPS Shares (21.44% of the voting rights).
2. Winterthur Life, Winterthur, held 828,260 SPS Shares (20.57% of the voting rights).
3. The pension fund of the Swiss Federal Railway (SBB), Bern, held 274,000 SPS Shares (6.8% of the voting rights).

SPS cannot exclude the possibility that one or several of the abovementioned shareholders might hold additional SPS Shares or that further shareholders – directly, indirectly or together with other shareholders – might hold more than 5% of the SPS Shares without having informed SPS.

**3. Persons acting in concert**

The following persons are acting in concert with SPS:

1. All subsidiaries of SPS.
2. Maag Holding AG, Zurich, and all its subsidiaries since 5 December 2004.
3. Samuel Gartmann, Oberengstringen, since 2 December 2004; Martin Dünner, Zurich, Roland Flach, Kronberg im Taunus (GER), and Karl-Ernst Schweikert, Männedorf, since 5 December 2004 (see section G.5 Conflicts of interests).

**4. Annual accounts**

The annual accounts of SPS and the consolidated annual accounts of SPS group for the business year ended on 31 December 2003 were audited by KPMG Klynfeld Peat Marwick Goerdeler SA, Badenerstrasse 172, 8004 Zurich. The annual report of SPS for the business year 2003 as well as the interim report as per 30 June 2004 may be obtained from SPS (phone +41 62 213 06 06; fax +41 62 213 06 09) and is available on <http://www.swiss-prime-site.ch>.

**5. Participation of SPS regarding capital and voting rights of Maag**

As per 17 December 2004, SPS and the persons acting in concert with SPS owned a total of 25,811 Maag Shares (2.53% of the share capital and voting rights of Maag). SPS has entered into several share purchase agreements regarding a total of 647,402 Maag Shares (63.39% of the share capital and the voting rights of Maag). The closings of these share purchase agreements are imminent (for more details see section C.6 Purchases and sales in Maag equity securities). After these closings, SPS will own a total of 673,213 Maag Shares (65.92% of the share capital and the voting rights of Maag).

As per 17 December 2004, neither SPS nor the persons acting in concert with SPS held conversion or option rights for the purchase respectively the sale of Maag Shares.

## **6. Purchases and sales in Maag equity securities**

During the 12 months prior to the publication of the pre-announcement of the Offer, SPS purchased a total of 457,237 Maag Shares:

- As per closing of a share purchase agreement signed on 5 December 2004, which is expected to take place between 4 and 14 January 2005, SPS will acquire a total of 395,477 Maag Shares from RSE Grundbesitz und Beteiligungs-AG, Hamburg, and Klöckner-Werke AG, Hamburg, which corresponds to 38.72% of the share capital and voting rights of Maag. The purchase price per Maag Share to be paid by SPS amounts to CHF 190.00.
- As per closing of a share purchase agreement signed on 5 December 2004, which is expected to take place between 4 and 14 January 2005, SPS will acquire 45,148 Maag Shares from GBN Immobilien AG in Nachlassliquidation, Zurich, which corresponds to 4.42% of the share capital and the voting rights of Maag. The purchase price per Maag Share to be paid by SPS amounts to CHF 190.00.
- In addition, a total of 16,612 Maag Shares (corresponding to 1.63% of the share capital and the voting rights of Maag) could be purchased off-exchange at a price of CHF 190.00 per Maag Share.

Since the publication of the pre-announcement of the Offer until 17 December 2004, SPS has purchased a total of 215,619 Maag Shares:

- SPS has acquired on exchange a total of 8,842 Maag Shares (0.87% of the share capital and the voting rights of Maag) at a price of CHF 190.00 per Maag Share.
- As of closing of the share purchase agreement with Testa signed on 16 December 2004, which is anticipated to take place between 21 and 23 December 2004, SPS will acquire off exchange a total of 206,777 Maag Shares (20.25% of the share capital and the voting rights of Maag). The purchase price to be paid per each Maag Share amounts to CHF 190.00.

During the 12 months prior to the publication of the pre-announcement of the Offer and until 17 December 2004, SPS has purchased no conversion or option rights regarding a purchase or sale of Maag Shares. The same applies with regard to the persons acting in concert with SPS, which have, in addition, neither purchased nor sold any Maag Shares during this time period.

## **D Financing**

The Offer is financed by SPS's own funds as well as by bank loans.

## E Information on Maag (Target Company)

- 1. Registered office and share capital of Maag**

Maag is a stock corporation with registered office in Zurich. As of 17 December 2004 the share capital of Maag amounted to CHF 51,063,450.00, divided into 1,021,269 bearer shares with a nominal value of CHF 50.00 each. Maag has an authorized share capital of 510,634 bearer shares and a conditional share capital of 60,000 bearer shares for employee stock option plans plus 450,634 bearer shares for the exercise of option and conversion rights.

The Maag Shares are listed in the segment for real estate companies of the SWX Swiss Exchange. The articles of association contain an opting-out clause pursuant to which no mandatory bid according to articles 32 and 52 SESTA will be required upon acquisition of any number of Maag Shares.
- 2. Intention of SPS with regard to Maag**

SPS submits this Offer in order to obtain full control over Maag. SPS plans to have the Maag Shares delisted from the SWX Swiss Exchange after completion of the Offer.

In case SPS owns more than 98% of the voting rights in Maag after closing of this Offer, SPS will apply for the cancellation of the remaining Maag Shares in accordance with article 33 SESTA.

In case SPS owns 98% or less of the voting rights in Maag after completion of this Offer, SPS intends to integrate Maag by way of a merger in the mid term. Within the context of such merger, those holders of Maag Shares who do not accept the Offer will – to the extent possible – be treated equally with those holders of Maag Shares who accept the Offer. However, they will receive SPS Shares instead of a cash payment, which will lead to an increase of the nominal value (*Nennwertzuwachs*). The exchange ratio will be reduced by the amount of the withholding tax due on the increase of the nominal value (*Nennwertzuwachs*). Regarding the respective tax consequences see section K.7.

It is planned to complete the integration of Maag by summer 2005. Until then, the terms of the mandates of the members of the board of directors as well as the group management will remain unchanged. As a consequence of the integration of Maag into the SPS group, it is anticipated that the mandates of the members of the board of directors will be terminated or not be extended respectively. The same applies with regard to the present employees of the Maag group. However, it is planned to continue their employment with the outsourcing partners of SPS. No decision has yet been made with regard to a possible continuation of the employment agreements with the members of the group management.

SPS intends to integrate substantial parts of the Maag portfolio. In addition, the currently used *Maag-Areal* shall continue to be developed and will gradually be made available to new users. Properties of Maag which do not meet the high investment standards of SPS will be disposed of. The value of such properties is anticipated to amount to CHF 250 to 300 million.
- 3. Agreements between SPS and Maag, its corporate bodies and shareholders**

Except for the agreements mentioned in section C.6 and G.5, SPS has not concluded any agreement with Maag, its corporate bodies or shareholders.
- 4. Confidential information**

Prior to this Offer, SPS had the opportunity to conduct a limited due diligence on Maag. Neither in the course of this due diligence nor in any other way has SPS or have the persons acting in concert with SPS received, directly or indirectly from Maag, any confidential information, which might substantially influence the decision of this Offer's recipients.

## F Report of the Review Body pursuant to Article 25 SESTA

As auditors recognized by the supervisory authority to review public takeover offers in accordance with the SESTA, we have reviewed the Offer prospectus and its summary taking into account the exemption granted by the Swiss Takeover Board. The report of the board of directors of Maag and the fairness opinion of Bank Vontobel AG did not form part of our review.

The Offer prospectus and its summary are the responsibility of the offeror. Our responsibility is to express an opinion on these two documents based on our review.

Our review was conducted in accordance with standards promulgated by the Swiss profession, which require the review of the Offer prospectus and its summary to be planned and performed to verify the formal completeness according to the SESTA and its ordinances and to obtain reasonable assurance about whether the Offer prospectus and its summary are free from, material misstatement. We have examined, partly on a test basis, evidence supporting the information in the Offer prospectus and its summary. We have also verified the compliance with the SESTA and its ordinances. We believe that our review provides a reasonable basis for our opinion.

In our opinion:

- the Offer prospectus complies with the SESTA and its ordinances;
- the Offer prospectus is complete and accurate;
- the summary of the Offer prospectus contains the essential information on the Offer;
- the recipients of the Offer are treated equally;
- the financing of the Offer is secured and the necessary funds will be available on the closing date;
- the provisions regarding the effects of the pre-announcement have been complied with.

Basel, 19 December 2004

PricewaterhouseCoopers AG

Dr. L. Imark

Ph. Amrein

## G Report of the Board of Directors of Maag according to Article 29 SESTA

- 1. Recommendation** The board of directors of Maag ("**Board of Directors**") has reviewed in detail the Offer of SPS described in this Offer prospectus. During its meeting on 16 December 2004 it decided unanimously to recommend to the Maag shareholders to accept the Offer.

- 2. Statement of reasons** **Situation of Maag**

Maag has passed two difficult years. Several reasons account for this situation:

- The lacking long-term strategic commitment of the two foreign major shareholders as well as the low share price rendered the necessary increase of share capital impossible.



- The low amount of equity capital and the limited liquidity jeopardize an active portfolio management, characterized by acquisitions and divestments. Maag's real estate portfolio has therefore become static and is exposed to a devaluation pressure, caused by the difficult situation on the office market.
- The external financing of the acquisition of the UBS portfolio in 1999 led, due to the long period of fixed interest, to excessive interest costs compared to today's market level of interest. Furthermore, the financing agreements include mandatory amortisation obligations. Maag is unable to amend the current financing conditions due to the related break-up costs and its state of liquidity.
- Because of substantial financing costs and necessary portfolio devaluations and despite good operating results, the net profits turn out negative and make any dividend payment impossible.
- Due to the lack of a financially feasible strategy, but also due to the low market capitalization and the low trading volumes in the normal course of trading, Maag does not have an attractive capital market qualification as a listed company.

Against the background of these difficult general conditions, the Board of Directors has examined several strategic avenues for quite some time. In doing so, staying independent, i.e. continuing the business with the present shareholder structure, was defined as not being in the best interest of the company and its shareholders. Several possibilities of associating with different partners were examined, but were ultimately turned down as not being in the shareholders' interest. The now presented Offer by SPS fulfilled the Board of Directors' requirements in all material respects. Apart from the convincing strategic fit, the equal treatment of all shareholders as well as the future of the Maag employees were most relevant for the Board of Director's decision.

### **Adequacy of the Offer Price**

The Offer Price of CHF 190.00 per Maag Share includes a premium compared to the average daily closing price of Maag Shares at the SWX Swiss Exchange. This premium amounts to 15.1% compared to the average daily closing prices of the 30 trading days prior to the pre-announcement of the Offer. The Offer Price is 36% below the NAV per each Maag Share (after deferred taxes) as per 30 September 2004.

The Board of Directors has appointed Bank Vontobel AG, Zurich, ("**Bank Vontobel**") to examine the Offer of SPS with regard to its financial adequacy and to produce a fairness opinion related thereto. In its fairness opinion, Bank Vontobel concludes that the Offer can be considered as financially fair and adequate (see section H. Fairness Opinion).

As a result of all its considerations the Board of Directors considers the Offer to be fair and adequate and recommends to the shareholders to accept the Offer.

### **3. Defense measures**

The Board of Directors has neither taken nor planned any defense measures.

### **4. Intentions of shareholders with more than 5% of the voting rights**

The shareholding of SPS as well as its intentions regarding Maag are described in sections C.5 and E.2.

WCM Beteiligungs- und Grundbesitz AG ("**WCM**") controls via its subsidiaries RSE Grundbesitz und Beteiligungs-AG, Hamburg, and Klöckner-Werke AG, Hamburg, a total of 395,477 Maag Shares, which corresponds to a total of 38.72% of the share capital and the voting rights of Maag. It sold those Maag Shares to SPS (see section C.6).

Apart from WCM respectively SPS, Testa Inmuebles en Renta S.A., Madrid, is holding 206,677 Maag Shares, which correspond to 20.25% of the voting rights in Maag. It sold those Maag Shares to SPS (see section C.6).

## **5. Conflicts of interests**

The Board of Directors currently consists of Samuel Gartmann (chairman and delegate), Oberengstringen, Roland Flach (vice-president), Kronberg im Taunus (GER), Christian Lange, New York (USA), Dr. Peter Neubert, Zurich, Dr. Martin Dünner, Zurich, Rafael José Palomo Gómez, Madrid (ESP), and Karl-Ernst Schweikert, Männedorf, (each a member of the Board of Directors). The group management consists of Samuel Gartmann (president and delegate of the Board of Directors), Oberengstringen, and Peter Bodmer (director), Küsnacht. Since 16 December 2004, Peter Lehmann, Trimbach, and Peter Wullschleger, Oftringen, are members of the group management as representatives of SPS.

Roland Flach is also chairman of the board of directors of WCM and Karl-Ernst Schweikert is also a member of the supervisory board of WCM. Dr. Martin Dünner is also acting as a representative of WCM in the Board of Directors. Rafael José Palomo Gómez is also member of the board of directors of Testa.

Samuel Gartmann, Karl-Heinz Schweikert, Roland Flach and Dr. Martin Dünner have entered into mandate agreements with SPS. Pursuant to these agreements, the above-mentioned persons undertake to act, within the frame of law, the articles of incorporation and the organizational regulations, in SPS's interest and to support the Offer. Furthermore, in case of an early resignation or removal, the above-mentioned persons (excluding Samuel Gartmann) are entitled to the full remuneration up to the regular end of their term of office. Assuming resignation on the occasion of the next annual general meeting of Maag, which is anticipated to take place on 26 May 2005, the respective remunerations amount to CHF 84,000.00 for Mr. Flach (originally elected until the ordinary general meeting of 2007), CHF 42,000.00 for Mr. Schweikert and CHF 40,000.00 for Mr. Dünner (both originally elected until the ordinary general meeting of 2006).

The employment contracts of the two members of the group management of Maag, Samuel Gartmann and Peter Bodmer, contain clauses which foresee a severance payment in the amount of one gross yearly salary, which corresponds to CHF 500,000 for Samuel Gartmann and to CHF 325,000 for Peter Bodmer, in case of the termination of the employment contract by Maag within 12 months after a material change in shareholdings.

No further agreements have been entered into between SPS and/or persons acting in concert with SPS on one hand and members of the Board of Directors or the top management of Maag on the other hand, which might have an influence on the Offer. In particular, no severance payments or other remunerations were agreed in relation to this Offer. Maag, as well, is not obliged to make any payments of any kind to the current members of the corporate bodies of Maag under this Offer. Pursuant to the intentions of SPS, the mandates of the present members of the Board of Directors shall not be extended after the next ordinary general meeting of Maag (see section E.2).

In order to avoid that conflicts of interest might be detrimental to the recipients of the Offer, the Board of Directors decided to mandate Bank Vontobel with the preparation of a fairness opinion regarding the financial adequacy of the Offer. Bank Vontobel is not involved in the present Offer by SPS (except for the preparation of the fairness opinion) and there are no other relations to Maag or SPS and/or to persons acting in concert with SPS. In the Board of Directors' opinion sufficient measures have been taken to evaluate the financial adequacy.

**6. Quarterly financial statement and subsequent changes**

The business year of Maag ends on 31 December. Based on article 29 para. 1 SESTA and the current practice of the Swiss Takeover Board related thereto, Maag has produced a quarterly financial statement as per 30 September 2004. The quarterly financial statement as per 30 September 2004 is available on <http://www.maagholding.ch> and is attached to the Offer prospectus.

With regard to the planned takeover of Maag by SPS, the Board of Directors made an assessment of the financial situation during its meeting of 16 December 2004 and resolved the following amendments (by four votes and three abstentions). As a result of the assessment, for the business year 2004 a net loss of CHF 70 to 90 million, with an operationally good result, is to be expected.

It is primarily the announcement of SPS to divest real estate in the amount of CHF 250 to 300 million, which triggered valuation adjustments in the amount of CHF 30 to 40 million. Adaptations according to the accounting standards used by SPS, including the treatment of deferred taxes, lead to balance sheet adjustments in the amount of approx. CHF 15 million. In addition, the intended substitution of external financing leads to "break-up-costs" of up to CHF 45 million. Finally, provisions have to be made for this transaction and the subsequent restructuring.

All these changes negatively impact the NAV. Taking into account the changes and adjustments, we anticipate a NAV in the amount of ca. CHF 200.00 to CHF 210.00 per Maag Share which corresponds to a correction of ca. 30% compared to the NAV (after deferred taxes) of CHF 297.00 per Maag Share as per 30 September 2004.

Except for the statements above, the Board of Directors has no knowledge of any substantial changes in the financial condition, results of operations, assets or the business prospects, which might have occurred since 30 September 2004 (record date of the quarterly financial statement).

**On behalf of the  
Board of Directors of  
Maag Holding AG:**

Samuel Gartmann, chairman

Dr. Martin Dünner, member

Zurich, 16 December 2004

## **H Fairness Opinion**

The fairness opinion of Bank Vontobel addressed to the board of directors of Maag, in which the Offer has been confirmed to be financially adequate with regard to all relevant aspects, can be obtained from Maag (phone: +41 1 278 76 85; fax: +41 1 278 77 11; e-mail: [info@maagholding.ch](mailto:info@maagholding.ch)) and is available on <http://www.maagholding.ch>.

## **I Publication**

The Offer prospectus in German, French or English may be obtained free of charge from Credit Suisse First Boston, Zurich (phone: +41 1 333 43 85, fax: +41 1 333 23 88, e-mail: [equity.prospectus@csfb.com](mailto:equity.prospectus@csfb.com)).

A summary of this Offer as well as all the other publications related to the Offer are being published in German in the "Neue Zürcher Zeitung" and the "Finanz und Wirtschaft" and in French in "Le Temps" and "l'agefi". Furthermore, a summary of this Offer will be sent to Telekurs/AWP-News, Bloomberg and Reuters.

## J Recommendation of the Swiss Takeover Board

Prior to publication, this Offer prospectus as well as the report of the board of directors of Maag was submitted to the Swiss Takeover Board. In its meeting held on 20 December 2004, the Swiss Takeover Board issued the following recommendations:

- “The Offer by SPS complies with the Stock Exchange and Securities Trading Act (SESTA), dated 24 March 1995.
- The Swiss Takeover Board approves the following exception of the Takeover Ordinance (article 4): waiver of the cooling-off period (article 14 al. 2).”

## K Execution of the Offer

- |   |   |
|---|---|
| <b>1. Information/<br/>Registration</b>   | <p><b>Safekeeping account holders</b></p> <p>Shareholders holding their Maag Shares in an open safekeeping account will be informed about the Offer by their custodian bank and are requested to proceed according to their custodian banks' instructions.</p> <p><b>Homekeeping holders</b></p> <p>Shareholders keeping their Maag Shares at home or in a bank safe are entitled to obtain this Offer prospectus as well as the form “<i>Annahmeerklärung</i>” free of charge from Credit Suisse First Boston, Zurich (phone: +41 1 333 43 85, fax: +41 1 333 23 88, e-mail: equity.prospectus@csfb.com). They are requested to file by 24 January 2005, 4:00 p.m. (CET) at the latest, directly with their bank or with any acceptance and paying agent for the Offer a completed and signed form “<i>Annahmeerklärung</i>” together with the respective share certificate/s including coupons no. 32 &amp; ff., not invalidated.</p> |
| <b>2. Bank executing<br/>the Offer</b>    | SPS has appointed Credit Suisse First Boston, Zurich, to execute this Offer.  |
| <b>3. Acceptance and<br/>paying agent</b> | Credit Suisse First Boston, Zurich.<br>All Swiss branches of Credit Suisse  |
| <b>4. Shares tendered</b>                 | Maag Shares which have been tendered in connection with the Offer will be blocked and barred from further trading by the custodian banks.   |
| <b>5. Payment of the<br/>Offer Price</b>  | In case of the Offer being successful, the Offer Price for the Maag Shares tendered will be paid for value on 18 February 2005. The right to extend the Offer Period in accordance with section B.4 remains reserved.   |
| <b>6. Costs and charges</b>               | The sale of Maag Shares deposited with banks in Switzerland in accordance with the Offer is free of charges and taxes during the Offer Period and the Additional Acceptance Period. The federal turnover taxes in connection with such sale will be paid by SPS.  |

## 7. Tax consequences

### Income and profit tax

Shareholders resident in Switzerland for tax purposes and holding Maag Shares as part of their private property:

- The sale of Maag Shares under this Offer which are held as part of their private property by shareholders resident in Switzerland is in principle tax-free. However, it cannot be excluded that the Federal Tax Administration qualifies a possible subsequent merger of SPS with Maag as indirect partial liquidation. In such a case, the difference between the Offer Price and the nominal value of the Maag Shares would be subject to income tax.
- Holders of Maag Shares rejecting this Offer will, in a possible subsequent merger of SPS with Maag, end up with an increase of the nominal value (difference between nominal value of a Maag Share prior to and after a possible merger) (*Nennwertzuwachs*). The increase of the nominal value is subject to income tax.

Shareholders resident in Switzerland for tax purposes and holding Maag Shares as business property:

- Individuals resident in Switzerland, including persons which qualify as professional securities dealer (*gewerbsmässige Wertschriftenhändler*), as well as legal entities holding Maag Shares as business property are in general subject to the principle of book-value (*Buchwertprinzip*), i.e. the book-profit as a result of the sale of Maag Shares or (in case of a merger of SPS with Maag) SPS Shares is subject to income respectively profit tax. The increase of the nominal value (*Nennwertzuwachs*) is tax-neutral.

Shareholders not resident in Switzerland for tax purposes:

- A profit as a result of the sale of Maag Shares (or in case of a merger) SPS Shares by a shareholder not resident in Switzerland for tax purposes is not subject to Swiss income respectively profit tax, provided, however, that the Maag Shares or SPS Shares cannot be attributed to a Swiss permanent establishment or business operation in Switzerland. Shareholders not resident in Switzerland for tax purposes are advised to inquire about the tax consequences, which may occur in their country of residence.

### Withholding tax

The sale of Maag Shares under this Offer is not subject to withholding tax. In a possible subsequent merger of SPS with Maag, Holders of Maag Shares who reject this Offer will receive SPS Shares instead of a cash payment and the exchange ratio will be reduced by the amount of the withholding tax due on the increase of the nominal value (*Nennwertzuwachs*). The withholding tax may either be fully or partially refunded, or not at all, depending on the tax status and the residency of the shareholder.

## 8. Cancellation and delisting

As mentioned in section E.2, it is planned to apply for cancellation of the remaining Maag Shares and for delisting of all Maag Shares to the extent that the legal requirements are fulfilled.

## 9. Applicable law and place of jurisdiction

All rights and obligations arising out of the Offer are subject to **Swiss law**. The exclusive place of jurisdiction is the Commercial Court of the Canton of **Zurich**.

## **L Tentative Schedule**

23 December 2004	Start of the Offer Period
24 January 2005	End of the Offer Period*
28 January 2005	Start of the Additional Acceptance Period*
10 February 2005	End of the Additional Acceptance Period*
18 February 2005	Closing of the Offer*

\* SPS reserves the right to extend the Offer Period one or several times, according to section B.4. In such case, the schedule will be adjusted accordingly.

Entrusted with the execution of the Offer:

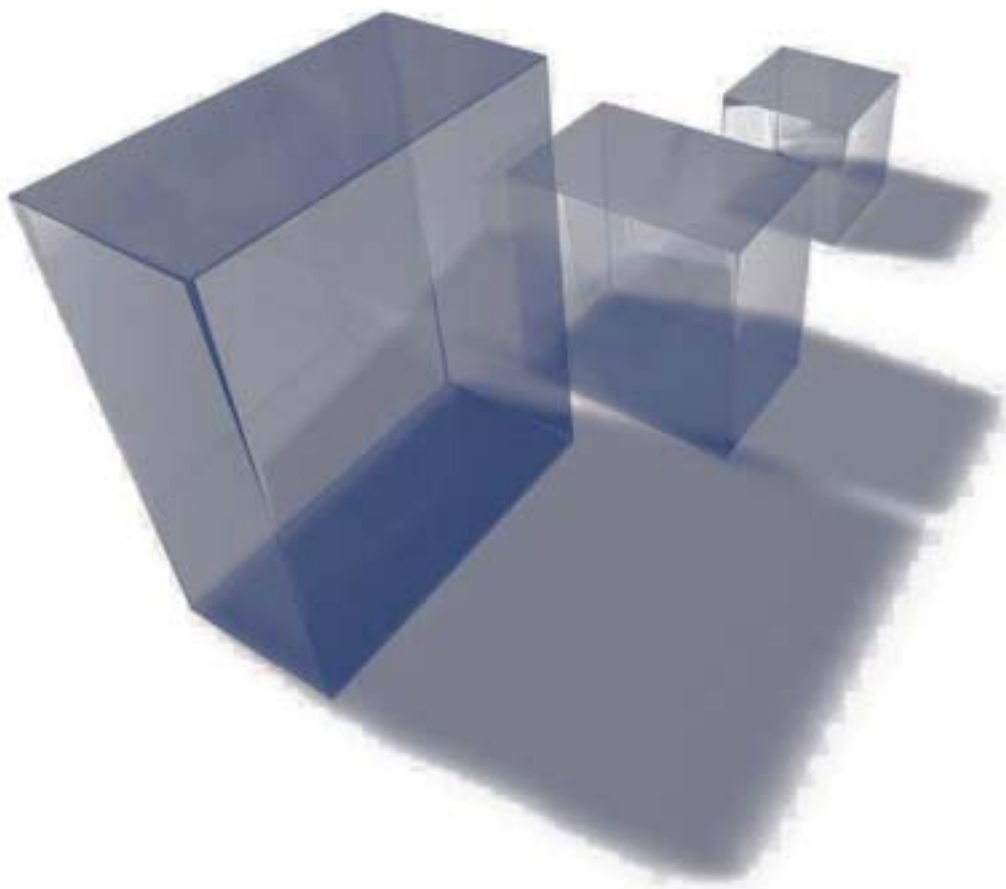
### **CREDIT SUISSE FIRST BOSTON**

#### **Appendix**

Quarterly financial statement of Maag as of 30 September 2004



## INTERIM REPORT AS OF SEPTEMBER 30, 2004



# KEY FIGURES

## Maag Group

### FINANCIAL KEY FIGURES

<i>CHF m</i>	INTERIM REPORT AS OF SEPTEMBER 30, 2004	1. HALF 2004
Real estate income	<b>46.2</b>	31.0
Net real estate income	<b>38.2</b>	25.5
Operating profit I (EBIT I)	<b>32.7</b>	21.6
Operating profit II (EBIT II) <sup>1</sup>	<b>30.6</b>	20.2
Operating cash flow (EBIDAT) <sup>2</sup>	<b>33.1</b>	21.8
Consolidated net income	<b>2.6</b>	2.2
Total assets	<b>1,009</b>	1,011
Balance sheet value of real estate <sup>3</sup>	<b>976</b>	976
Equity	<b>303</b>	303
<i>in % of total assets</i>	<b>30%</b>	30%
Net debt <sup>4</sup>	<b>649</b>	652

### OPERATING KEY FIGURES

Number of properties	<b>82</b>	82
Gross leasable area ( <i>in 1,000 m<sup>2</sup></i> )	<b>290</b>	290
Gross yield	<b>6.1%</b>	6.2%
Net yield	<b>5.1%</b>	4.9%
Vacancy rate in % ( <i>Basis CHF</i> ) <sup>5</sup>	<b>6.0%</b>	6.0%
Vacancy rate in % ( <i>Basis m<sup>2</sup></i> )	<b>7.5%</b>	7.7%
Number of employees as at September 30 / June 30	<b>40</b>	41

### KEY FIGURES PER SHARE

<i>CHF / share</i>		
Consolidated net income	<b>2.55</b>	2.15
Equity (Net Asset Value)		
before deferred taxes	<b>303</b>	303
after deferred taxes	<b>297</b>	297

### SHARE PRICE

<i>CHF</i>		
High / low	<b>192.75 / 149.50</b>	192.75 / 158.00
at September 30 / June 30	<b>154.00</b>	161.25

<sup>1</sup> Operating profit I plus / minus divestment results and valuation corrections.

<sup>2</sup> Operating profit I plus operating depreciation and other operating non-cash items.

<sup>3</sup> Includes DCF market values of Commercial Properties and Industrial Sites of CHF 886 million plus the value of the Development Property of CHF 90 million.

<sup>4</sup> Interest-bearing debt less cash and marketable securities.

<sup>5</sup> Based on possible rental income.

Maag Holdings Ltd. bearer shares, Swiss security number 240080.

Other symbols: Bloomberg "MAG SW" / Reuters "MAGZ.S" / Telekurs "MAG".



# CONSOLIDATED INCOME STATEMENT

Maag Group (Based on Swiss GAAP FER, not audited)

CHF m	JAN. – SEPT. 2004	1. HALF 2004
<b>Gross real estate income</b>	<b>47.5</b>	<b>31.9</b>
Recharged service costs	(1.3)	(0.9)
<b>Real estate income</b>	<b>46.2</b>	<b>31.0</b>
Maintenance and repairs	(3.6)	(2.5)
General real estate expenses	(2.0)	(1.4)
Building insurance	(0.6)	(0.4)
Property management	(1.8)	(1.2)
<b>Total real estate expenses</b>	<b>(8.0)</b>	<b>(5.5)</b>
<b>Net real estate income</b>	<b>38.2</b>	<b>25.5</b>
General administrative expenses	(5.2)	(3.6)
Other income / (expenses) from operating activities	(0.3)	(0.3)
<b>Operating profit I</b>	<b>32.7</b>	<b>21.6</b>
Profit / (loss) from sale of real estate	(0.5)	(0.5)
Fair market value adjustments of real estate	(1.6)	(0.9)
<b>Operating profit II</b>	<b>30.6</b>	<b>20.2</b>
Financial result, net	(24.5)	(16.0)
Other income / (expenses)	(1.4)	(0.5)
<b>Consolidated profit / (loss) before taxation</b>	<b>4.7</b>	<b>3.7</b>
Taxes <sup>1</sup>	(2.1)	(1.5)
<b>Net income</b>	<b>2.6</b>	<b>2.2</b>

<sup>1</sup> Also including cantonal minimal taxes, which are imposed irrespective of the income situation.

# CONSOLIDATED BALANCE SHEET

Maag Group (Based on Swiss GAAP FER, not audited)

CHF m

SEPTEMBER 30, 2004

JUNE 30, 2004

## ASSETS

### NON-CURRENT ASSETS

<b>Fixed assets</b>		
Commercial properties	871	871
Industrial sites	15	15
Development properties	90	90
<b>Total fixed assets</b>	<b>976</b>	<b>976</b>
<b>Financial assets</b>	<b>4</b>	<b>4</b>
<b>Intangible assets</b>		<b>1</b>
<b>Total non-current assets</b>	<b>980</b>	<b>981</b>
<b>CURRENT ASSETS</b>		
Cash and marketable securities	26	26
Other current assets	3	4
<b>Total current assets</b>	<b>29</b>	<b>30</b>
<b>TOTAL ASSETS</b>	<b>1,009</b>	<b>1,011</b>

## SHAREHOLDERS' EQUITY AND LIABILITIES

### SHAREHOLDERS' EQUITY

### LIABILITIES

<b>Long-term liabilities</b>		
Long-term financing liabilities	622	633
Long-term provisions	6	6
Deferred taxes <sup>1</sup>	7	7
<b>Total long-term liabilities</b>	<b>635</b>	<b>646</b>
<b>Short-term liabilities</b>		
Short-term financing liabilities	53	45
Short-term provisions	4	4
Other liabilities	14	13
<b>Total short-term liabilities</b>	<b>71</b>	<b>62</b>
<b>TOTAL LIABILITIES</b>	<b>706</b>	<b>708</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>1,009</b>	<b>1,011</b>

<sup>1</sup> Net value deferred tax assets / tax liabilities

# CONSOLIDATED CASH FLOW STATEMENT

**Maag Group** (Based on Swiss GAAP FER, not audited)

<i>CHF m</i>	<b>JAN.–SEPT. 2004</b>	<b>1. HALF 2004</b>
<b>Operating cash flow (EBIDAT)</b>	<b>33.1</b>	<b>21.8</b>
Cash flow from operating activities	3.5	0.1
Cash flow from investing activities	20.4	21.1
Cash flow from financing activities	(21.9)	(20.0)
Cash flow from other items	(0.6)	(20.0)
<b>Cash and marketable securities at January 1</b>	<b>25.1</b>	<b>25.1</b>
Change in cash and marketable securities	1.4	1.3
<b>Cash and marketable securities at September 30 / June 30</b>	<b>26.5</b>	<b>26.4</b>



Zurich, December 2004

