

# 2009/2010

ANNUAL REPORT



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10

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JOANNEUM RESEARCH Forschungsgesellschaft mbH

***Annual Report for the year ended 30 June 2010***

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# High Standards

Foto: Vardary



*Mag. Edmund Müller*  
*Managing Director*

*Hon.-Prof. Dr. Bernhard Pelzl*  
*Managing Director*

**J**OANNEUM RESEARCH meets high standards. We are a dynamic research organisation with a successful track record competing at national and international level in the area of application-oriented research. Our high level of involvement in EU projects is evidence of our successful cooperation and connections in the international research sector. Locally, we act as an interface between science and business, providing a network between industry, the public sector and research – both our own and application-oriented research carried out at universities or companies.

The Styrian Government holds a 90 percent interest in JOANNEUM RESEARCH and we therefore see ourselves as the key research network hub in the province, as an effective instrument for securing Styria's competitive edge as a research, innovation and business location.

The implementation of the »Strategic Framework Plan« has led to a greater efficiency-driven focus within our research portfolio on five research areas:

- MATERIALS – Institute for Surface Technologies and Photonics
- HEALTH – Institute for Biomedicine and Health Sciences
- DIGITAL – Institute for Information and Communication Technologies
- RESOURCES – Institute for Water, Energy and Sustainability
- POLICIES – Centre for Economic and Innovation Research

MATERIALS provides solutions ranging from the development of new transistors to laser processed components, HEALTH covers databases for diabetes care through to nanotoxicology, DIGITAL includes pattern recognition in videos through to acoustics, satellite technology and remote sensing, RESOURCES ranges from biorefinery concepts through to the design of new health and wellness products, and POLICIES covers international evaluations of research policy measures through to the analysis of local consequences of climate change. Of course, the 430 staff at JOANNEUM RESEARCH are not able to cover all areas – research is much too far-ranging for that – but they are able to meet the needs of the region, and do so with great personal dedication and to an international standard.

# Driver of Innovation and Key Player

**S**tyria has an impressive record in science and research and is Austria's top province in many key indicators.

This is the conclusion of the Styrian Science Study, published by the respected marketing institute OGM in June 2010. With an R&D intensity of 4.3 %, Styria has been Austria's leading R&D province for many years, far outstripping the Austrian average of 2.75 %, and is also one of Europe's top R&D regions.

With 52,000 students and around 20,000 direct and indirect employees, the universities and research institutions represent an important economic factor for our province, generating total annual revenues of around 1.75 billion euros – a magnitude achieved by only a very few of the major industries in our province.

JOANNEUM RESEARCH Forschungsgesellschaft mbH functions as a driver of innovation, a motivating force and a key player in Styria's R&D landscape. JOANNEUM RESEARCH has been involved in cutting-edge research at international level for more than 30 years now and with its focus on applied research and technology development, plays a key role in the transfer of technology and knowledge in Styria.

Innovation has been a tradition in our province since the days of Archduke John of Austria. Innovation is, after all, the key to meeting the challenges of the future. JOANNEUM RESEARCH is committed to upholding this intellectual heritage which is reflected not only in its name but also in its motto, "a tradition of innovation".

In order to better meet the challenges Styria faces in an international setting, JOANNEUM RESEARCH, renowned as the largest non-university research institution outside Vienna and 90% owned by the province of Styria, has concluded important co-operation agreements with respected research institutions in the neighbouring countries of Slovenia and Croatia and with the Dutch research organisation TNO, which has a 10% interest in our Styrian research company.

In 2007 a comprehensive strategic plan was introduced which has helped JOANNEUM RESEARCH to reposition itself and secure its long term future

Foto: Jungwirth



*Mag.<sup>a</sup> Kristina Edlinger-Ploder*

*Regional Minister for Science and Research, Transport and Technology*

from a position of strength. This plan, which I was able to initiate and support in my capacity as shareholder representative of the Styrian Government, has now been concluded with the implementation of new and sustainable structures.

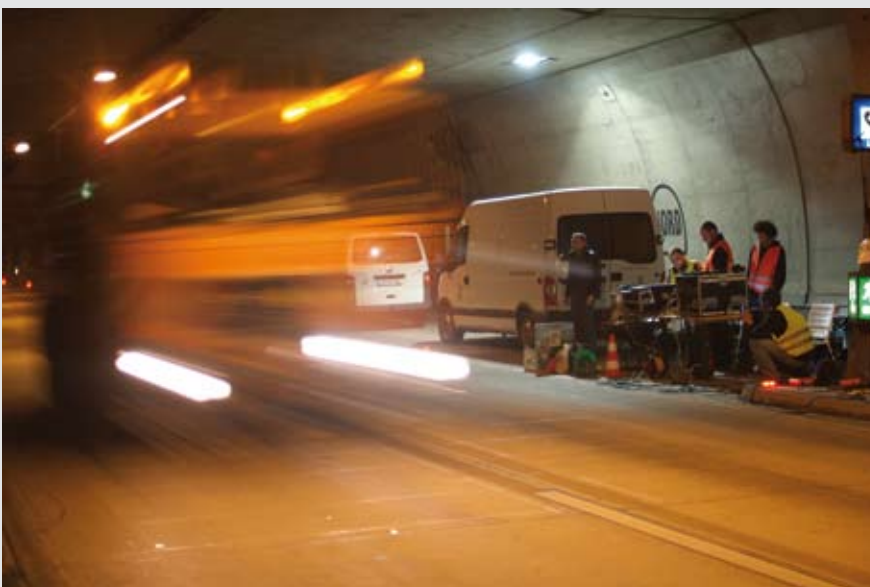
I am convinced that this innovative approach will serve as a key motivating force over the long term for JOANNEUM RESEARCH in its role as an instrument for the Styrian Government to maintain the competitiveness of the province as a centre for research, innovation and business. It is particularly pleasing that the value of contracts placed with JOANNEUM RESEARCH has reached a record level, despite the severe economic crisis of 2008 and the years following. This is also an encouraging signal for the future of Styria as a business location.

I sincerely and warmly thank the management and all the researchers and staff at JOANNEUM RESEARCH for their varied and innovative commitment to the organisation. Together we will reach the target R&D intensity of 5% set out in the work programme of Styria's newly formed provincial government. JOANNEUM RESEARCH will play a decisive role in achieving this goal.



Successful research relies on effective national and international networks.

Whether in regard to questions related to the environment and the impact of our actions on nature ...



... or the development of innovative high-tech software, e.g. enhancing safety levels in road tunnels ...



The expertise and high level of commitment of our researchers ...

... are key to the success of  
JOANNEUM RESEARCH.

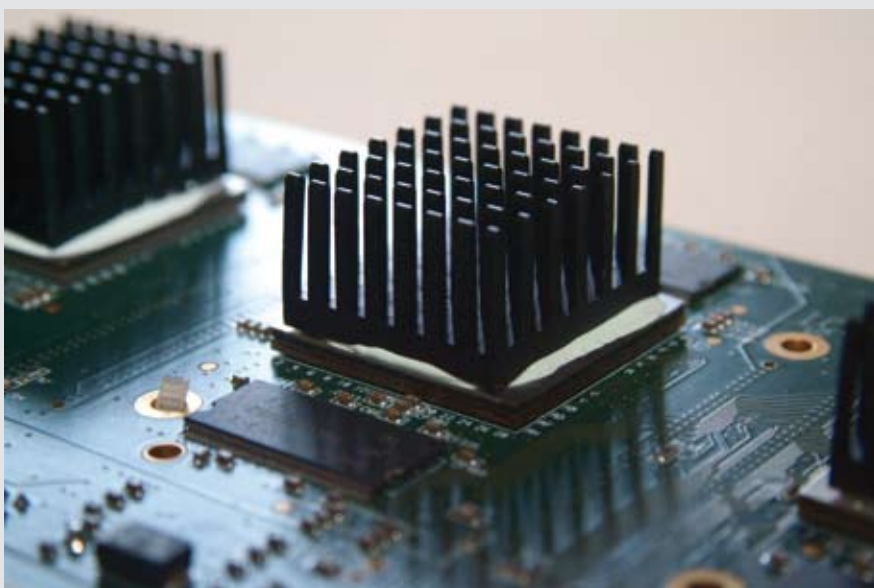


Our expertise and innovative approach  
provide sustainable solutions to our  
customers' problems.



The successful team at JOANNEUM RESEARCH is active in five core research areas: MATERIALS, HEALTH, DIGITAL, RESOURCES and POLICIES.

JOANNEUM RESEARCH is one of the leading application-oriented R&D organisations in Austria's research network.



Our research activities focus on meeting industry's technology needs.



Successful research is of key importance in positioning Styria as a business location.  
JOANNEUM RESEARCH is actively committed to enhancing the region's competitiveness.



Our research not only serves human needs in providing our economy with a competitive edge.  
We are also committed to upholding research ethics and improving quality of life for society as a whole.

# Highlights 2009/2010

## Award for commitment to climate protection



Regional Minister Mag. Kristina Edlinger-Ploder, JR Staff Council Chairman DI Ferdinand Golja, JR Managing Director Mag. Edmund Müller, Environment Minister DI Niki Berlakovich

JOANNEUM RESEARCH received an award for its commitment to climate protection in the course of the Styrian Bike Summit on 16 July 2009. The company is a partner in the klima:aktiv:mobil project and takes active part in the action and consulting programme on »Mobility Management for Companies«, thus making a significant contribution to reducing CO<sub>2</sub> emissions.

## Fast Forward Award 2009 for JOANNEUM RESEARCH



Regional Minister Dr. Christian Buchmann presented the award to JR Managing Director Hon.-Prof. Dr. Bernhard Pelzl and project manager Dr. Franz Graf on 17 September 2009.

The Acoustics Group of JOANNEUM RESEARCH scooped the much coveted innovation award in the category »Institutions of Applied R&D« for its »Tunnel Monitoring« project. The annual Fast Forward Award is sponsored by the Economic Department of the Styrian Government and the Styrian Business Promotion Agency.

## National Transport Award for JOANNEUM RESEARCH



Federal Minister Doris Bures with juror Dr. Othmar Thann (Austrian Road Safety Board, KfV) and award winners Mag. Edmund Müller (JOANNEUM RESEARCH) and Dr. Josef Fiala (ASFINAG Maut Service GmbH)

JOANNEUM RESEARCH received the National Transport Award for its project »Wrong Way Driver Monitoring« on 17 March 2010. The project is designed to increase safety on Austrian roads and won first prize in the category »Conception and development of prototypes/system solutions«.

## Conference on »Nanosciences and Nanotechnology«



Dr. Matthias Kaiserswerth, Director of IBM's Zurich Research Laboratory, informed the audience about current research at IBM.

On 10 May 2010, the NANONET Styria research network organised a conference providing an insight into international developments and research activities in the field of nanotechnology. The conference had been initiated by Regional Ministers Mag. Kristina Edlinger-Ploder (Research) and Dr. Christian Buchmann (Economy).

# JOANNEUM RESEARCH

## *was there*

### ***6th Asialics International Conference***

3–9 July 2009  
Hong Kong

### ***ERA 2009 Conference***

21–23 October 2009  
Brussels

### ***ISU 2010 International Space University***

3–5 February 2010  
Strasbourg

### ***International Biomass Valorisation Congress***

19–20 April 2010  
Amsterdam

### ***CICR 2009 International Conference on Image and Video Retrieval***

7–11 July 2009  
Santorin

### ***KMIS 2009 International Conference on Knowledge Management and Information Sharing***

5–9 October 2009  
Madeira

### ***EuroCOW 2010 International Calibration and Orientation Workshop***

9–12 February 2010  
Barcelona

### ***I-SUP 2010 Innovation for Sustainable Production***

19–20 April 2010  
Bruges

### ***ECEM 2009 15th European Conference on Eye Movement***

23–27 August 2009  
Southampton

### ***ACM International Conference on Multimedia***

17–24 October 2009  
Beijing

### ***ENID European Network Indicators Designers***

3–5 March 2010  
Paris

### ***EFI-Conference Comission of Experts for Science and Innovation***

20 April 2010  
Berlin

### ***IBC 2009 International Broadcast Convention***

10–16 September 2009  
Amsterdam

### ***ICIP 2009 International Conference on Image Processing***

7–11 November 2009  
Cairo

### ***EuCAP 2010 4th European Conference on Antennas and Propagation***

12–16 April 2010  
Barcelona

### ***37th International Conference on Metallurgical Coatings & Thin Films***

26–30 April 2010  
San Diego, CA

# Mission Statement of JOANNEUM RESEARCH

## Cooperation and Shareholdings

### **Mission Statement of JOANNEUM RESEARCH**

The primary aim of JOANNEUM RESEARCH is to enhance the attractiveness of Styria as a business location, especially by creating qualified job opportunities.

- ▶ JOANNEUM RESEARCH achieves maximum economic effectiveness and scientific quality with the resources available.
- ▶ JOANNEUM RESEARCH subjects its research topics to a constant process of renewal and evaluation.
- ▶ JOANNEUM RESEARCH actively promotes know-how transfer to industry and markets the technologies, processes and products developed by its staff.
- ▶ JOANNEUM RESEARCH places special emphasis on market observation and on monitoring changes in societal needs.
- ▶ JOANNEUM RESEARCH promotes communication and cooperation of its researchers both in-house and with business, public administration, universities, universities of applied sciences and other non-university research institutions in the European Research Area.
- ▶ JOANNEUM RESEARCH sees its role as a key node of an international research network with a special focus on the Adria-Alpe-Pannonia region and South-Eastern Europe in general.
- ▶ JOANNEUM RESEARCH offers qualified job opportunities. Targeted postgraduate measures are designed to support innovative and committed staff in the development of their technical, social and entrepreneurial qualifications and thus prepare them for management positions in research, industry and administration.
- ▶ JOANNEUM RESEARCH strengthens its commitment to equal opportunities and advancement of women as an integral part

of its corporate policy in terms of increasing the quality of its research and strengthening its economic position.

- ▶ JOANNEUM RESEARCH plays a pioneering role in terms of ethics in research and technology within the Austrian non-university research sector and is aware of its role model function and its responsibility towards society.

### **Cooperation and Shareholdings**

JOANNEUM RESEARCH places special emphasis on close cooperation with the scientific institutions of Styria, including universities, the Austrian Academy of Sciences, competence centres and universities of applied sciences. In addition, the company is engaged in numerous other national and international technology and research networks. In this context, the participation of JOANNEUM RESEARCH ensures the knowledge transfer required in science, forms an essential part of marketing success and in many ways contributes to the 'institutional acceptance' of the company. JOANNEUM RESEARCH sees shareholding management as a strategic option to improve the competitiveness of the company as a basis for growth and value enhancement. This includes the development of new business fields, processes and resources to position JOANNEUM RESEARCH as a professional innovation and technology provider with special expertise in providing complete solutions. The shareholdings thus have a positive effect on the revenue situation and strengthen the company's core business.

# Research Units and Groups

as of 1 January 2011

## Research Units and Groups

### ► MATERIALS

#### ***Institute for Surface Technologies and Photonics***

- ▷ Functional Surfaces
- ▷ Micro- and Nanostructuring
- ▷ Laser Processing
- ▷ Light and Optical Technologies
- ▷ Sensor Systems

### ► HEALTH

#### ***Institute for Biomedicine and Health Sciences***

- ▷ Biomedical Technology and Monitoring
- ▷ Bioanalytics and Metabolomics
- ▷ Nanotoxicology and Nanomedicine
- ▷ eHealth and Health Sciences

### ► DIGITAL

#### ***Institute for Information and Communication Technologies***

- ▷ Remote Sensing and Geoinformation
- ▷ Machine Vision Applications
- ▷ Space and Acoustics
- ▷ Audiovisual Media
- ▷ Intelligent Information Systems

### ► RESOURCES

#### ***Institute for Water, Energy and Sustainability***

- ▷ Water Resources Management
- ▷ Laboratory Centre for Isotope Hydrology and Environmental Analytics
- ▷ Geophysics and Geothermy
- ▷ Energy Research
- ▷ Industrial Water Management and Wastewater Technologies
- ▷ Plant Materials Sciences and Utilisation

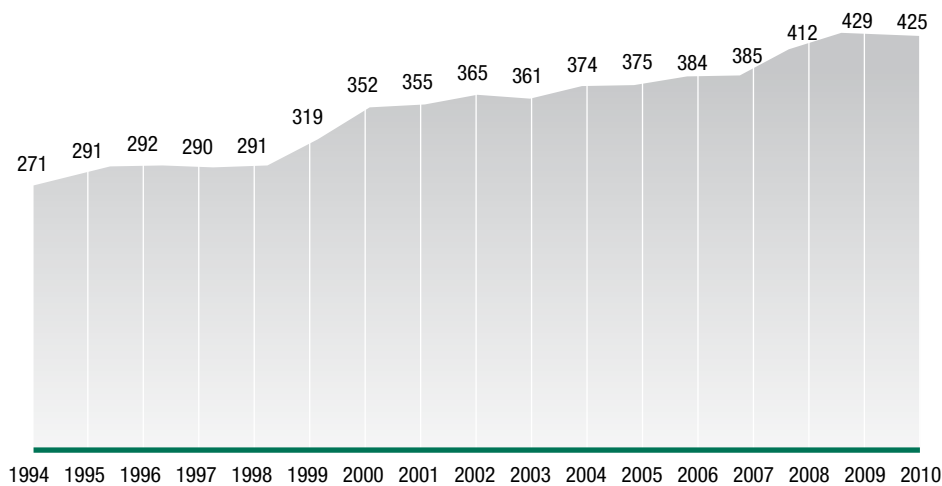
### ► POLICIES

#### ***Centre for Economic and Innovation Research***

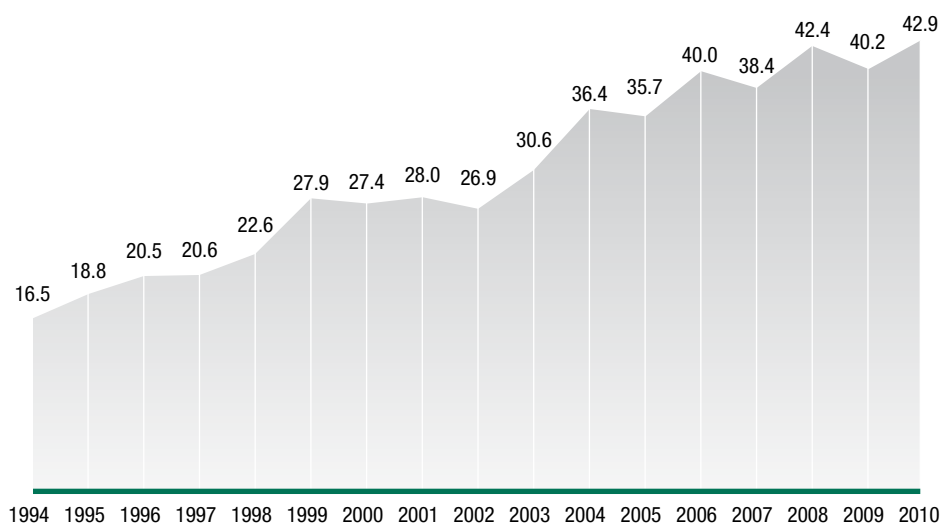
- ▷ Technology, Innovation and Policy Consulting
- ▷ Technology, Foresight and Planning
- ▷ Statistical Applications
- ▷ Regional Science, Risk and Resource Economics

# Key Figures

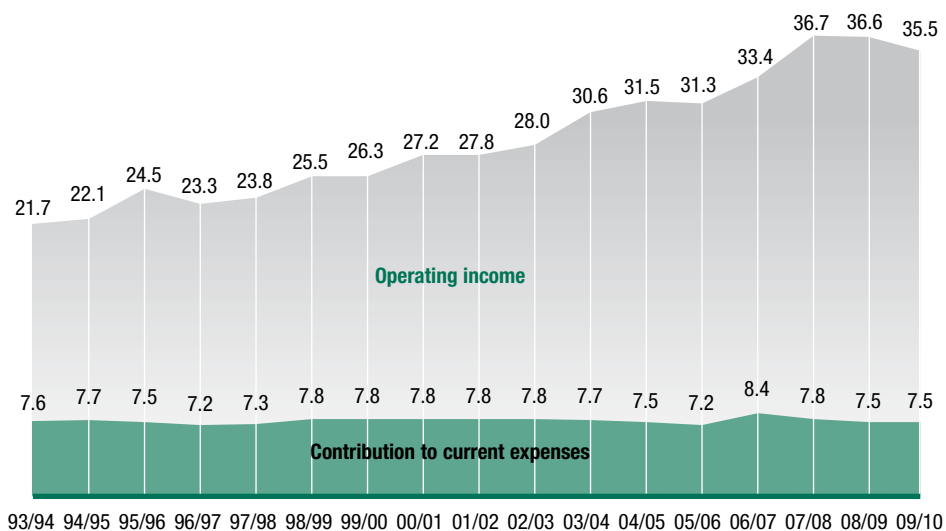
**Number of employees  
(head count  
as of 30/6)**



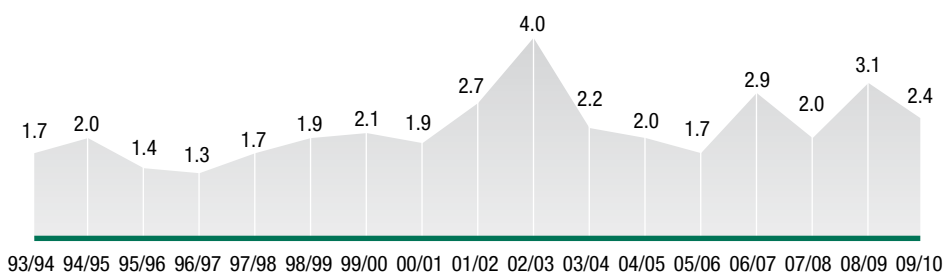
**Total assets  
(EUR million)**



**Income  
(EUR million)**



**Approved investment  
programme  
(EUR million)**



# ***Management Report***

# Corporate Organisation

The Management Report covers the financial year 2009/10 from 1 July 2009 to 30 June 2010 and is divided into three sections: I. Report on business operations and economic situation, II. Report on expected development and risks, and III. Report on research and development.

## **I. Report on Business Operations and Economic Situation**

### ► **Corporate organisation**

As of 30 June 2010, JOANNEUM RESEARCH comprises 13 research units, which are run as profit centres and are thematically structured into six divisions:

Division	Number of institutes
DIV 1: Sustainability and Environment.....	3
DIV 2: Information Technology .....	1
DIV 3: Electronics and Sensor Technology.....	3
DIV 4: Materials and Processing .....	2
DIV 5: Economy and Technology .....	2
DIV 6: Medical Technology .....	2

The central functions are assigned to four departments and the management staff as of 30 June 2010.

### ► **Report on shareholdings and branches**

JOANNEUM RESEARCH holds participating interests in the following companies as of 30 June 2010:

Shares in affiliated undertakings	Share
Kompetenznetzwerk Wasserressourcen GmbH .....	100.0 %
BioNanoNet Forschungsgesellschaft mbH .....	51.0 %
NanoTecCenter Weiz Forschungsgesellschaft mbH .....	50.0 %

The balance sheet shows Kompetenznetzwerk Wasserressourcen GmbH, Graz, BioNano-Net Forschungsgesellschaft mbH, Graz, and NanoTecCenter Weiz Forschungsgesellschaft mbH, Weiz, as affiliated undertakings.

Shareholdings	Share
FH JOANNEUM Gesellschaft mbH.....	14.9 %
Holz.Bau Forschungs GmbH .....	8.7 %
Human.technology Styria GmbH .....	7.0 %
HyCentA Research GmbH .....	12.5 %

The company also owns interests in the following companies funded by the COMET Competence Centre Programme of the Federal Ministry for Transport, Innovation and Technology (BMVIT) and the Federal Ministry of Economy, Family and Youth (BMWFJ) as of 30 June 2010:

Shareholdings – COMET Programme (K1 and K2 Centres)	Share
ACIB GmbH .....	8.0 %
BIOENERGY 2020+ GmbH .....	10.0 %
Kompetenzzentrum – Das virtuelle Fahrzeug, Forschungsgesellschaft mbH .....	10.0 %
Kompetenzzentrum für wissensbasierte Anwendungen und Systeme Forschungs- und Entwicklungs GmbH .....	10.0 %
Materials Center Leoben Forschung GmbH.....	17.5 %
Polymer Competence Center Leoben GmbH.....	17.0 %
Research Center Pharmaceutical Engineering GmbH .....	15.0 %

No branches have been established.

# Review of Operations

## ► Review of operations

The 2009/2010 financial year was characterised by the repositioning of the company and was aimed at implementing the strategy development process, including preparation of the planning documents, the corporate concept 2010 – 2013, the annual research programme 2010/2011 and the annual budget for 2010/2011. The corporate concept 2010 – 2013 provides a schedule for the implementation of the JOANNEUM RESEARCH Strategic Framework Plan and is geared to the aims of stronger business orientation and a focus on establishing top institutes in their fields. The continuing difficult economic environment is reflected in a decline in the overall results for the 2009/2010 financial year. The amount of open contracts dropped slightly from previous year but remained relatively stable at around EUR 25.4 million. The value of total contracts and total expected contracts increased, proving the success of the marketing activities, which were further intensified despite the ongoing restructuring process. Total contracts increased by EUR 4.0 million to EUR 50.4 million, and expected contracts by EUR 3.6 million to EUR 30.8 million. The self-financing ratio of JOANNEUM RESEARCH is 75 %, making it a top player in the European research landscape.

In the 2009/2010 financial year JOANNEUM RESEARCH generated revenue of EUR 13.4 million from contract research and EUR 11.9 million from funded research. Our company also continued its success at the international level, generating a turnover of around EUR 2.4 million from contract research projects. Participation in the programmes of the European Union and calls of the European Space Agency (ESA) resulted in total revenue of EUR 3.9 million in the 2009/2010 financial year, with the European Union accounting for EUR 3.5 million and ESA for EUR 0.4 million of revenue. JOANNEUM RESEARCH was awarded projects with a total funding volume of around EUR 4.8 million under the 7th EU Framework Programme and ESA contracts worth EUR 0.9 million. Total revenue of EUR 5.9 million was generated from international research in the reporting year, comprising EUR 3.5 million from the European Union and EUR 2.4 million from contract research projects. National cooperative research projects with the Austrian Research Promotion Agency (FFG) were further intensified in the course of the implementation of the JOANNEUM RESEARCH Strategic Framework Plan, leading to revenue of EUR 1.6 million in the 2009/2010 financial year.

JOANNEUM RESEARCH disposed of its 13% interest in Advanced Computer Vision GmbH (ACV), which ceased its operations in the past financial year. The establishment of the K2 Centre ACIB GmbH resulted in changes in the ownership structure and JOANNEUM RESEARCH sold an 18% interest in the share capital. These transactions resulted in total earnings of EUR 0.3 million.

JOANNEUM RESEARCH recorded earnings of around EUR 1.0 million and expenditure of around EUR 0.2 million for its shareholdings in the period from 1 July 2009 to 30 June 2010. The funding agreement 2009-2010 concluded between JOANNEUM RESEARCH and the Ministry of Transport, Innovation and Technology (BMVIT) provides EUR 4.27 million in funding for two years. In the 2009/2010 financial year JOANNEUM RESEARCH achieved a revenue of around EUR 2.1 million.

The Graz-Stadt tax office carried out an audit of JOANNEUM RESEARCH for the calendar years 2006 – 2008, in which it approved the research bonus received for these years.

The company will again apply for a research bonus of EUR 1.8 million for the financial year 2009/10.

# Financial Position

## Earnings Position

### ► Financial position

The development of the company assets and financial position is as follows (rounded figures):

At the balance sheet date of 30 June 2010, the total assets of JOANNEUM RESEARCH amounted to EUR 42.9 million, comprising fixed assets of EUR 10.9 million, current assets (including accruals) of EUR 31.3 million and trust assets of EUR 0.7 million. The change in total assets of EUR 2.7 million is due to an increase in both fixed assets and current assets. As of 30 June 2010, capital and reserves including public investment grants amounted to EUR 8.0 million, or 19% of total assets, as compared to EUR 9.3 million, or 23% in the previous year. Debt capital (including accruals and deferred income and trust liabilities) increased to EUR 34.9 million (previous year: EUR 30.9 million) as a result of an increase in liabilities, corresponding to 81% (previous year 77%) of total assets.

The cash flow from operations as a sum of the profit for the year and the income and expenditure items (internal financing potential of the company) was EUR 1.5 million in the 2009/10 financial year. The working capital decreased to EUR 7.2 million (previous year: EUR 8.8 million).

No derivative financial instruments were used in the past financial year. The financial instruments shown in the balance sheet are part of the company's general risk management reflected in the accounting and valuation principles.

### ► Earnings position

Operating revenue in the 2009/10 financial year, including own work capitalised and other operating income and excluding contributions to current expenses, amounted to EUR 28.0 million, which is a decrease from the previous year (EUR 29.1 million).

The primary aim of JOANNEUM RESEARCH is to strengthen the attractiveness of Styria as a business location, especially by creating qualified job opportunities. The Styrian region accounted for a total of 22% of operating revenue in the 2009/2010 financial year.

Work in progress increased by EUR 1.8 million compared to the previous year, amounting to EUR 10.4 million as of 30 June 2010.

Total expenditure of EUR 37.2 million (previous year: EUR 36.6 million) consists of personnel expenses, including statutory social security contributions, voluntary social benefits and provisions for pensions and severance payments of EUR 24.2 million (previous year: EUR 23.8 million), expenses for material and services of EUR 3.4 million (previous year: EUR 3.3 million), depreciation and amortisation of EUR 2.5 million (previous year: EUR 2.5 million), and other operating charges of EUR 7.1 million (previous year: EUR 7.0 million).

Operating revenue covered 75% of expenses, thus maintaining the high self-financing ratio of JOANNEUM RESEARCH by international standards. The contribution to current expenses made by the Styrian Government and the funding agreement concluded with the Federal Ministry for Transport, Innovation and Technology (BMVIT), however, remain indispensable for effectively pursuing the company's mission. Taking into account the financial results (EUR 0.2 million), the company's loss on ordinary activities for the 2009/10 financial year is EUR -782,575.63.

# Capital Investment

## Human Resources

If taxes on income (EUR 1,750.00), release of the free revenue reserve (EUR 7,710.00) and the profit brought forward from the previous year (EUR 2,426,391.51) are taken into account, the net profit for the year amounts to EUR 1,649,775.88.

No events occurred after the balance sheet date that may have a material effect on the financial or earnings position in the 2009/2010 financial year.

### ► Human resources

JOANNEUM RESEARCH staff comprised 425 employees (148 women and 277 men) as of the balance sheet date, having slightly decreased by 0.9% (previous year: 429 employees; 147 women and 282 men). Taking part-time employees into account on a proportional basis this figure corresponds to 367.1 full-time equivalents as at 30 June 2010, compared with 375.8 as at 30 June 2009, which is a decrease of 2.3%.

A total of 49 new employees (27 women and 22 men) have joined and 53 employees (26 women and 27 men) have left the company in the reporting year, resulting in a staff turnover rate of about 12.53% (women 6.06% and men 6.29%), which is an increase on previous year's figure of 8.23%.

As of 30 June 2010, the percentage of university graduates has fallen to 62.1% (previous year: 65%), while the percentage of employees having completed secondary education has risen to 24.9% (previous year: 22.6%). The number of female university graduates also decreased from 28% in the previous year to 25.4% in the reporting year. The average age of JOANNEUM RESEARCH employees is 38.9 years, having slightly increased from the previous year (38.5 years).

### ► Capital investment

In the 2009/2010 financial year, investments of EUR 2.5 million were made in fixed assets (scientific instruments, data processing systems, furniture and fixtures, land and buildings).

Investment in fixed assets in the FY	05/06	06/07	07/08	08/09	09/10
Investment volume [EUR million]	1.2	1.8	3.1	2.0	2.5
Changes from preceding year [%]	-43 %	+50 %	+72 %	-35 %	+25 %

The investment programme was partly financed from the EU structural funds.

Number of employees as at 30 June	2006	2007	2008	2009	2010
Women	128	130	139	147	148
Change from the preceding year	+8.5 %	+1.6 %	+6.9 %	+5.8 %	+0.7 %
Men	256	255	273	282	277
Change from the preceding year	-0.4 %	-0.4 %	+7.1 %	+3.3 %	-1.8 %
Employees total	384	385	412	429	425
Change from the preceding year	+2.4 %	+0.3 %	+7.0 %	+4.1 %	-0.9 %

At the balance sheet date, JOANNEUM RESEARCH had a total of eight apprentices: one male apprentice in mechatronics engineering, one male and one female apprentice in information technology, three female chemistry laboratory technicians, one female physics laboratory technician and two female office administrators. This represents an increase of three female apprentices in the total number of company trainees compared with the previous year. Two of the apprentices are additionally attending the first module preparing them for the vocational matriculation exam.

In the reporting year, JOANNEUM RESEARCH provided work placements for 17 trainees from universities and international exchange programmes. The company gave 8 female and 9 male students the opportunity to write their degree theses within an employment contract. With its »generation innovation« programme the Austrian Federal Ministry for Transport, Innovation and Technology (BMVIT) is encouraging dialogue between the younger generation and stakeholders involved in research, innovation and technology. The aim of the programme is to stimulate interest in science and engineering amongst pupils from the age of 15 onwards through hands-on experience. During the past financial year, 16 pupils worked at JOANNEUM RESEARCH during their school holidays as part of the »generation innovation« programme.

The FINCA project (Female Intrapreneurship Career Academy), a networking and cooperation project jointly run by the Johannes Kepler University Linz, the Vienna University of Technology and Graz University of Technology, aims to help female students of engineering and science to access qualified positions in technology-focused companies after completing their studies, thereby helping to increase the proportion of women in leadership roles. During the reporting year, JOANNEUM RESEARCH, a partner in the FINCA project, has enabled 9 female students to learn first hand about careers in non-university research as part of a work placement or a degree thesis. The measures that have been implemented in previous years to help JOANNEUM RESEARCH employees to improve their work-life balance and to create equal opportunities were continued successfully. The existing childcare provisions were extended to include a research-focused summer programme organised in cooperation with JuniorUni Graz. This enables the company to make a valuable contribution to the communication of research topics to children and young people. In January 2010 JOANNEUM RESEARCH used the enabling clause of the Research Collective Agreement to pass a company agreement introducing »Daddy Weeks«. The agreement gives fathers paid leave of up to 10 working days to look after their newborn children. This measure, designed to improve the compati-

# Development and Risks

lity of family and career, will be run as a pilot project for the period of one year. By 30 June 2010, a total of 8 fathers have already taken advantage of the scheme.

## II. Report on Expected Development and Risks

### Economic framework conditions for R&D

The private enterprise sector has steadily increased its level of investment in research and development over the past few years and has thus played a key role in research financing. The financial and economic crisis put an abrupt end to this dynamic development, which led to a marked decrease in industrial R&D expenditure in 2009.

According to forecasts by the Austrian Institute for Economic Research (WIFO), real economic growth in Austria will be 1.2% in 2010 and 1.6% in 2011.

Statistics Austria expects that in 2010 contributions from the industrial sector will remain at the 2009 level. Gross domestic expenditure on research and experimental development is generally expected to be around EUR 7.8 billion in 2010, thereby exceeding previous year's figures by about 3.4%. It is assumed that the industrial sector will account for 43.3% and the public sector for 41.2% of these expenses. An additional 15% of research spending will come from abroad and around 0.4% from the private non-profit sector. The proportion of international R&D spending, most of which is attributable to European companies collaborating with Austrian businesses, will continue to decrease slightly in 2010 according to Statistics Austria. Federal research funding will presumably increase by 10.9% to EUR 2.74 billion in 2010.

### Strategic Framework Plan of JOANNEUM RESEARCH

The JOANNEUM RESEARCH Strategic Framework Plan is the result of a comprehensive strategy process initiated in 2007 by the majority shareholder of JOANNEUM RESEARCH, the Styrian Government. The plan is aimed at positioning the company as an innovative, cutting edge service provider with a clear corporate mission in a rapidly changing research environment. The JOANNEUM RESEARCH Strategic Framework Plan was approved by shareholder resolution on 25 June 2008 and provides the basis for the strategic planning documents. The aim of the process was to secure the position of JOANNEUM RESEARCH in the dynamic research environment over the long term.

The future financing structure of JOANNEUM RESEARCH will be primarily based on the level of income generated from industrial projects. This »business share« in overall income has been specified as the main indicator for performance measurement by the shareholders. The basic subsidy will be paid on a performance basis. It will be capped at a maximum amount, with the actual amount paid out depending on business success. For each 1.33 euros of revenue generated from industrial projects JOANNEUM RESEARCH will receive 1 euro in basic subsidy. This performance-based subsidy model is designed to provide incentives to achieve the desired objective of 40% income from industrial contracts at the corporate level.

The period from 1 July 2010 to 30 June 2013 will be a transition phase, during which JOANNEUM RESEARCH is to continually increase its income from industrial sources in line with the strategy development outlined in the corporate concept 2010 – 2013.

The JOANNEUM RESEARCH Strategic Framework Plan provides for the conclusion of financing agreements with the Styrian Government, which are to regulate the conditions for subsidy payments by the Styrian Government to JOANNEUM RESEARCH. The financing agreement concluded for 2009 and 2010 provides for a maximum annual subsidy of EUR 7.5 million in the form of a conditionally repayable allowance. In addition, the Styrian Government will provide an annual maximum amount of EUR 1.0 million to be used for the implementation of the reorientation process. A new multi-year financing agreement is planned for the financial year 2010/2011.

The new corporate concept 2010 – 2013 came into effect as of the beginning of the 2010/2011 financial year and also involved a new organisational structure concentrating the company's research activities in four top institutes and one centre.

- MATERIALS – Institute for Surface Technologies and Photonics
- HEALTH – Institute for Biomedicine and Health Sciences
- DIGITAL – Institute for Information and Communication Technologies
- RESOURCES – Institute for Water, Energy and Sustainability
- POLICIES – Centre for Economic and Innovation Research

The former Institute of Non-Invasive Diagnosis was closed down on 30 June 2010 and no longer figures in the JOANNEUM RESEARCH portfolio as from the 2010/2011 financial year. Ongoing projects were transferred to a newly founded spin-off company for completion.

The stronger industrial focus specified in the Strategic Framework Plan also requires new methods of market development, which will be supported by professional innovation management and marketing. New instruments need to be developed and applied in this context, especially in the integration of new research topics, intellectual property rights, marketing and exploitation as well as capacity building.

#### **Funding agreement with the Federal Ministry for Transport, Innovation and Technology (BMVIT)**

The Federal Ministry for Transport, Innovation and Technology (BMVIT) has supported the research and development activities of JOANNEUM RESEARCH since 2005 via funding agreements (agreements on objectives). This federal support will be continued by the conclusion of a funding agreement for the years 2011-2012.

An amount of EUR 1.5 million of funding from the 2009-2010 agreement will be available in the financial year 2010/2011. The difficult financial situation of the public households may result in slightly reduced funding for the years 2011-2012 as compared to the current funding agreement.

# Research and Development

## III. Report on Research and Development

Work on the research strategy in the 2009/2010 financial year was characterised by concentrating the portfolio of expertise in line with the requirements of the JOANNEUM RESEARCH Strategic Framework Plan. In this process, all fields of expertise (formerly termed »research areas«) were examined, discussed and concentrated in line with the Strategic Framework Plan together with key personnel. The research fields were strategically realigned to the business sector and reorganised into research groups, which were finally presented to the Steering Committee for appraisal. The feedback from the Steering Committee provided the basis for further discussions which led to the removal of several research groups from the portfolio and the addition of one new group. This reorganisation means that JOANNEUM RESEARCH now has 24 powerful research groups headed by experts, which provide an efficient substructure for the new Institutes and the new Centre.

The repositioning process was aimed at retaining the highest possible level of expertise so as to ensure that current quality standards will also be met in future projects, while at the same time creating innovative development opportunities for strengthening the competitiveness of Styrian businesses without compromising on the quality of ongoing projects. The successes achieved in applied research and development and cooperation with industrial partners, primarily in Styria, can be aptly demonstrated by the following project examples of the 2009/2010 financial year.

JOANNEUM RESEARCH installed the first acoustic tunnel monitoring system worldwide, which was developed for the Austrian motorway operator ASFINAG as part of the AKUT project. The new Kirchdorf Tunnel, which was

opened in May 2010 to close the gap in the S 35 motorway, was equipped with the AKUT system to comply with the strictest safety standards. Microphones have been installed at intervals of around 125 meters to detect abnormal sounds (e.g. car crash, tyre blow-out, cries for help etc.) in the tunnel. The recorded sounds are analysed by intelligent signal processing, which triggers an alarm in the tunnel control centre and activates the corresponding video image. The operator can thus assess the situation rapidly and take appropriate measures.

Another intelligent road safety solution was developed in cooperation with industrial partners ASFINAG and SIEMENS AG Austria as part of a project funded by the Austrian Research Promotion Agency (FFG). The system developed in the project »Wrong way driver monitoring – GeMon« is able to detect vehicles travelling in the wrong direction under non-controllable environmental conditions. The GeMon software solution for the automated video-based detection of wrong way drivers earned JOANNEUM RESEARCH the National Transport Award 2009 under the motto »Safety through technology and creativity«.

JOANNEUM RESEARCH also took part in the development of a »transparency shelf« for the food retail industry together with infod GmbH and Assmann Ladenbau Leibnitz GmbH. The innovative shelf is designed to enable a »transparency check«, i.e. to verify claims of origin of food products. An information system and touch screen integrated into the shelf allow consumers to directly verify manufacturers' claims at the point of sale using a scanner. A database has been implemented to make all relevant information on the product available to the consumer via mobile phone or the Internet.

The Green Brewery project, funded by the Austrian Climate and Energy Fund, was carried out in cooperation with BRAU UNION ÖSTERREICH AG, AEE – Institute for Sustainable Technologies (AEE INTEC), Steirische Gas-Wärme GmbH, Fischer Maschinen- und Apparatebau AG and Energie Service Friesenbichler GmbH. The project was aimed at reducing or avoiding climate-relevant CO<sub>2</sub> emissions in beer production. The project involved the development of innovative energy concepts for Austrian breweries and won the Energy Globe STYRIA AWARD 2009.

JOANNEUM RESEARCH also takes active part in protecting municipal and private drinking water resources. For example, the impact of rail tunnels on the water supply of surrounding areas must be taken into account in the planning and construction phase. Conversely, engineers must also take account of subterranean water in the planning process in order to minimise water infiltration during tunnel construction. This is of special importance in the environmental impact assessment. In this context, JOANNEUM RESEARCH has been commissioned by ÖBB-Infrastruktur Bau AG to measure, record and evaluate data for determining the impact of the Koralm tunnel and the new Semmering base tunnel construction projects on municipal and private drinking water supply.

Maintaining close links and cooperation with Styria's other scientific institutions is paramount to the corporate mission of JOANNEUM RESEARCH, which acts as a hub in the network of universities, research institutions like the Austrian Academy of Sciences (ÖAW), innovative technology organisations and companies. This cooperation is demonstrated in particular by the cooperation agreements concluded with Graz University of Technology, the University of Leoben and the Medical University of Graz.

The Medical University of Graz plans to establish a Centre for Knowledge and Technology Transfer in Medicine (ZWT) to enable targeted cooperation between scientific research at the University and its implementation in practice together with industrial partners. The building complex to be erected in close proximity to the University Hospital will provide room and infrastructure for university start-ups and will attract both national and international businesses active in the fields of medicine, biomedicine and life sciences. The Centre is planned and erected as part of the MED CAMPUS and will thus be the first Austrian industrial technology and research centre to be fully integrated in a university campus. The implementation of the ZWT project provides a strategic opportunity for JOANNEUM RESEARCH to concentrate its distributed medical technology teams in one location in the immediate vicinity of the Medical University of Graz.

JOANNEUM RESEARCH, together with Graz University of Technology and other scientific partners, actively participated in the Miller Urey project of the European Space Agency (ESA) in the financial years 2008/2009 and 2009/2010. This project is aimed at investigating the formation of amino acids under microgravity conditions on board the International Space Station ISS to find an answer to the question of how life on earth began. JOANNEUM RESEARCH is responsible for mission support during the experiment on board the ISS, especially for data evaluation and the safe transport of the gas vials containing the reaction products to the specified laboratories for analysis.

JOANNEUM RESEARCH acts as consortium leader for the cluster project »ISOTEC – Integrated Organic Sensor and Optoelectronic Technologies« carried out in cooperation with the University of Graz, Graz University of Technology, Vienna University of Technology and NanoTecCenter Weiz Forschungsgesellschaft mbH. The project aims at developing a platform for integrated sensors for the detection of different substances to enable the development of flexible sensors and sensor systems. JOANNEUM RESEARCH also actively participates in the Research Studios Austria programme initiated by the Federal Ministry of Economy, Family and Youth (BMWFF). In the project »Research Studios Austria – Advanced surface engineering for development and application of functional components« experts from JOANNEUM RESEARCH join forces with the University of Leoben to drive developments in the surface modification of components and products for subsequent implementation with industrial partners. Cooperation in networks and active development efforts are indispensable in achieving optimal solutions in complex innovation projects. The involvement of JOANNEUM RESEARCH in a broad range of research networks ensures the high quality of research results and gives Styrian companies access to a wide international research portfolio. For example, JOANNEUM RESEARCH takes a leading role in the further development of the Styrian nanotechnology network NANONET Styria and is an active partner in the human.technology.styria cluster, the SIMNET Styria network, the NUBIOR Styria network and the ACStyria cluster.

The research topics covered in these network activities range from basic research to the development of research infrastructure and are also aimed at transforming research results into commercially marketable materials, production processes, technologies and products.

JOANNEUM RESEARCH is also involved in international networks and research projects and is thus firmly integrated in the European economic and research area. Internationality is becoming an increasingly important competitive factor and quality criterion in terms of location policy. This international know-how transfer influences developments and innovations in export markets, increasing the value added of the regional economy and the attractiveness of Styria as a business location.

One example of such successful collaboration is the FONIMAR (Fonti Nitrati Marano) project. JOANNEUM RESEARCH has been commissioned by »ERSA – Agenzia regionale per lo sviluppo rurale« to investigate potential sources of nitrate contamination in the Marano lagoon and develops an environmental monitoring programme using methods of remote sensing, isotope chemistry and hydrogeochemistry. JOANNEUM RESEARCH also continues its successful participation in the research programmes of the European Union, especially the 7th EU Framework Programme. Close cooperation with partners from science and industry is an essential part of our work, as can be demonstrated by the following EU projects: JOANNEUM RESEARCH is part of a consortium of international scientific and industrial partners involved in developing a handy diagnostic device. CARE-MAN will allow fast and reliable detection of specific diseases such as cardiovascular disease, coagulation disorders, chronic and acute inflammation, cancer

and thyroid disorders from one single drop of blood.

The EU project »SAFER« (Services and Applications For Emergency Response) is designed to enhance European capacities in responding to natural disasters such as fires, floods, earthquakes, landslides etc. JOANNEUM RESEARCH has been commissioned to prepare a landslide inventory map based on satellite images and to draw up a concept for combining aerial and satellite remote sensing methods in the field of risk analysis.

The EU project »PrestoPrime« (Preservation Technology: Permanence, Rights Interoperability and Metadata) is primarily aimed at developing methods for the long-term preservation of and access to digital audiovisual content in archives, libraries and other collections.

The resulting tools and services will be made available via a networked competence centre. The use of biogenic raw and residual materials as feedstock is the key goal of the EU project »Biosynergy – Integrated production of energy and other products through the concept of bio-refinery«. Special emphasis is placed on the development and evaluation of biorefinery concepts at the European level with the aim to generate products and secondary energy carriers from biomass using environmentally compatible methods.

JOANNEUM RESEARCH is also implementing several projects for the European Space Agency (ESA). In the project »Characterisation of Interference in S- and C-Band«, for example, our experts carry out measurement campaigns for ESA to support the planning of future satellite navigation services in »new« frequency bands (S- and C-bands), especially in terms of critical signal sources.

The emerging economies in South-East Europe represent another promising region with great potential for future activities.

JOANNEUM RESEARCH has successfully established close links with this region via cooperation agreements with the Jožef Stefan Institute in Slovenia and the Ruđer Bošković Institute in Croatia or the »SHARP« (Sustainable Hydro Assessment and Groundwater Recharge Projects) initiative. The SHARP project focuses on the transfer of innovative artificial groundwater recharge techniques and methods in eight participating partner regions (Western Macedonia, Northern Aegean, Friuli-Venezia Giulia, Malta, Poland, Great Britain, Saxony and Styria).

JOANNEUM RESEARCH has shown strong commitment to international climate policy over the past ten years. Ever stricter European energy and climate regulations lead to increased costs for companies. The transition to low-carbon technologies and the substantial increase in energy production from renewable sources are only a few of the challenges that will have to be met in the coming years. JOANNEUM RESEARCH will continue to support domestic companies in tackling these tasks.

In securing competitiveness, JOANNEUM RESEARCH also meets its social responsibility towards Styria, as it is ultimately aimed at social development marked by economic success, social justice and environmental compatibility. The greater involvement of research in the basic structure of natural and social systems and human life itself, with the added difficulty of not being able to fully grasp the consequences of such an involvement,

requires a stronger focus on adhering to ethical principles. JOANNEUM RESEARCH has therefore specified ethical guidelines with the aim of providing ethical points of reference and procedures for science and research. Ethically correct and responsible research further enhances the quality of our work and creates added value that will make our research activities even more attractive to clients and customers.

Graz, 9 September 2010

The Management

Hon.-Prof. Dr. Bernhard Pelzl

Mag. Edmund Müller

# Report of the Supervisory Board Shareholder Resolution

## Report of the Supervisory Board

The Supervisory Board has examined the annual accounts as at 30 June 2010, proposing that the net profit of EUR 1,649,775.88 be carried forward to new account, as well as the management report on the 2009/2010 financial year and has decided to present the following report to the Shareholder Meeting:

The annual accounts as at 30 June 2010 were audited by the auditing firm Deloitte Wirtschaftsprüfung Styria GmbH, which was appointed by the shareholders. This audit, which was based on the books and records of the company as well as information and evidence provided by the management, has shown that the accounting records, the financial statements as well as the notes and the management report comply with statutory regulations. The auditor has therefore given the unqualified audit opinion.

The Supervisory Board has approved the annual accounts and the management report.

Graz, 27 September 2010  
The Supervisory Board

## Shareholder Resolution

The shareholders of JOANNEUM RESEARCH Forschungsgesellschaft mbH,

a) the Styrian Government,  
represented by Mag. Dr. Birgit Strimitzer-Riedler,  
Head of Department 3 – Science and Research  
of the Styrian Government, duly authorised by  
power of attorney dated 15 November 2010,  
and

b) Nederlandse Organisatie voor toegepast-natuurwetenschappelijk onderzoek TNO,  
represented by Mag. Dr. Birgit Strimitzer-Riedler,  
duly authorised by power of attorney dated  
22 November 2010

hereby pass the following resolution:

The annual accounts of the company as at 30 June 2010 are hereby confirmed and approved. The net profit for the financial year 2009/2010 of EUR 1,649,775.88 is carried forward to new account.

The management report on the 2009/2010 financial year is approved. Discharge is granted to the Management and the Supervisory Board for the 2009/2010 financial year.

Graz, 7 December 2010  
For the Styrian Government:  
Mag. Dr. Birgit Strimitzer-Riedler

For Nederlandse Organisatie voor toegepast-natuurwetenschappelijk onderzoek TNO:  
Mag. Dr. Birgit Strimitzer-Riedler

# ***Balance Sheet***

## ***Profit and Loss Account***

# Balance Sheet as at 30 June 2010

## ASSETS

	30/6/2010	30/6/2009
	EUR	TEUR*
<b>A. FIXED ASSETS</b>		
I. Intangible assets		
1. Rights and licenses	313,308.00	421
	313,308.00	421
II. Tangible assets		
1. Land and buildings	3,450,814.39	2,986
2. Plant and machinery	3,730,022.01	4,214
3. Other fixtures and fittings, tools and equipment	508,920.00	532
4. Payments on account and tangible assets in course of construction	362,536.77	60
	8,052,293.17	7,792
III. Financial assets		
1. Shares in affiliated undertakings	77,850.00	78
2. Participating interests	141,164.25	197
3. Investments held as fixed assets	2,301,171.62	2,310
	2,520,185.87	2,585
	10,885,787.04	10,798
<b>B. CURRENT ASSETS</b>		
I. Stocks		
1. Consumables	15,917.10	16
2. Work in progress	10,406,355.28	8,620
3. Payments on account	105,951.95	10
	10,527,224.33	8,646
II. Debtors and other assets	1,354,016.72	1,049
1. Trade debtors	292,392.55	41
2. Amounts owed by affiliated undertakings	5,092,116.24	5,087
3. Amounts owed by undertakings with which the company is linked by virtue of participating interests	5,271.24	0
4. Amounts owed from subsidies and project subsidies	5,346,104.54	5,092
5. Other debtors and assets	5,509,011.16	5,665
	12,506,796.21	11,847
III. Investments		
1. Other investments	2,353,303.00	2,353
IV. Cash at bank and in hand	5,773,381.63	5,751
	31,160,705.17	28,597
<b>C. PREPAYMENTS AND ACCRUED INCOME</b>	199,648.25	166
<b>D. TRUST ASSETS</b>	701,151.76	638
	42,947,292.22	40,199

The Management:

Hon.-Prof. Dr. Bernhard Pelzl

Mag. Edmund Müller

## LIABILITIES

	30/6/2010	30/6/2009
	EUR	TEUR
<b>A. CAPITAL AND RESERVES</b>		
I. Share capital	3,230,000.00	3,230
II. Capital reserves		
1. Unappropriated	362,637.44	363
III. Revenue reserve		
1. Legal reserve	154,100.00	154
2. Other reserves (free reserves)	862,510.22	870
	1,016,610.22	1,024
IV. Participation rights capital		
1. Participation rights capital	1,037,673.00	1,038
2. Withdrawal from participation rights capital	(1,037,673.00)	(1,038)
	0.00	0
V. Net profit for the year		
including profit brought forward EUR 2,426,391.51	1,649,775.88	2,426
(previous year: TEUR 2,421)	6,259,023.54	7,043
<b>B. SPECIAL ITEM FOR INVESTMENT SUBSIDIES FROM PUBLIC FUNDS</b>	1,788,638.30	2,266
<b>C. PROVISIONS</b>		
1. Provisions for severance payments	3,289,600.00	3,249
2. Provisions for pensions	4,673,300.00	4,365
3. Other provisions	5,974,554.00	5,999
	13,937,454.00	13,613
<b>D. CREDITORS</b>		
1. Amounts owed to credit institutions	1,947,354.29	2,566
2. Payments received on account of orders	12,546,461.22	9,693
3. Trade creditors	941,893.41	1,355
4. Amounts owed to affiliated undertakings	52,513.56	131
5. Amounts owed to undertakings with which the company is linked by virtue of participating interests	18,196.96	4
6. Other creditors		
including tax EUR 78,573.60 (previous year: TEUR 74)		
and social security		
EUR 1,045,434.95 (previous year: TEUR 997)	2,879,605.18	2,889
	18,386,024.62	16,638
<b>E. ACCRUALS AND DEFERRED INCOME</b>	1,875,000.00	0
<b>F. TRUST LIABILITIES</b>	701,151.76	638
	42,947,292.22	40,199
<b>Contingent liabilities</b>	161,984.96	460

\*(TEUR = EUR thousand)

# Profit and Loss Account

for 2009/10

1. Turnover
2. Changes in work in progress
3. Project related other income
4. Contribution to current expenses
5. Work performed for own purposes and capitalised
6. Other operating income
a) Income from the disposal of fixed assets excluding financial assets
b) Income from the reversal of provisions
c) Others
7. Expenditure for materials and services
a) Materials
b) Services
8. Staff costs
a) Wages and salaries
b) Severance payments and contributions to employee welfare fund
c) Pension payments
d) Statutory social security and payroll-related taxes and contributions
e) Other social expenses
9. Depreciation of tangible fixed assets and amortisation of intangible fixed assets
10. Other operating charges
a) Taxes, unless included in taxes on income
b) Others
<b>11. Subtotal of items 1 to 10 (operating profit/loss)</b>
12. Income from investments
13. Income from other investments held as fixed assets,
14. Other interest receivable and similar income
15. Income from sale of financial assets and current asset investments
16. Charges arising from financial assets and current asset investments, including
a) write-offs EUR 0.00 (previous year: TEUR 16)
b) expenses arising from affiliated undertakings EUR 223,782.26 (previous year: TEUR 254)
17. Interest payable and similar charges
<b>18. Subtotal of items 12 to 17 (financial profit/loss)</b>
<b>19. Profit/loss on ordinary activities</b>
20. Taxes on income
<b>21. Profit/loss for the year</b>
22. Income from withdrawal from participation rights capital
23. Reversal of revenue reserves
a) other reserve (free reserve)
24. Profit brought forward from the previous year
<b>25. Net profit for the year</b>

2009/10	2008/09
EUR	TEUR
10,193,160.85	12,656
1,785,941.31	-587
11,310,868.47	11,356
8,278,874.43	7,500
15,835.84	0
2,913.00	16
1,161,879.80	2,197
3,480,637.78	3,453
4,645,430.58	5,666
-1,148,027.75	-911
-2,269,211.73	-2,355
-3,417,239.48	-3,266
-18,076,399.08	-17,529
-421,297.50	-614
-548,121.43	-544
-5,132,006.13	-5,046
-70,318.13	-92
-24,248,142.27	-23,825
-2,474,996.80	-2,482
-33,201.43	-34
-7,006,741.78	-6,962
-7,039,943.21	-6,996
-950,210.28	22
0.00	16
170,544.28	164
31,969.12	193
247,193.30	0
-248,525.54	-514
-33,546.51	-82
167,634.65	-223
-782,575.63	-200
-1,750.00	-2
-784,325.63	-202
0.00	208
7,710.00	0
2,426,391.51	2,421
1,649,775.88	2,426

\*(TEUR = EUR thousand)

# NOTES to the accounts for the financial year 2009/2010

## ACCOUNTING AND VALUATION PRINCIPLES

### General principles

The accounts of JOANNEUM RESEARCH Forschungsgesellschaft mbH have been prepared in accordance with the provisions of the Austrian Corporate Code (UGB) as amended and in compliance with Generally Accepted Accounting Principles and the general objective of presenting a true and fair view of the company's assets, financial and earnings position.

The accounts have been prepared according to the principle of completeness. The valuation of the individual assets and liabilities is based on the unit account method of valuation and the going concern principle. According to the principle of conservatism only the profits realised at the balance sheet date are shown. All recognisable risks and contingent obligations were taken into account. Comparison values in brackets, unless otherwise indicated.

### Fixed assets

#### Intangible assets

Intangible assets are valued at acquisition cost plus incidental acquisition cost, less the cash discounts taken and scheduled depreciation calculated according to the straight-line method of depreciation. The useful economic lives of the assets are based on a period of 3 to 5 years (20–33%).

#### Tangible assets

Tangible assets are valued at acquisition cost plus incidental acquisition cost, less the cash discounts taken and scheduled depreciation. Public subsidies on fixed assets are shown on the liabilities side as investment subsidies from public funds. Consumption of these investment subsidies is analogous to scheduled depreciation of tangible assets. Scheduled depreciation is calculated according to the straight-line method on the basis of the following depreciation rates and useful economic lives:

	Useful economic life (years)	Depreciation rate (%)
<b>Buildings, including buildings on non-owned land</b>	<b>10–25</b>	<b>4–10</b>
<b>Machinery, scientific instruments and electronic data processing equipment</b>	<b>3–10</b>	<b>10–33</b>
<b>Other fixtures and fittings, tools and equipment</b>	<b>4–10</b>	<b>10–25</b>

The full annual rate of depreciation is applied to assets added during the first half of the business year, and one-half the annual depreciation is charged for assets added during the second six months.

Low-value assets as defined in Sec. 13 of the Austrian Income Tax Act (EStG) 1988 – with acquisition costs of up to EUR 400 – are capitalised and fully written off in the year of acquisition. In the asset development they are shown as additions and disposals.

#### Financial assets

**Shares in affiliated undertakings and participating interests** are accounted for at acquisition cost, less depreciation, if necessary, to allow for any decline in economic usefulness.

**Investments held as fixed assets** are accounted for at the lower of acquisition cost or going-concern value as of the balance sheet date.

In the period under review no non-scheduled write-offs or non-scheduled write-ups were made in the financial assets.

\*(TEUR = EUR thousand)

## Current assets

### Stocks

**Consumables** are valued at acquisition cost in accordance with the principle of the lower of cost or market.

**Work in progress** related to contract research is calculated on the basis of the prepared operational account. Project costs are allocated to cost units and direct cost statements. Valuation is performed individually at acquisition or production cost within the meaning of § 203 UGB (Austrian Corporate Code). Production costs include allocable costs, prorated overhead cost of production which can be capitalised, and parts of the social expenses within the meaning of § 203 (3) UGB, penultimate sentence. Interest paid and research risk are not taken into account. For contingent losses or anticipated costs for services already invoiced, deductions are made from semi-finished goods, or reserves are established. Any obligations under guarantees related to contract research are also taken into account by the establishment of a liability reserve. For contracts whose execution exceeds a period of twelve months, administrative overheads are capitalised on a pro-rata basis.

### Debtors and other assets

**Debtors and other assets** are stated at their nominal value, unless the lower value is shown in the case of recognisable risks. A lump-sum valuation adjustment of 2% of the net amount receivable was made to account for credit risks.

## Provisions

**Provisions for severance payments** are calculated in accordance with financial principles based on a discount rate of 4% (previous year: 4%) and a retirement age of 65 years, using the entry age normal method. Increases specified in the collective agreement, guaranteed biennial incremental increases and escalator clauses were taken into account by allowing for a 3% wage increase (previous year: 3%). Based on the previous years, a deduction of 6% (previous year: 5%) was taken into account for employees eligible for severance payments.

**Provisions for pensions** are calculated on the basis of actuarial provision requirements using the Pagler & Pagler calculation tables and taking a 5% discount rate (previous year: 5%) into account.

The item **other provisions** covers all recognisable risks and contingent obligations. Only the provisions prescribed by law have been set up.

### Creditors

Creditors are stated at the redemption price according to the principle of conservatism.

### Foreign currency translation

Accounts payable and receivable are valued at the average foreign exchange rate of the date of creation or in accordance with the strict higher or lower of cost or market principle as at the balance sheet date.

## NOTES TO THE BALANCE SHEET

### ASSETS

#### FIXED ASSETS

With regard to the development of the individual items of fixed assets and breakdown of annual depreciation, reference is made to the fixed-asset movement schedule (Appendix to Notes). At the balance sheet date the fixed assets amounted to TEUR 10,885.8 (previous year: TEUR 10,797.7). Capital investment of the 2009/10 financial year totalled TEUR 2,717.0 (previous year: TEUR 2,103.8), and current write-offs amounted to TEUR 2,475.0 (previous year: TEUR 2,490.5). In the business year 2009/10 the disposals at historical acquisition cost amounted to TEUR 5,973.2 (previous year: TEUR 2,086.0).

**Intangible assets** include software and data transfer rights at a book value of TEUR 313.3 (previous year: TEUR 420.6). The additions of TEUR 145.0 (previous year: TEUR 101.6) result from the acquisition of licences and software.

**Tangible assets** amounted to TEUR 8,052.3 (previous year: TEUR 7,792.2) at the balance sheet date. The land value is TEUR 1,206.0 (previous year: TEUR 559.2). The value of buildings on company-owned and non-owned land totalling TEUR 2,244.8 (previous year: TEUR 2,426.4) includes an amount of TEUR 1,557.2 (previous year: TEUR 1,096.7) for buildings on company-owned land – with buildings accounting for TEUR 682.3 (previous year: TEUR 344.2) and structural adaptations for TEUR 874.9 (previous year: TEUR 752.5) – and investments in non-owned buildings amounting to TEUR 687.6 (previous year: TEUR 1,329.7). The additions, totalling TEUR 2,511.6 (previous year: TEUR 1,982.7) mainly refer to the purchase of modern scientific equipment for the research activities of the company and the extension of the data processing infrastructure.

The disposals at a historical acquisition cost of TEUR 5,405.9 (previous year: TEUR 537.4) mainly refer to the retirement or, to a lesser extent, the disposal of scientific equipment, data processing systems and various office equipment. No write-offs to the going concern value were made.

The item **shares in affiliated undertakings** of TEUR 77.9 (previous year: TEUR 77.9) includes shares in Kompetenznetzwerk Wasserressourcen GmbH, Graz, worth TEUR 35.0 (previous year: TEUR 35.0), shares in NanoTecCenter Weiz Forschungsgesellschaft mbH, Weiz, worth TEUR 25.0 (previous year: TEUR 25.0), and shares in BioNanoNet Forschungsgesellschaft mbH, Graz, worth TEUR 17.9 (previous year: TEUR 17.9).

With a total of TEUR 141.2 (previous year: TEUR 196.7), the item **participating interests** includes shareholdings in the following companies (in alphabetical order):

- ▶ ACIB GmbH, Graz
- ▶ BIOENERGY 2020+ GmbH, Graz
- ▶ FH JOANNEUM Gesellschaft mbH, Graz
- ▶ Holz.Bau.Forschungs GmbH, Graz
- ▶ Human.technology Styria GmbH, Graz
- ▶ HyCentA Research GmbH, Graz
- ▶ Kompetenzzentrum – Das virtuelle Fahrzeug Forschungsgesellschaft mbH, Graz
- ▶ Kompetenzzentrum für wissenschaftsbasierte Anwendungen und Systeme Forschungs- und Entwicklungs GmbH, Graz
- ▶ Materials Center Leoben Forschung GmbH, Leoben
- ▶ Polymer Competence Center Leoben GmbH, Leoben
- ▶ Research Center Pharmaceutical Engineering GmbH, Graz

At the balance sheet date the **investments held as fixed assets** amounted to TEUR 2,301.2 (previous year: TEUR 2,310.4). The write-offs of fixed assets result entirely from ordinary depreciation. Write-ups of investments held as fixed assets in the amount of EUR 110,721.15 were not made so as to be able to retain the lower valuation base for the determination of taxable income.

## CURRENT ASSETS

### Stocks

**Consumables** capitalised in the amount of TEUR 14.9 (previous year: TEUR 15.5) mainly included paper, ink ribbons, PC network cards, laser printer spare parts and various other of-fice materials.

The item **work in progress** related to contract research includes work in progress and services not yet invoiced in the amount of TEUR 10,406.4 (previous year: TEUR 8,620.4); overhead costs of TEUR 2,532.3 (previous year: TEUR 2,132.8) are capitalised for contracts whose execution extends over a period of more than twelve months.

**Payments on account** for stocks amount to TEUR 106.0 (previous year: TEUR 9.8).

### Debtors and other assets

	Debtors as at 30/06/2010 (30/06/2009)	of which amounts due and payable after more than one year	of which secured by bills of exchange	Capitalised accruals Sec. 225 (3) UGB	Flat-rate value adjustment
	EUR	EUR	EUR	EUR	EUR
Trade debtors	1,354,016.72 (1,048,542.72)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	28,600.00 (17,600.00)
Amounts owed by affiliated undertakings	292,392.55 (41,456.93)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Amounts owed by undertakings with which the company is linked by virtue of participating interests	5,271.24 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Amounts owed from subsidies and project subsidies	5,346,104.54 (5,092,116.24)	0.00 (0.00)	0.00 (0.00)	5,346,104.54 (5,092,116.24)	0.00 (0.00)
Other debtors and assets	5,509,011.16 (5,665,452.31)	0.00 (0.00)	0.00 (0.00)	5,460,021.78 (5,624,965.72)	0.00 (0.00)
<b>TOTAL</b>	<b>12,506,796.21 (11,847,568.20)</b>	<b>0.00 (0.00)</b>	<b>0.00 (0.00)</b>	<b>10,806,126.32 (10,717,081.96)</b>	<b>28,600.00 (17,600.00)</b>

For potentially uncollectible receivables from **trade debtors**, valuation allowances were made in the amount of TEUR 142.5 (previous year: TEUR 226.6) and capitalised.

The item **amounts owed by affiliated undertakings** refers to trade debtors.

**Amounts owed from subsidies and project subsidies** refer to commitments made by public authorities. Since subsidy processing and thus also payment extend over a period of more than three months, an amount of TEUR 69.5 (previous year: TEUR 55.3) was discounted.

**Other debtors and assets** essentially include claims to the insurance company arising from insurance premium payments, receivables from the Graz-Stadt Tax Authority, accrued interest as well as various compensations and allowances.

### **Current asset investments**

The current asset investments in the amount of TEUR 2,353.3 (previous year: TEUR 2,353.3) exclusively refer to fund shares and bonds, which were acquired as short-term investments. Write-ups of current asset investments in the amount of EUR 117,421.46 were not made so as to be able to retain the lower valuation base for the determination of taxable income.

### **Cash at bank and in hand**

This item, which amounts to TEUR 5,773.4 (previous year: TEUR 5,750.6) comprises cash in hand in the amount of TEUR 8.0 (previous year: TEUR 8.4) and cash at bank in the amount of TEUR 5,765.4 (previous year: TEUR 5,742.2).

## **PREPAYMENTS AND ACCRUED INCOME**

**Prepayments and accrued income** of TEUR 199.6 (previous year: TEUR 165.8) include payments made in the 2009/10 financial year, but allocable to the following year. This item mainly comprises prepayments for servicing costs, various subscriptions as well as membership fees, insurance premiums, travel expenses and congress fees.

## **TRUST ASSETS**

The trust assets include cash at bank for projects with the European Commission in which JOANNEUM RESEARCH Forschungsgesellschaft mbH acts as a coordinator and manages payments for the project partners in a fiduciary capacity (see trust liabilities).

## **LIABILITIES**

### **CAPITAL AND RESERVES**

The **share capital** of the company remains at TEUR 3,230.0.

The loss for the year of TEUR 776.6 and the profit brought forward from the previous year (TEUR 2,426.4) result in a **net profit for the year** of TEUR 1,649.8.

Of the total free reserves an amount of TEUR 509.0 was allocated for the Metahofschloss property acquired in the reporting year by (circular) resolution of the Supervisory Board dated 30 September 2009. The revenue reserve will thus be released in accordance with depreciation on an annual basis.

## INVESTMENT SUBSIDIES FROM PUBLIC FUNDS

During the period under review, **investment subsidies from public funds** have developed as follows:

	As at 01/07/2009	Additions	Consumption acc. to depreciation	Reversal	Transfer or correction	As at 30/06/2010
<b>Tangible fixed assets</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>
1. Buildings, including buildings on non-owned land	632,402.00	19,253.61	77,554.61	0.00	0.00	574,101.00
2. Machinery, scientific instruments and data processing equipment	1,579,719.24	38,151.00	450,452.94	0.00	0.00	1,167,417.00
3. Other fixtures and fittings, tools and equipment	10,584.00	0.00	6,314.00	0.00	0.00	4,270.00
<b>Financial assets</b>						
1. Shares in affiliated undertakings	42,850.00	0.00	0.00	0.00	0.00	42,850.00
<b>Total</b>	<b>2,265,555.24</b>	<b>57,404.61</b>	<b>534,321.55</b>	<b>0.00</b>	<b>0.00</b>	<b>1,788,638.00</b>

The addition mainly relates to the purchase of a welding robot and renovation of the staircase railing at the Steyrergasse 17 premises.

## PROVISIONS

Of the **provisions for severance payments** TEUR 232.7 (previous year: TEUR 136.6) were used for severance payments and TEUR 34.5 (previous year: TEUR 20.0) were released. In order to meet the provision requirement of TEUR 3,289.6 (previous year: TEUR 3,249.0), an amount of TEUR 307.8 (previous year: TEUR 499.0) had to be appropriated.

Of the **provisions for pensions** an amount of TEUR 262.6 (previous year: TEUR 243.1) was used for pension payments; no provisions were released. In order to meet the actuarial provision requirement of TEUR 4,673.3 (previous year: TEUR 4,364.7), an amount of TEUR 571.2 (previous year: TEUR 509.5) had to be appropriated.

**Other provisions** mainly include provisions for vacation claims in the amount of TEUR 2,189.7 (previous year: TEUR 2,251.0), provisions for contingent refund claims by various funding institutions in the amount of TEUR 902.9 (previous year: TEUR 781.8), provisions for time off in lieu in the amount of TEUR 742.6 (previous year: TEUR 738.8) as well as provisions for contingent losses or costs arising from work in progress in the amount of TEUR 478.6 (previous year: TEUR 613.2).

## CREDITORS

	Creditors as at 30/06/2010 (30/06/2009)	Amounts becoming due and payable			Secured by collateral		Accrued liabilities Sec. 225 (6) UGB
		within one year	between 1 and 5 years	after more than 5 years	more than 1 year	security	
	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Amounts owed to credit institutions	1,947,354.29 (2,566,163.54)	1,334,230.87 (1,323,870.10)	503,909.63 (974,115.57)	268,177.78 (484,460.93)	1,800,000.00 (1,800,000.00)	Mortgage (Mortgage)	0.00 (0.00)
Payments received on account of orders	12,546,461.22 (9,692,977.40)	12,546,461.22 (9,692,977.40)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	-- (--)	0.00 (0.00)
Trade creditors	941,893.41 (1,355,350.85)	941,893.41 (1,355,350.85)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	-- (--)	0.00 (0.00)
Amounts owed to affiliated undertakings	52,513.56 (130,877.75)	52,513.56 (130,877.75)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	-- (--)	0.00 (0.00)
Amounts owed to undertakings with which the company is linked by virtue of participating interests	18,196.96 (3,594.06)	18,196.96 (3,594.06)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	-- (--)	0.00 (0.00)
Other creditors	2,879,605.18 (2,889,212.32)	1,391,398.18 (1,435,315.32)	100,730.00 (48,920.00)	1,387,477.00 (1,404,977.00)	0.00 (0.00)	-- (--)	1,373,798.18 (1,389,315.32)
<b>TOTAL</b>	<b>18,386,024.62 (16,638,175.83)</b>	<b>16,284,694.20 (13,941,985.48)</b>	<b>604,639.63 (1,023,035.57)</b>	<b>1,496,690.79 (1,673,154.78)</b>	<b>1,800,000.00 (1,800,000.00)</b>		<b>1,373,798.18 (1,389,315.32)</b>

**Amounts owed to credit institutions** contain ERP loans of TEUR 500.0 (previous year: TEUR 1,000.0), a loan of TEUR 735.2 (previous year: TEUR 854.0) for thermal refurbishment and a framework credit from the export fund in the amount of TEUR 712.2 (previous year: TEUR 712.2).

The **payments received on account of orders** to be written off from inventories amount to TEUR 10,147.8 (previous year: TEUR 8,549.8).

As at the balance sheet date debts owed to **trade creditors** amount to TEUR 941.9 (previous year: TEUR 1,355.4), which mainly include domestic suppliers.

The profit participating loan of TEUR 1,387.5 (previous year: TEUR 1,387.5) granted by the Styrian Government on 1 November 2004 and loans of TEUR 118.3 (previous year: TEUR 112.4) granted by the Austrian Research Promotion Agency are shown under **other creditors**. This item also includes amounts payable to the Styrian health insurance fund and other required accruals and deferrals.

### Other financial obligations

The agreement on the establishment and funding of NanoTecCenter Weiz Forschungsgesellschaft mbH concluded between JOANNEUM RESEARCH Forschungsgesellschaft mbH and Graz University of Technology on 28 February 2006 and the Financing Agreement dated 26 January 2009 between JOANNEUM RESEARCH Forschungsgesellschaft mbH and NanoTecCenter Weiz Forschungsgesellschaft mbH for the period between 1 July 2008 to 30 June 2011 result in financial obligations of TEUR 200.0 for the 2010/11 financial year. There are no further obligations arising from the funding commitment.

The financial obligations arising from the use of tangible fixed assets not shown in the balance sheet amount to:

	for the next financial year	for the next five financial years
	EUR	EUR
Rent payments	652,125.00	3,260,625.00
Equipment rental	38,136.00	190,680.00
Leasing instalments	0.00	0.00
<b>Total</b>	<b>690,261.00</b>	<b>3,451,305.00</b>

### ACCRUALS AND DEFERRED INCOME

**Accruals and deferred income** in the amount of TEUR 1,875.0 (previous year: TEUR 0.5) comprise the basic subsidy granted by the Styrian Government.

### TRUST LIABILITIES

The trust liabilities arise from projects with the European Commission in which JOANNEUM RESEARCH Forschungsgesellschaft mbH acts as a coordinator and manages payments for the project partners in a fiduciary capacity (see trust liabilities).

### CONTINGENT LIABILITIES

(cf. Other Details, Contingent liabilities).

## NOTES TO THE PROFIT AND LOSS ACCOUNT

The **turnover** of the financial year can be shown according to fields of activity and divided into domestic and foreign turnover as follows:

	2009/10	2008/09
	EUR	EUR
<b>Domestic turnover:</b>		
Research	7,622,434.90	9,580,770.15
Income under license agreements	169,124.01	194,594.48
Conference fees	3,140.89	13,247.46
Others	16,819.94	32,075.97
<b>Total domestic turnover</b>	<b>7,811,519.75</b>	<b>9,820,688.06</b>
<b>Foreign turnover:</b>		
Research	2,318,919.63	2,772,966.80
Income under license agreements	46,928.04	59,753.58
Conference fees	15,462.57	2,086.77
Others	330.86	353.90
<b>Total foreign turnover</b>	<b>2,381,641.10</b>	<b>2,835,161.05</b>
<b>Total turnover</b>	<b>10,193,160.85</b>	<b>12,655,849.11</b>

The expenses of TEUR 421.3 (previous year: TEUR 613.8) shown in item 8.b) include contributions to the employee welfare fund in the amount of TEUR 110.0 (previous year: TEUR 98.5) and severance payments of TEUR 311.3 (previous year: TEUR 515.3).

### OTHER DETAILS

#### Shares in affiliated undertakings and participating interests

As at the balance sheet date the company held a 100% interest, corresponding to TEUR 35.0 (previous year: TEUR 35.0), in Kompetenznetzwerk Wasserressourcen GmbH, Graz. The annual accounts as of 30 June 2009 show capital and reserves in the amount of TEUR 21.8 (previous year: TEUR 35.0), resulting in a loss for the year of TEUR 13.2 (previous year: TEUR 0.0).

The company holds a 51 % interest, corresponding to TEUR 17.9 (previous year: TEUR 17.9), in BioNanoNet Forschungsgesellschaft mbH, Graz. The annual accounts as of 30 Oc-

tober 2009 show capital and reserves in the amount of TEUR 46.0 (previous year: TEUR 28.3), resulting in a profit for the year of TEUR 17.6 (previous year: -TEUR 1.2).

As at the balance sheet date the company also held a 50% interest, corresponding to TEUR 50.0 (previous year: TEUR 50.0), in NanoTec-Center Weiz Forschungsgesellschaft mbH, Weiz. Half of this contribution, i.e. TEUR 25.0, has been paid in. The annual accounts as of 30 June 2009 show capital and reserves in the amount of TEUR 254.3 (previous year: TEUR 197.1), resulting in a profit for the year of TEUR 57.2 (previous year: TEUR 147.1).

All other shareholdings are below 20%.

### **Personnel**

As at the balance sheet date the company had 425 (previous year: 429) salaried employees. If the number of part-time employees is converted into full-time equivalents, this number is reduced to 367.1 (previous year: 375.8). The average number of employees amounted to 372.0 (previous year: 372.3), taking into account full-time equivalents for part-time employees.

No breakdown of management salaries and severance or pension payments according to § 239 (1) UGB is provided in compliance with the provisions of § 241 (4) UGB.

No loans or advance payments have been granted to the members of the Management Board or Supervisory Board, and no liability was assumed in favour of the above-mentioned persons.

The total remuneration and reimbursement of expenses to the members of the Scientific Advisory Board and the Supervisory Board amounted to TEUR 58.1.

### **Contingent liabilities**

A guarantee retention of EUR 5,285.00 to the Government of India, Department of Space, Atmospheric Research Laboratory (NARL) and payment guarantees in the total amount of EUR 156,699.96 to the European Commission, Brussels (EUR 95,277.80), ECM Ingenieurunternehmen für Energie- und Umwelttechnik GmbH, Munich (EUR 18,585.82), the FACE Foundation, Arnhem (EUR 19,546.00) and ASFINAG BAU MANAGEMENT GmbH, Vienna (EUR 23,290.34) were entered at the bottom of the balance sheet in accordance with § 199 UGB.

### **Miscellaneous**

Based on the objectives specified in Article 1 (3) of the Articles of Association the company operates exclusively on a non-profit basis.

According to a decision of the Styrian tax authority of 16 January 1995, file number GZ 29/31-10/94, donations to JOANNEUM RESEARCH Forschungsgesellschaft mbH are exempt from tax according to Sec. 4 (4) 5 e of the Income Tax Act (EstG) 1988 as amended by Art. I (4) a of the Tax Reform Act 1993.

The company incurred expenses of EUR 12,500.00 (previous year: EUR 12,609.00) for the auditing of the annual accounts. The auditor did not provide any other certification, tax consulting or general services during this or the previous financial year.

Graz, 9 September 2010

The Management  
Hon.-Prof. Dr. Bernhard Pelzl  
Mag. Edmund Müller

DEVELOPMENT OF ASSETS	Acquisition/production costs				Depreciation (cumulative)	Net book values		Depreciation of the business year
	as at 1/7/2009	Additions	Disposals	Transfers		as at 30/6/2010	as at 30/6/2009	
<b>I. Intangible assets</b>								
Software, data transfer and other rights	2,151,049.61	145,005.73	438,278.12	0.00	1,857,777.22	1,544,469.22	313,308.00	230,346.73
<b>Total intangible assets</b>	<b>2,151,049.61</b>	<b>145,005.73</b>	<b>438,278.12</b>	<b>0.00</b>	<b>1,857,777.22</b>	<b>1,544,469.22</b>	<b>313,308.00</b>	<b>230,346.73</b>
<b>II. Tangible assets</b>								
1. Land and similar rights, buildings, including buildings on non-owned land								
a) Land value	559,230.10	646,793.29	0.00	0.00	1,206,023.39	0.00	1,206,023.39	559,230.10
b) Building value	8,963,545.83	180,645.61	38,111.49	44,644.34	9,150,724.29	6,905,933.29	2,244,791.00	2,426,408.00
2. Machinery, scientific instruments and data processing equipment	20,900,354.43	1,152,994.30	4,713,342.49	0.00	17,340,006.24	13,614,804.23	3,725,202.01	4,209,216.96
3. Other fixtures and fittings, tools and equipment	3,150,687.50	129,386.72	615,196.32	15,259.42	2,680,137.32	2,166,397.32	513,740.00	537,394.00
4. Payments on account and tangible assets in course of construction	59,903.76	362,536.77	0.00	-59,903.76	362,536.77	0.00	362,536.77	59,903.76
5. Low-value assets	0.00	39,286.69	39,286.69	0.00	0.00	0.00	0.00	0.00
<b>Total tangible assets</b>	<b>33,633,721.62</b>	<b>2,511,643.38</b>	<b>5,405,936.99</b>	<b>0.00</b>	<b>30,739,428.01</b>	<b>22,687,134.84</b>	<b>8,052,293.17</b>	<b>7,792,152.82</b>
<b>III. Financial assets</b>								
1. Shares in affiliated undertakings	77,850.00	0.00	0.00	0.00	77,850.00	0.00	77,850.00	0.00
2. Participating interests	230,663.25	0.00	55,500.00	0.00	175,163.25	33,999.00	141,164.25	196,664.25
3. Investments held as fixed assets	2,548,098.07	60,365.00	73,476.00	0.00	2,534,987.07	233,815.45	2,301,171.62	2,310,382.62
<b>Total financial assets</b>	<b>2,856,611.32</b>	<b>60,365.00</b>	<b>128,976.00</b>	<b>0.00</b>	<b>2,788,000.32</b>	<b>267,814.45</b>	<b>2,520,185.87</b>	<b>2,584,896.87</b>
<b>TOTAL ASSETS</b>	<b>38,641,382.55</b>	<b>2,777,014.11</b>	<b>5,973,191.11</b>	<b>0.00</b>	<b>35,385,205.55</b>	<b>24,499,418.51</b>	<b>10,885,787.04</b>	<b>10,797,676.69</b>
								<b>2,474,996.80</b>

### **Auditor's Opinion**

We have audited the enclosed financial statements of JOANNEUM RESEARCH Forschungsgesellschaft mbH, Graz, for the financial year from 1 July 2009 to 30 June 2010 based on the accounting records. These financial statements include the balance sheet as at 30 June 2010, the profit and loss account for the financial year ended on 30 June 2010 and the Notes.

### **Responsibility of the legal representatives for the financial statements and the accounts**

The legal representatives of the company are responsible for the content and compilation of the annual financial statements, presenting a true and fair view of the assets, financial position and earnings of the company in accordance with Austrian corporate law. This responsibility includes the design, implementation and maintenance of an internal control system, to the extent that this is necessary for the preparation of the financial statements, and to present as true a picture as possible of the company's assets, financial position and earnings so that these financial statements are free from material misrepresentations, whether due to intentional or unintentional mistakes. This also includes choosing and applying suitable accounting and valuation methods and making estimates that appear appropriate under the existing circumstances.

### **Responsibility of the auditor and a description of the type and scope of the statutory audit**

Our responsibility lies in the submission of an audit opinion on these financial statements on the basis of our examination. Our audit was conducted in accordance with the applicable Austrian legal regulations and fundamental auditing principles. These standards require that we plan and perform the audit in such a manner that we can form a reasonable opinion as to whether the financial statements are free of material misstatement.

An audit includes the implementation of auditing actions to obtain auditing proof in respect of the amounts and other details given in the financial statements. The choice of auditing actions is left to the obligatory discretion of the auditor, taking into account his/her assessment of the risk of material misstatements occurring, whether due to intended or unintended errors. In assessing this risk, the auditor takes into account the internal control system, insofar as it is important for compiling the annual financial statements and presenting a true and fair view of the assets, financial position and earnings of the company, in order to determine suitable auditing actions taking account of the framework conditions, not however to submit an auditing opinion about the effectiveness of the company's internal control system. The audit also includes an evaluation of the adequacy of the accounting and valuation methods applied and the essential estimates made by the legal representatives of the company as well as an assessment of the overall tenor of the financial statements. We believe that we have obtained sufficient and suitable auditing proof, so that our audit provides a reasonable basis for our opinion.

### **Auditors' opinion**

The results of our audit gave no reason for objection. On the basis of the knowledge gained during the audit, in our judgement the financial statements comply with the legal regulations and present a true and fair view of the assets and financial position of JOANNEUM RESEARCH Forschungsgesellschaft mbH as of 30 June 2010 and the company's earnings in the financial year from 1 July 2009 to 30 June 2010, in accordance with Austrian generally accepted accounting principles.

### Statements on the Management Report

According to Austrian legal regulations, the management report is to be audited as to whether it is consistent with the financial statements and whether or not other details given in the management report give a misleading impression of the company's position. The auditors' opinion must also include a statement as to whether the management report is consistent with the financial statements.

In our opinion, the management report is consistent with the financial statements.

Graz, 9 September 2010

Deloitte Wirtschaftsprüfung Styria GmbH

Mag. Friedrich Möstl  
Certified Public Accountant

Mag. Michael Karre  
Certified Public Accountant

The financial statements including the auditor's opinion may only be published or disclosed in the version certified by us. The auditor's opinion only refers to the German version of the complete financial statements including the management report. Regarding alternative versions we refer to section 281 para 2 UGB.

# Addresses

*as of 1 January 2011*

Addresses

# Institutes and Contacts

as of 1 January 2011

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## MATERIALS

### Institute for Surface Technologies and Photonics

Franz-Pichler-Strasse 30, 8160 Weiz  
Tel. +43 316 876-3000  
Fax +43 316 876-3010  
MATERIALS@joanneum.at

- ▶ Micro- and Nanostructuring
- ▶ Light and Optical Technologies
- ▶ Laser Processing
- ▶ Sensor Systems
- ▶ Functional Surfaces

## HEALTH

### Institute for Biomedicine and Health Sciences

Auenbruggerplatz 20, 8036 Graz  
Tel. +43 316 876-4000  
Fax +43 316 876-4010  
HEALTH@joanneum.at

- ▶ Biomedical Technology and Monitoring
- ▶ Bioanalytics and Metabolomics
- ▶ Nanotoxicology and Nanomedicine
- ▶ eHealth and Health Sciences

## DIGITAL

### Institute for Information and Communication Technologies

Steyrergasse 17, 8010 Graz  
Tel. +43 316 876-5000  
Fax +43 316 876-5010  
DIGITAL@joanneum.at

- ▶ Remote Sensing and Geoinformation
- ▶ Machine Vision Applications
- ▶ Space and Acoustics
- ▶ Audiovisual Media
- ▶ Intelligent Information Systems

## RESOURCES

### Institute for Water, Energy and Sustainability

Elisabethstrasse 16/I, 8010 Graz  
Tel. +43 316 876-6000  
Fax +43 316 876-6010  
RESOURCES@joanneum.at

- ▶ Water Resources Management
- ▶ Laboratory Centre for Isotope Hydrology and Environmental Analytics
- ▶ Geophysics and Geothermy
- ▶ Energy Research
- ▶ Industrial Water Management and Wastewater Technologies
- ▶ Chemical and Technical Plant Utilization

## POLICIES

### Centre for Economic and Innovation Research

Elisabethstrasse 20, 8010 Graz  
Tel. +43 316 876-7000  
Fax +43 316 876-7010  
POLICIES@joanneum.at

- ▶ Technology, Innovation and Policy Consulting
- ▶ Technology, Foresight and Planning
- ▶ Statistical Applications
- ▶ Regional Science, Risk and Resource Economics

# Boards and Management

Members of the governing bodies in the 2009/10 financial year:

## SCIENTIFIC ADVISORY BOARD

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Chairman  
Vice-Rector Univ.-Prof. Dipl.-Ing. Dr.  
Hans Michael MUHR  
Deputy Chairman

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Dr. C.L. EKKERS  
Univ.-Prof. Dr. Richard FOTTER  
Dipl.-Ing. Dr. Günter GETZINGER  
KR Mag. Dr. Karin SCHAUPP  
Univ.-Prof. Dipl.-Ing. Dr. Wolfgang  
VON DER LINDEN  
Rector Univ.-Prof. Dipl.-Ing.  
Dr. Wolfhard WEGSCHEIDER  
Univ.-Prof. Dr. Rudolf ZECHNER

## SUPERVISORY BOARD

Univ.-Prof. Dr. Wolf RAUCH  
Chairman  
VDir. Dr. Oswin KOIS  
Deputy Chairman

Josef BROUKAL (until 9/11/2009)  
Bgm. Heinz GLÖSSL (until 9/11/2009)  
FH-Prof. Dr. Werner HAUSER  
Mag. Sonja JÖBSTL-FINDEIS  
Dr. Thomas KRAUTZER  
Mag. Martin LATZKA (since 9/11/2009)  
Ir. Jan H.J. MENGELERS  
MinRat Mag. Ingolf SCHÄDLER  
Univ.-Prof. Dr. Christine WÄCHTER  
(since 9/11/2009)

## Members of the Supervisory Board delegated by the Staff Council:

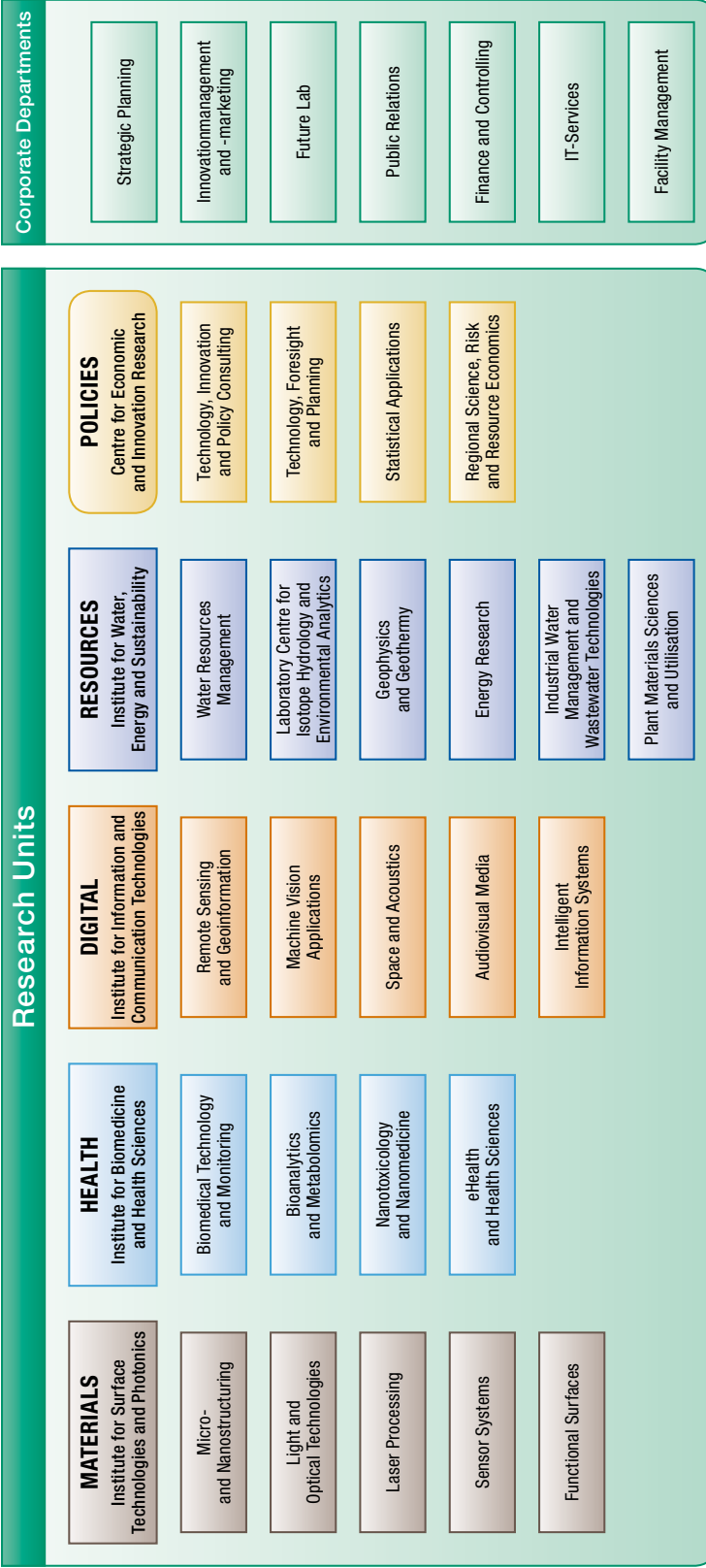
Dipl.-Ing. Ferdinand GOLJA,  
Chairman of the Staff Council  
Dipl.-Ing. Maria FELLNER, MBA  
Mag. Sigmund MARTINELLI  
Mag. Gerhard PROBST  
Dipl.-Ing. Georg THALLINGER

## MANAGEMENT

Mag. Edmund MÜLLER  
Hon.-Prof. Dr. Bernhard PELZL

# JOANNEUM RESEARCH Forschungsgesellschaft mbH

## Executive Board



## Affiliated Companies

- |  |  |   |  |   |
|--|--|---|--|---|
| <ul style="list-style-type: none"> <li>■ ACIB GmbH<sup>2</sup></li> <li>■ BIOENERGY 2020+ GmbH<sup>1</sup></li> <li>■ BioNanoNet Forschungsgesellschaft mbH</li> </ul> | <ul style="list-style-type: none"> <li>■ FH JOANNEUM Gesellschaft mbH</li> <li>■ Human technology Styria GmbH</li> </ul> | <ul style="list-style-type: none"> <li>■ Kompetenzzentrum – Das virtuelle Fahrzeug, Forschungsgesellschaft mbH<sup>2</sup></li> <li>■ Kompetenzzentrum für wissenschaftliche Anwendungen und Systeme Forschungs- und Entwicklungs GmbH<sup>1</sup></li> </ul> | <ul style="list-style-type: none"> <li>■ Holz Bau Forschungs GmbH</li> <li>■ WATERPOOL</li> <li>■ Competence Network GmbH</li> <li>■ Materials Center Leoben Forschung GmbH<sup>2</sup></li> </ul> | <ul style="list-style-type: none"> <li>■ NanoTecCenter Weiz Forschungsgesellschaft mbH</li> <li>■ Polymer Competence Center Leoben GmbH<sup>1</sup></li> <li>■ Research Center Pharmaceutical Engineering GmbH<sup>1</sup></li> </ul> |
|--|--|---|--|---|

<sup>1</sup> K1 Centre

<sup>2</sup> K2 Centre

As of: January 2011

## ***Key functions***

### Management

Mag. Edmund Müller

Hon.-Prof. Dr. Bernhard Pelzl

### Human Resources and Training

Legal

Assistants to the Board

Internal Auditing

Quality Management

Safety and Ergonomics

### Finance and Controlling

Public Relations

Strategic Planning

Innovation Management and Marketing

Future Lab

Facility Management

IT Services

### Vienna Office

House of Research

Sensengasse 1

1090 Vienna

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