

JOANNEUM RESEARCH

Annual Report 2011/2012



THE INNOVATION COMPANY



This special antenna was developed as part of the AIRWATCH project to transmit multi-sensory image data between the recording platform carried on the aircraft and the ground station. AIRWATCH is concerned with recording situations when natural catastrophes occur and delivers nearly real-time information to help with decision-making.

Both visual and thermal images are recorded, sent to a disaster control centre (ground station) and processed there for further use. As a result, important information is made available in real time and the extent of the disaster can be fully recorded, thereby enabling the necessary measures to be planned and implemented. Several partner organisations from both science and industry are involved in the AIRWATCH project.

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LIVING INNOVATION – STRIKING OUT IN NEW DIRECTIONS

As a result of the consolidation process established in the Strategic Framework Plan, JOANNEUM RESEARCH has concentrated its efforts and resources into five areas: MATERIALS, HEALTH, DIGITAL, RESOURCES and POLICIES. In a three-year transitional phase ending in 2013, the basic subsidy from the Province of Styria will change to become performance-related funding dependent on the contribution from industry. The objective at the end of the transitional period is for an industry contribution of EUR 10 m, which will lead to the maximum basic subsidy of EUR 7.5 m from the Province of Styria.

The consolidation in terms of content has been accompanied by a physical consolidation of the new research units, which is now nearly complete. The Centre for Knowledge and Technology Transfer in Medicine (ZWT) and the new W.E.I.Z. IV research facility, which are currently being set up, represent two further important projects and, in fact, milestones. Through these projects, JOANNEUM RESEARCH will help enhance the standing of Styria as an important location for technology and science.

The results for the financial year that recently ended were positive, as the company was able to exceed its targets. The high level of self-financing of 81% achieved by JOANNEUM RESEARCH places the company at a high international level and is worth recognizing. The industry share, the crucial funding factor, has been significantly increased in recent years thanks to intensified business development activities. The industry share was EUR 9.9 m as at 30 June 2012. In order to stay on track to achieve the specified increase to EUR 10 m by the end of the transitional period, we must continue with our efforts in the current financial year.

Given the financial framework conditions, this positive result should not be taken for granted. I would like to thank all of the staff for their continuing commitment and the parts they have played in the success of our company; and I would also like to thank all our stakeholders, in particular our owners, for their support.

Our target is to continue to build on the leading position that JOANNEUM RESEARCH occupies, despite the increasingly difficult national and international economic conditions. Our future focus, which will also influence the company's new business plan for the years 2013 – 2016, will be on strengthening strategic partnerships with enterprises and with our neighbouring universities. The development and launch



Univ.-Prof. DI Dr. Wolfgang Pribyl, MBA
Chief Executive Officer

of new research projects with the universities and business partners has already started. In addition, particular emphasis will be placed on expanding and developing innovations marketing, on continued internationalisation and on renewing and expanding the R&D infrastructure. Through increased marketing and the commercialisation of technologies developed by JOANNEUM RESEARCH, our goal is to open up new sources of funding and thereby generate additional funds for new areas of research.

In the coming year, we will again be laying out our strategic priorities and innovative areas of problem-solving expertise to our clients and partners at a conference addressing future trends and plans. The conference will feature a new and even more attractive format and will provide ample opportunity for discussion and the exchange of views.

I look forward to working with you to develop further the vital role JOANNEUM RESEARCH plays as a link between science and industry and to sharing together in the benefits obtained from LIVING INNOVATION and STRIKING OUT IN NEW DIRECTIONS.

Foreword

STEPS TOWARDS SUCCESS ...

Commitment is the real added value! With its Annual Report for 2011/2012, JOANNEUM RESEARCH yet again provides compelling evidence of how funding can pay dividends (both for the company and for the owner). A few years ago, the Province of Styria, as owner, set out a clear and challenging set of instructions in its framework plan. The company has responded with a swiftly implemented restructuring, a realignment, a sharpening of its profile, a large proportion of targets met, a growing number of staff and impressive financial figures. This is primarily due to the hard work and commitment of all the staff in our research company, whose hard work has brought the company its success.

Research and development shapes our lives to a significant degree. We encounter the benefits of R&D, not just in the form of products, or improved success rates in treating illnesses, or gaining a more complete understanding of our environment, but daily and quite tangibly in the form of the prosperity we enjoy. Roughly two-thirds of the prosperity of our society is attributable – directly and indirectly – to R&D. This is certainly something to think about when – particularly in times of tighter budgets – we talk about responsibility to future generations. Nobody can take responsibility now for future events – but it is enough if we take responsibility for our present actions.

In this respect, research can certainly be seen as a means of maintaining the social contract, a contract which is taken seriously in Styria. For years, we have been working with all the main stakeholders to develop Styria as an R&D location, both strategically and in practice. JOANNEUM RESEARCH acts as a stimulating network and important partner in this effort – by providing the initial spark for projects and then executing them as well.

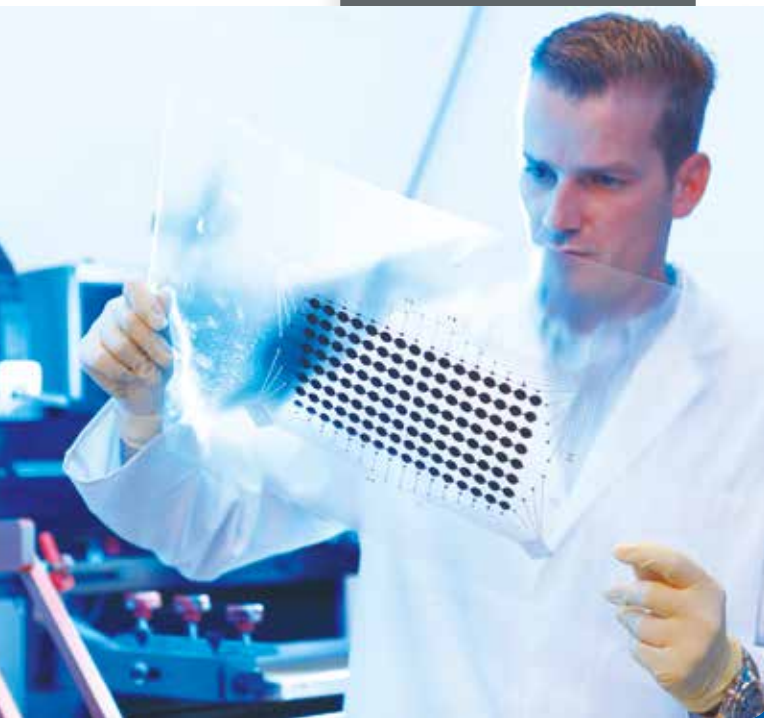
Recognised the need to enhance resources and stimulate future success, the Research Province of Styria made a firm commitment several years ago. When the province issued its instructions to JOANNEUM RESEARCH in its capacity as owner, it also signed a multiple-year financing agreement, thereby providing the company and its staff the planning and financial security necessary to take the next steps towards success.

So, on with the research!



Mag.^a Kristina Edlinger-Ploder

*Member of the Styrian Provincial Government for
Science and Research,
Health and Care Management*



The internal diversity of the company, which features a wide range of research fields and a heterogeneous community of collaborators, was strengthened further in the last financial year by the signing of the **Coexistence Charter** of the Styrian Integration Partnership. Working together with the Styrian authorities, JOANNEUM RESEARCH will participate in a pilot project that will examine the contents of the charter and the theme of managing diversity from its position as an interface between the worlds of science and industry. Diversity is an important component of, and foundation for, a **bountiful research landscape; and will continue to be valued and developed at JOANNEUM RESEARCH.**



JOANNEUM RESEARCH was there

25–27.08.2011

Alpbach Technology Forum

Alpbach, AT

07–09.09.2011

PRIME-ENID (European Network of Indicators Designers) Conference

Rome, IT

10–14.09.2011

IBC (International Broadcasting Convention) 2011

Amsterdam, NL

11.09.2011

i-Know 11

Graz, AT

16–20.09.2011

UN/ESA/AUSTRIA Symposium

02–07.10.2011

European Planetary Science Conference – Division of Planetary Sciences Joint Meeting 2011

Nantes, FR

04–05.10.2011

MedConf 2011

Munich, DE

21.10.2011

Gender-Paradoxes in Academic and Scientific Organisations

Örebro, SE

25–27.10.2011

CPhI Worldwide Pharma Ingredients Event

Frankfurt, DE

05–08.11.2011

Fourteenth Annual European Congress of the International Society for Pharmacoeconomics and Outcomes Research

Madrid, ES

08–10.11.2011

SES 2011 – Sustainable Earth Sciences

Valencia, ES

21–26.01.2012

SPIE Photonics West 2012

San Francisco, US

22–27.04.2012

BioIT (Conference on IT and Informatics in Biomedical Research)

Boston, US

06–09.05.2012

EVS 26 – Electric Vehicle Symposium

Los Angeles, US

08–11.05.2012

CONTROL International Trade Fair for Quality Assurance

Stuttgart, DE

14–20.05.2012

World Congress on Biosensors

Cancun, MX

22–24.05.2012

Sensor und Test 2012

Nuremberg, DE

31.05.2012

World Bioenergy 2012

Jönköping, SE

04–07.06.2012

EAGE (European Association of Geoscientists & Engineers) Copenhagen 2012

Copenhagen, DK

13–15.06.2012

EURIPIDES Forum

Graz, AT

18–21.06.2012

BIO Convention 2012

Boston, US

18–22.06.2012

20th European Biomass Conference

Milan, IT

12.06.2012

Eu-SPRI Conference – Towards Transformative Governance?

Karlsruhe, DE

18–21.06.2012

DRUID – Conference (specialist conference)

Copenhagen, DK



Extract from the management report

The management report covers the financial year 2011/12 from 1 July 2011 to 30 June 2012 and is divided into 3 sections: I. Report on the development of business and the economic situation, II. Report on the expected development of business and risks faced by the organisation, and III. Report on research and development.

I. Report on the development of business and the economic situation

I.1 Corporate organisation

As of 30 June 2012, JOANNEUM RESEARCH comprises 5 research units (four institutes and one centre), which represent the company's key areas of activity.

Research units

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

I.2 Equity holdings

As of 30 June 2012, JOANNEUM RESEARCH had equity in the following companies:

➤ I.2.1 Shares in affiliated companies

The companies BioNanoNet Forschungsgesellschaft mbH, Graz, and NanoTecCenter Weiz Forschungsgesellschaft mbH, Weiz, are shown as affiliated companies in the balance sheet. When Steiermärkische Medizinarchiv GesmbH withdrew as a shareholder in BioNanoNet, JOANNEUM RESEARCH assumed

the shares that became free, which represented 16.33% of share capital. As a result, the share capital of BioNanoNet held by JOANNEUM RESEARCH increased from 51% to 67.33%.

Shares in affiliated companies

BioNanoNet Forschungsgesellschaft mbH	67.3 %
NanoTecCenter Weiz Forschungsgesellschaft mbH	50.0 %

➤ I.2.2 Interests held in other companies

The economic situation of WATERPOOL Competence Network GmbH deteriorated in the 2011/2012 financial year. As a result, the owners implemented appropriate restructuring measures.

Shares in companies in which an interest is held

FH JOANNEUM Gesellschaft mbH	14.9 %
Holz.Bau Forschungs GmbH	8.7 %
Human.technology Styria GmbH	7.0 %
WATERPOOL Competence Network GmbH	17.5 %

➤ I.2.3 Interests held in Kompetenzzentrenprogramm COMET (K1- und K2-Zentren) – COMET Centre of Expertise Programme (Centres K1 and K2)

As of 30 June 2012, the company had shares in the following companies, which are receiving grants from the COMET Centre of Expertise Programme of the Federal Ministry for Traffic, Innovation & Technology (bmvit) and the Federal Ministry of Economy, Family and Youth (bmwfj):

Extract from the management report

Shares in companies in which an interest is held – COMET Centre of Expertise Programme (Centres K1 and K2)	
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 %

With regard to the companies in which an interest is held, in the period 1 July 2011 to 30 June 2012, income from shareholdings amounted to EUR 0.9 m in total, against which there were expenses of EUR 0.3 m.

■ I.3 Branches

There are no branches.

■ I.4 Development of business

The total value of orders booked as of 30 June 2012 was EUR 55.2 m, which represents an increase of EUR 0.6 m compared to the previous year. Work in progress and on hand amounted to EUR 20.9 m. The value of open offers as of 30.06.2012 was EUR 26.7 m (previous year: EUR 21.6 m). The net profit for the financial year 2011/2012 came to EUR 19.7 thousand, which rose significantly, by EUR 246.3 thousand, over the previous year (- EUR 226.6 thousand). JOANNEUM RESEARCH's level of self-financing was increased from 79% in the previous year to 81%, and it continues to be among the leaders in the European research sector.

JOANNEUM RESEARCH achieved operating income of EUR 14.8 m (previous year: EUR 14.8 m) in the area of contract research, and EUR 14.2 m (previous year: EUR 12.6 m) in funded research in the 2011/2012 financial year. On the international level, JOANNEUM RESEARCH generated sales revenues of EUR 2.5 m from contract research projects. In addition, participation in European Union programmes and European Space Agency (ESA) tender projects brought in revenues of EUR 4.4 m in total in the 2011/2012 financial year. Of this total, EUR 4.2 m is attributable to the European Union and EUR 0.2 m to the ESA. The company was awarded projects with a total of EUR 3.8 m in funding within the scope of the Seventh EU Framework Programme and projects with an additional EUR 0.3 m in funding as part of ESA projects. In the year under review, JOANNEUM RESEARCH generated revenues from abroad totalling EUR 6.7 m, of which EUR 4.2 m came from the European Union and EUR 2.5 m from foreign contract research projects. In the 2011/2012 financial year, the company generated EUR 5.4 m in income from national collaborative research projects funded by the Austrian Research Promotion Agency (FFG).

The 2011–2012 funding agreement between the Federal Ministry for Traffic, Innovation & Technology (bmvit) and JOANNEUM RESEARCH provides for funding of EUR 4.1 m for two years. JOANNEUM RESEARCH recorded income of EUR 2.5 m in the 2011/2012 financial year. The share from industry, a key performance indicator established in the financing agreement with the Province of Styria, was increased by 12% to roughly EUR 9.9 m in the 2011/2012 financial year. This is evidence that focussing on specific research areas and restructuring the organisation have had a positive effect.

➤ I.4.1 Financial situation

The company's assets and financial position have developed as follows (rounded figures): As of the balance sheet date of 30 June 2012, JOANNEUM RESEARCH Forschungsgesellschaft mbH had assets totalling EUR 45.1 m. This comprised fixed assets of EUR 14.9 m, current assets (including ARA)

Extract from the management report

of EUR 30.0 m and trust assets of EUR 0.2 m. The change in total assets of EUR 2.4 m is primarily due to the decline in current assets.

Equity including investment grants came to EUR 7.2 m or 16% of total assets as of 30 June 2012, compared to EUR 7.6 m or 16% of total assets in the previous year. Borrowings (including deferred income and trust liabilities) decreased, due to the decline in short-term liabilities and trust assets, to EUR 37.9 m (previous year: EUR 39.9 m) and come to 84% (previous year: 84%) 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) amounted to EUR 1.7 m in the 2011/12 financial year. Working capital decreased to EUR 1.3 m from the previous year's total of EUR 1.5 m. No derivative financial instruments were deployed 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 measurement principles.

➤ I.4.2 Income

Operating income, including own work capitalised and other operating income and excluding basic funding, amounted to EUR 32.5 m in the 2011/2012 financial year, an increase over the previous year (EUR 30.6 m). Operating income breaks down into 70% domestic income and 30% income from other countries. The share of operating income earned in Styria, at 16%, is a testament to the mission of JOANNEUM RESEARCH to support the sustainable economic development of Styrian enterprises through its research services. The value of services not yet invoiced increased by EUR 1.8 and stood at EUR 14.5 m as of 30 June 2012. The total expenses of EUR 40.1 m (previous year: EUR 39.0 m) consisted of personnel expenses, including statutory social security contributions, voluntary employee welfare contributions and additions to provisions for pensions and severance pay totalling EUR 26.0 m (previous year: EUR 25.5 m), materials expenses and other purchased services of EUR 3.4 m (previous year: EUR 3.8 m), depreciation and amortisation amounting to EUR 2.8 m

(previous year: EUR 2.7 m), and other expenses amounting to EUR 7.8 m (previous year: EUR 7.0 m).

The high self-financing level of 81% was maintained and places the company on a high international level. Nevertheless, funding from the Province of Styria and the funding agreement with the Federal Ministry for Traffic, Innovation & Technology (bmvit) continue to be essential for the company to meet its corporate objectives. The result from ordinary activities in the 2011/2012 financial year was EUR 7,034.87. Taking into account taxes on income of EUR 1,750.00, the release of other reserves totalling EUR 15,420.00, additions to the statutory reserves of EUR 1,035.24 and profit brought forward from the previous year of EUR 1,423,218.27, the distributable profit for the year amounts to EUR 1,442,887.90. No events occurred after the balance sheet date that could have had a material effect on the financial or earnings position in the 2011/2012 financial year.

➤ I.4.3 Report on investments

In the 2011/2012 financial year, EUR 2.7 m was invested in tangible assets (scientific equipment, IT equipment, operating and office equipment, property and buildings). The main reason for the reduction in investment volume of EUR 4.9 m as compared to the previous year was the acquisition of the Leonhardstraße 59 (Palais Herberstein) property, which accounted for about EUR 4.5 m in financial year 2010/2011.

➤ I.4.4 Staff

The number of staff as of the reporting date was 453 (157 women and 296 men), which is an increase of 2.49% from the previous year. This equates to 380.1 full-time equivalents as of 30 June 2012, an increase of 0.6% over the previous year. Seventy-six people joined the company (37 women and 39 men), and 65 people left (34 women and 31 men) in the period under review, representing turnover amongst active staff of 14.3% (7.5% women and 6.8% men). This figure increased slightly compared to the previous year (12.67%).

Extract from the management report

Investments in tangible assets in the financial year	07/08	08/09	09/10	10/11	11/12
Investment volume [EUR m]	3.1	2.0	2.5	7.6	2.7
Change vs. previous year	+72 %	-35 %	+25 %	+204 %	-181 %

The average age of staff in the company is 39.7 years, which is higher than the figure for the previous year (39.1 years). The proportion of staff members who are graduates of a university/university of applied sciences came to 66% as of 30 June 2012, of which 27.09% were women; the proportion of staff with the 'Matura' (18+ school-leaving) qualification came to 22.3%. As of the reporting date, 6 apprentices – 4 female and 2 male – were being trained at JOANNEUM RESEARCH. A total of 11 internees (5 male/6 female) were placed in internships in the period under review; they have completed their internships as part of their degree courses and/or international exchange programmes. In addition, 21 students (9 female and 12 male) were able to work on their theses or dissertations while employed by the company.

II. Report on the expected development of business and risks faced by the organisation

■ Economic and political framework conditions for research and development (R&D)

With the current situation in the European economy and financial markets, economic development is proving to be a significant challenge. The economic trends in Europe and the responses of economic policy makers to these trends heavily influence the development of the Austrian economy as well. Based on some optimistic assumptions, the forecasts for 2012 and 2013 (monthly report for 7/2012) from the Austrian Institute for Economic Research (WIFO) forecasted growth in real GDP of 0.6% for 2012 and 1.3% for 2013. WIFO's assumptions include no change in the composition

of the European Monetary Union and an easing of national austerity plans in favour of growth-oriented investments.

STATISTICS AUSTRIA (in its press release 10.235-088/12 dated 25 April 2012) estimated that EUR 8.6 bn will be spent on research and experimental development (R&D) in Austria in 2012, which represents a research quota of 2.80%. The research quota in 2011 was 2.74%, and in 2010 it was 2.79%. Of this forecast expenditure on research, the Austrian private sector will contribute the largest share at EUR 3.84 bn (45%), as compared to the public sector's share of EUR 3.38 bn (39.3%). The remainder will come from abroad and from the private charitable sector. The debate in Austria about whether to apply a flat-rate overhead rate in research funding is also a current topic of international discussion within the context of Horizon 2020, the successor to the Seventh EU Framework Programme. Applying a flat-rate overhead rate could lead to a reduction in the funding quota, which could have a significant effect on JOANNEUM RESEARCH. Following the raising of the research premium from 8% to 10% that took effect on 1 January 2011, the amount of recognisable expenditure on R&D was increased from EUR 100,000 to EUR 1 m as a result of the First Stability Act 2012 (1. StabG 2012).

Customers of JOANNEUM RESEARCH can now take advantage of a significantly higher research premium for themselves. Additionally, from 1 January 2013, it will be up to the Austrian Research Promotion Agency (FFG) to assess whether a research or experimental development project is valid in the context of official confirmation of research funding. The implications of this for JOANNEUM RESEARCH cannot be determined at this point.

Extract from the management report

Strategic Framework Plan for JOANNEUM RESEARCH

The 2011/2012 financial year was the third and final year of the business plan for 2010 – 2013 and the three-year transitional period for the realignment process to be completed by 2013 in line with the Strategic Framework Plan for JOANNEUM RESEARCH. The areas of research focus were finalised in most aspects in the course of the 2011/2012 financial year. Work continued on the physical consolidation – in terms of location – of the research units. The integration of DIGITAL in the Steyrergasse location and RESOURCES in the Elisabethstraße location has been completed. Building work on the Centre for Knowledge and Technology Transfer in Medicine (ZWT) started on 25 May 2012. The move to the ZWT will be a key factor in the successful strategic positioning and further development of the JOANNEUM RESEARCH Institute HEALTH. With the completion of this project, which is vitally important both for Styria as a research location and JOANNEUM RESEARCH, expertise in medical research will have been successfully consolidated in terms of location as well. The groundbreaking ceremony for the new W.E.I.Z. IV research facility took place on 11 June 2012.

MATERIALS will move into the new W.E.I.Z. IV building, which will thus be a continuation of the consolidation process. This means that in the future, MATERIALS will be concentrated in three locations (Weiz, Niklasdorf, Leoben) instead of the current four. In order to increase the share of industry to EUR 10 m by the end of the transitional period in 2013, as set out in the Strategy Framework Plan for JOANNEUM RESEARCH, we must continue with our growth strategy in the 2012/2013 financial year.

■ Financing agreement with the Province of Styria

The Styrian Parliament has approved the financing agreement providing basic funding of up to EUR 7.5 m per annum for the period up to June 2016. So as to ensure longer-term core funding, the agreement period was extended to five and a half years, from 1 July 2011 to 31 December 2016. As a result, funding for JOANNEUM RESEARCH is secured for the medium term.

■ Funding agreement with the Federal Ministry for Traffic, Innovation & Technology (bmvit)

The funding agreement 2011–2012 currently in force ends in December 2012; a total of EUR 4.1 m has been provided for research projects. Negotiations with bmvit on a further funding agreement to cover 2013–2014 are currently underway.

III Report of Research and Development

■ Equity interest and networks strategy

The primary objective of the equity interest strategy of JOANNEUM RESEARCH is to support the attainment of corporate objectives and thus increase competitiveness. Thanks to the close collaboration within the ownership structure of the companies in which an equity interest is held, JOANNEUM RESEARCH was once again able to lead the way in developing institutional research activities and aligning research strategy in Styria in 2011/2012. The equity interests also represent significant added value in terms of the company's portfolio. The close collaboration with the companies in which an equity interest also contributes to the growing ability of JOANNEUM RESEARCH to offer business partners complete solutions to complex problems in one location. This fact will continue to strengthen the role of JOANNEUM RESEARCH as the link between science and industry in the future.

With its thorough integration in numerous national and international research networks, JOANNEUM RESEARCH can assume the function of an active and influential network node. The connections with neighbouring universities, universities of applied sciences and businesses give JOANNEUM RESEARCH a central role, thereby enabling the organisation to position itself as a hub at the centre of the innovation network and the first point of contact for many companies, not just in Styria, but in Austria and abroad. In addition to the universities and business community, the company has close contacts with the Styrian Business Promotion Agency (SFG), the Styrian Industrialists' Association and the Styrian Chamber of Commerce.

Extract from the management report



The networks led by JOANNEUM RESEARCH include interdisciplinary initiatives such as NANONET Styria, SIMNET Styria, ECO WORLD STYRIA, Climate Change Centre Austria (CCCA), and the Austrian Traffic Telematics Cluster (ATTC), as well as regional Styrian clusters. JOANNEUM RESEARCH is also an integral part of international networks. In addition to the Joint Institute for Innovation Policy (JIIP), which is jointly

run with international research partners, our membership in the European Association of Research and Technology Organisations (EARTO) is particularly noteworthy. Looking to the future, JOANNEUM RESEARCH will continue to launch new and innovative research topics and initiatives through its equity interests and cluster activities and help develop them for the region.

HIGHLIGHTS



Ground-breaking ceremony for W.E.I.Z. IV

A laboratory building is being built for JOANNEUM RESEARCH on the campus of the Weizer Energie-Innovations-Zentrum (Energy Innovation Centre in Weiz). This means that in the future, MATERIALS will be consolidated in three (Weiz, Niklasdorf, Leoben) instead of four locations. Some 15 new highly qualified jobs will be created, bringing the total number of staff in the new research building, which features excellent research infrastructure, to 70. As a result, Weiz will be able to establish itself as an internationally acknowledged research location for cutting-edge technologies and help businesses in the region striving for sustainable development and a competitive edge.



3PLAST auto demonstrator wins IEEE DEIS Graduate Fellowship Award 2011

As part of the EU project "3PLAST – Pyroelectrical and Piezoelectrical Printable Large Area Sensor Technology", the company was awarded one of five Graduate Fellowship Awards for the development and production of an auto demonstrator fitted with printed piezo and pyroelectrical sensors by the IEEE DEIS. This technology has been patented and registered with the trademark PyzoFlex. Further projects have already been won on the back of this success.



PhilLiP – Photonics for innovative light management in photovoltaic modules

In a photovoltaic module, only part of the incoming sunlight hits an active area of solar cells. The PhilLiP project looks at innovative photonic concepts that aim to increase the power of photovoltaic modules by 10%. The area of active (silicon) solar cells accounts for about 80% of today's industrial photovoltaic modules. As part of the PhilLiP project, innovative photonic structures are being developed and investigated in order to optimise the guiding of light onto the active solar cell area and thereby cut optical losses at least in half. The project, which is being funded by the Climate & Energy Fund, is being carried out jointly with the NanoTecCenter Weiz.



SonnEwend

This year, for the second time, the day of the summer solstice was used as part of the SonnEwend 2012 event for a meeting to exchange views on the associated technologies. The discussions covered the potential of exploiting sunlight as a modern, environmentally friendly and dynamic technology of the future in Styria and surrounding regions. The "Light for an energy-conscious future" network was initiated by JOANNEUM RESEARCH together with the NanoTecCenter Weiz, the Technical University of Graz and the Karl-Franzens University in Graz.

MATERIALS

"The R&D activities of MATERIALS in the 2012/2013 financial year will be fully in line with the fundamental principles on which the Institute is founded: using research to further the deployment of technologies, processes and materials, and the techniques and components developed from them; and their development into industrial applications."

DI Dr. Paul Hartmann, Director

MATERIALS – Institute for Surface Technologies and Photonics



Functional surfaces enhance conventional surfaces by providing additional functionality. Diamond-like carbon films, for example, are gaining in importance thanks to their unique and outstanding properties, particularly with regard to friction and wear. In combination with the industrial vacuum deposition equipment operated by MATERIALS, the Institute offers development, production and characterisation of high-quality thin films and component surface modification. Areas of application for micro and nano-structured surfaces include adhesion without the use of adhesives, structural colours and the reduction of flow resistance. The large-scale industrial manufacture of these surfaces on roll-to-roll flexible polymer film constitutes a revolutionary process in technological terms. The Institute is recognized as a global expert in this field of research.

A further focus of the research done by the Institute is on large-area printable sensors. "The „PyzoFlex(R)" technology has made it possible to cost-effectively produce large-area, energy-self-sufficient sensors which can recognise changes in pressure and temperature.

The Institute is also involved in developing chemical and bio-sensors and the necessary printing and surface modification methods.

Photonics is a key technology for the 21st century. The central aim of the Institute is to promote the use of light as a tool for new and innovative technologies and to support the transfer of these technologies into industrial manufacturing processes. This involves the use of optical simulation methods, the results of which can be translated into real micro or nano-structured prototypes. This scientific expertise is supplemented by a comprehensive analysis portfolio for the characterisation of materials and optical effects.

The wide range of expertise and services relating to light-based technologies offered by the Institute is augmented by laser processing technologies. The materials used in components for machinery and plant engineering are laser treated, taking into account the materials expertise regarding the properties required of the components, which is of crucial importance when developing the processes. The Institute's major customers and partners include Anton Paar GmbH, AT&S Austria Technologie & Systemtechnik Aktiengesellschaft and Zumtobel Lighting GmbH.

HIGHLIGHTS



Fast Forward Award 2011

The project “Overview and effect of medications in living target tissue” won the 2011 Fast Forward Award in the category “Institutes”. Due to the high costs involved in pharmaceutical R&D processes, there is a need to improve testing, particularly in the early phase of developing active substances. The new technology is catheter-based, minimally invasive, and allows samples to be taken continuously from live tissue directly at the target site. There is currently no suitable technology available on the market that can collect all molecules in vivo in order to obtain all necessary data in the early phase of developing a drug.



BIO 2012

Thousands of companies from around the world gathered for the BIO 2012 international conference for biotechnology in Boston, from 18 – 21 June 2012. Numerous areas of research and industrial applications were covered in the BIO 2012 programme, from genomics to nanotechnology to cell therapy. HEALTH also participated in the conference and presented its extensive expertise in the area of pharmaceutical research. Valuable contacts with potential customers were made at the business partnering event.

GLP certification

The analytical laboratory of the Bioanalytics and Metabolomics research group develops and validates analytical methods and carries out analytical assessments for contract research. A significant emphasis is placed on the traceable and customer-oriented quality of analysis results. In recent years, both the laboratory equipment and the internal QM system for the institute have therefore been continually developed with the international OECD Good Laboratory Practice (GLP) guidelines in mind. The process was completed in January 2012, at which time a three-day audit by the AGES authorities resulted in a GLP certification. This was an important milestone in positioning the Institute internationally as an expert and professional partner for the pharmaceutical industry.



Start of construction for the Centre for Knowledge and Technology Transfer in Medicine (ZWT)

The ground-breaking ceremony marking the start of construction of the ZWT took place on 25 May 2012. The Centre for Knowledge and Technology Transfer in Medicine will contain 10,000 m² of laboratory and office space for research facilities, spin-offs and business start-ups, and the HEALTH Institute will be renting 1,600 m² of this space. As a result, the whole Institute will be located in the direct vicinity of the Medical University of Graz, the Centre for Medical Research (ZMF) and the Biobank. This will create a critical mass in the area of human technology in the Science City Graz, which in turn will contribute to the strengthening of human technologies in Styria.



"HEALTH continues to expand its core competencies in the field of medicine and strengthen its business orientation so as to achieve planned growth and expand existing areas of business. The basic research we carry out will open up new applications and make us a preferred partner."

Univ.-Prof. Dr. Thomas Pieber, Director

HEALTH – Institute for Biomedicine and Health Sciences



HEALTH positions itself as a link between basic medical research and industrial applications. We garner significant strategic benefits from our close association with the Medical University of Graz and the University Clinic at the regional hospital, as well as our ability to offer holistic solutions to scientific problems. Our customers include national and international pharmaceutical companies, producers of medical devices and decision makers and suppliers in the field of health. To meet the high quality standards of the industry, the Institute is ISO 9001, ISO 13485 and Good Laboratory Practice (GLP) certified.

In order to better reflect JOANNEUM RESEARCH's business orientation and to enhance the competitiveness of HEALTH, priorities will be set across the whole of the Institute for the coming 2012/2013 financial year. These priorities should enable us to open up new markets and to consolidate some of the existing markets. In the eHealth and Health Sciences research area, the existing services Technology Assessment, Health Economics & Reimbursement, Planning and Data Management for Clinical Studies will be expanded and positioned as appropriate in the target markets. In addition, new services will be established for the medical devices and pharmaceutical industries. Furthermore, by combining

open flow microperfusion (OFM) with metabolomics methodologies, a new service will be developed for tissue-specific biomarker research applications. By expanding the laboratory infrastructure, the efficiency of laboratory operations will be improved, and the range of laboratory services offered will be increased. The first steps have already been taken with the investment in a laboratory automation system and a new generation of mass spectrometers. Every service and technology that has been developed by HEALTH is subject to a continuous improvement process, which will be intensified and promoted in the coming year. This is particularly relevant for the services in the areas of Structural & Process Planning and Open Flow Microperfusion (OFM), electrochemical sensor technology, eHealth for Workflow Management and Decision support in Hospitals.

The existing quality management system will be enhanced to include the areas Software as a Medical Product and Data Management for Clinical Trials. Major customers and partners of the Institute include Fresenius Kabi Austria GmbH, Novartis Pharma GmbH, Novo Nordisk Pharma GmbH, Roche Diagnostics GmbH and VTU-Engineering GmbH.

HIGHLIGHTS



Forum DIGITAL

This series of events for partners, customers and staff of JOANNEUM RESEARCH was established in the course of the financial year and will be continued in the future. JOANNEUM RESEARCH staged a total of four events, featuring prestigious speakers such as DI Dr. Sabine Herlitschka, MBA, Member of the Board at Infineon Technologies Austria AG.



theENGINEER Award 2011

The FascinatE research project coordinated by DIGITAL was among three projects nominated for the theENGINEER Technology & Innovation Award in the consumer products category and then won the award, which was presented at a ceremony at the Royal Society in London on 2 December 2011.



eAward 2011

DIGITAL was awarded second prize in the ebiz eGovernment award (eAward) for its project VAN-DAL. To combat acts of vandalism, VAN-DAL analyses optical and acoustic measurement data to provide an early warning.



Best Paper Award MMM2011

DI (FH) Werner Bailer received the Best Paper Award at the MMM2011 in Taipei (Taiwan) for his paper "A Feature Sequence Kernel for Video Concept Classification". DI Felix Lee, who presented the paper at the conference, accepted the prize on behalf of the author.

"The principal objective for DIGITAL in the coming financial year is to proceed systematically with its orientation on areas of innovation that are relevant to business. Thereby, particular attention will be paid to the changing conditions both in the external economy and in the national and international research environment – in particular, the general and sustained orientation towards socially and economically inspired topics such as mobility, security and health."

DI Werner Haas, Director

DIGITAL – Institute for Information and Communication Technologies



The principal objective for DIGITAL in the 2012/2013 financial year lies in continuing systematically with its orientation on areas of innovation that are relevant to business. Thereby, particular attention will be paid to the changing conditions both in the external economy and in the national and international research environment – in particular, the general and sustained orientation towards socially and economically inspired topics such as mobility, security and health. DIGITAL supports this global trend by organising itself and its activities along the same lines as these topics and markets. It will also continue to intensify the collaboration and coordination of activities with the universities and centres of expertise in Styria, so as to optimise the benefits for industry in the region.

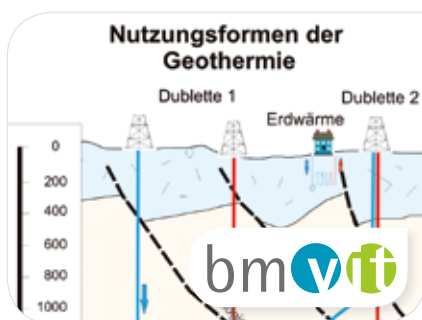
Several new areas of expertise have already been established, including Ambient Assisted Living (AAL), Radio Frequency Identification (RFID) applications and Mobile Computing as interface technologies. Other new areas of specialisation include Context-Aware Computing

drawing on sensory technologies and open information sources, as well as the widespread deployment of intelligent acoustics solutions. The areas of networked sensor systems and multi-sensor user interfaces will be promoted for the application areas of security and mobility in collaboration with business and research partners.

The Institute has submitted multiple proposals for larger, long-term projects, including six K-Project proposals (of which four have already been approved) and EU project proposals. These will foster the further development of specialist areas and support the strategy being pursued.

The Institute's key customers and partners include DIBIT Messtechnik GmbH, FREQUENTIS AG, HS-Art Digital Service GmbH, Kompetenzzentrum für wissensbasierte Anwendungen und Systeme Forschungs- und Entwicklungs GmbH (Know-Center), Weitzer Parkett GmbH & Co KG and wissenmedia in der inmediaONE GmbH.

HIGHLIGHTS



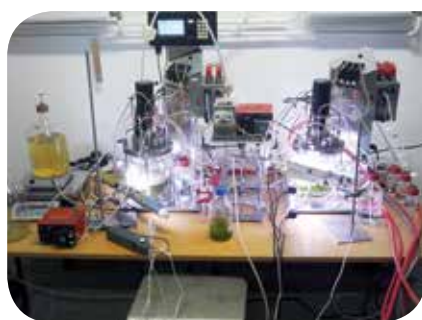
Thermodeng BMVIT

As part of the THERMODENG project, a reliable workflow was created that deals with the exploration and characterisation of fissured or porous deep aquifers. The workflow is able to provide a thermohydraulic simulation that allows for the estimation of the usable resources. This will allow the Institute to act as a general project manager in the future. The close collaboration between the Institute's research groups and that of the Helmholtz Centre for environmental research in Leipzig provides the opportunity to expand the range of services offered, to exchange know-how between the research groups and, above all, generates new expertise in the area of hydrothermal geothermics, which is relevant for our target markets.



IAEA isotope interlaboratory test 2011

In the 2011/2012 financial year, the Laboratory for Isotope Hydrology and Environmental Analysis successfully participated in a global comparative test for isotope characterisation from water samples and was rated the best laboratory worldwide for the "Oxygen-18 parameter" test from 173 participating laboratories in 53 countries. At the same time, the Laboratory for Isotope Hydrology and Environmental Analysis, part of the RESOURCES Institute, has demonstrated the best long-term performance globally with regard to this parameter.



Project PHOTOCHEM

In the course of this project, the propagation conditions for microalgae were optimised, using *nannochloropsis oculata* as the example. By improving procedures and the dispensation of the nutrients, a significantly higher biomass crop was achieved than that suggested by literature on the subject. As valuable active substances such as Omega 3 fatty acids or carotin (E 160a) can be obtained from algae biomass, the results from this sub-project should lead to an improvement in the commercial production of other microalgae. JOANNEUM RESEARCH collaborated with the Karl-Franzens University in Graz and ARENA (Arbeitsgemeinschaft für ressourcenschonende und nachhaltige Technologien) on this project, within the framework of the nubior.net styria network of excellence.



SILMAS Alpine Space EU ETC 2009–2012

The Water Resources Management and Laboratory for Isotope Hydrology and Environmental Analysis research groups played a major role in the international SILMAS (Sustainable Instruments for Lakes Management) project by investigating the circulation relationships and long-term changes in water balance in the Wörthersee, Ossiacher See and Klopeiner See lakes in Carinthia. Using environmental isotopes, the dwell time of the lake water in the deeper strata was determined. Hydrological models made it possible to identify previous changes in water balance caused by climate change and to simulate possible future scenarios.

RESOURCES

"The continued enhancement of the strengths of the Institute will lead to a promising collaboration between the research groups on the exploration, development and sustainable exploitation and quantification of water and energy resources. It will be important to take a holistic view in this process. Apart from the commercial importance of the work undertaken by RESOURCES, the scientific advances are also of significant social importance."

Univ.-Doz. Dr. Johann Fank and Mag. Sebastian Berka, Directors
RESOURCES – Institute for Water, Energy and Sustainability



The R&D activities planned by RESOURCES for the 2012/2013 financial year are aligned with the prevailing economic, socio-political framework conditions and are aimed towards developing forward-looking solutions in terms of the sustainable use of natural resources. The planned R&D activities focus on both existing and new, innovative areas of specialisation concerning protection of water resources, climate-friendly energy provision and the sustainable use of biogenous waste and recyclable materials. Trends and developments in national and international research, as well as the changing needs of businesses, are taken fully into account.

The new areas of specialisation on which RESOURCES will focus cut across all research groups and cover food safety and environmental quality; the exploration, exploitation and sustainable use and assessment of resources; technological developments; and making expertise available to the world of business and to society. The integrating environmental assessment currently being development further and the application of numerical models and their coupling are

becoming increasingly important. The polluting of aquatic environments by anthropogenic organic trace substances is a focus of research, as is the exploration of new energy sources – e.g. geothermics. The use of biogenous raw materials in a cascading, multiple-use process to manufacture plant-based substances for the pharmaceutical or cosmetics industries or for energy production is an integral part of this concept.

Based on the R&D activities planned, the spectrum of methodologies used at the RESOURCES Institute will be expanded further in order to develop targeted solutions for current and emerging problems, thereby increasing the competitiveness of the Institute.

Major customers and partners of the Institute include: ASFINAG Autobahnen- und Schnellstraßen-Finanzierungs-Aktiengesellschaft, Energie Steiermark AG, Verbund, ÖBB-Infrastruktur AG, OMV AG, Steirisches Thermenland Marketing GmbH and Zauner BioEnergie GmbH.

HIGHLIGHTS



FEMtech Expert of the Month November 2011

For the “Expert of the Month” award, an interdisciplinary jury honours women who succeed in technology-oriented research. In November 2011, DI Ulrike Kleb from the POLICIES – Statistical Applications group was selected for this honour. Ulrike Kleb has been Deputy Head of the Statistical Applications research group since 2010. The focus of her job is on applying mathematical and statistical methodologies and models to issues from a huge range of areas, such as (public) security, business, veterinary and human medicine, logistics and materials research.



ANDRITZ ENERGY & ENVIRONMENT GMBH

The objective for the medium term is the development of a reliable and sufficiently precise empirical model which can enable the dimensioning of flue-gas desulphurisation systems (REA) with an REAplus module. The immediate objective is to analyse and model the data from the tests performed to date. The important influencing factors must be identified, and their effects on the target values must be quantified. In addition, a statistical testing plan based on a substantiated system analysis must be drawn up, which will determine what experiments are still necessary to develop a reliable statistical optimisation model.



Research and Technology Report 2012

The Research and Technology Report 2012 was commissioned by the Federal Ministries for Science and Research (BMWF), for Transport, Innovation & Technology (bmvit) and for Economy, Family and Youth (bmwfj), and was drawn up by the Austrian Institute of Technology (AIT) and the Centre for European Economic Research under the leadership of JOANNEUM RESEARCH (Project Manager: MMag. Andreas Schibany) and with the involvement of Statistics Austria. In accordance with the Research Organisation Act, this is a review of the research, technologies and innovations in Austria that are receiving central public funding. The report was presented to the Parliament on 1 June 2012.



GRAWE Award

The GRAWE Award 2011 for Science was presented to Mag. Dr. Franz Pretenthaler, M.Litt., for his research on the subject of “Regional politics, risk and resource economics”, with particular regard to social justice. The members of the jury honored Dr. Pretenthaler for his substantial contribution to the public good stemming from his research work into the development of products with high user value.

POLICIES

"POLICIES has established itself as a leading institution in the area of support for political and business decision making. The awards, distinctions and large number of prestigious projects at home and abroad are a testament to the regional, national and even international demand for, and appreciation of, our research and consultancy services. The challenge for the future is to continue to develop our methodological expertise in the face of difficult conditions, in order to maintain our market position and open up new markets as well."

Mag. Wolfgang Polt, Director

POLICIES – Centre for Economic and Innovation Research



POLICIES supports businesses and public sector organisations through consulting, planning and evaluating technology and innovation strategies and programmes of regional development and assessments, as well as through assessing the effects and risks of political and business decisions. The Centre is recognised in Austria and in Europe as a leading institute in the area of regional, national and international research and innovation policies and in regional economic policies. This strong market position will be maintained through innovations in methodologies (micro data analysis and modelling, experimental methodologies).

A major challenge for the future will be to grow core competencies relevant to our business customers. In this context, we will offer technology-specific market forecasts and sector-based analysis and studies for industry as services. In addition, a portfolio will be developed for Urban Development, which will be usable for a wide range of issues relating to urban planning and development (e.g. of infrastructure). Our work in such fields as food traceability, assessments of weather risks on a company's operations, and material and product innovations based on the renewable raw material wood are other forward-looking developments that will open up new market segments. In many of these new service offerings, we work jointly with other research units of JOANNEUM RESEARCH.

The primary strategic focus of activities in the 2012/2013 financial year will be to position the research units to meet the objectives of the Strategic Framework Plan for JOANNEUM RESEARCH, in particular that of strengthening the regional economy. Work has already started on drawing up the new business plan for 2013 – 2016, which, once approved by the executive bodies, will become effective on 1 July 2013. This new business plan will be the first one following the transitional period set out in the Strategic Framework Plan for JOANNEUM RESEARCH. The focus will be on strengthening the strategic partnerships with businesses, innovations marketing, increasing internationalisation and the R&D infrastructure. Furthermore, the marketing and deployment of technologies developed by JOANNEUM RESEARCH will assume greater prominence.

Key customers and partners of the Institute include: Austin Pock & Partners GmbH, the consultancy group Neuwaldegg Gesellschaft für Unternehmensberatung und Organisationsentwicklung GmbH, Holding Graz – Kommunale Dienstleistungen GmbH, INTRASOFT International S.A. and REWE International AG.



JOANNEUM RESEARCH Forschungsgesellschaft mbH is a leading international research institute that develops solutions and technologies for commerce and industry covering a wide range of sectors. As an **INNOVATION COMPANY** focussed on applied research and technology development, it plays a key role in facilitating the transfer of technology and knowledge in Styria.



Balance sheet

	30.06.2012	
Assets	30.06.2012 €	Vorjahr €
A. Fixed assets		
I. Intangible assets		
1. Rights and licences	260.911,00	249.240,00
II. Tangible assets		
1. Land and buildings; fixtures installed in buildings belonging to third parties	7,634,446.96	7,587,140.39
2. Technical equipment	4,289,385.01	4,697,080.01
3. Operating and office equipment	815,677.00	836,659.00
4. Advance payments and assets under construction	324,758.46	45,525.47
	13,064,267.43	13,166,404.87
III. Financial assets		
1. Shares in affiliated companies	48,566.67	42,850.00
2. Equity interests	136,790.25	171,789.25
3. Certificated and uncertificated securities	1,361,997.02	1,361,997.02
	1,547,353.94	1,576,636.27
	14,872,532.37	14,992,281.14
B. Current assets		
I. Inventories		
1. Raw materials, consumables and supplies	16,264.00	15,280.10
2. Services not yet invoiced	14,515,382.01	12,687,529.97
3. Advance payments	350,524.84	94,765.40
	14,882,170.85	12,797,575.47
II. Receivables and other assets		
1. Trade receivables	971,880.75	1,674,980.05
2. Receivables from affiliated companies	21,697.79	8,949.25
<i>of which: trade receivables</i>	21,697.79	8,949.25
3. Receivables from subsidies and project grants	4,614,358.83	5,320,076.38
4. Other receivables and assets	3,592,756.64	4,501,920.83
	9,200,694.01	11,505,926.51
III. Securities and shareholdings		
1. Other securities and shareholdings	2,627,795.00	627,795.00
IV. Cash in hand and at bank	3,001,584.46	6,341,842.99
	29,712,244.32	31,273,139.97
C. Trust assets	190,791.27	980,428.23
D. Prepaid expenses and deferred charges	296,283.67	265,965.32
Total assets	45,071,851.63	47,511,814.66

Balance sheet

30.06.2012		
Liabilities	30.06.2012 €	Vorjahr €
A. Equity		
I. Share capital	3,230,000.00	3,230,000.00
II. Capital reserves		
1. Unappropriated	362,637.44	362,637.44
III. Retained earnings		
1. Statutory reserves	155,135.24	154,100.00
2. Other reserves	831,670.22	847,090.22
	986,805.46	1,001,190.22
IV. Net profit	1,442,887.90	1,423,218.27
<i>of which: brought forward</i>	<i>1,423,218.27</i>	<i>1,649,775.88</i>
	6,022,330.80	6,017,045.93
B. Investment grants	1,193,400.00	1,627,042.00
C. Provisions		
1. Provisions for severance pay	3,483,500.00	3,247,861.14
2. Provisions for pensions	3,552,600.00	3,589,100.00
3. Other provisions	6,450,840.00	5,936,959.17
	13,486,940.00	12,773,920.31
D. Liabilities		
1. Liabilities to credit institutions	1,207,849.61	1,327,226.46
2. Payments received on account	16,071,693.88	13,019,853.11
3. Trade payables	1,553,727.70	4,990,026.50
4. Payables to affiliated companies	54,630.28	54,970.11
<i>of which: other</i>	<i>54,630.28</i>	<i>54,970.11</i>
5. Payables to companies in which an interest is held	0.00	2,450.00
<i>of which: trade payables</i>	<i>0.00</i>	<i>2,450.00</i>
6. Other liabilities	3,404,676.71	4,834,349.16
<i>of which: tax-related</i>	<i>347,012.74</i>	<i>80,962.80</i>
<i>of which: related to social security</i>	<i>1,213,471.76</i>	<i>1,124,680.35</i>
	22,292,578.18	24,228,875.34
E. Trust assets	190,791.27	980,428.23
F. Deferred income	1,885,811.38	1,884,502.85
Total liabilities	45,071,851.63	47,511,814.66
Contingent liabilities	278,909.52	92,219.24

Income statement

01.07.2011 till 30.06.2012			
Income statement	2011/2012 €	2010/2011 €	
1. Sales revenues	11,023,410.77	11,429,532.23	
2. Change in inventories for goods and services not yet invoiced	1,827,852.04	2,281,174.69	
3. Other own work capitalised	15,806.94	42,827.28	
4. Other project-related income	13,670,128.77	11,921,622.06	
5. Core funding	7,797,966.40	8,113,230.96	
6. Other operating income	905,291.22	21,330.88	
a. Income from the disposal of fixed assets	1,131,422.99	1,161,147.52	
b. Income from the release of provisions	3,971,789.48	3,765,982.96	
c. Other	6,008,503.69	4,948,461.36	
7. Cost of materials and other purchased services			
a. Cost of materials	1,440,314.33	1,485,189.32	
b. Cost of services	2,006,502.73	2,351,189.96	
	3,446,817.06	3,836,379.28	
8. Personnel expenses			
a. Salaries	19,480,993.02	18,710,779.58	
b. Expenses for severance pay	761,984.10	543,130.03	
c. Pension expenses	204,009.72	975,992.22	
d. Cost of statutory social security contributions, payroll-related taxes and mandatory contributions	5,434,548.40	5,206,746.71	
e. Other social costs	123,113.65	97,087.68	
	26,004,648.89	25,533,736.22	
9. Depreciation and amortisation			
a. of tangible assets	2,839,381.62	2,651,362.39	

Income statement

01.07.2011 till 30.06.2012		
Income statement	2011/2012 €	2010/2011 €
10. Other operating expenses		
a. Taxes not included under income taxes	93,973.84	42,521.76
b. Other	7,700,767.31	6,908,142.07
	<u>7,794,741.15</u>	<u>6,950,663.83</u>
11. Subtotal of lines 1 – 10 (operating profit)	258,079.89	-235,293.14
12. Income from other securities	53,310.02	114,509.46
13. Other interest and similar income	52,098.83	8,957.67
14. Income from disposals of and additions to financial assets and securities classed as current assets	0.00	173,301.53
15. Expenses incurred on financial assets	331,212.76	278,353.51
<i>of which: depreciation</i>	<i>34,999.00</i>	<i>12,870.00</i>
<i>of which: expenses resulting from affiliated companies</i>	<i>200,000.00</i>	<i>199,940.22</i>
16. Interest and similar expenses	25,241.11	23,349.62
17. Subtotal of lines 12 – 16 (financial result)	<u>-251,045.02</u>	<u>-4,934.47</u>
18. Result from ordinary activities	7,034.87	-240,227.61
19. Taxes on income	1,750.00	1,750.00
20. Net profit/loss for the period	<u>5,284.87</u>	<u>-241,977.61</u>
21. Release of retained earnings		
a. Other reserves	15,420.00	15,420.00
22. Allocation to retained earnings		
a. Statutory reserves	1,035.24	0.00
23. Net profit/loss	<u>19,669.63</u>	<u>-226,557.61</u>
24. Retained income brought forward	1,423,218.27	1,649,775.88
25. Distributable profit	<u>1,442,887.90</u>	<u>1,423,218.27</u>

Notes to the financial statement

Accounting and measurement policies

General principles

The financial statements for JOANNEUM RESEARCH Forschungsgesellschaft mbH were prepared in accordance with the provisions of the Austrian Commercial Code (UGB) as amended and in accordance with generally accepted accounting principles and the general requirement to present as true and as fair a view as possible of the company's financial position and results of operations. When preparing the financial statements, the principle of completeness was applied. The principle of individual measurement has been applied, and a going concern assumption has been made for the measurement of assets and liabilities. The principle of prudence has been observed, and only profits and gains realised at the balance sheet date have been recognised. Every recognisable risk and expected loss has been accounted for. Comparative figures and values, where not expressly stated as such, are shown in brackets.

Fixed assets

Intangible assets

Intangible assets are recognised at acquisition costs plus incidental acquisition costs less any prompt payment discounts taken; scheduled depreciation and amortisation is applied on a straight-line basis. Their useful life is taken to be a period of between 3 and 5 years (20–33%).

Tangible assets

Tangible assets are recognised at acquisition costs plus incidental acquisition costs less any prompt payment discounts taken as well as scheduled depreciation and amortisation. Public subsidies provided to finance fixed assets are reported as publicly-funded investment grants under liabilities. These investment grants are applied and used in the same proportions as the scheduled depreciation on the fixed assets. Scheduled depreciation and amortisation is on a linear basis and the useful life and depreciation values specified in the table below are applied.

Assets acquired in the first half of the financial year have a full year's depreciation applied; those acquired in the second half of the year have a half year's depreciation applied. Low-value assets as defined in section 13 Income Tax Act (EStG) 1988 – with an acquisition value of up to EUR 400 per item – are depreciated in full in the year of acquisition and are shown as both an addition and a disposal in the fixed assets movement schedule.

Financial assets

Shares in affiliated companies and **equity interests** are recognised at the cost of acquisition less any impairment losses. **Securities held as fixed assets** are recognised at the lower of cost of acquisition or fair value as at the balance sheet date. There was no unscheduled depreciation for financial assets in the year under review; nor were there any write-ups.

Tangible assets	Useful life in years	Depreciation rate
Buildings and buildings on land owned by third parties	10 – 33	3 % – 10 %
Machines, scientific equipment and data processing equipment	3 – 10	10 % – 33 %
Other equipment, operating and office equipment	4 – 10	10 % – 25 %

Notes to the financial statement

■ Current assets

➤ Inventories

Consumables are valued at the lower of cost or market. The value of contract research services which **have not yet been invoiced** is established by means of cost accounting. Project costs are booked against cost centres and through evidenced direct costs. Individual items are measured at cost of manufacture or acquisition in accordance with section 203 UGB. In addition to directly attributable costs, manufacturing costs cover a share of capitalisable indirect manufacturing costs as well as of social costs in accordance with the penultimate sentence of section 203(3) UGB. Interest expense and research risk are not allocated.

Deductions are made from the value of work in progress or provisions created for anticipated loss-making contracts and for costs anticipated for services already invoiced. Any guarantee obligations related to contract research are also taken into account by means of provisions. For orders taking more than twelve months to complete, the share of administration overhead costs is capitalised.

➤ Receivables and other assets

Receivables and other assets are measured at their nominal value, unless a lower fair value is applied in the case of recognisable risks. A flat-rate 2% allowance for doubtful accounts is made on total net receivables, to provide for general credit risks.

■ Provisions

Provisions for severance payments are calculated in accordance with actuarial principles based on a discount rate of 4% (previous year: 4%) and a retirement age of 65 years, using the entry age normal method. Remuneration increases as specified in the collective agreement, and contractual increases in basic pay are taken into account by allowing for a 3% (previous year: 3%) wage increase. A staff turnover rate of 6% (previous year: 6%) for staff governed by the severance pay rulings was assumed, based on the levels of recent years.

Provisions for pensions at the level of the actuarial coverage requirement are shown as liabilities. The basis for the calculation is the Pagler & Pagler tables, taking into account a discount rate of 5% (previous year: 5%). **Other provisions** cover all recognisable risks and not yet fixed liabilities. No other provisions other than those prescribed by law are created.

■ Liabilities

Liabilities are shown in the amounts repayable while observing the principle of prudence.

■ Currency translation

Accounts payable and receivable are valued at the average foreign exchange rate at 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

Please refer to the fixed assets movement schedule (annex to the notes) for information on the change in the individual fixed asset items and the breakdown of annual depreciation. Total fixed asset value as at the balance sheet date stood at EUR 14,872.5 thousand (previous year: EUR 14,992.3 thousand). Investments in the 2011/2012 financial year amounted to EUR 2,964.3 thousand (previous year: EUR 9,150.8 thousand), against ongoing depreciation of EUR 2,874.4 thousand (previous year: EUR 2,660.1 thousand). Disposals at historical acquisition costs in the 2011/2012 financial year amounted to EUR 1,488.0 thousand (previous year: EUR 3,178.6 thousand). **Intangible assets** include software and data transfer rights with a book value of EUR 260.9 thousand (previous year: EUR 249.2 thousand). The additions, which have a value of EUR 223.0 thousand (previous year: EUR 150.1 thousand), result from the acquisition of licenses and software.

Notes to the financial statement

Tangible assets as at the balance sheet date amounted to EUR 13,064.3 thousand (previous year: EUR 13,166.4 thousand). Land value amounted to EUR 2,314.8 thousand (previous year: EUR 2,424.7 thousand).

Of the value of buildings on land owned by the company and buildings on land owned by third parties totalling EUR 5,319.6 thousand (previous year: EUR 5,162.4 thousand), EUR 3,393.7 thousand (previous year: EUR 3,529.1 thousand) represents the value of buildings, and EUR 1,251.1 thousand (previous year: EUR 923.5 thousand) represents structural adaptations; furthermore, EUR 4,644.8 thousand (previous year: EUR 4,452.6 thousand) is for buildings on land owned by the company, and EUR 674.9 thousand (previous year: EUR 709.8 thousand) is for investments in third-party-owned buildings. The additions, totalling EUR 2,735.5 thousand (previous year: EUR 7,615.3 thousand), relate primarily to the provision of modern scientific equipment to assist in the company's research activities and to further expand the IT infrastructure. Disposals at historical acquisition costs, which amounted to EUR 1,480.1 thousand (previous year: EUR 587.9 thousand), relate primarily to the discarding – and to a small extent, the sale – of scientific equipment, IT equipment and office equipment. There was no current-value depreciation.

Shares in affiliated companies, totalling EUR 48.6 thousand (previous year: EUR 42.9 thousand), relate to the shares in NanoTecCenter Weiz Forschungsgesellschaft mbH in Weiz, totalling EUR 25.0 thousand (previous year: EUR 25.0 thousand), and the shares in BioNanoNet Forschungsgesellschaft mbH in Graz, totalling EUR 23.6 thousand (previous year: EUR 17.9 thousand). The acquisition of the shares in BioNanoNet Forschungsgesellschaft was a result of the take-over of the shares in Steiermärkische Medizinar-chiv GesmbH at a value of EUR 5.7 thousand, which are due to be sold to TU Graz in the 2012/2013 financial year.

The item **equity interests**, totalling EUR 136.8 thousand (previous year: EUR 171.8 thousand), includes equity

interests in the following companies (listed 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,
- 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
- WATERPOOL Competence Network GmbH, Graz.

Securities held as fixed assets were measured at EUR 1,362.0 thousand as at the balance sheet date (previous year: EUR 1,362.0 thousand). There was no unscheduled depreciation for financial assets in the year under review (previous year: EUR 0.0 thousand). Depreciation of all other fixed assets was entirely scheduled, ordinary depreciation.

■ Current assets

➔ Inventories

Consumables in the amount of EUR 16.3 thousand (previous year: EUR 15.3 thousand) were capitalised; these mainly comprised paper, ink ribbons, PC network cards and laser printer replacement parts, as well as various other office materials. The item contract research **services not yet invoiced** comprises work in progress and services not yet invoiced totalling EUR 14,515.4 thousand (previous year: EUR 12,687.5 thousand), of which administrative overheads totalling EUR 3,942.4 thousand (previous year: EUR 3,007.8 thousand) for projects requiring more than 12 months for completion were capitalised.

Notes to the financial statement

Prepayments for inventories came to EUR 354.6 thousand (previous year: EUR 94.8 thousand). For receivables and other assets, see the table below.

➔ Receivables and other assets

For potentially non-collectable **receivables from trade debtors**, specific loan loss allowances totalling EUR 124.1 thousand (previous year: EUR 129.3 thousand) were formed and offset against assets. The item **receivables from affiliated companies** relates to trade receivables.

Receivables from subsidies and project grants relates to grants pledged from various public bodies. As the period of time for payment to be processed and reach the company's account is over three months, an amount of EUR 59.9 thousand (previous year: EUR 58.6 thousand) was discounted. **Other receivables and assets** principally include rights acquired as a result of insurance premium payments against the insurance company, receivables from the Graz-Stadt Tax Office, and deferred interest, as well as allowances and state aid.

Receivables and other assets	Receivables as at 30.06.2012 (30.06.2011) EUR	of which remaining term greater than 1 year EUR	of which secured by bills of exchange EUR	Capitalised accruals as per section 225(3) UGB EUR	Allowance for doubtful accounts EUR
Trade receivables	971,880.75 (1,674,980.05)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	18,700.00 (30,300.00)
Receivables from affiliated companies	21,697.79 (8,949.25)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Receivables from companies in which an interest is held	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Receivables from subsidies and project grants	4,614,358.83 (5,320,076.38)	0.00 (0.00)	0.00 (0.00)	4,614,358.83 (5,320,076.38)	0.00 (0.00)
Other receivables and assets	3,592,756.64 (4,500,629.46)	0.00 (0.00)	0.00 (0.00)	3,592,756.64 (4,500,629.46)	0.00 (0.00)
Total	9,200,694.01 (11,504,635.14)	0.00 (0.00)	0.00 (0.00)	8,207,115.47 (9,820,705.84)	18,700.00 (30,300.00)

Notes to the financial statement

➤ Securities classed as current assets

Securities classed as current assets, totalling EUR 2,627.8 thousand (previous year: EUR 627.8 thousand), relate to two bank bonds which were acquired as a short-term investment.

➤ Cash in hand and at bank

This item, which amounts to EUR 3,001.6 thousand (previous year: EUR 6,341.8 thousand), is composed of cash in hand totalling EUR 9.3 thousand (previous year: EUR 11.6 thousand), as well as bank deposits totalling EUR 2,992.3 thousand (previous year: EUR 6,330.3 thousand).

■ Prepaid expenses and deferred charges

Prepaid expenses and deferred charges, totalling EUR 296.3 thousand (previous year: EUR 266.0 thousand), comprises advance payments made in the 2011/2012 financial year due to be incurred as expenses in the following year and primarily relates to advance payments for maintenance, various subscriptions and membership fees, insurance, travel costs and conference fees.

■ Trust assets

The trust assets include cash at bank for projects with the Austrian Research Promotion Agency and 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

➤ Equity

As in the previous year, the **share capital** of the company amounts to EUR 3,230.0 thousand. Taking into account the net profit of EUR 19.7 thousand, profit brought forward of EUR 1,423.2 thousand and the allocation of the statutory revenue reserve of EUR 1.0 thousand, distributable profit comes to EUR 1,442.9 thousand.

■ Special item: investment grants from public funds

The development of investment grants from public funds was as follows during the year under review: see table on p. 37. The addition relates to the refurbishment of the

safety lighting and low voltage unit in the Steyrergasse 17 building.

■ Provisions

EUR 255.7 thousand (previous year: EUR 223.6 thousand) of the **provisions for severance pay** were used for severance payments, and EUR 12.1 thousand (previous year: EUR 78.1 thousand) were released. In order to meet the coverage requirement of EUR 3,483.5 thousand (previous year: EUR 3,247.9 thousand), EUR 503.5 thousand (previous year: EUR 260.0 thousand) had to be added. EUR 240.1 thousand (previous year: EUR 1,184.8 thousand) of the **pension provisions** were used for pension payments. No releases (EUR 0.0 thousand; previous year: EUR 80.9 thousand) were made. In order to meet the actuarial coverage requirement of EUR 3,552.6 thousand (previous year: EUR 3,589.1 thousand), EUR 203.6 thousand (previous year: EUR 181.5 thousand) had to be added.

Other provisions are primarily made up of provisions for holidays not taken totalling EUR 2,133.0 thousand (previous year: EUR 2,168.1 thousand), provisions for contingent repayment demands by various grant providers totalling EUR 1,049.6 thousand (previous year: EUR 945.6 thousand), provisions for working time credits totalling EUR 809.5 thousand (previous year: EUR 753.3 thousand) and provisions for anticipated losses or costs on orders currently being carried out totalling EUR 578.4 thousand (previous year: EUR 650.6 thousand).

■ Liabilities (table on p. 38)

EUR 495.7 thousand (previous year: EUR 615.0 thousand) of the liabilities to credit institutions relate to a bank loan for thermal refurbishment, and EUR 712.2 thousand (previous year: EUR 712.2 thousand) for an export funding credit line. Prepayments received on orders that could be offset against inventories totalled EUR 12,593.0 thousand in the financial year (previous year: EUR 9,873.0 thousand). Trade liabilities stood at EUR 1,553.7 thousand on the balance sheet date (previous year: EUR 4,990.0 thousand) and were mainly to domestic suppliers.

The item other liabilities includes the shareholder loan of EUR 1,387.5 thousand granted by the Province of Styria dated 1 November 2004 (previous year: EUR 1,387.5

Notes to the financial statement

Investment grants from public funds	Status as at 01.07.2011	Additions EUR	Usage in line with depreciation EUR	Releases EUR	Reallocation or corrections EUR	Status as at 30.06.2012 EUR
Tangible assets						
1. Buildings, including buildings on land owned by third parties	559,880.00	46,552.53	83,707.53	0.00	0.00	522,725.00
2. Machines, scientific equipment and data processing equipment	1,021,576.00	0.00	395,328.00	0.00	0.00	626,248.00
3. Other equipment, operating and office equipment	2,736.00	0.00	1,159.00	0.00	0.00	1,577.00
Financial assets						
1. Shares in affiliated companies	42,850.00	0.00	0.00	0.00	0.00	42,850.00
Total	1,627,042.00	46,552.53	480,194.53	0.00	0.00	1,193,400.00

thousand) and the loan from the Austrian Research Promotion Agency totalling EUR 190.9 thousand (previous year: EUR 166.1 thousand). 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 dated 28 February 2006 and the Financing Agreement dated 21 March 2012 between JOANNEUM RESEARCH Forschungsgesellschaft mbH and NanoTecCenter Weiz Forschungsgesellschaft mbH for the period 1 July 2011 to 30 June 2013 result in financial obligations of EUR 200.0 thousand for the 2011/2012 financial year. There are no further obligations arising from the funding commitment. The obligations arising from the use of tangible assets not shown in the balance sheet amount to:

Notes to the financial statement

Liabilities	Liabilities as at 30.06.2012 (30.06.2011) EUR	Remaining term		Secured by collateral		Accrued liabilities (section 225(6) UGB) EUR
		up to 1 year EUR	between 1 and 5 years EUR	over 1 year EUR	Type of collateral EUR	
Liabilities to credit institutions	1,207,849.61 (1,327,226.46)	833,605.96 (833,435.01)	374,243.65 (493,702.88)	1,800,000.00 (1,800,000.00)	Mortgage (Mortgage)	0.00 (0.00)
Payments received on account	16,071,693.88 (13,019,853.11)	16,071,693.88 (13,019,853.11)	0.00 (0.00)	0.00 (0.00)	– (–)	0.00 (0.00)
Trade payables	1,553,727.70 (4,990,026.50)	1,553,727.70 (4,990,026.50)	0.00 (0.00)	0.00 (0.00)	– (–)	0.00 (0.00)
Payables to affiliated companies	54,630.28 (54,970.11)	54,630.28 (54,970.11)	0.00 (0.00)	0.00 (0.00)	– (–)	0.00 (0.00)
Payables to companies in which an interest is held	0.00 (2,450.00)	0.00 (2,450.00)	0.00 (0.00)	0.00 (0.00)	– (–)	0.00 (0.00)
Other liabilities	3,404,676.71 (4,833,057.79)	1,826,274.71 (3,279,521.79)	190,925.00 (166,059.00)	0.00 (0.00)	– (–)	1,826,274.71 (3,279,521.79)
Total	22,292,578.18 (24,227,583.97)	20,339,932.53 (22,180,256.52)	565,168.65 (659,761.88)	1,800,000.00 (1,800,000.00)	– –	1,826,274.71 (3,279,521.79)

Notes to the financial statement

Other financial obligations	for the financial year following, in EUR	I for the 5 financial years following, in EUR
Space rental	720,494.00	3,602,470.00
Equipment rental	41,184.00	205,920.00
Leasing instalments	0.00	0.00
Total	761,678.00	3,808,390.00

■ Deferred income

Deferred income, which totals EUR 1,885.8 thousand (previous year: EUR 1,884.5 thousand), relates primarily to the core subsidy from the Province of Styria.

■ Trust liabilities

The trust liabilities result from projects with the Austrian Research Promotion Agency and 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 assets).

■ Contingent liabilities

(Please refer to: Other disclosures, contingent liabilities)

Notes to the income statement

The revenues for the financial year break down by area of activity and by domestic/foreign revenues as follows: of the expenses shown under item 8.b), and totalling EUR 762.0 thousand (previous year: EUR 543.1 thousand), EUR 144.2 thousand (previous year: EUR 125.4 thousand) are for payments to employee welfare funds and EUR 617.8 thousand (previous year: EUR 417.7 thousand) for severance pay.

Revenues	2011/2012	EUR	2010/2011	EUR
Domestic revenues				
Research	8,327,808.32		7,766,756.71	
Revenues from licences	155,179.97		164,837.18	
Conference fees	15,477.29		2,504.54	
Other	51,705.89		36,817.42	
Total domestic revenues	8,550,171.47		7,970,915.85	
Foreign revenues				
Research	2,407,914.22		3,255,121.58	
Revenues from licences	46,000.03		203,454.36	
Conference fees	19,084.55		0.00	
Other	240.50		40.44	
Total foreign revenues	2,473,239.30		3,458,616.38	
Total revenues	11,023,410.77		11,429,532.23	

Notes to the financial statement

Other disclosures

■ Shares in affiliated companies and equity interests

An equity interest of 67.3%, or EUR 23.6 thousand (previous year: EUR 17.9 thousand), was held in BioNanoNet Forschungsgesellschaft mbH, Graz, as at the balance sheet date. The financial statements as at 31.10.2011 show equity of EUR 56.4 thousand (previous year: EUR 55.9 thousand), which includes net profit of EUR 0.5 thousand (previous year: EUR 10.0 thousand). An equity interest of 50%, or EUR 50.0 thousand (previous year: EUR 50.0 thousand), of which half, or EUR 25.0 thousand, is paid up, is also held in NanoTecCenter Weiz Forschungsgesellschaft mbH, Weiz. The financial statements as at 30 June 2011 show equity of EUR 199 thousand (previous year: EUR 280.1 thousand), which includes a net loss of EUR 81.1 thousand (previous year: net profit of EUR 25.9 thousand). All other equity interests are below 20%.

■ Personnel

As at the balance sheet date there were 453 (previous year: 442) salaried employees working for the company. Pro-rated to allow for part-time working, there were 380.1 (previous year: 377.9) employees. The average number of salaried employees, pro-rated to allow for part-time working, stood at 382.1 (previous year: 374.7). As allowed by the provisions of section 241(4) UGB, the company is refraining from itemising the salaries, severance pay and pension provisions for senior management as required by section 239(1) UGB. No loans or advances were made to members of senior management or of the Supervisory Board. No guarantees were made in favour of these persons. In total, EUR 80.7 thousand was paid out in emoluments for members of the Scientific Advisory Committee and the Supervisory Board.

■ Contingent liabilities

In accordance with section 199 UGB, advance payment guarantees to the EACI Executive Agency for Competitiveness and Innovation (EUR 55,738.5) and the European Commission (EUR 15,188.7), a payment guarantee to the Österreichische Bundesforste (EUR 193,000.0), as well as a rent deposit relating to oekopark Errichtungs GmbH (EUR 1,596.96) and bonds relating to ASFINAG (EUR 9,100.36) and the Indian Institute of Tropical Meteorology (EUR 4,285.0) are all shown below the balance sheet.

■ Other items

Based on the objectives specified in Article 1 (3) of the Articles of Association, the company operates exclusively on a non-profit basis. In accordance with the decision of the Styrian regional tax authority, ref. no GZ 29/31-10/94, dated 16 January 1995, donations to JOANNEUM RESEARCH Forschungsgesellschaft mbH are exempt from tax in accordance with section 4(4)(5e) EstG 1988 as amended by section I(4)(a) of the Tax Reform Act 1993. Audit expenses for the auditing of the financial statements by the auditing company came to EUR 12,000.00 (previous year: EUR 12,900.00). The auditing company did not provide any other certification, tax consulting or other services during this or the previous financial year.

Univ.-Prof. DI Dr. Wolfgang Pribyl , MBA
Chief Executive Officer

Graz, 14.09.2012

Fixed assets movement schedule 2011/2012

Development of fixed assets	Acquisition/ manufactu- ring costs 01.07.2011	Additions	Disposals	Realloca- tions	Acquisition/ manufactu- ring costs 30.06.2012	Cumulative depreciation	Book value as at 30.06.2012	Book value as at 30.06.2011	Deprecia- tion in the financial year
I. Intangible assets									
Software, data transfer and other rights	1,971,138.60	223,042.51	7,848.42	0.00	2,186,332.69	1,925,421.69	260,911.00	249,240.00	211,371.51
Total intangible assets	1,971,138.60	223,042.51	7,848.42	0.00	2,186,332.69	1,925,421.69	260,911.00	249,240.00	211,371.51
II) Tangible assets									
1) Real property and equivalent rights, including buildings on land owned by third parties									
a) Land value	2,424,701.39	0.00	109,887.43	0.00	2,314,813.96	0.00	2,314,813.96	2,424,701.39	0.00
b) Value of buildings	12,503,998.13	619,377.14	824,138.13	27,773.05	12,327,010.19	7,007,377.19	5,319,633.00	5,162,439.00	396,201.19
2) Machines, scientific equipment and data processing equipment	19,698,650.13	1,491,584.25	347,582.20	11,703.70	20,854,355.88	16,569,790.87	4,284,565.01	4,692,260.01	1,907,319.95
3) Other equipment, operating and office equipment	3,094,000.69	240,612.07	139,300.04	6,048.72	3,201,361.44	2,380,864.44	820,497.00	841,479.00	265,284.79
4) Advance payments and assets under construction	45,525.47	324,758.46	0.00	-45,525.47	324,758.46	0.00	324,758.46	45,525.47	0.00
5) Low-value assets	0.00	59,204.18	59,204.18	0.00	0.00	0.00	0.00	0.00	59,204.18
Total tangible assets	37,766,875.81	2,735,536.10	1,480,111.98	0.00	39,022,299.93	25,958,032.50	13,064,267.43	13,166,404.87	2,628,010.11
III) Financial assets									
1) Shares in affiliated companies	42,850.00	5,716.67	0.00	0.00	48,566.67	0.00	48,566.67	42,850.00	0.00
2) Equity interests	205,788.25	0.00	0.00	0.00	205,788.25	68,998.00	136,790.25	171,789.25	34,999.00
3) Certificated and uncertificated securities held as fixed assets	1,370,772.02	0.00	0.00	0.00	1,370,772.02	8,775.00	1,361,997.02	1,361,997.02	0.00
Total financial assets	1,619,410.27	5,716.67	0.00	0.00	1,625,126.94	77,773.00	1,547,353.94	1,576,636.27	34,999.00
Total fixed assets	41,357,424.68	2,964,295.28	1,487,960.40	0.00	42,833,759.56	27,961,227.19	14,872,532.37	14,992,281.14	2,874,380.62

Auditors' report

We have audited the accompanying financial statements of JOANNEUM RESEARCH Forschungsgesellschaft mbH, Graz, for the financial year from 1 July 2011 to 30 June 2012. These financial statements comprise the balance sheet as of 30 June 2012, the income statement for the year ended 30 June 2012 and the explanatory notes.

➤ **Management's responsibility for the financial statements and for accounting**

Management is responsible for accounting and for the preparation of financial statements, presenting a true and fair view of the company's financial position and results of operations in accordance with Austrian corporate law. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

➤ **Auditors' responsibility and a description of the type and scope of the statutory audit**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and in accordance with the generally accepted standards for the audit of financial statements. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts

and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider the internal control system relevant to the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall picture presented in the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

➤ **Opinion**

Our audit did not give rise to any objections. Based on the results of our audit, in our opinion, the financial statements comply with all statutory requirements and the supplementary provisions of the company's articles of association and present fairly, in all material respects, the financial position of the company as of 30 June 2012, and of its financial performance and its cash flows for the financial year from 1 July 2011 to 30 June 2012 in accordance with the generally accepted Austrian accounting principles.

➤ **Opinion on the management report**

Laws and regulations require us to audit whether the management report is consistent with the financial statements and whether or not the other disclosures made in the

Auditors' report

management report give rise to misconceptions about the position of the company. The auditors' opinion must include an opinion on whether or not the management report is consistent with the financial statements. In our opinion, the management report is consistent with the financial statements.

The financial statements including the auditors' opinion may only be published or disclosed in the version certified by us. This auditors' opinion relates solely to the German version of the complete financial statements including the management report. With regard to alternative versions, please take note of the provisions contained in section 281(2) UGB.

HÖTZL UND PARTNER GMBH
Auditors and tax consultants

Graz, 14.09.2012

Executive bodies

Members of the Supervisory Board

Chairman

Univ.-Prof. Dr. Wolf RAUCH

Deputy Chairman

Dr. Oswin KOIS

Members

FH-Prof. Dr. Werner HAUSER

Mag. Sonja JÖBSTL-FINDEIS

Dr. Thomas KRAUTZER

Mag. Martin LATZKA

Ir. Jan H.J. MENGELERS, MSc

MinRat Mag. Ingolf SCHÄDLER

Univ.-Prof. Dr. Christine WÄCHTER

Appointed to the Supervisory Board by the Works Council

DI Maria FELLNER, MBA

DI Ferdinand GOLJA, Chairman of the Works Council

Helen HASENAUER (from 28.06.2011)

Mag. Siegmund MARTINELLI (until 01.04.2012)

Mag. Gerhard PROBST

DI Georg THALLINGER (until 28.06.2011)

DI Roland WACK (from 01.04.2012)

Trustees and Scientific Advisory Committee (until 18.01.2012)

Chairman

Univ.-Prof. DDr. Gerald SCHÖPFER

Deputy Chairman

Univ.-Prof. DI DDr. Hans Michael MUHR

Members

DI Dr. Peter EGGER

Dr. Kees EKKERS

Univ.-Prof. Dr. Richard FOTTER

Ass.-Prof. DI Dr. Günter GETZINGER

Univ.-Prof. DI Dr. Wolfgang von der LINDEN

Mag. Dr. Karin SCHAUPP

Univ.-Prof. DI Dr. Wolfhard WEGSCHEIDER

Univ.-Prof. Dr. Rudolf ZECHNER, Ph.D.

Trustees and Scientific Advisory Committee (from 18.01.2012)

Chairman

Univ.-Prof. DDr. Gerald SCHÖPFER

Deputy Chairman

Prof. Dr. E. Lorike HAGDORN-VAN DER MEIJDEN

Members

Science

Vizerektor Univ.-Prof. DI Dr. Horst BISCHOF

Ass.-Prof. DI Dr. Günter GETZINGER

Univ.-Prof. Mag. Dr. Joachim KRENN

Vizerektor Univ.-Prof. Dr. Markus MÜLLER

Univ.-Prof. Dr.-Ing. Annette MÜTZE

Business

Mag. Michael PATAK

DI Reinhard PETSCHACHER

Mag. Alexander RADINGER, MBA

Mag. Dr. Karin SCHAUPP

Dr. Stefan TASCH

Report of the Supervisory Board

The Supervisory Board has examined the financial statements for the financial year ending 30.06.2012 and the proposal to carry forward distributable profit of EUR 1,442,887.90, as well as the management report for the 2011/2012 financial year. The Board resolved to report to the ordinary general meeting as follows:

"The financial statements for the year ending 30 June 2012 were audited by the auditors appointed by the shareholders, namely Hötzl und Partner GmbH, auditors and tax consultants. The audit of the company's ledgers and reports,

and of the explanations and evidence provided by senior management, found that the company's accounting system, the financial statements, the notes and management report all comply with statutory requirements. The auditors have therefore issued an unqualified audit opinion. The Supervisory Board has approved the financial statements and management report."

Supervisory Board

Graz, 27.09.2012

Shareholder resolution

In the ordinary general meeting of 15 November 2012, the shareholders passed the following resolution::

"The financial statements for the company for the year ending 30 June 2012, which have been examined by the auditors and by the Supervisory Board, are herewith adopted and approved.

The management report for the 2011/2012 financial year is approved. The distributable profit for the 2011/2012 financial year, totalling EUR 1,442,887.90 is carried forward.

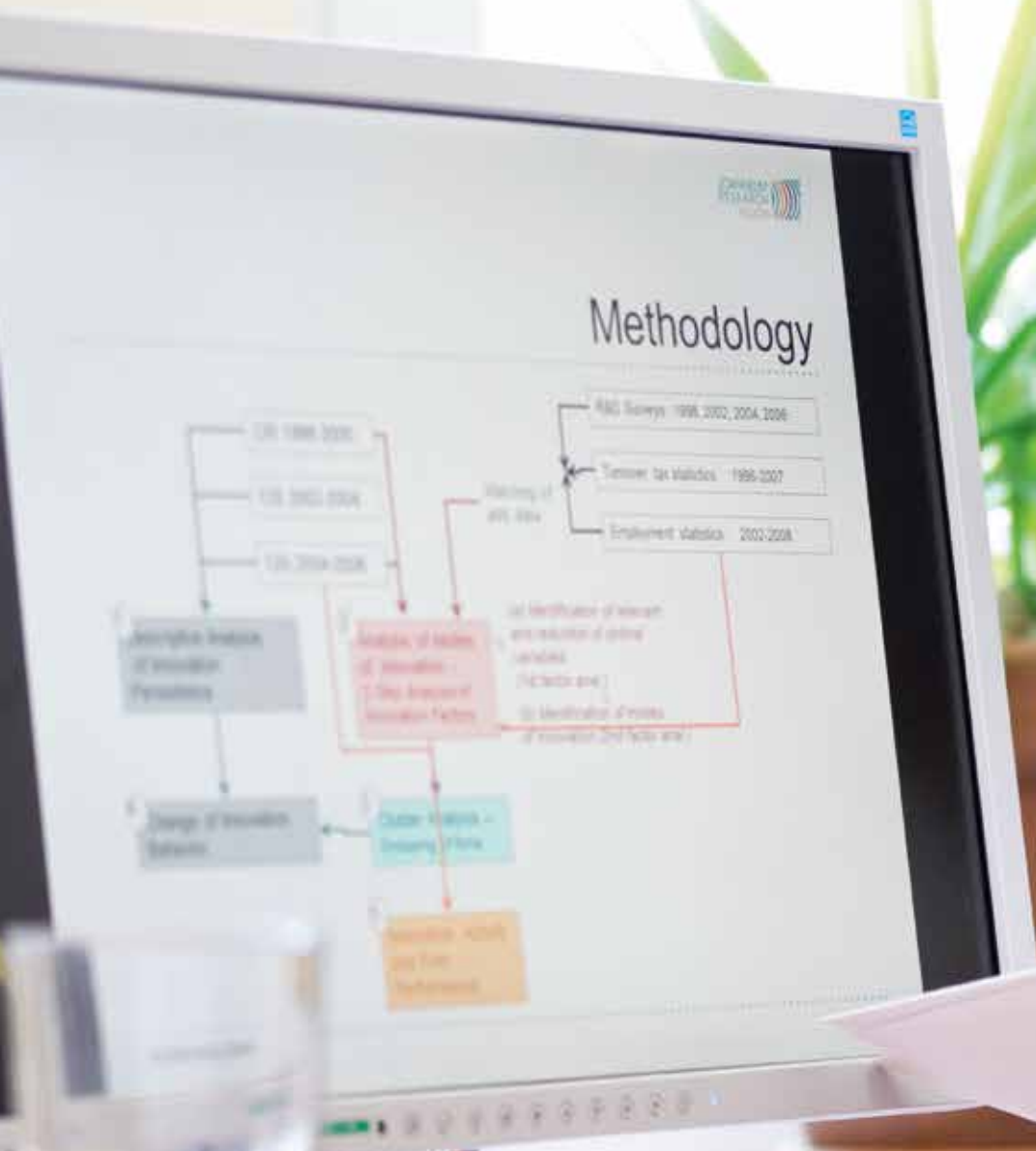
The actions of the Chief Executive Officer and Supervisory Board members for the 2011/2012 financial year have been ratified."

Mag. Dr. Birgit Strimitzer-Riedler, Province of Styria

15.11.2012

Dr. C.L. Ekkers, Nederlandse Organisatie voor toegepastnatuurwetenschappelijk onderzoek TNO

06.11.2012





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Corporate services

- CEO support/administration
- Personnel
- Legal
- Central Quality Assurance
- Internal Audit
- Health & Safety/Ergonomics

Corporate departments

- Strategic Planning
- Innovation Management & Marketing
- Future Lab
- Finance & Controlling
- Data Centre
- Facility Management
- Public Relations & Marketing

MATERIALS

Institute for Surface Technologies and Photonics

- MNS – Micro and Nano-structuring
- LOT – Light and Optical Technologies
- LPT – Laser Processing
- SEN – Sensor Systems
- FOB – Functional Surfaces

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HEALTH

Institute for Biomedicine and Health Sciences

- BTM – Biomedical Technology and Monitoring
- BAM – Bioanalytics and Metabolomics
- NTN – Nanotoxicology and Nanomedicine
- EGW – eHealth and Health Sciences

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DIGITAL

Institute for Information and Communication Technologies

- FER – Remote Sensing and Geoinformation
- MVA – Machine Vision Applications
- SPA – Space and Acoustics
- AVM – Audiovisual Media
- IIS – Intelligent Information Systems

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RESOURCES

Institute for Water, Energy and Sustainability

- WRM – Water Resources Management
- LAB – Laboratory Centre for Isotope Hydrology and Environmental Analytics
- GPT – Geophysics and Geothermics
- ENG – Energy Research
- CTP – Plant Materials Sciences and Utilisation

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Centre for Economic and Innovation Research

- TIP – Technology, Innovation and Policy Consulting
- TFP – Technology, Foresight and Planning
- STA – Statistical Applications
- RRR – Regional Science, Risk and Resource Economics

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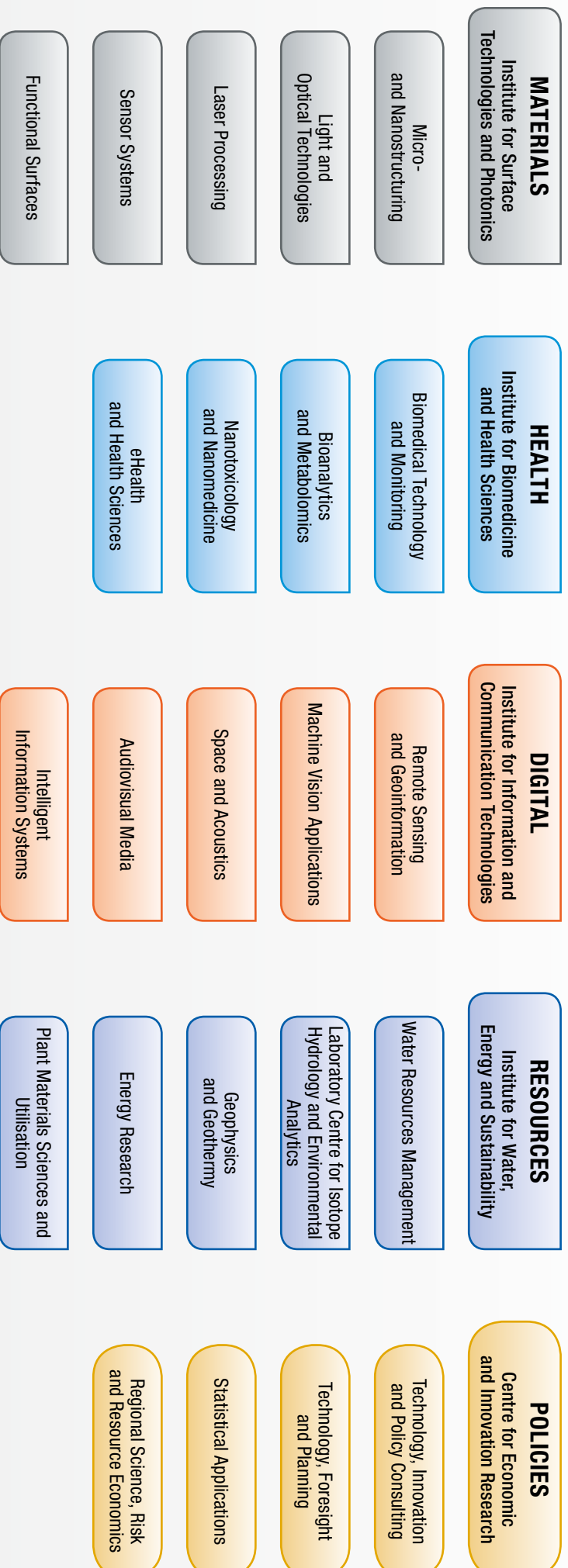
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¹ K1 Centre

² K2 Centre

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