



JOANNEUM RESEARCH

Annual Report 2012/2013





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CEO's Message

The past financial year 2012/2013 saw the successful completion of the reorientation and transition process of JOANNEUM RESEARCH.

It was at the same time an utterly challenging year. On the one hand, the external framework conditions in the wake of the economic developments in Europe became increasingly difficult, and on the other hand we had to manage cost overruns of some large-scale multi-annual projects. Against this background, some foresighted measures were taken in terms of structure, HR and contents during the 2012/2013 financial year with the aim of tapping savings potential and optimising process operations to make the company fit for the future. Despite these challenges and the difficult economic environment, the company succeeded in increasing its attributable enterprise contract research to EUR 10.4 million and its order intake reached approx. EUR 57.1 million, illustrating that JOANNEUM RESEARCH is being ever more frequently sought as a reliable and expert partner for business operations. In addition, JOANNEUM RESEARCH was able to further extend its international positioning and activities; revenue from international business amounted to more than one third of the operating income, corresponding to an increase by some 38 % compared to the previous year.

The end of the 2012/2013 financial year also marks the beginning of a period governed by a new corporate concept. The 2013–2016 corporate concept has been developed in close cooperation with the Scientific Advisory Committee, the shareholders and the most important stakeholders. JOANNEUM RESEARCH aims to further strengthen its position at the interface to the economy; know-how transfer via licenses is to be pushed in particular. Self-financed research projects are another essential prerequisite for success. In the framework of these projects, the latest findings from fundamental research are used to develop the know-how and service portfolio of the company. The close connection and cooperation with neighbouring universities and business enterprises remain important pillars of our corporate strategy. Another focus in the past financial year was on developing future-oriented research areas and on adding new research capacities.



Prof. Dr. Wolfgang Pribyl, MBA
CEO

Research & Development needs creative and enthusiastic researchers and scientists as well as state-of-the-art infrastructure.

To enable international excellence in research, JOANNEUM RESEARCH invests several million euros in research infrastructure every year, creating an attractive working environment for creative researchers. These investments secure the company's international competitiveness. The researchers of JOANNEUM RESEARCH repeatedly earn distinctions and awards in national and international competitions for their top achievements. The findings of a recent survey commissioned by universities underline that JOANNEUM RESEARCH is among the most popular employers for young researchers and students.

My vision for the future of JOANNEUM RESEARCH is to strengthen the company's position as a leading provider of research and development and as a competent, innovative and reliable partner in an increasingly globalised research world.

To ensure good corporate development in the research sector I put sustainability before short-term profits. A well pronounced awareness for development and trends is vital to secure a lasting leading position in the global competition of research. The dedicated team of JOANNEUM RESEARCH will make this vision a reality.

Foreword of the Styrian Minister of Science

Styria with its estimated R&D quota of approximately 4.7 % will remain the leading research area of Austria and continue to hold a top position among the European regions. This success has been made possible by Styria's consistent strategy maintained over many years: its commitment to the »3Cs« (Communication, Coordination and Cooperation). Economy and science, industry and research, politics and administration, universities and research institutes form a community of stakeholders who know very well that research can never be the success of one individual player, just as corporate success is never achieved by a CEO alone – open cooperation is a key factor for growing success.



Kristina Edlinger-Ploder
Styrian Minister for Science and Research,
Health and Healthcare Management

The master plan pursued the objective of giving JOANNEUM RESEARCH a distinct profile, highlighting its strengths and increasing its visibility by clearly focusing on its core competencies. This approach is supported by the company and its employees, and their commitment and dedication have made all the success of the past few years possible. And yet we are facing new challenges: tight public budgets, R&D businesses that have to calculate research orders most precisely, and a steadily changing landscape of research institutes.

While the »critical mass« may be a fundamental requirement of top research, it is certainly not only the quantity of individual players that is decisive, but rather the intelligent interaction between outstanding core competencies of different groups in one area. This, in turn, requires that each individual player contributes his or her unique skills and expertise to bring about overall success going far beyond the sum of its individual parts. Emergence is the opportunity for the multi-faceted »research market«. Emergence means networking (the company's) own expertise and resources in the best possible way to secure international success as a quality provider of research. JOANNEUM RESEARCH has embarked on a successful path towards its goal of becoming THE technology transfer entity for Styria.

With research into the future!



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

MATERIALS

The research topics of the Institute for Surface Technologies and Photonics are micro- and nanostructuring, light and optical technologies, laser processing, sensor systems and functional surfaces.

HEALTH

The Institute for Biomedicine and Health Sciences acts as a link between fundamental medical research and industrial application in close cooperation with the Medical University of Graz.

DIGITAL

The Institute for Information and Communication Technologies analyses new technologies for the World Wide Web, specialising in image, video and acoustic signal processing as well as in remote sensing, communication and navigation technologies.

RESOURCES

The Institute for Water, Energy and Sustainability investigates the use of natural resources and has its research focus on geophysics and geothermy, energy and environmental analytics with a view to sustainability.

POLICIES

The Centre for Economic and Innovation Research offers consulting, planning and evaluation in matters of technology and regional policies, business and statistics.

JOANNEUM RESEARCH was There!

02. – 06.07.2012

EUROSOIL 2012: International Congress of the European Science Societies,
Bari, IT

11. – 15.08.2012

SPIE Optics + Photonics
San Diego, US

18. – 21.09. 2012

United Nations Austria Symposium
Graz, AT

23. – 25.08.2012

Alpbach Technology Forum
Alpbach, AT

05.09. – 07.09.2012

i-KNOW 2012
Graz, AT

17.09.2012

IAH (International Association of Hydrogeologists) 2012 Congress
Niagara Falls, CA

25.09.-28.09.2012

Security Essen 2012
Essen, DE

01.-05.10.2012

EASD (Annual Meeting of the European Association for the Study of Diabetes)
Berlin, DE

09. – 11.10.2012

CPhI (International trade event of the global pharmaceutical ingredients industry)
Madrid, ES

15. – 16.10.2012

Les Rencontres de l'Observatoire de l'eau en montagne, Megève
Les Gets, FR

16.10.2012

AAL Forum Styria 2012
Graz, AT

22. – 26.10.2012

ITS World Congress 2012
Vienna, AT

14. – 17.11.2012

MEDICA (World Forum for Medicine)
Dusseldorf, DE

19. – 21.11.2012

III Latin American Conference »Biorefineries – Ideas for a Sustainable World«
Pucon, CL

22.11.2012

50th Meeting of Kyoto-Mechanisms Working Group at the Ministry of the Economy, Vienna
Vienna, AT

26.11.2012

Principles and Technologies, University of Eastern Finland
Joensuu, FI

JOANNEUM RESEARCH was There!

29. – 30.11. 2012

European Gender Summit 2012

Brussels, BE

13.12.2012

PEPMAC (Post Emission Particulate Matter Abatement Competition) Awards Ceremony

Graz, AT

27.02. – 02.03.2013

6th International Conference on Advanced Technologies & Treatments for Diabetes, ATTD 2013

Paris, FR

11. – 13.03.2013

PQRI Workshop on the Evaluation of Topical Drug Products — Current Challenges in Bioequivalence, Quality, and Novel Assessment Technologies

Rockville, MD, USA

02. – 05.04.2013

OECD Workshop

Gwangju, South Korea

08. – 13.04.2013

Hanover Trade Fair 2013

Hanover, DE

15.04.2013

TAFTIE (The European Network of Innovation

Agencies) Academy Network

Vienna, AT

17. – 18.04.2013

Printed Electronics 2013

Berlin, DE

06. – 10.05.2013

IEEE International Conference on Robotics and Automation 2013

Karlsruhe, DE

07.05.2013

HTA (Health Technology Assessment) Symposium

Vienna, AT

13. – 16.05.2013

LASER World of PHOTONICS

Munich, DE

21.05.2013

REAL CORP Conference

Rome, IT

07.06.2013

EU-Project CLIMB Modelling Workshop

Munich, DE

10. – 11.06.2013

SMART PLASTICS Congress

Linz, AT

10. – 13.06.2013

EAGE (European Association of Geoscientists & Engineers) Conference & Exhibition

London, GB

Management Report

The Management Report covers the financial year 2012/13 from 1 July 2012 to 30 June 2013 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 organization

As of 30 June 2013, JOANNEUM RESEARCH now comprises five 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 2013, JOANNEUM RESEARCH had equity in the following companies:

I.2.1 Shares in affiliated companies

The companies BioNanoNet Forschungsgesellschaft mbH, Graz, NanoTecCenter Weiz Forschungsgesellschaft mbH, Weiz, and WATERPOOL Competence Network GmbH, Graz are shown as affiliated companies in the balance sheet.

The shareholder structure of WATERPOOL was consolidated and the number of eight reduced to two core shareholders, i.e. JOANNEUM RESEARCH and Graz University of Technology. JOANNEUM RESEARCH now holds a share of 77.5 % in the equity; the share of Graz University of Technology remains unchanged at 22.5 %.

Share

BioNanoNet Forschungsgesellschaft mbH	67.3 %
NanoTecCenter Weiz Forschungsgesellschaft mbH	50.0 %
WATERPOOL Competence Network GmbH	77.5 %

I.2.2 Corporate holdings

Share

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

I.2.3 Shares held in the COMET Competence Centres for Excellent Technologies Programme (K1 and K2 Centres)

As of 30 June 2013, the company has held shares in the following companies that receive grants from the COMET (Competence Centres for Excellent Technologies) programme of the Austrian Ministry for Transport, Innovation and Technology (bmvit) and the Austrian Ministry of Economy, Family and Youth (bmwfj):

In the framework of the corporate shareholdings, turnover with companies in which an interest is held amounted to

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Share	
ACIB GmbH	8.0 %
BIOENERGY 2020+ GmbH	10.0 %
Kompetenzzentrum – Das virtuelle Fahrzeug Forschungsgesellschaft mbH	10.0 %
Kompetenzzentrum für wissenschaftliche 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 %

approx. EUR 0.8 m in the period 1 July 2012 to 30 June 2013 compared to expenses amounting to EUR 0.3 m.

I.3 Branches

The company has no branches.

I.4. Development of business¹

The total value of orders booked as of 30 June 2013 was EUR 57.1 m, representing an increase of EUR 2 m compared to the previous year. Work in progress and on hand amounted to approx. EUR 24.2 m which means an increase by EUR 3.7 m compared to the year before. At EUR 45.5 m, the value of open offers was also significantly above the previous year's value (EUR 26.8 m). The net loss of the financial year 2012/2013 was approximately EUR -1,186.4 k (previous year: net profit EUR 19.7 k). JOANNEUM RESEARCH's level of self-financing was 79 % (previous year 81 %). In terms of self-financing, JOANNEUM RESEARCH continues to hold a top position in the European research area.

In its 2012/2013 financial year, JOANNEUM RESEARCH achieved an operating income to the amount of EUR 14.8 m (previous year: EUR 14.8 m) from contract

research, and EUR 12.8 m (previous year: EUR 14.2 m) in the field of funded research. Sales revenue of EUR 4.7 m (previous year: EUR 2.5 m) were generated in the framework of international contract research projects. The participation of JOANNEUM RESEARCH in the programmes of the European Union and tenders of the European Space Agency (ESA) yielded revenues totalling EUR 5.4 m in the financial year 2012/2013. EUR 4.6 m of this aggregate amount is attributable to the European Union and some EUR 0.8 m to ESA. Projects with a funding volume of EUR 4.9 m were awarded to the company within the scope of the 7th Framework Programme; and orders amounting to EUR 1 m were received for ESA projects. In total, JOANNEUM RESEARCH generated international revenues of EUR 9.3 m (previous year: EUR 6.7 m) in the year under review, of which EUR 4.6 m were from the European Union and EUR 4.7 m from foreign contract research projects.

Income from national cooperation projects in the framework of Österreichische Forschungsförderungsgesellschaft mbH (the Austrian Research Promotion Agency FFG) reached EUR 4.2 m (previous year: EUR 5.4 m) in the financial year 2012/2013.

The funding agreement 2011 – 2012 between the Austrian Ministry for Transport, Innovation & Technology (bmvit) and JOANNEUM RESEARCH provided funding to the amount of EUR 4.1 m. JOANNEUM RESEARCH recorded income of EUR 1.8 m from the Ministry for Transport, Innovation and Technology (bmvit) in the year under review. The funding agreement 2013 – 2014 providing funds of EUR 4.3 m was signed on 6 August 2013.

The attributable enterprise contract research as defined in the financing agreement with the Province of Styria amounted to EUR 10.4 m in the financial year 2012/2013 and was thus higher than the targeted EUR 10 m, reflecting the increasing efforts of JOANNEUM RESEARCH to obtain direct orders from trade and industry.

¹ Figures rounded

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► I.4.1 Financial position

The assets and financing positions of the company developed as follows:

At the balance sheet date of 30 June 2013, JOANNEUM RESEARCH had assets totalling EUR 48.8 m (previous year EUR 45.1 m), comprised of fixed assets of EUR 15.1 m, current assets (including accrued income) of 29.8 m and trust assets of EUR 3.9 m. The change in total assets of EUR 3.7 m is primarily due to the increase in the trust assets.

As of 30 June 2013, equity including investment subsidies amounted to EUR 5.6 m or 12 % of total balance sheet assets compared to EUR 7.2 m or 16 % of total asset in the previous year. Borrowings (including deferred income and trust liabilities) rose – due to the increase in short-term liabilities and trust assets – to EUR 43.1 m (previous year: EUR 37.9 m), which corresponds to 88 % (previous year: 84 %) of total assets.

The cash-flow from operations as the sum of the profit of the year and the income and expenditure items (internal financing potential of the company) was EUR 1.9 m in the financial year 2012/2013. Working capital decreased by EUR 1.3 m compared to the previous year to EUR 0.3 m.

No derivative financial instruments were deployed in the past financial year. The financial instruments shown in the balance sheet are subject to general risk management of the company that is reflected in its accounting and book-keeping methods.

► I.4.2 Earnings position

Operating income including own work capitalised and other operating revenue excluding basic subsidies amounted to EUR 31.8 m in the financial year 2012/2013, declining slightly compared to the previous year (some EUR 32.5 m).

The operating income breaks down to 65 % domestic income and 35 % income from other countries. The share of operating income generated in Styria was 19 % (previous year: 16 %) and illustrates the sustainable effect of JOANNEUM RESEARCH on local businesses.

Work in progress declined by EUR 0.6 m and was EUR 13.9 m on 30 June 2013. Total expenses of EUR 40.4 m (previous year: EUR 40.1 m) consisted of personnel expenses including statutory social security contributions and voluntary employee welfare contributions as well as provisions for old-age pensions and severance payments of EUR 27.2 m (previous year: EUR 26 m), material expenses and other purchased services to the amount of EUR 4.2 m (previous year: EUR 3.4 m), depreciations of EUR 2.8 m (previous year: EUR 2.8 m), as well as other operating expense amounting to EUR 6.2 m (previous year: EUR 7.8 m).

The level of self-financing was maintained at 79 %, a very high level by international standards. Basic subsidies provided by the Province of Styria and the Funding Agreement with the Federal Ministry for Transport, Innovation and Technology (bmvit) are major constituents of corporate financing and ensure that JOANNEUM RESEARCH is able to achieve its corporate objectives.

The result from ordinary activities for the financial year under review was EUR -1,200,024.79. Taking account of taxes on income of EUR 1,750.00, the release of revenue reserves of EUR 15,420.00 and the profit carried forward from the previous year of EUR 1,442,887.90, the net profit for the year is EUR 256,533.11.

No events of material effect on the assets, financial and earnings position in the financial year 2012/2013 occurred after the balance sheet date.

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➔ I.4.3 Investments

Approx. EUR 2.9 m (previous year: EUR 2.7 m) were invested in fixed assets (scientific equipment, equipment for electronic data processing, operating and office equipment, land and buildings) in the financial year 2012/2013.

➔ I.4.4 Human resources

The number of staff as of the reporting date was 453 (155 women and 298 men) and has remained unchanged compared to the previous year. The headcount corresponds to 372.3 full-time equivalents as at 30 June 2013, which means a decline by 2 % compared to the previous year. 75 new members of staff joined the company (29 women and 46 men) and 75 people left (31 women and 44 men) during the year under review. This corresponds to fluctuation of some 16.5 % (women 6.8 % and men 9.7 %) among employees, a figure that is slightly higher than in the year before (14.35 %).

The average age of employees is forty years and has increased slightly compared to the previous year (39.7 years). The share of graduates from universities or universities of applied sciences was 66.23 % (of which 27 % women) as at 30 June 2013; the share of high school graduates was 22 %.

JOANNEUM RESEARCH employed 6 apprentices (3 women, 3 men) at the reporting date. Eight interns (3 women, 5 men) were employed during the period under review doing their compulsory internships in the framework of their study courses at universities or universities of applied sciences or in the scope of international exchange programmes. 22 students (11 women, 11 men) had the opportunity to write their master or PhD theses within the scope of an employment relationship.

Due to the general economic situation, measures aimed at reducing staff costs had to be introduced in the financial year 2012/2013.

II. Report on the Expected Development of Business and Risks Faced by the Organisation

■ Economic and political framework conditions for Research & Development (R&D)

Europe is still facing major economic and financial challenges. The recovery expected for the euro zone in early 2013 has not yet materialised.

The forecasts of the Austrian Institute of Economic Research (WIFO) for 2013 and 2014 (monthly reports 7/2013) illustrate that the crisis in the euro zone does not leave Austria unscathed – with an overall decline of the GNP by 0.7 % expected for 2013 and a moderate growth of economic performance of +1 % predicted for 2014. WIFO predicts an economic growth of a mere 0.4 % for Austria for the year 2013, while growth is expected to accelerate to 1.6 % in 2014.

STATISTIK AUSTRIA (in its press release no. 10.503-079/13 of 11 April 2013) estimated that Austria would spend EUR 8.96 bn on research and experimental development (R&D) in 2013, which corresponds to a stagnating research quota of 2.81 % (the 2012 research quota was 2.81 %, and that of 2011 was 2.72 %) of the GNP. Compared to 2012, total Austrian R&D spending will increase by an estimated 2.9 %. Austrian companies will contribute the largest share at EUR 3.93 bn or 43.9 %, compared to EUR 3.62 bn or 40.4 % contributed by the public sector. The rest of the cost will be borne by foreign as well as private non-profit operations. The development of JOANNEUM RESEARCH is not only influenced by the economic development in Europe, but also by structural changes of international and national research promotion and subsidy programmes.

The discussion of funding quota in the framework of Horizon 2020 brought a preliminary result. A new cost model has been planned but the formal conclusion of the legislative procedure is not expected before September 2013. In future, 100 % of the direct costs of research projects and 70 % of the direct costs of innovation projects (100 % for non-profit organisations) are to be subsidised,

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while a 25 % flat rate is planned for indirect costs (overheads). At national level, a framework agreement on overhead quotas eligible for funding was concluded with the Austrian Research Promotion Agency FFG in the financial year 2012/2013. An overall reduction of the funding quota for EU and national funding projects is to be expected. The legal changes with regard to the tax premium on R&D will become fully effective for JOANNEUM RESEARCH in the course of the current financial year (from 1 July 2013). It is to be expected that customers will increasingly make use of the tax premium on R&D themselves. The financial implications of these effects for JOANNEUM RESEARCH cannot be fully quantified at this point.

■ Strategic Master Plan for JOANNEUM RESEARCH

The planning period of the corporate concept 2010 – 2013 was characterised by the implementation of the Strategic Master Plan for JOANNEUM RESEARCH. The reorientation and the resulting transition progress were successfully concluded at the end of the financial year 2012/2013. Consolidation in terms of the locations of research units was continued. The new Weiz research facility built together with the Municipality of Weiz was taken into operation; and in 2014, the HEALTH Institute of JOANNEUM RESEARCH will move into rooms of the Centre for Knowledge and Technology Transfer in Medicine (ZWT) in Graz. A tangible contribution to establishing top international research facilities.

JOANNEUM RESEARCH also introduced a system for the control of innovation management and innovation marketing with a view to improving the marketing and utilization of technologies.

In the context of the external framework conditions for the new period of the 2013 – 2016 corporate concept, JOANNEUM RESEARCH will need to make itself fit for the future. The company already took structural and content-related measures during the financial year under review to use identified savings potential and optimize processes. In the coming financial year 2013/2014, attributable enterprise contract research of approximately EUR 10.3m is planned plus moderate growth for the subsequent years.

■ Financing agreement with the Province of Styria

The term of the financing agreement with the Province of Styria on basic funding amounting to EUR 7.5m max. per annum is from 1 July 2011 to 31 December 2016.

■ Funding agreement with the Federal Ministry for Transport, Innovation and Technology (bmvit)

The projects of the 2011 – 2012 funding agreement have been concluded, with the final reports submitted to the Austrian Ministry for Transport, Innovation and Technology (bmvit). A continuing funding agreement for the period 2013 – 2014 between the Ministry for Transport, Innovation and Technology (bmvit) and Joanneum Research was signed on 6 August 2013 and will provide funding amounting to EUR 4.266m for five selected research projects related to fundamental research. The total project volume envisaged is EUR 4.8m. A funding agreement for 2015 and beyond is currently being negotiated with the Ministry for Transport, Innovation and Technology.

The financing agreement with the Province of Styria and the funding agreement with the Ministry for Transport, Innovation and Technology (bmvit) are essential tools of financing for JOANNEUM RESEARCH; they enable high-quality R&D to improve the competitiveness of the region and the Styrian economy.

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III. Report on Research and Development

■ III.1 Research Units

➔ MATERIALS – Institute for Surface Technologies and Photonics

With its high scientific expertise, MATERIALS provides its customers access to the latest technologies for incorporation in innovative products and services. MATERIALS is the first point of contact for technology and process development in the fields of green photonics and electronics, structured (biomimetic) surfaces, piezoelectric sensors and energy harvesters, the large-scale production of organic layers (roll-to-roll, silk screening), (visual) chemical and biosensors, laser production engineering, aerosol and inkjet printing as well as laser and plasma-supported vacuum coating procedures. Thanks to state-of-the-art equipment and research infrastructure, path-breaking research work, problem solution and scientific services can be provided at the institute, tailored to the demands of industry and business.

The spatial merging of the major part of the Materials Institute in Weiz will be concluded in the financial year 2013/2014 on completion of the new laboratory facility W.E.I.Z. IV in cooperation with the Municipality of Weiz. This means that the synergies of the individual research groups and NanoTecCenter Weiz Forschungsgesellschaft mbH can be utilised to an ever greater degree.

Following the concept of a European location policy, the facility in Weiz intends to pursue and support developments in the key enabling technologies (KETs) as defined by the European Commission and to derive strategies and measures from them. With its pro-active contribution to national and European platforms, MATERIALS also plays the role of consultant in drawing up the national research strategy.

The scientific excellence of its staff is to be improved even further to provide the necessary basis for acquiring orders from the economy.

➔ HEALTH – Institute for Biomedicine and Health Sciences

HEALTH sees itself as a link between fundamental medical research and industrial application. Through its strategic cooperation with national and international partners from the scientific and economic spheres, the HEALTH Institute offers interdisciplinary holistic solutions in the fields of medicine, pharmacy, medical engineering and healthcare research.

HEALTH combines scientific research with high international quality standards (GLP, EN ISO 13485, Clinical Data Management, Clinical Statistics) and fulfils the exacting demands of the pharmaceutical and medical-engineering industry. The research focus includes pharmacokinetics (PK) / pharmacodynamics (PD) / bioequivalence (BE), bio- and pharmaceutical analytics, metabolomics, health economics and outcome research, medical device development and evaluation as well as health services research.

In the upcoming financial year 2013/2014, the institute is to further extend its cooperation with its strategic partner, the Medical University of Graz. Other strategic plans include the involvement in the K1 Centre »Competence Centre for Biomarker Research« and a »Clinical Research Centre« to develop clinical research further. The relocation to the Centre for Knowledge and Technology Transfer in Medicine (ZWT) will bring about ever closer ties with MED CAMPUS Graz.

By establishing an office in Vienna and setting up the »Health Sciences« competence group, HEALTH will also be available to its customers and partners in this field on site.

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➔ DIGITAL – Institute for

Information and Communication Technologies

DIGITAL is one of the internationally leading application-oriented research partners and key experts in the fields of information and communications technology (ICT). The technological and scientific foundation of the institute includes web and internet technologies, image, radar, video and acoustic signal processing and sensors, remote sensing, as well as communication and navigation technologies. These technologies are implemented on the basis of solid methods for the development of hardware and software for application-oriented solutions. Know-how in prototype development, project management and consulting complement the outstanding scientific expertise. The research departments of the DIGITAL institute include remote sensing and geoinformation, image analysis and measurement systems, space and communication technology, audio-visual media, intelligent information systems and smart acoustic solutions.

The financial year 2013/2014 will see a focus on implementing new strategic research projects for DIGITAL, underpinning its long-term scientific objectives. In addition, the marketing activities in terms of utilizing and generating income from licenses will be intensified. The acoustics research area is to be extended: The new research unit for »Smart Acoustic Solutions« will be in the centre of strategic developments.

Intensified application-oriented research requires an overhaul of the institute's market presence. In line with the Strategic Master Plan for JOANNEUM RESEARCH, the business orientation with a focus on cross-disciplinary, application-oriented research will be further enhanced through continuous development and strengthening of business development at the DIGITAL Institute.

➔ RESOURCES – Institute for

Water, Energy and Sustainability

In times of increasingly scarce resources, it is a social and economic necessity to make the use of natural resources sustainable, targeted and efficient. RESOURCES pools the R&D expertise in the areas of water management, exploration and protection of aquatic resources, geophysics, geothermy, geotechnical engineering, hydrogeology and raw materials geology, the use of renewable energy carriers, optimised use of biological resources and optimisation of energy consumption while studying each of these areas from an overall ecological and economic perspective. The institute is involved in the development of new technologies and processes; risk assessment and individual solutions make the scientific competencies complete. The research units of RESOURCES are: water resources and environmental analysis, geophysics and geothermy, and energy and bioresources.

After a rather difficult transition phase, the RESOURCES Institute is striving for consolidation in terms of personnel and economic aspects. Some areas will see an orientation towards new subjects and an increase in technology output. In addition, the institute explores whether there are any options for cooperation in the framework of the »Smart Cities« project of Graz, especially with regard to the »Research Tower Graz«.

The objective is to establish RESOURCES as a renowned, scientific partner and provider of overall solutions by the end of the corporate concept planning period 2013–2016. This is to be achieved by following a more pronounced international cooperation policy in line with the regional interests.

➔ POLICIES –

Centre for Economic and Innovation Research

POLICIES provides consulting and support to customers from the political and economic sectors in their strategic and operative decisions. Based on the far-reaching expertise in empirical research ranging from quality social research to quantity modelling, POLICIES provides the

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bedrock for evidence-based policies and innovation in companies. The scientific portfolio includes the development of strategies for research, technology and innovation policies and their evaluation, the assessment of regional economic, technological and ecological developments, site analyses and assessment, plus evaluation of the effects and risks of political decisions and entrepreneurial innovations. The research areas are »Technology, Innovation and Policy Consulting«, »Statistical Applications« and »Regional Science, Risk and Resource Economics«.

Due to the difficult order situation, the »Technology, Innovation and Policy Consulting« research unit will be reorganised in Graz and Vienna in the financial year 2013/2014. The activities of the Statistics research group are to be extended both within the company and in the area of technology development. It is planned to enhance external exploitation as well as the (internal) use of statistical methods in the (further) development of processes and products by 2016.

Measures for the further establishment of regional-economic monitoring systems – among others in the field of risk modelling of natural disasters and taking the increasing degree of urbanisation into account – will be taken and the technology-related R&D projects of the Centre are to be boosted.

III.2 Shareholding and Network Strategy

The primary objective of JOANNEUM RESEARCH's shareholding strategy is to support the attainment of corporate objectives and thus increase the company's competitiveness. Thanks to the close cooperation within the ownership structure of the companies in which an equity interest is held, JOANNEUM RESEARCH is able to push ahead the institutional development of research and to play a leading role in improving the alignment of the Styrian research strategy. The investments are also a significant added value for the corporate portfolio. The close collaboration with the companies in which an equity interest is held enables JOANNEUM RESEARCH to act as a one-stop-shop offering complete solutions to complex issues of its

business partners. This will contribute to the continued strengthening of JOANNEUM RESEARCH's role as a link between science and industry in future.

The shareholding interests of JOANNEUM RESEARCH are also geared to support the priorities, focus and objectives of the 2013–2016 corporate concept and the future portfolio development.

JOANNEUM RESEARCH is an active and influential hub of national and international research projects. As a professional problem-solver of demanding technical innovation projects, JOANNEUM RESEARCH is the point of contact for many companies and as such an important link in the innovation chain. The multi-faceted research networks of JOANNEUM RESEARCH ensure the quality of its research findings and facilitate access to a wide range of international research for local enterprises.

JOANNEUM RESEARCH is thoroughly integrated in a national and international research network of universities, universities of applied sciences, research institutes, innovative technology organisations and businesses.

Graz, 9 September 2013



Prof. Dr. Wolfgang Pribyl, MBA
CEO

Highlights



W.E.I.Z. IV Completed

The new laboratory facility offers excellent research infrastructure for nanotechnology, surface technology and photonics. This investment enhances both the national and international visibility of the research site and boosts the competitiveness and development of economic businesses in the region.



New: Aerosol-Jet Printing System

The international market for printed electronics is growing. MATERIALS has set itself the objective of increasing its activities in this market. At the end of 2012 a new system for aerosol-jet printing was installed so that MATERIALS can now offer new technologies to industry. The aerosol-jet technology facilitates the production of electronic, structural or biological structures on a variety of substrates or printable materials.



Roll to Roll System

Over the past two years, researchers of the MATERIALS Institute – with the subsidies of bmvit – devised a development line for the production of components and integrated elements by means of nanoimprint lithography in a roll-based production environment. The know-how – ranging from design and characterisation of the structure to simulation and the production of tools – is now available together with the roll-to-roll system to business enterprises for the development of industrial processes for large-scale production of micro- and nanostructures.



Eco - Touch

The intuitive control of industrial robots is ensured by means of elegant, reliable, pressure-sensitive touch interfaces instead of knobs, keys and switches. This vision has been made a reality in the ECO-touch project subsidised by FFG. Touch-sensitive control elements are integrated into the surfaces of mobile terminals of KEBA AG. These large-sized sensors based on the PyzoFlex® technology convert touch into electrical energy through the piezoelectric effect, localize it on the surface of the control element and quantify the pressure (in cooperation with KEBA AG and the Upper Austrian University of Applied Sciences).



MATERIALS



»The scientific excellence and the reputation of our members of staff underline the national and international visibility of the institute based on our involvement in EU projects and the international awards we win. We aim to enhance this position further in the years to come and to implement innovative projects in cooperation with business enterprises«

Dr. Paul Hartmann, Director
MATERIALS – Institute for Surface
Technologies and Photonics

Highlights



EARTO Innovation Prize 2012

JOANNEUM RESEARCH was awarded the EARTO Innovation Prize 2012 on 4 December 2012 for its dOFM project on dermal open-flow microperfusion. The project received the award for its innovative character and significant economic and social effect. The internationally recognised achievement of the award-winning innovation is the technology of minimally invasive micro-perfusion catheters and pumps that make the precise measurement of concentration and effect of active agents in the skin possible.



SPIDIMAN (since November 2012)

HEALTH coordinates the EU project SPIDIMAN (Single-Port Insulin Infusion for Improved Diabetes Management) with a total budget of nearly EUR 6.4 million (for JOANNEUM RESEARCH: approx. EUR 1.5 m). The project is based on a new glucose sensor technology co-developed by HEALTH. SPIDIMAN develops a single-port device that improves glucose measurement, enabling more precise insulin administration and consequently leading to better blood sugar level control of people suffering from type 1 diabetes.



CPhI Worldwide

Together with the human.technology.styria GmbH cluster and Life Science Austria, HEALTH presented its expertise and services in the measurement of tissue-specific medication levels, as well as its portfolio of biological and pharmaceutical analysis provision at the CPhI Worldwide from 9 to 11 October 2012 in Madrid. With some 30,000 visitors from 140 countries, the CPhI Worldwide is the largest networking and business event for the global pharmaceutical ingredients industry.



New HEALTH Location in Vienna

To mark the opening of the office of HEALTH in Vienna on 8 May 2013, a symposium with experts from Germany and Austria was held on the »Objectivity of Technology Assessment in the Austrian Healthcare System – Target reached?«. HEALTH is a relevant player in the planning and evaluation of healthcare services and with its new office in Vienna the institute is now closer at its customers, the decision-makers of the public and industrial sectors.

HEALTH



»The strategic objectives of the Master Plan have been successfully incorporated in the strategy of our institute. HEALTH is now even more customer-oriented while at the same time providing excellent scientific output. Together with the high motivation of our employees, this provides significant impetus to the successful course and growth of the institute.«

Prof. Dr. Thomas Pieber, Director
HEALTH – Institute for Biomedicine
and Health Sciences

Highlights

EXPERIMEDIA

Tender of Experiments within the Scope of the EXPERIMEDIA Project

The EXPERIMEDIA project was launched in October 2011. JOANNEUM RESEARCH DIGITAL developed augmented reality applications for mobile terminals in this project that are used at large events, such as the Ski World Championships 2013 in Schladming. 11 partners from seven EU countries were involved in the project. The objective was to create a facility with three locations in Europe to serve as a platform for experiments in the field of future media and the Internet. The focus was on aspects of networked media and social interactions, and the Schladming region was used as a test area.



Aerial Photographs for Flood Protection

In cooperation with the Government of Lower Austria, the Lower Austrian fire fighters and the Austrian army, the ADAM flight platform of JOANNEUM RESEARCH made more than 7000 aerial photographs of the areas flooded in 2013. Pictures of large parts of the river Danube between Hainburg and Linz were taken in several flights. After georeferencing, the images were immediately available to the Regional Warning Centre. The image data – superimposed on maps – ensure overall situation assessment so that fire fighters and other emergency rescue forces are able to respond much more quickly. The photographs were taken in the framework of tests for the KIRAS Airwatch project.



Completion of the Audio Lab

DIGITAL has the most modern and best equipped audio laboratory of Austria by international standards and is leading in audio lab testing. The audio lab was completed in the winter of 2012. The combination of the best infrastructure and independent experts puts JOANNEUM RESEARCH in a position to perform not only professional hearing tests, but also test series with human factors, including, for example, general audio-visual demonstrations for current projects.



Alphasat Antenna on the Hilmwarte Observatory

In the framework of the Alphasat TDP5 project financed by ESA, a new, state-of-the-art satellite uplink unit was established at the Hilmwarte observatory in Graz. It works in the frequency range of 38/48 GHz and is used to research broadband satellite connection. Enormous signal fluctuations need to be balanced out in order to transmit and receive digital data via this channel in the most efficient way possible and with correspondingly good quality. This balancing is the central element of the research work in this project. The Alphasat satellite used for this purpose is one of the largest European telecommunication satellites.

Foto: Luca Salghetti Drioli, ESA



»Commissioned with the coordination of three K-projects (ASD, Secos, Vision+), DIGITAL is in an excellent position to shape the issues of today together with national industry and partners over the next four years. The EU and ESA projects we have been entrusted with are essential to enhance the visibility in the international research community further.«

Dr. Heinz Mayer, Director

DIGITAL – Institute for Information
and Communication Technologies

Highlights



Symposium Celebrating 20 Years of the Research Station in Wagna

For twenty years, the research facility in Wagna has been developing and applying measurement methods to devise forms of soil utilization that make sense from an economic point of view. The data derived are used in interdisciplinary cooperation with national and international partners from the fields of science and business to develop and apply numeric – physically-based – forecast models. The effects of measures taken to adapt to climate change can be tested by means of simulating various scenarios.



Continued training Seminars in Geophysics and Geothermy

The seminars held in the course of the four demonstration field measurements on Erzberg reached from geothermy and the geophysics of boreholes to applications and areas of use in engineering geophysics. The 15 participants were introduced to geophysical measurement methods, such as seismics, georadar, borehole geophysics and geo-electrics. The greatest interest was attracted by the combinations of methods that make it possible to solve complex questions of hydrogeology and geo-engineering.



E-Log Biofleet: Logistics Vehicle with Fuel Cell Hybrid Drive

The project partners Linde Material Handling, Fronius International, DB Schenker, OMV, HyCentA Research and JOANNEUM RESEARCH officially entered the field phase of the E-LOG Biofleet project on 7 June 2013: On this day, the first of a total of ten low-floor trucks with fuel-hybrid drive was handed over to DB Schenker and the first indoor hydrogen filling system in Europe went into operation. The go-ahead was given by Minister Doris Bures (bmvit) – her ministry provides the funding for the programme of the Climate and Energy Fund, which in turn subsidises the project.



Neptun Water Award 2013

16 projects competed in the WaterPROTECTION category of the Neptun Water Award. The winner was the project »Alpine karst spring water – Basis of life: New approaches to comprehensive understanding, protection and management«. Dr. Hermann Stadler of RESOURCES played an important role in the award-winning project that had been submitted by Dr. Andreas Farnleitner (University of Technology Vienna) and carried out in cooperation with Prof. Dr. Robert Mach (University of Technology Vienna), Dr. Georg Reischer (University of Technology Vienna), Dr. Gabriela Ryzinska-Paier, Dr. Inés Wilhartitz (EAWAG), Prof. Dr. Regina Sommer (Medical University Vienna) and Prof. Dr. Alexander Kirschner (Medical University Vienna).

RESOURCES



»The past business year was characterised by restructuring measures at the RESOURCES Institute. The number of research groups was reduced from six to three, and new R&D focus areas of RESOURCE MANAGEMENT, ENVIRONMENTAL QUALITY, SMART TECHNOLOGIES and GOVERNANCE AND BEST PRACTICES were defined as the future fields of activity.«

**Dr. Johann Fank and
Sebastian Berka, Directors**

RESOURCES –
Institute for Water, Energy
and Sustainability

Highlights



DER STANDARD: Monday Talks

The Austrian daily newspaper DER STANDARD organised an event on »10 Years Special Research« on 27 May 2013 including a high-level »Monday Talk« panel discussion with panellists Minister of Economic Affairs Dr. Reinhold Mitterlehner, Minister of Science Univ.-Prof. Dr. Karlheinz Töchterle and Minister of Technology Doris Bures, and the Chairman of the Council for Research and Technological Development, Dr. Hannes Androsch. They discussed issues of research, technology and innovation policies. Mag. Wolfgang Polt, Director of POLICIES, attended as an expert.



»Viniculture in times of Climate Change – First Analyses from Austria and Leading International Winegrowing Regions«

Austria's vintners are facing up to the climate challenge. The latest findings of scientists Dr. Franz Prettenthaler (POLICIES) and Prof. Dr. Herbert Formayer (University of Life Sciences Vienna) on the effects of climate change on viniculture are attracting attention. In their book »Weinbau und Klimawandel – Erste Analysen aus Österreich und führenden internationalen Weinbaugebieten« presented by the CCCA Klimaservicezentrum in Graz on 26 June, the two editors together with international authors describe the massive change in local and international viniculture caused by climate change.



Symposium on the Simulation of natural Disasters by the Example of Austria

Renowned representatives from the insurance business and the public sector met at a symposium on »Simulation of Natural Disasters by the Example of Austria« held at the headquarters of JOANNEUM RESEARCH on 12 April 2013. JOANNEUM RESEARCH draws on decades of experience in hydrological flood modelling and has stepped up its activities in actuarial and economic simulation of natural disasters over the past few years.



European Innovation Summit

The Joint Institute for Innovation Policy (JIIP), a joint venture of the political research institutes TNO, VTT, TECNALIA und JOANNEUM RESEARCH, organised a conference in the framework of the European Innovation Summit (October 2012) in Brussels. The conference attempted to determine the sectors where Europe is competitive, the sectors in which it is at risk of falling behind, and discussed ways of responding to these developments in political terms. Mag. Wolfgang Polt (POLICIES) and other JIIP partners presented the findings of various EU research projects. The results of these projects could serve as the basis for a European sectoral technology policy.

POLICIES



»The past business year saw the launch of essential structural modifications at POLICIES made to react to changes in our markets. After the successful adjustments, we are even better prepared to follow new trends in the innovation of political and corporate consulting. A great help to us in this is the fact that we have just recently concluded the largest project ever placed with POLICIES.«

Wolfgang Polt, Director

POLICIES – Centre for Economic and Innovation Research

Balance Sheet

Assets	30.06.2013 €	Previous year €
A. Fixed assets		
I. Intangible assets		
1. Rights and licenses	208,327.00	260,911.00
II. Tangible assets		
1. Land and buildings, fixtures in buildings belonging to third parties	7,632,691.96	7,634,446.96
2. Technical equipment	3,351,580.55	4,289,385.01
3. Operating and office equipment	861,865.00	815,677.00
4. Advance payments and assets under construction	1,525,014.85	324,758.46
	13,371,152.36	13,064,267.43
III. Financial assets		
1. Shares in affiliated companies	48,573.67	48,566.67
2. Equity interests	136,789.25	136,790.25
3. Securities and book-entry securities held as fixed assets	1,345,275.00	1,361,997.02
	1,530,637.92	1,547,353.94
	15,110,117.28	14,872,532.37
B. Current assets		
I. Inventories		
1. Raw materials, consumables and supplies	12,662.00	16,264.00
2. Work in progress	13,902,141.68	14,515,382.01
3. Advance payments	566,602.76	350,524.84
	14,481,406.44	14,882,170.85
II. Receivables and other assets		
1. Accounts receivable	1,259,008.92	971,880.75
2. Receivables from affiliated companies	61,043.54	21,697.79
<i>of which accounts receivable</i>	61,043.54	21,697.79
3. Receivables from subsidies and project grants	5,864,563.52	4,614,358.83
4. Other receivables and assets	3,867,228.98	3,592,756.64
	11,051,844.96	9,200,694.01
III. Securities and shareholdings		
1. Other securities and share holdings	1,981,000.00	2,627,795.00
IV. Cash in hand and at bank	1,960,879.44	3,001,584.46
	29,475,130.84	29,712,244.32
C. Trust assets	3,864,110.83	190,791.27
D. Prepaid expenses and deferred charges	328,985.34	296,283.67
Total assets	48,778,344.29	45,071,851.63

Balance Sheet

Assets	30.06.2013 €	Previous year €
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. Revenue reserve		
1. Statutory reserves	155,135.24	155,135.24
2. Other reserves (free reserves)	816,250.22	831,670.22
	971,385.46	986,805.46
IV. Net profit	256,533.11	1,442,887.90
<i>of which brought forward</i>	<i>1,442,887.90</i>	<i>1,423,218.27</i>
	4,820,556.01	6,022,330.80
B. Investment grants	808,777.53	1,193,400.00
C. Provisions		
1. Provisions for severance payments	3,827,200.00	3,483,500.00
2. Provisions for pensions	3,952,000.00	3,552,600.00
3. Other provisions	5,181,170.00	6,450,840.00
	12,960,370.00	13,486,940.00
D. Liabilities		
1. Due to banks	2,081,911.75	1,207,849.61
2. Payments received on account	16,146,992.15	16,071,693.88
3. Accounts payable	2,161,889.56	1,553,727.70
4. Due to affiliated companies	52,591.32	54,630.28
<i>of which: other</i>	<i>52,591.32</i>	<i>54,630.28</i>
5. Other liabilities	3,992,341.88	3,404,676.71
<i>of which: tax-related</i>	<i>522,099.02</i>	<i>347,012.74</i>
<i>of which: related to social security</i>	<i>1,387,069.30</i>	<i>1,220,636.69</i>
	24,435,726.66	22,292,578.18
E. Trust assets	3,864,110.83	190,791.27
F. Deferred income	1,888,803.26	1,885,811.38
Total liabilities	48,778,344.29	45,071,851.63
Contingent liabilities	390,524.16	278,909.52

Income Statement

Income statement	2012/2013 €	2011/2012 €
1. Sales revenues	13,767,277.83	11,023,410.77
2. Changes in inventories of goods and work in progress	-613,240.33	1,827,852.04
3. Other own work capitalised	111,673.67	15,806.94
4. Other project-related income	12,550,056.01	13,670,128.77
5. Basic subsidies	7,683,004.38	7,797,966.40
6. Other operating income		
a. Income from the disposal of fixed assets	8,058.34	905,291.22
b. Income from the release of provisions	1,980,441.81	1,131,422.99
c. Other	3,959,441.82	3,971,501.03
	5,947,941.97	6,008,215.24
7. Cost of materials and other purchased services		
a. Cost of materials	2,293,027.58	1,440,314.33
b. Cost of purchased services	1,858,182.22	2,006,502.73
	4,151,209.80	3,446,817.06
8. Personnel expenses		
a. Salaries	19,917,167.77	19,480,993.02
b. Expenses for severance payments	932,472.50	761,984.10
c. Pension costs	640,383.89	204,009.72
d. Cost of statutory social security contributions and payroll-related taxes and mandatory contributions	5,618,355.82	5,434,548.40
e. Other social cost	118,667.17	123,113.65
	27,227,047.15	26,004,648.89
9. Depreciation and amortization		
a. of tangible assets	2,767,076.37	2,839,381.62
<i>thereof non-scheduled depreciation of fixed assets</i>	<i>5,985.46</i>	<i>0.00</i>

Income Statement

Income statement	2012/2013 €	2011/2012 €
10. Other operating expenses		
a. Taxes unless on income	75,910.76	93,973.84
b. Other	6,159,860.06	7,700,478.86
	<u>6,235,770.82</u>	<u>7,794,452.70</u>
11. Subtotal of lines 1 to 10 (operating result)	-934,390.61	258,079.89
12. Income from other securities	63,319.28	53,310.02
13. Other interest and similar income	45,576.30	52,098.83
14. Income from the disposal and addition to financial assets and securities classified as current assets	6.25	0.00
15. Expenses incurred on financial assets	342,589.96	331,212.76
<i>of which depreciation</i>	<i>19,000.00</i>	<i>34,999.00</i>
<i>of which expenses resulting from affiliated companies</i>	<i>195,182.64</i>	<i>200,000.00</i>
16. Interest and similar expenses	31,946.05	25,241.11
17. Subtotal of lines 12 to 16 (financial result)	<u>-265,634.18</u>	<u>-251,045.02</u>
18. Result from ordinary activities	-1,200,024.79	7,034.87
19. Taxes on income	1,750.00	1,750.00
20. Net profit/loss for the year	<u>-1,201,774.79</u>	<u>5,284.87</u>
21. Release of revenue reserves		
a. Other reserves (free reserves)	15,420.00	15,420.00
22. Allocation to revenue reserves		
a. Statutory reserves	0.00	1,035.24
23. Net profit/loss for the year	<u>-1,186,354.79</u>	<u>19,669.63</u>
24. Retained income brought forward	<u>1,442,887.90</u>	<u>1,423,218.27</u>
25. Net profit	256,533.11	1,442,887.90

Notes to the Financial Statement

Accounting and Valuation Methods

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 assets, financial position and results of operations. When preparing the financial statements, the principle of completeness was applied. The principle of individual valuation has been applied, and a going concern assumption has been made for the valuation 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 fixed assets

Intangible fixed assets are recognised at acquisition costs plus incidental acquisition costs less any discounts granted applying the straight-line method of depreciation. The useful life of intangible fixed assets is taken to be a period of 3 to 5 years (20–33 %).

Tangible assets

Tangible assets are recognised at acquisition costs plus incidental acquisition costs less any discounts granted as well as scheduled depreciation and amortization.

Public subsidies provided to finance fixed assets are shown as publicly-funded investment grants under liabilities. These investment grants are used in line with scheduled depreciation on the fixed assets. Scheduled depreciation and amortization is calculated on a straight-line basis taking the following useful life and depreciation rates into account.

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

Assets acquired in the first half of the financial year are subject to depreciation over the whole year; acquisitions made in the second half of the year have a half year's depreciation applied. Low-value assets as defined in Sec.

13 Austrian Income Tax Act (EStG) 1988 – with an acquisition value up to EUR 400 per item – are depreciated in full in the year of acquisition and are reported as additions and disposal in the fixed assets movement schedule.

Notes to the Financial Statement

➔ Financial assets

Shares in affiliated companies and **interest** are recognised at acquisition costs less any impairment losses to take securities into account. **Securities held as fixed assets** are reported at the lower of cost of acquisition or fair value as at the balance sheet date. No unscheduled depreciation of financial assets was made in the year under review; nor were there any write-ups.

■ Current assets

➔ Inventories

Consumables are valued at acquisition costs applying the lower value of cost or market principle.

The value of work in progress is established by means of **cost accounting**. Project costs are booked against cost centres and based on evidenced direct costs. Individual items are measured at cost of manufacture or acquisition in accordance with Section 203 Austrian Commercial Code UGB. In addition to directly attributable costs, manufacturing costs include a share of capitalisable production overheads as well as of social costs in accordance with the penultimate sentence of Section 203 (3) UGB. Interest expenses 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 reported 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 according to actuarial principles on the basis of an actuarial interest rate of 3.5% (previous year: 4%) and a retirement age of 65 years using the entry age normal method. Remuneration increases as specified in collective agreements and contractual increases in the basic pay are taken into account by allowing for a 3% (previous year: 3%) wage increase. Based on past years' levels, a staff fluctuation rate of 5% (previous year: 6%) for staff subject to the severance pay regulation was assumed.

Pension provisions are carried as liabilities at the level of actuarial coverage. The basis for calculation is the Pagler & Pagler tables, taking a discount rate of 3.5% (previous year: 5%) into account. The other provisions take account of all recognisable risks and liabilities the amount of which is yet unknown. No other provisions apart from those required by law were made. Due to discharge granted in project audits, the interest rate of project-related provisions has been reduced.

■ Liabilities

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

■ Currency Conversion

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 Financial Statement

Notes to the Balance Sheet

■ Aktiva

➤ 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. On the balance sheet date fixed assets totalled EUR 15,110.1 k (previous year: EUR 14,872.5 k). Investments in the financial year 2012/2013 totalled EUR 3,039.4 k (previous year: EUR 2,964.3 k), compared to ongoing depreciation of EUR 2,767.1 k (previous year: EUR 2,874.4 k). Disposals at the historical costs of acquisition amounted to EUR 337.4 k (previous year: EUR 1,488.0 k) in the 2012/2013 financial year.

Intangible assets include software and data transmission rights at a book value of EUR 208.3 k (previous year: EUR 260.9 k). The additions of EUR 124.1 k (previous year: EUR 223.0 k) are due to the purchase of licenses and software.

Tangible assets amounted to EUR 13,371.2 k (previous year: EUR 13,064.3 k) as at the balance sheet date. Land value is EUR 2,314.8 k (previous year: EUR 2,314.8 k). EUR 3,285.4 k (previous year: EUR 3,393.7 k) of the value of buildings on company-owned and third-party owned land of EUR 5,317.9 k (previous year: EUR 5,319.6 k) represents the value of buildings, and EUR 1,296.3 k (previous year: EUR 1,251.1 k) were due to structural adaptations, i.e. EUR 4,581.7 k (previous year: EUR 4,644.8 k) for buildings on own land and EUR 736.2 k (previous year: EUR 674.9 k) for investments in third-party owned buildings. The additions totalling EUR 2,915.4 k (previous year: EUR 2,735.5 k) relate mainly to the provision of state-of-the-art scientific equipment for research activities of the company and the further expansion of IT infrastructure. Disposals at the historical acquisition costs to the amount of EUR 320.7 k (previous year: EUR 1,480.1 k) relate primarily to the release and – to a small extent – to the sale of scientific equipment, electronic data processing equipment and office equipment. There was no current-value depreciation.

Shares in affiliated companies amounting to EUR 48.6 k (previous year: EUR 48.6 k) relate to the shares in Nano-TecCenter Weiz Forschungsgesellschaft mbH in Weiz, totalling EUR 25 k (previous year: EUR 25 k), the shares in BioNanoNet Forschungsgesellschaft mbH in Graz, totalling EUR 23.6 k (previous year: EUR 23.6 k), and the shares in WATERPOOL Competence Network GmbH, Graz to the amount of EUR 7.00 (previous year: EUR 1.00). The additions of the shares in WATERPOOL Competence Network GmbH result from the purchase of 60 % of the affiliated company.

The item equity interests, totalling EUR 136.8 k (previous year: EUR 136.8 k) includes equity interests in the following companies (listed in alphabetical order):

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

Notes to the Financial Statement

The **securities held as fixed assets** were recorded at EUR 1,345.3 k (previous year: EUR 1,362.0 k) as at the balance sheet date. No unscheduled depreciation for financial assets was made in the year under review (previous year: EUR 0.0 k). All other fixed assets depreciation was ordinary and scheduled.

■ Current assets

➡ Inventories

Consumables in the amount of EUR 12.7 k (previous year: EUR 16.3 k) 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 work in progress comprises work in progress and services **not yet invoiced** totalling EUR 13,902.1 k (previous year: EUR 14,515.4 k), of which administrative overheads of EUR 3,779.8 k (previous year: EUR 3,942.4 k) for orders requiring more than twelve months to complete were capitalised.

Prepayments made on inventories amount to EUR 566.6 k (previous year: EUR 350.5 k).

➡ Liabilities and other assets

For the expected non-collectable amount of **accounts receivable**, bad debt provisions totalling EUR 288.0 k (previous year: EUR 124.1 k) were made and offset against assets. The item **receivables from affiliated companies** relates to accounts receivable.

Receivables & other assets	Receivables as at 30.06.2013 (30.06.2012) EUR	Term to maturity more than 1 year EUR	Secured by bills of exchange EUR	Capitalised accruals as per Sec, 225 (3) UGB EUR	Valuation allowance for bad debts EUR
Accounts receivable	1,259,008.92 (971,880.75)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	12,300.00 (18,700.00)
Receivables from affiliated companies	61,043.54 (21,697.79)	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	5,864,563.52 (4,614,358.83)	0.00 (0.00)	0.00 (0.00)	5,864,563.52 (4,614,358.83)	0.00 (0.00)
Other receivables and assets	3,867,228.98 (3,592,756.64)	0.00 (0.00)	0.00 (0.00)	3,726,325.42 (3,592,756.64)	0.00 (0.00)
Total	11,051,844.96 (9,200,694.01)	0.00 (0.00)	0.00 (0.00)	9,590,888.94 (8,207,115.47)	12,300.00 (18,700.00)

Notes to the Financial Statement

Receivables from subsidies and project grants relates to grants pledged from various public bodies. As process handling and receipt of payment extend over a period of more than three months, an amount of EUR 512 k (previous year: EUR 59.9 k) was discounted. The underlying interest rate is 2 % (previous year: 3 %)

Other receivables and assets include primarily rights acquired as a result of insurance premium payments against the insurance agency, claims vis-à-vis the Graz City Tax Authority, various accrued interest sums, as well as allowances and benefits.

➤ Securities held as current assets

Securities classified as current assets totalling EUR 1,981.0 k (previous year: EUR 2,627.8 k) relate to bank bonds which were acquired as a short-term investment.

➤ Cash in hand and at bank

This item amounting to EUR 1,960.9 k (previous year: EUR 3,001.6 k) is composed of cash in hand to the amount of EUR 7.2 k (previous year: EUR 9.3 k) and bank deposits of EUR 1,953.7 k (previous year: EUR 2,992.3 k).

■ **Prepaid expenses and deferred charges prepaid expenses and deferred charges**, totalling EUR 329.0 k (previous year: EUR 296.3 k), include payments made in the 2012/2013 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 Österreichische Forschungsförderungsgesellschaft mbH 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 k. Taking into account the net loss for the year of EUR 1,186.4 k and the profit brought forward of EUR 1,442.9 k, the profit is EUR 256.5 k.

■ 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).

■ Provisions

EUR 84.3 k (previous year: EUR 255.7 k) of the **provisions for severance payments** were allocated to severance payments and EUR 8.1 k (previous year: EUR 12.1 k) were released. To achieve the coverage requirement of EUR 3,827.2 k (previous year: EUR 3,483.5 k), EUR 436.1 k (previous year: EUR 503.5 k) had to be added.

EUR 241.0 k (previous year: EUR 240.1 k) of the **pension provisions** were used for pension payments. EUR 640.4 k (previous year: EUR 203.6 k) had to be added to meet the actuarial coverage requirement of EUR 3,952.0 k (previous year: EUR 3,552.6 k).

Other provisions are primarily made up of provisions for holidays not yet consumed totalling EUR 2,289.4 k (previous year: EUR 2,133.0 k), provisions for contingent repayment demands by various grant providers amounting to EUR 722.1 k (previous year: EUR 1,049.6 k), provisions for working time credits of EUR 793.9 k (previous year: EUR 809.5 k) and provisions for anticipated losses and/or costs of work in progress of EUR 457.4 k (previous year: EUR 578.4 k).

Notes to the Financial Statement

■ Liabilities

EUR 369.7 k (previous year: EUR 495.7 k) of the item **due to banks** relate to a bank loan for thermal refurbishment; EUR 712.2 k (previous year: EUR 712.2 k) to an export funding credit line and EUR 1,000.0 k (previous year: EUR 0.0 k) to a cash advance. Liabilities to banks of EUR 1,000.0 k are secured by securities.

Prepayments received on orders that could be offset against inventories totalled EUR 12,888.7 k (previous year: EUR 12,593.0 k) for contract research in the year under review.

Accounts payable amounted to EUR 2,161.9 k (previous year: EUR 1,553.7 k) as at the balance sheet date and were mainly to domestic suppliers.

The item other liabilities includes the shareholder loan of EUR 1,387.5 k (previous year: EUR 1,387.5 k) granted by the Province of Styria dated 1 November 2004 and the loan from the Research Promotion Fund for Industry and Trade to the amount of EUR 244.6 k (previous year: EUR 190.9 k). This item also includes amounts payables to the Styrian Health Insurance Fund and other required accruals and deferrals.

Investment grants from public funds	as at 01.07.2012	Additions EUR	Usage in line with deprecia- tion EUR	Releases EUR	Reallocation or corrections EUR	as at 30.06.2013 EUR
Tangible assets						
1. Buildings, including buildings on third-party land	522,725.00	7,758.02	80,823.02	0.00	0.00	449,660.00
2. Machines, scientific equipment and EDP equipment	626,248.00	-3,310.64	307,229.83	0.00	0.00	315,707.53
3. Other equipment, operating and office equipment	1,577.00	0.00	1,017.00	0.00	0.00	560.00
Financial assets						
1. Shares in affiliated companies	42,850.00	0.00	0.00	0.00	0.00	42,850.00
Total	1,193,400.00	4,447.38	389,069.85	0.00	0.00	808,777.53

Notes to the Financial Statement

Liabilities	Liabilities as at 30.6.2013 (30.6.2012) EUR	Term to maturity			Secured by collateral		Accrued liabilities (Sec. 225 (6) UGB) EUR
		up to 1 year EUR	between 1 and 5 years EUR	5+ years EUR	1+ years EUR	Type of collateral EUR	
Due to banks	2,081,911.75	839,781.81	1,242,129.94	0.00	1,800,000.00	Mortgage	0.00
	(1,207,849.61)	(833,605.96)	(374,243.65)	(0.00)	(1,800,000.00)	(Mortgage)	(0.00)
Payments on account	16,146,992.15	16,146,992.15	0.00	0.00	0.00	–	0.00
	(16,071,693.88)	(16,071,693.88)	(0.00)	(0.00)	(0.00)	(–)	(0.00)
Accounts payable	2,161,889.56	2,161,889.56	0.00	0.00	0.00	–	0.00
	(1,553,727.70)	(1,553,727.70)	(0.00)	(0.00)	(0.00)	(–)	(0.00)
Due to affiliated companies	52,591.32	52,591.32	0.00	0.00	0.00	–	0.00
	(54,630.28)	(54,630.28)	(0.00)	(0.00)	(0.00)	(–)	(0.00)
Due to 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)	(0.00)	(–)	(0.00)
Other liabilities	3,992,341.88	2,360,281.88	244,583.00	1,387,477.00	0.00	–	2,360,281.88
	(3,404,676.71)	(1,826,274.71)	(190,925.00)	(1,387,477.00)	(0.00)	(–)	(1,826,274.71)
Total	24,435,726.66	21,561,536.72	1,486,712.94	1,387,477.00	1,800,000.00	–	2,360,281.88
	(22,292,578.18)	(20,339,932.53)	(565,168.65)	(1,387,477.00)	(1,800,000.00)	–	(1,826,274.71)

Notes to the Financial Statement

Other financial obligations	for the next financial year in EUR	for the next 5 financial years in EUR
Space rental	785,923.00	3,929,614.00
Equipment rental	30,864.00	154,320.00
Leasing instalments	119,685.00	598,427.00
Total	936,472.00	4,682,36.00

Other financial obligations

The company had financial obligations of EUR 200.0 k in the 2012/2013 financial year resulting from the agreement on the establishment and funding of NanoTecCenter Weiz Forschungsgesellschaft mbH 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. There are no further obligations arising from this funding commitment.

The obligations resulting from the use of tangible assets not shown in the balance sheet are as shown in the table above.

Accruals and deferrals

Deferred income of EUR 1,888.8 k (previous year: EUR 1,885.8 k) relates primarily to the core subsidy of the Province of Styria.

Trust liabilities

The trust liabilities result from projects with Österreichische Forschungsförderungsgesellschaft mbH and/or 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)

Domestic sales	2012/2013	EUR	2011/2012	EUR
Research		8,788,210.91		8,327,808.32
License revenues		279,905.45		155,179.97
Conference fees		8,074.44		15,477.29
Other		37,169.51		51,705.89
Domestic sales, total		9,113,360.31		8,550,171.47
Foreign sales				
Research		4,584,769.77		2,407,914.22
License revenues		63,087.62		46,000.03
Conference fees		4,555.98		19,084.55
Other		1,504.15		240.50
Foreign sales, total		4,653,917.52		2,473,239.30
Total sales revenue		13,767,277.83		11,023,410.77

Notes/Executive Bodies

Notes on the Income Statement

The sales revenues for the financial year can be broken down by fields of activity and by domestic/foreign sales:

EUR 153.8 k (previous year: EUR 144.2 k) of the expenses shown under item 8.b) to the aggregate amount of EUR 935.2 k (previous year: EUR 762.0 k) are for payments to the employee provision fund and EUR 778.7 k (previous year: EUR 617.8 k) for severance pay.

Total Sales Revenue

■ Shares in affiliated companies and equity interests

An equity interest of 67.3 % or EUR 23.6 k (previous year: EUR 23.6 k) was held in BioNanoNet Forschungsgesellschaft mbH, Graz as at the balance sheet date. The financial statements as at 31.10.2012 show equity of EUR 53.4 k (previous year: EUR 56.4 k), which includes net profit of EUR 7.0 k (previous year: EUR 0.5 k).

An equity interest of 50 % or EUR 50.0 k (previous year: EUR 50.0 k), of which half or EUR 25.0 k is paid up, is held in NanoTecCenter Weiz Forschungsgesellschaft mbH, Weiz. The financial statements as at 30 June 2012 show equity of EUR 187.9 k (previous year: EUR 199.0 k) which includes a net loss of EUR 11.1 k (previous year: net loss EUR 81.1 k).

An equity interest of 77.5 % or EUR 155.0 k is held in Waterpool Competence Network GmbH, Graz. The financial statements as at 31.12.2012 show negative equity of EUR 98.8 k (previous year: equity +EUR 20 k) including a net loss of EUR 119.2 k (previous year: net loss for the year of EUR 147.6 k).

All other equity interests are below 20 %.

■ Personnel

JOANNEUM RESEARCH employed 453 people (previous year: 453) on the balance sheet date; pro-rated to allow for part-time employment the number of employees was 372.3 (previous year: 380.1). The average number of salaried employees taking part-time employment into account was 378.8 (previous year: 382.1).

Referring to the provisions of Sec. 241 (4) Commercial

Code, we reserve the right to refrain from stating the remuneration, pension and severance payments for the Board of Management according to Sec. 239 (1) Commercial Code.

No loans and/or advances were made to members of the Management Board or Supervisory Board, nor were guarantees taken out for the benefit of these persons.

A total of EUR 84.8 k was paid out in emoluments for members of the Scientific Advisory Committee and the Supervisory Board.

The Bodies of the Company were as Follows in the 2012/2013 Financial Year:

■ Members of the Scientific Advisory Committee

Prof. DDr. Gerald SCHÖPFER

Chairman

Dr. Freek HEIDEKAMP

(since 21.05.2013) Deputy Chairman

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

(until 21.05.2013) Deputy Chairman

Prof. Dr. Horst BISCHOF

Dr. Günter GETZINGER

Prof Dr. Joachim KRENN

Prof. Dr. Markus MÜLLER

Prof. Dr. Annette MÜTZE

Michael PATAK

Reinhard PETSCHACHER

Alexander RADINGER, MBA

Dr. Karin SCHAUPP

Dr. Stefan TASCH

Notes/Executive Bodies

■ Members of the Supervisory Board

Prof. Dr. Wolf RAUCH
Chairman

Dr. Oswin KOIS
Deputy Chairman

Prof. Dr. Werner HAUSER

Sonja JÖBSTL-FINDEIS

Dr. Thomas KRAUTZER

Martin LATZKA

H.J. MENGELERS, MSc

Ingolf SCHÄDLER

Prof. Dr. Christine WÄCHTER

■ Appointed to the Supervisory Board by the Works Council:

Ferdinand GOLJA
Chairman of the Works Council

Maria FELLNER, MBA

Helen HASENAUER

Gerhard PROBST

Roland WACK

■ Board of Management:

Prof. Dr. Wolfgang PRIBYL, MBA

■ Contingent liabilities

In accordance with Sec. 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 a performance bond vis-à-vis W.E.I.Z. Weizer Energie-Innovations-Zentrum GmbH (EUR 125,000.0) are below-the-line memo items.

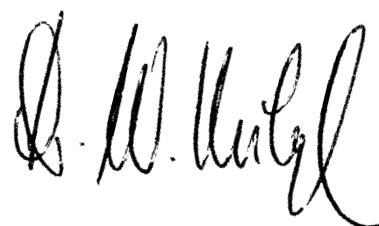
■ Other items

In accordance with the objectives specified in Article 1 (3) of the Articles of Association, the company operates exclusively on a non-profit basis and is not geared towards making a profit.

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) Income Tax Act 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 12,930.00). The auditing company did not provide any other certification, tax consulting or other services during this or the previous financial year.

Graz, 9 September 2013



Prof. Dr. Wolfgang Pribyl, MBA
Chief Executive Officer

Fixed Assets Movement Schedule 2012/2013

Development of fixed assets	Acquisition/ manufacturing costs 01.07.2012	Additions	Disposals	Realloca- tions	Acquisition/ manufacturing costs 30.06.2013	Cumulative deprecia- tion	Book value as at 30.06.2013	Book value as at 30.06.2012	Deprecia- tion in the financial year
I.) Intangible assets									
Software, data transfer and other rights	2,186,332.69	124,084.47	0.00	14,927.75	2,325,344.91	2,117,017.91	208,327.00	260,911.00	191,596.22
Total intangible assets	2,186,332.69	124,084.47	0.00	14,927.75	2,325,344.91	2,117,017.91	208,327.00	260,911.00	191,596.22
II) Tangible assets									
1) Real property and equivalent rights, including buildings on land owned by third parties									
a) Land value	2,314,813.96	0.00	0.00	0.00	2,314,813.96	0.00	2,314,813.96	2,314,813.96	0.00
b) Value of buildings	12,327,010.19	307,705.21	0.00	84,556.08	12,719,271.48	7,401,393.48	5,317,878.00	5,319,633.00	394,016.29
2) Machines, scientific equipment and data processing equipment	20,854,355.88	839,511.47	152,507.69	65,702.25	21,607,061.91	18,260,301.36	3,346,760.55	4,284,565.01	1,842,867.18
3) Other equipment, operating and office equipment	3,201,361.44	309,946.41	127,026.75	46,373.00	3,430,654.10	2,563,969.10	866,685.00	820,497.00	297,416.41
4) Advance payments and assets under construction	324,758.46	1,659,382.03	0.00	211,559.08	1,772,581.41	0.00	1,772,581.41	324,758.46	0.00
VAT Advance payments and assets under construction	-5,196.07	-242,370.49	0.00	0.00	-247,566.56	0.00	-247,566.56	0.00	0.00
5) Low-value assets	0.00	41,180.27	41,180.27	0.00	0.00	0.00	0.00	0.00	41,180.27
Total tangible assets	39,017,103.86	2,915,354.90	320,714.71	-14,927.75	41,596,816.30	28,225,663.94	13,371,152.36	13,064,267.43	2,575,480.15
III) Financial assets									
1) Shares in affiliated companies	48,566.67	6.00	0.00	35,000.00	83,572.67	34,999.00	48,573.67	48,566.67	0.00
2) Equity interests	205,788.25	0.00	0.00	-35,000.00	170,788.25	33,999.00	136,789.25	136,790.25	0.00
3) Certificated and uncertificated securities held as fixed assets	1,370,772.02	0.00	16,722.02	0.00	1,354,050.00	8,775.00	1,345,275.00	1,361,997.02	0.00
Total financial assets	1,625,126.94	6.00	16,722.02	0.00	1,608,410.92	77,773.00	1,530,637.92	1,547,353.94	0.00
Total fixed assets	42,828,563.49	3,039,445.37	337,436.73	0.00	45,530,572.13	30,420,454.85	15,110,117.28	14,872,532.37	2,767,076.37

Audit Certificate

Report on the Financial Statements

We have audited the enclosed financial statements of JOANNEUM RESEARCH Forschungsgesellschaft mbH, Graz, for the fiscal year from 1 July 2012 to 30 June 2013 and the company's accounting. The financial statements include the balance sheet as at 30 June 2013, the income statement for the financial year ending 30 June 2013 as well as the notes on the accounts.

■ Management's responsibility for the financial statements and for accounting

The legal representative of the company is responsible for the company's accounting and for preparing the financial statements that shall provide a true and fair view of the assets and financial and earnings position of the company in accordance with the provisions and rules of Austrian company law. This responsibility includes the design, implementation and maintenance of an internal control system – to the extent such a system is important for preparing the financial statements and for providing a true and fair view of the assets and financial and earnings position of the company – that ensures that the accounts are free of any major misstatements, whether due to fraud or error; it further includes the selection and application of appropriate policies of accounting and valuation; and the making of estimates that seem reasonable under the framework conditions.

■ Responsibility of the auditor of the accounts and description of mode and scope of the statutory audit

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and standard audit principles. These principles require that we comply with ethical requirements and plan and perform the audit in such a way that it enables a sufficiently secure judgement as to whether the consolidated financial statements are free of any material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures are selected in the auditor's due discretion taking his/her assessment of the risk of material misstatements in the financial statements into account, whether due to fraud or error. In making those risk assessments, the auditor considers the company's internal control system – to the extent such a system is important for preparing the financial statements and for providing a true and fair view of the assets and financial and earnings position of the company – 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 system. The audit further includes the evaluation of the appropriateness of the accounting and valuation policies used, evaluation of the appropriateness of the estimates made by management and an evaluation of the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a sufficiently sound basis for our audit opinion.

■ Audit opinion

Our audit did not give rise to any objections. Based on our audit findings, it can be stated that the financial statements are in compliance with the legal requirements and provide a true and fair view of the assets and financial position of the company as at 30 June 2013 and of its earnings position and the cash flows of the company in the financial year from 1 July 2012 to 30 June 2013 in accordance with the generally accepted Austrian principles of proper accounting.

Audit Certificate

Opinion on the management report

Legal provisions applicable in Austria require us to perform audit procedures to determine whether the management report is consistent with the financial statements and whether the other disclosures made in the management report do not give rise to misconceptions of the position of the company. The audit certificate shall also include a statement about the consistency between management report and financial statements.

Based on our assessments, the management report is consistent with the financial statements.

HÖTZL UND PARTNER GMBH

Chartered accountants and tax advisors

Graz, 9 September 2013



Report of the Supervisory Board

The Supervisory Board has examined the financial statements for the financial year ending 30 June 2013 and the proposal to carry forward net profit of EUR 256,533.11, as well as the management report for the 2012/2013 financial year. The Board resolved to report to the ordinary general meeting as follows: »The financial statements for the year ending 30 June 2013 were audited by the auditors appointed by the shareholders, namely Hötzl und Partner GmbH, auditors and tax consultants. Based on the audit of the company's ledgers and reports, and of

the explanations and evidence provided by management, the auditors came to the conclusion 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.«

Shareholders' Resolution

In the ordinary general meeting of 4 February 2014, the shareholders passed the following resolution: »The financial statements for the company for the year ending 30 June 2013, which have been examined by the auditors and by the Supervisory Board, are herewith adopted and approved. The Management Report for the 2012/2013 financial year is approved. The net profit for the

2012/2013 financial year, totalling EUR 256,533.11 is carried forward. The actions of the Chief Executive Officer and Supervisory Board members for the 2012/2013 financial year have been approved. The members of the Supervisory Board are re-appointed for a term of four years, i.e. for the financial years 2013/2014 to 2016/2017.«



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Corporate services

■ AGF - Assistant to the CEO

■ INR - Internal Audit

■ IUR – Legal

■ PEM – Personnel

■ SFE – Safety, Health and Ergonomics

■ ZQS – Central Quality Assurance

Corporate departments

■ FCO – Finance and Controlling

■ FLA – Future Lab

■ IFS – Infrastructure and Facility Services

■ IMM – Innovation Management and Marketing

■ PRM – Public Relations & Marketing

■ RZJ – Data Centre

■ STP – Strategic Planning

MATERIALS

Institute for Surface Technologies and Photonics

■ MNS – Micro and Nanos-
tructuring

■ 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 Techno-
logy and Monitoring

■ BAM – Bioanalytics and
Metabolomics

■ KGW – Core Unit Health
Sciences

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DIGITAL

Institute for Information and Communication Technologies

- FER – Remote Sensing and Geoinformation
- MVA – Machine Vision Applications
- WKT – Space and Communication Technology
- AVM – Audiovisual Media
- IIS – Intelligent Information Systems
- IAL – Smart Acoustic Solutions

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RESOURCES

Institute for Water, Energy and Sustainability

- WRU – Water Resources Management
- GPT – Geophysics and Geothermics
- EUB – Energy and Bioresources

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POLICIES

Centre for Economic and Innovation Research

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

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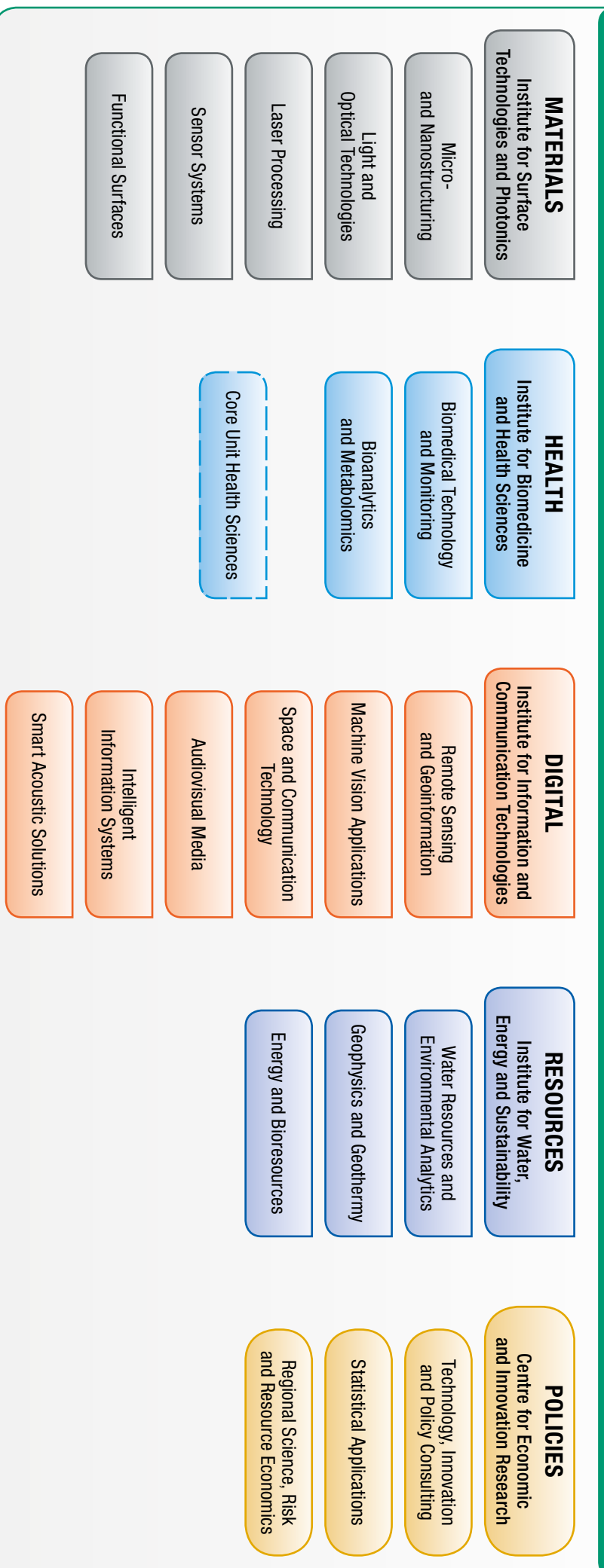


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