

JOANNEUM RESEARCH

Annual Report 2013/2014





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CEO's Message

After what had been a very difficult financial year 2012/2013, the past financial year 2013/2014 was successfully completed. The current result shows a net income for the year of approximately EUR 73,000, with the balance sheet net profit having increased to approximately EUR 340,000. Order intake was further increased and is approx. EUR 60 million; work in progress per full time equivalent is approx. EUR 80,000. The present annual accounts and the successful project development illustrate that the right measures have been taken and that this solid basis is promising a positive future. JOANNEUM RESEARCH will, however, be faced with external challenges also in future, both on a national and an international level. In the next financial year 2014/2015, the first effects of the funding framework of Horizon 2020 will become effective. At national level, the discussion of a flat rate for overhead quotas has been revived.

It will therefore become increasingly important for JOANNEUM RESEARCH to adjust the processes and structures of the company in an even more targeted manner to market requirements, with special focus on the utilization of research results. Reference is made here to a recent successful example: the framework agreement with ASFINAG about the supply of the AKUT (Acoustic Tunnel Monitoring) system. The framework agreement is effective until December 2021 and covers system installation in 56 tunnels.

Further to this JOANNEUM RESEARCH is continuing to invest annually in research infrastructure with the aim of improving the company's competitiveness; the consolidation in terms of the locations of research units was continued. A new laboratory facility, W.E.I.Z. IV, was built in cooperation with the Municipality of Weiz and taken into operation. This laboratory building is now home to the formerly decentralised laboratories of MATERIALS from Graz and Weiz and provides state-of-the-art research infrastructure for nanotechnology, surface technology and photonics. The Centre for Knowledge and Technology Transfer in Medicine (ZWT) in Graz was completed, concluding the concentration of HEALTH at one location. The Centre offers

perfectly equipped laboratory and office space and its vicinity to our cooperation partner, the Medical University of Graz, opens the way for achieving even better synergies in future. The Central Lab "Biobased Products" was established together with NAWI-Graz (Graz University of Technology and University of Graz).

Joint research projects will now be possible through the cooperative use of R&D infrastructure and the pooling of expertise in the field of bio-resources.

JOANNEUM RESEARCH took first steps on its road to establishing a new, highly promising field of research in robotics during the financial year 2013/2014. With the focus on "Collaborative Robotics" and "Mobile Robotics", this new area of research provides new options for the future, adding a promising field to our research portfolio.

I would like to thank our employees who contribute to making this company a hot spot of innovation not only locally, but also in the international scene with their excellent achievements and expertise. Numerous awards, such as the Fast Forward Award 2013 for the Pyzo-Flex project of the MATERIALS Institute, and most recently the Fast Forward Award 2014 for the ReDeform project of the DIGITAL Institute are impressive proof of our innovative clout.

I am confident that we will succeed in expanding the leading position of JOANNEUM RESEARCH even further. It is my task to create the necessary framework conditions required for ensuring that we and our stakeholders are always a step ahead in our search for solutions.

Research is not an end in itself for JOANNEUM RESEARCH; in our view research should aim to improve and make people's lives easier.



**Prof. Dr.
Wolfgang Pribyl, MBA**
CEO

Foreword of the Styrian Minister of Science



Photo: Rothwangl

Christopher Drexler

Styrian Minister for Science and Research,
Health and Healthcare Management

Styria is one of the leading research areas in Europe. With its R&D quota of 4.7 % of the GNP, Styria continues to hold top positions in the ranking of European regions. Five universities, two universities of applied sciences, two teacher training universities and numerous extramural research institutions, scientific associations and societies account for the excellent reputation that Styria enjoys in matters of research. Our province is particularly successful in terms of cooperation: It is a strong partner in mechanisms of national and supranational research and technology politics and a popular partner in European research networks.

JOANNEUM RESEARCH in particular plays an important role in these networks. With this annual report 2013/2014, the Styrian research company proves once again that it is a reliable constant of cooperation both on a national and an international level. Its involvement in various research networks ensures the quality of the research output of JOANNEUM RESEARCH and makes it possible to access basic research findings which in turn serve as the basis for further innovations.

Even in times of economic challenges, the company succeeded in increasing its self-financing level. This is possible among other reasons, because of its close relationships with business. JOANNEUM RESEARCH develops ideas and concepts the market needs – and by this means, leading research “made in Styria” benefits Styria and its people. In this context we must always keep in mind that around two thirds of the wealth of our society is directly or indirectly due to research and development.

To maintain this wealth creation for the future, we need future-oriented companies such as JOANNEUM RESEARCH and its committed staff. They are the capital needed to continue top-level research in our province and thereby successfully shape the way ahead.



TODOs:
SENSOREVALUIERUNG
Kalibration
1 Punkt

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.

watch the Corporate movie



JOANNEUM RESEARCH was There!

01. – 04. 07. 2013

9th International Conference of the Metabolomics Society

Glasgow, UK

08. 07. 2013

28th International Workshop on Statistical Modeling

Palermo, IT

22. – 26. 07. 2013

Knowledge for the Future – Joint IAHS-IAPSO-IASPEI Assembly

Gothenburg, SE

16. – 19. 08. 2013 and 22. – 24. 08. 2013

European Forum Alpbach “Experience and Values”: Health Symposium Technology Forum

Alpbach, AT

04. – 06. 09. 2013

STI-ENID Conference 2013: Translational twists and turns: Science as a socio-economic endeavour

Berlin, DE

12. – 17. 09. 2013

International Broadcast Convention 2013

Amsterdam, NL

24. – 26. 09. 2013

LED Professional Symposium 2013

Bregenz, AT

25. – 27. 09. 2013

Archivistica Trade Exhibition

Saarbrücken, DE

09. – 10. 10. 2013

World Resource Forum Davos

Davos, CH

15. 10. 2013

Research Market Day of the Science, Research, Development department of the Austrian Ministry of Defence and Sports

Vienna, AT

17. 10. 2013

EURO Mini-Conference

Graz, AT

17. – 20. 11. 2013

27th Electric Vehicle Symposium

Barcelona, ES

20. – 22. 11. 2013

COMPAMED 2013

Dusseldorf, DE

01. – 06. 12. 2013

MRS Fall Meeting

Boston, MA, USA

16. – 17. 12. 2013

CEMIU Central European Meeting for Isotope Users

Bremen, DE

01. – 06. 02. 2014

SPIE Intelligent Robots and Computer Vision XXXI

San Francisco, CA, US

05. – 08. 02. 2014

7th International Conference on Advanced Technologies & Treatments for Diabetes

Vienna, AT

JOANNEUM RESEARCH was There!

11. – 16. 02. 2014

Singapore Airshow 2014

Singapore, SG

06. – 11. 04. 2014

eucap 2014

The Hague, NL

07. – 11. 04. 2014

Hanover Trade Fair 2014

Hanover, DE

23. – 26. 04. 2014

22nd European Biomass Conference

Hamburg, DE

06. – 08. 05. 2014

ConHIT 2014, Connecting Healthcare IT

Berlin, DE

19. – 21. 05. 2014

National Biotechnology Conference

San Diego, CA, US

26. – 28. 05. 2014

LOPEC

Munich, DE

04. – 05. 06. 2014

CBC 2014 – 3rd Austrian Symposium on Carbon Based Coatings

Leibnitz, AT

05. – 06. 06. 2014

JIIP Annual Symposium and Summer School 2014: “Advanced Manufacturing: towards a New Industrial Europe”

Bilbao, ES

11. – 14. 06. 2014

DIKTAS – International Conference and Field Seminar Karst without Boundaries

Trebinje/Dubrovnik, HR

14. – 20. 06. 2014

Gordon Research Conference: Barriers of the CNS

New London, CT, US

Facts

■ 5 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** – Institute for Economic and Innovation Research

■ Headcount: 431

■ Operating income: EUR 30.5 m

■ Industry Share: EUR 10 m

■ Expenses: EUR 37.7 m

■ Basic subsidies: EUR 7.5 m

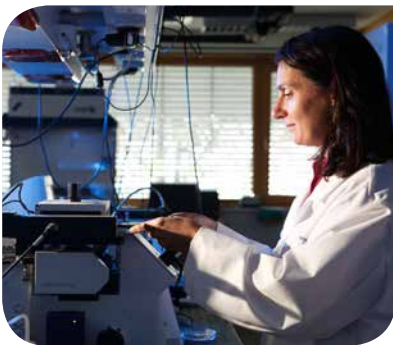
■ Level of self-financing: 81 %

Highlights



Research Studios Austria: a marketplace for ideas

Five projects of JOANNEUM RESEARCH received a research grant from Österreichische Forschungsförderungsgesellschaft mbH (FFG) to the amount of some EUR 3.8 million in the framework of the "Research Studios Austria" (RSA) programme. Three of these projects are managed by MATERIALS and two by HEALTH. The Research Studios Austria are small, flexible research units and in the majority of cases they are linked to existing institution. A jury approved all five projects submitted by JOANNEUM RESEARCH.



3D-MEOD: Control console of the future

14 project partners will be working under the leadership of JOANNEUM RESEARCH on the "3D-MEOD" project subsidised by FFG over the next three years. 3D-MEOD is brief for "3D-Molded Electro-Optical Device"; the project volume is EUR 2.4 million. With this project, new materials and innovative processes are to be examined as to mouldable electronic, optical and sensory functions on inexpensive films that can be incorporated in three-dimensional injection-molded parts.



W.E.I.Z. IV opening

The fourth and youngest building on the campus of Energy Innovation Centre in Weiz was officially opened in the presence of numerous representatives from politics, business and science on 4 October 2013. The top rate equipment of the new laboratory building of the MATERIALS Institute includes the roll-to-roll system, the aerosol-jet printing system, the maskless laser lithography system and other state-of-the-art tools. The new building is a highly efficient "energy-plus" building with brick walls, concrete ceilings and a solid timber roof truss optimised for improved capture of energy from the sun.



Fast Forward Award 2013

The project "PyzoFlex® – The World of Human-Machine-Interaction" earned MATERIALS the victory in the "Institutions of Applied R&D" category of the 17th Fast Forward Award ceremony at Messe Congress Graz. Director Dr. Paul Hartmann, the head of the micro- and nanostructuring research group Dr. Barbara Stadlober, Gregor Scheipl and Dr. Martin Zirkel accepted the award on behalf of the institute. The main benefit of the PyzoFlex® technology is the cost efficient producibility of large-sized sensors on flexible surfaces that can be equipped with additional functional features, such as interactivity.

Photo: SFG/Robert Frankl

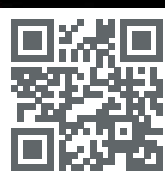
MATERIALS



“By opening the future-oriented laboratory centre at our location in Weiz, we have taken another step towards substantiating the excellent research work of our staff. We secure access to state-of-the-art infrastructure and the latest technologies for our customers that can be used for implementing innovative products and services.”

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

watch MATERIALS
Institute Movie

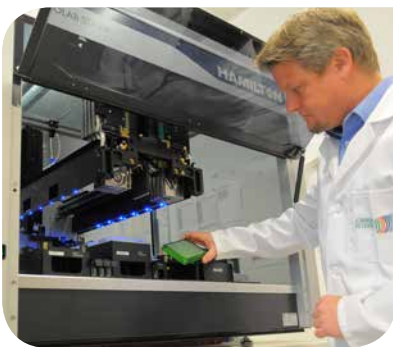


Highlights



Styrian Research Award for GlucoTab®

This year's "HTI: Human-Technology-Interface" Science and Research Award of the Province of Styria in category 2 "Business applications" went to the team of researchers led by Prof. Dr. Thomas Pieber and Dr. Peter Beck for the development of GlucoTab®. GlucoTab® that was CE-certified in autumn 2013 is a tablet-based system that makes diabetes therapy at the hospital easier and helps patients manage their diabetes more conveniently. The system was developed in cooperation with the Medical University of Graz.



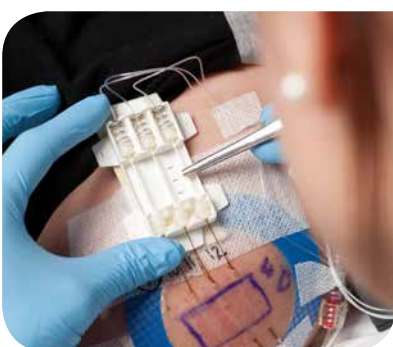
Publication in Nature Neuroscience

Dementia is an insidious disease. In Austria, some 100,000 people are affected by it. Under the leadership of Prof. Dr. Frank Madeo, a team of researchers of the University Graz and Free University Berlin discovered a natural remedy for dementia. In the framework of the respective inter-European cooperation scheme, HEALTH developed a mass-spectrometric method for highly sensitive quantification of polyamines (e.g. spermidine) from biological samples. The revolutionary results were published in the renowned "Nature Neuroscience" journal.



Facilities merged in ZWT

The newly built Centre for Knowledge and Technology Transfer in Medicine (ZWT) was opened on the campus of the University Hospital Graz in spring of 2013. HEALTH moved into 1,600 m² of rooms equipped with the latest infrastructure. For the first time in the institute's history, all members of staff are now working at the same location, close to the Medical University of Graz and to the biobank of Graz, which has a positive impact on numerous cooperation projects.



FDA subsidy for dermal open-flow microperfusion (dOFM)

The US Food and Drug Administration FDA agreed to subsidise a HEALTH project that focuses on a new process of examining generic medication in the skin (dermal open-flow microperfusion – dOFM). Generics are an attractive alternative to original drugs, because most of them are just as effective as the original medication, but less costly. The barrier in the development of generics is the need for the developer to prove the identical therapeutic effect to that of the original medication. dOFM, an in-vivo sampling method, offers great potential for the determination of bioequivalence in the tissue.



“The past financial year was marked by the relocation to our new facility at ZWT. I am very pleased to have reached this milestone while order intake was high and even increased. I would like to thank all my colleagues who have contributed to a successful year with their high commitment and great motivation.”

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

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Institute Movie

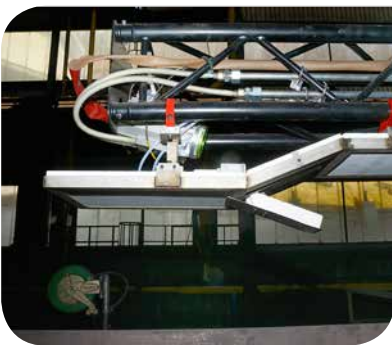


Highlights



ASAP projects

DIGITAL scored a major success in the framework of the tender of the 10th “Austrian Space Applications Programme” (ASAP). Five of the tendered projects were approved, which means that an order volume of more than EUR 1.0 million of the Austrian Space Programme will be earmarked for Styria and used for the development of products and services that can be put to commercial use as well as demonstration applications of space technologies. The projects are dedicated to new methods in remote sensing and innovative communication technologies.



OCR tracks

JOANNEUM RESEARCH played a major role in ensuring the material quality of its industrial partner voestalpine Schienen GmbH in Donawitz, Austria. The results of the successfully concluded “OCR Schiene” project enable end-to-end, machine-supported tracing and documentation of materials. A key element is the automatic reading of stamps on blocks of steel, which requires expert knowledge and experience in the automated visual inspection of metal surfaces.



AKUT framework agreement

ASFINAG and JOANNEUM RESEARCH tested a tunnel safety system that is unique in the world. The system was tested and brought to volume production stage in a Styrian tunnel along the S35 Brucker expressway. The name of the system that makes tunnels hear is “AKUT” (Acoustic Tunnel Monitoring). The system comprises adaptive software and specific hardware, especially special microphones. ASFINAG and the Styrian innovation company JOANNEUM RESEARCH concluded a framework agreement for the installation of AKUT in 32 Austrian tunnels by 2019.



ORF uses VidiCert

The new VidiCert software of JOANNEUM RESEARCH is used to ensure the image and sound quality of the Austrian Broadcasting Agency ORF. VidiCert efficiently monitors the rerecording of video tapes in a file-based environment. A time-saving and cost-efficient solution for ORF that has to rerecord several thousand video tapes on a new format. The software comprises a two step procedure: it first detects and in a second step repairs damaged images.



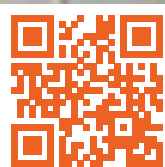
“DIGITAL was able to improve its excellent position even further. The industry-oriented K projects are running at top speed, and the exploitation efforts are paying off. Excellent publications and the involvement in projects at European level (EU and ESA) document our international position and are the result of the expertise and motivation of all the individual members of our staff.”

Dr. Heinz Mayer, Director

DIGITAL

Institute for Information
and Communication Technologies

watch DIGITAL
Institute Movie



Highlights



Green Tech Research Styria

Styrian research is closing its ranks. The Green Tech Research Styria association was introduced at the European Forum Alpbach. Partners in this research association are the JOANNEUM University of Applied Sciences, JOANNEUM RESEARCH, the University of Graz, the University of Leoben, Graz University of Technology, ECO WORLD STYRIA, the Federation of Styrian Industry and the Economic Chamber of Styria. Some 1.200 Styrian researchers are now cooperating more closely under the umbrella of the “Green Tech Valley”.



Drive4EU: Dandelion for rubber

The EU project “DRIVE4EU – Dandelion Rubber and Inulin Valorization and Exploitation for Europe” is dedicated to the Kazakh dandelion and the large-scale local cultivation of the herbaceous plant. The platform comprising twelve partners shines a light on the possibilities opened up for the technical and economic utilization of Kazakh dandelion for natural rubber and inulin. JOANNEUM RESEARCH's task in this context is the research of ecological and economic aspects over the lifecycle of the products.



RESOURCES Information and professional training seminar

RESOURCES held an information and training seminar on 13 March 2014 under the title “Resource management and environmental quality – Are we in control of the future?” Some 65 participants took the opportunity to obtain information about the Institute for Water, Energy and Sustainability and establish contacts within the community. The focal subject “anthropogenic trace elements” can be fostered further thanks to a project supported by the Friedrich Flick Förderungstiftung.



European Forum Alpbach 2013

Dr. Johann Fank, scientific director of RESOURCES, chaired working group 9 “Green Tech: Vision and Business ECO-Mobility” (23 August 2013) of the Technology Forum. Experts from industry, research and public authorities discussed eco-mobility from the technological, resource and infrastructural perspectives taking economy and legislation into account. Interest for the working group was enormous; the contents were excellent and the participants engaged in a lively discussion.

RESOURCES



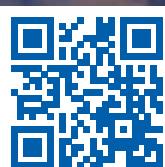
“Thanks to the great commitment of our staff, our Institute was successful in managing the difficult economic and market conditions. Together we succeeded in improving the leading position of RESOURCES in specific areas and to increase the number of projects involving multidisciplinary research groups. RESOURCES took important steps towards reaching the set targets of the master plan of our corporate concept 2013–2016.”

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

RESOURCES

Institut für Wasser,
Energie und Nachhaltigkeit

watch RESOURCES
Institute Movie



Highlights



Excellence project: pumpkin seed oil code

Based on Styrian pumpkin seed oil, a team of researchers of POLICIES (Statistical Applications) and RESOURCES (Water Resources and Environmental Analytics) defined an entirely new combination of methods of proving the origin of Styrian pumpkin seed oil with close to 100 % reliability. Conclusive chemical-analytical assessment features are essential for ensuring reliable determination. The statistical (classification) models provide the link between assessment features and the region of origin.



ETER: The University register as a transparent source of data

The complete data of 2,250 institutions of higher education of 36 countries are now available online. Information can be retrieved by a simple mouse click on ETER, the "European Tertiary Education Register", compiled by POLICIES in cooperation with partners. JOANNEUM RESEARCH coordinated the data collection process, the initial data checks and the development of the database. The project was commissioned by the European Commission.



eRamp, a 55 million euro project

In April 2014, one of the most important European research projects on energy efficiency was launched. 26 project partners from six countries are investigating the entire value generation chain of power electronics. The Statistical Application research group of POLICIES leads one of the seven work packages that is to examine statistical models with the aim of improving the reliability of new wafers and reduce the reject percentage.



HR Forecast 2014

Every autumn, the Regional Science, Risk and Resource Economics research group of POLICIES makes the "Human Resources Forecast" that shows how many jobs will be created in the coming year and in what industries. It also provides information about areas that will pose challenges to the local labour market. The forecast is based on the WIBIS product developed for Styria and Carinthia. WIBIS is an economic reporting and information system that provides continued economic and employment forecasts.



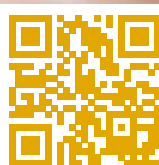
“POLICIES not only consolidated its position as an important national, regional and international policy consulting institute in the financial year 2013/2014, but also developed new markets such as urban development and social innovation. Involved in economic and innovation research, POLICIES increasingly cooperates with companies to support technological development by providing statistical and social science input.”

Wolfgang Polt, Director

POLICIES

Centre for Economic and Innovation Research

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Institute Movie



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 2013 to 30 June 2014 and the company's accounting. The financial statements include the balance sheet as at 30 June 2014, the income statement for the financial year ending 30 June 2014 as well as the notes to the financial statement.

■ 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, an 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 Certificate

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■ 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 2014 and of its earnings position and the cash flows of the company in the financial year from 1 July 2013 to 30 June 2014 in accordance with the generally accepted Austrian principles of proper accounting.

■ 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.



Graz, 11 September 2014

Balance Sheet

Assets	30.06.2014 €	Previous year €
A. Fixed assets		
I. Intangible assets		
1. Rights and licenses	174,470.00	208,327.00
II. Tangible assets		
1. Land and buildings, fixtures in buildings belonging to third parties	7,991,572.56	7,632,691.96
2. Technical equipment	2,678,878.01	3,351,580.55
3. Operating and office equipment	760,352.00	861,865.00
4. Advance payments and assets under construction	1,648,253.70	1,525,014.85
	13,079,056.27	13,371,152.36
III. Financial assets		
1. Shares in affiliated companies	48,567.67	48,573.67
2. Equity interests	136,789.25	136,789.25
3. Securities and book-entry securities held as fixed assets	1,345,275.00	1,345,275.00
	1,530,631.92	1,530,637.92
	14,784,158.19	15,110,117.28
B. Current assets		
I. Inventories		
1. Raw materials, consumables and supplies	10,846.00	12,662.00
2. Work in progress	12,122,355.13	13,902,141.68
3. Advance payments	7,799.28	566,602.76
	12,141,000.41	14,481,406.44
II. Receivables and other assets		
1. Accounts receivable	1,444,257.26	1,259,008.92
2. Receivables from affiliated companies	23,699.79	61,043.54
<i>of which trade receivables</i>	23,699.79	61,043.54
3. Receivables from companies in which a participating interest is held	269,149.80	0.00
<i>of which trade receivables</i>	269,149.80	0.00
4. Receivables from subsidies and project grants	4,065,262.11	5,864,563.52
5. Other receivables and assets	3,556,269.34	3,867,228.98
	9,358,638.30	11,051,844.96
III. Securities and shareholdings		
1. Other securities and share holdings	1,981,000.00	1,981,000.00
IV. Cash in hand and at bank	3,616,846.00	1,960,879.44
	27,097,484.71	29,475,130.84
C. Trust assets	3,445,210.62	3,864,110.83
D. Prepaid expenses and deferred charges	390,254.87	328,985.34
Total assets	45,717,108.39	48,778,344.29

Balance Sheet

Liabilities	30.06.2014 €	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	159,571.25	155,135.24
2. Other reserves (free reserves)	800,830.22	816,250.22
	960,401.47	971,385.46
IV. Net profit	340,817.29	256,533.11
<i>of which brought forward</i>	256,533.11	1,442,887.90
	4,893,856.20	4,820,556.01
B. Investment grants	856,740.94	808,777.53
C. Provisions		
1. Provisions for severance payments	3,967,100.00	3,827,200.00
2. Provisions for pensions	3,930,200.00	3,952,000.00
3. Other provisions	5,322,600.00	5,181,170.00
	13,219,900.00	12,960,370.00
D. Liabilities		
1. Due to banks	954,501.85	2,081,911.75
2. Payments received on account	15,250,293.13	16,146,992.15
3. Accounts payable	1,415,176.81	2,161,889.56
4. Due to affiliated companies	72,176.07	52,591.32
<i>of which: other</i>	72,176.07	52,591.32
5. Due to companies in which a participating interest is held	82,940.55	0.0
<i>of which: other</i>	82,940.55	0.0
6. Other liabilities	3,637,412.18	3,992,341.88
<i>of which: tax-related</i>	390,983.37	522,099.02
<i>of which: related to social security</i>	1,131,273.76	1,387,069.30
	21,412,500.59	24,435,726.66
E. Trust assets	3,445,210.62	3,864,110.83
F. Deferred income	1,888,900.04	1,888,803.26
Total liabilities	45,717,108.39	48,778,344.29
Contingent liabilities	72,625.46	390,524.16

Income Statement

Income Statement	2013/2014 €	2012/2013 €
1. Sales revenues	15,373,403.67	13,767,277.83
2. Changes in inventories of goods and work in progress	-1,779,786.55	-613,240.33
3. Other own work capitalised	8,450.59	111,673.67
4. Other project-related income	12,986,414.25	12,550,056.01
5. Basic subsidies	7,539,764.99	7,683,004.38
6. Other operating income		
a. Income from the disposal of fixed assets	11,407.38	8,058.34
b. Income from the release of provisions	141,333.18	1,980,441.81
c. Other	3,716,187.13	3,959,441.82
	<u>3,868,927.69</u>	<u>5,947,941.97</u>
7. Cost of materials and other purchased services		
a. Cost of materials	1,577,401.68	2,293,027.58
b. Cost of purchased services	1,835,533.53	1,858,182.22
	<u>3,412,935.21</u>	<u>4,151,209.80</u>
8. Personnel expenses		
a. Salaries	19,117,477.46	19,917,167.77
b. Expenses for severance payments	603,526.78	932,472.50
c. Pension costs	221,866.40	640,383.89
d. Cost of statutory social security contributions and payroll-related taxes and mandatory contributions	5,475,851.76	5,618,355.82
e. Other social cost	92,282.65	118,667.17
	<u>25,511,005.05</u>	<u>27,227,047.15</u>
9. Depreciation and amortization		
a. of tangible assets	2,623,616.51	2,767,076.37
<i>thereof non-scheduled depreciation of fixed assets</i>	<i>0.00</i>	<i>5,985.46</i>

Income Statement

Income Statement	2013/2014 €	2012/2013 €
10. Other operating expenses		
a. Taxes unless on income	57,393.15	75,910.76
b. Other	6,092,027.11	6,159,860.06
	6,149,420.26	6,235,770.82
11. Subtotal of lines 1 to 10 (operating result)	300,197.61	- 934,390.61
12. Income from other securities	62,053.90	63,319.28
13. Other interest and similar income	43,504.72	45,576.30
14. Income from the disposal and addition to financial assets and securities classified as current assets	0.00	6.25
15. Expenses incurred on financial assets	294,329.79	342,589.96
<i>of which depreciation</i>	6.00	19,000.00
<i>of which expenses resulting from affiliated companies</i>	203,600.00	195,182.64
16. Interest and similar expenses	37,625.25	31,946.05
17. Subtotal of lines 12 to 16 (financial result)	- 226,396.42	- 265,634.18
18. Result from ordinary activities	73,801.19	- 1,200,024.79
19. Taxes on income	501.00	1,750.00
20. Net profit/loss for the year	73,300.19	- 1,201,774.79
21. Release of revenue reserves		
a. Other reserves (free reserves)	15,420.00	15,420.00
22. Allocation to revenue reserves		
a. Statutory reserves	4,436.01	0.00
23. Net profit/loss for the year	84,284.18	- 1,186,354.79
24. Retained income brought forward	256,533.11	1,442,887.90
25. Net profit	340,817.29	256,533.11

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. **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 contract research 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: 3.5 %) 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 6 % (previous year: 5 %) 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: 3.5 %) 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 on the Balance Sheet

Notes on 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. On the balance sheet date fixed assets totalled EUR 14,784,158.19 (previous year: EUR 15,110.1 k). Investments in the financial year 2013/2014 totalled EUR 2,323,435.42 (previous year: EUR 3,039.4 k), compared to ongoing depreciation of EUR 2,623,616.51 (previous year: EUR 2,767.1 k). Disposals at the historical costs of acquisition amounted to EUR 1,059,780.63 (previous year: EUR 337.4 k) in the 2013/2014 financial year.

Intangible assets include software and data transmission rights at a book value of EUR 174,470.00 (previous year: EUR 208.3 k). The additions of EUR 136,017.56 (previous year: EUR 124.1 k) are due to the purchase of licenses and software.

Tangible assets amounted to EUR 13,079,056.27 (previous year: EUR 13,371.2 k) as at the balance sheet date. Land value is EUR 2,651,317.56 (previous year: EUR 2,314.8 k). EUR 3,177,188.00 (previous year: EUR 3,285.4 k) of the value of buildings on company-owned and third-party owned land of EUR 5,340,255.00 (previous year: EUR 5,317.9 k) represents the value of buildings, and EUR 1,170,713.00 (previous year: EUR 1,296.3 k) were due to structural adaptations, i.e. EUR 4,347,901.00 (previous year: EUR 4,581.7 k) relate to buildings on own land and EUR 992,354.00 (previous year: EUR 736.2 k) to investments in third-party owned buildings. The additions totalling EUR 2,187,417.86 (previous year: EUR 2,915.4 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 871,022.98 (previous year: EUR 320.7 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 48,567.67 (previous year: EUR 48.6 k) relate to the shares in NanoTecCenter Weiz Forschungsgesellschaft mbH in Weiz, totalling EUR 25,000.00 (previous year: EUR 25 k), the shares in BioNanoNet Forschungsgesellschaft mbH in Graz, totalling EUR 23,566.67 (previous year: EUR 23.6 k), and the shares in WATERPOOL Competence Network GmbH, Graz to the amount of EUR 1.00 (previous year: EUR 7.00). An unscheduled depreciation of the shares in WATERPOOL Competence Network GmbH of EUR 6.00 (previous year: 0.00) was made during the year under review.

The item **equity interests**, totalling EUR 136.789.25 (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 Entwicklungen GmbH, Graz,
- the interest in Materials Centre Leoben Forschung GmbH, Leoben,
- the interest in Polymer Competence Centre Leoben GmbH, Leoben, and
- the interest in Research Centre Pharmaceutical Engineering GmbH, Graz.

Notes on the Balance Sheet

The **securities held as fixed assets** were recorded at EUR 1,345,275.00 (previous year: EUR 1,345.3 k) as at the balance sheet date. No unscheduled depreciation for financial assets was made in the year under review. All other fixed assets depreciation was ordinary and scheduled.

■ Current assets

➡ Inventories

Consumables in the amount of EUR 10,846.00 (previous year: EUR 12.7 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 12,122,355.13 (previous year: EUR 13,902.1 k), of which administrative overheads of EUR 3,130,375.37 (previous year: EUR 3,779.8 k) for orders requiring more than twelve months to complete were capitalised.

Prepayments made on inventories amount to EUR 7,799.28 (previous year: EUR 566.6 k).

➡ Liabilities and other assets

For the expected non-collectable **amount of accounts receivable**, bad debt provisions totalling EUR 222,028.54 (previous year: EUR 288.0 k) were made and offset against

Receivables & other assets	Receivables as at 30.06.2014 (30.06.2013) 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	1,444,257.26 (1,259,008.92)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	25,400.00 (12,300.00)
Receivables from affiliated companies	23,699.79 (61,043.54)	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	269,149.80 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Receivables from subsidies and project grants	4,065,262.11 (5,864,563.52)	0.00 (0.00)	0.00 (0.00)	4,065,262.11 (5,864,563.52)	0.00 (0.00)
Other receivables and assets	3,556,269.34 (3,867,228.98)	0.00 (0.00)	0.00 (0.00)	3,556,269.34 (3,867,228.98)	0.00 (0.00)
Total	9,358,638.30 (11,051,844.96)	0.00 (0.00)	0.00 (0.00)	7,621,531.45 (9,731,792.50)	25,400.00 (12,300.00)

Notes on the Balance Sheet

assets. The item **receivables from affiliated companies** relates to accounts receivable.

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 32.000,00 (previous year: EUR 51.3 k) was discounted. The underlying interest rate is 2 % (previous year: 2 %)

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 1,981,000.00 (previous year: EUR 1,981.0 k) relate to bank bonds.

➤ No write-ups

Even though the reasons for previous unscheduled depreciation no longer apply, the option was exercised to maintain the lower valuation and to refrain from write-ups for reasons of cautious valuation. The omitted write-up to securities held as current assets is EUR 19,000.00.

➤ Cash in hand and at bank

This item amounting to EUR 3,616,846.00 (previous year: EUR 1,960.9 k) is composed of cash in hand to the amount of EUR 7,196.72 (previous year: EUR 7.2 k) and bank deposits of EUR 3,609,649.28 (previous year: EUR 1,953.7 k).

■ Prepaid expenses and deferred charges

Prepaid expenses and deferred charges, totalling EUR 390,254.87 (previous year: EUR 329.0 k), include payments made in the 2013/2014 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 3,230,00.00. Taking into account the profit for the year of EUR 84,284.18 and the profit brought forward of EUR 256,533.11 the **net profit** for the year is EUR 340,817.29.

■ 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. 31.).

■ Provisions

EUR 253,963.00 (previous year: EUR 84.3 k) of the **provisions for severance payments** were allocated to severance payments and EUR 22,124.00 (previous year: EUR 8.1 k) were released. To achieve the coverage requirement of EUR 3,967,100.00 (previous year: EUR 3,827.2 k), EUR 415,987.00 (previous year: EUR 436.1 k) had to be added.

Notes on the Balance Sheet

EUR 243.666,40 (previous year: EUR 241.0 k) of the **pension provisions** (former CEOs) were used for pension payments. EUR 221.866,40 (previous year: EUR 640.4 k) had to be added to meet the actuarial coverage requirement of EUR 3.930.200.00 k (previous year: EUR 3,952.0 k).

Other provisions are primarily made up of provisions for holidays not yet consumed totalling EUR 2,340,600.00 (previous year: EUR 2,289.4 k), provisions for contingent repayment demands by various grant providers amounting to EUR 798,800.00 (previous year: EUR 722.1 k), provisions for working time credits of EUR 811,700.00 (previous

year: EUR 793.9 k) and provisions for anticipated losses and/or costs of work in progress of EUR 525,700.00 k (previous year EUR 457.4 k).

Liabilities

EUR 242,308.08 (previous year: EUR 369.7 k) of the item **due to banks** relate to a bank loan for thermal refurbishment; EUR 712,193.77 (previous year: EUR 712.2 k) to an export funding credit line. The cash advance of EUR 1 million was fully repaid during the year under review.

Investment grants from public funds	as at 01.07.2013 EUR	Additions EUR	Usage in line with deprecia- tion EUR	Releases EUR	Reallocation or corrections EUR	as at 30.06.2014 EUR
Tangible assets						
1. Buildings, including buildings on third-party land	449,660.00	66,541.05	-79,956.05	0.00	0.00	436,245.00
2. Machines, scientific equipment and EDP equipment	315,707.53	43,884.15	-207,328.68	0.00	0.00	152,263.00
3. Other equipment, operating and office equipment	560.00	226,656.75	-1,833.81	0.00	0.00	225,382.94
Financial assets						
1. Shares in affiliated companies	42,850.00	0.00	0.00	0.00	0.00	42,850.00
Total	808,777.53	337,081.95	-289,118.54	0.00	0.00	856,740.94

Notes on the Balance Sheet

Liabilities	Liabilities as at 30.06.2014 (30.06.2013) 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	1+ year EUR	Type of collateral EUR	
Due to banks	954,501.85 (2,081,911.75)	840,541.17 (839,781.81)	113,960.68 (1,242,129.94)	954,501.85 (1,800,000.00)	Hypothek (Hypothek)	0.00 (0.00)
Payments on account	15,250,293.13 (16,146,992.15)	15,250,293.13 (16,146,992.15)	0.00 (0.00)	0.00 (0.00)	– (–)	0.00 (0.00)
Accounts payable	1,415,176.81 (2,161,889.56)	1,415,176.81 (2,161,889.56)	0.00 (0.00)	0.00 (0.00)	– (–)	0.00 (0.00)
Due to affiliated companies	72,176.07 (52,591.32)	72,176.07 (52,591.32)	0.00 (0.00)	0.00 (0.00)	– (–)	0.00 (0.00)
Due to companies in which an interest is held	82,940.55 (0.00)	82,940.55 (0.00)	0.00 (0.00)	0.00 (0.00)	– (–)	0.00 (0.00)
Other liabilities	3,637,412.18 (3,992,341.88)	2,138,475.18 (2,360,281.88)	111,460.00 (244,583.00)	0.00 (0.00)	– (–)	2,138,475.18 (2,360,281.88)
of which: tax-related	390,983.37 (522,099.02)	390,983.37 (522,099.02)	0.00 (0.00)	0.00 (0.00)	– (–)	390,983.37 (522,099.02)
of which: related to social security	1,131,273.76 (1,387,069.30)	1,131,273.76 (1,387,069.30)	0.00 (0.00)	0.00 (0.00)	– (–)	1,131,273.76 (1,387,069.30)
Total	21,412,500.59 (24,435,726.66)	19,799,602.91 (21,561,536.72)	225,420.68 (1,486,712.94)	954,501.85 (1,800,000.00)	– (–)	2,138,475.18 (2,360,281.88)

Notes on the Balance Sheet

Other financial obligations	for the next financial year in EUR	for the next 5 financial years in EUR
Space rental (PY)	954,791.00 (785,923.00)	4,773,955.00 (3,929,614.00)
Equipment rental (PY)	26,388.00 (30,864.00)	131,940.00 (154,320.00)
Leasing instalments (PY)	193,044.00 (119,685.00)	928,275.00 (598,427.00)
Total (PY)	1,174,223.00 (936,472.00)	5,834,170.00 (4,682,361.00)

Prepayments received on orders that could be offset against inventories totalled EUR 11,085,024.86 (previous year: EUR 12,888.7 k).

Accounts payable amounted to EUR 1,415,176.8 (previous year: EUR 2,161.9 k) as at the balance sheet date and were mainly to domestic suppliers.

The item **other liabilities** includes the shareholder loan of EUR 1,387,477.00 (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 111,460.00 (previous year: EUR 244.6 k). This item also includes amounts payables to the Styrian Health Insurance Fund and other required accruals and deferrals.

Other financial obligations

The company had financial obligations of EUR 200,000.00 in the 2013/2014 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, the side letter on funding dated 09 Sept. 2013 for the period 1 July 2013 to

30 June 2016. 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 1,888,900.04 (previous year: EUR 1,888.8 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)

Notes on the Balance Sheet

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 151.895.84 (previous year: EUR 153.8 k) of the expenses shown under item 8.b) to the aggregate

amount of EUR 603,526.78 (previous year: EUR 935.2 k) are for payments to the employee provision fund and EUR 451,630.94 (previous year: EUR 778.7 k) for severance pay.

Domestic sales	2013/2014	EUR	2012/2013	EUR
Research		7,469,044.81		8,788,210.91
License revenues		209,185.55		279,905.45
Conference fees		10,999.31		8,074.44
Other		50,530.83		37,169.51
Domestic sales, total		7,739,760.50		9,113,360.31
Foreign sales				
Research		7,583,100.02		4,584,769.77
License revenues		50,422.62		63,087.62
Conference fees		0.00		4,555.98
Other		120.53		1,504.15
Foreign sales, total		7,633,643.17		4,653,917.52
Total sales revenue		15,373,403.67		13,767,277.83

Other disclosures

■ Shares in affiliated companies and equity interests

An equity interest of 67.3 % or EUR 23,566.67 (previous year: EUR 23.6 k) was held in BioNanoNet Forschungsgesellschaft mbH, Graz as at the balance sheet date. The financial statements as at 31.10.2013 show equity of EUR 81,022.81 (previous year: EUR 63.4 k), which includes net profit of EUR 17,602.27 (previous year: EUR 7.0 k).

An equity interest of 50 % or EUR 50,000.00 (previous year: EUR 50.0 k), of which half or EUR 25,000.00 is paid up, is held in NanoTecCenter Weiz Forschungsgesellschaft mbH, Weiz. The financial statements as at 30 June 2013 show equity of EUR 152,653.89 k (previous year: EUR 187.9 k) which includes a net loss of EUR 35,278.52 (previous year: net loss EUR 11.1 k). An equity interest of 77.5 % or EUR 155,000.00 is held in Waterpool Compe-

tence Network GmbH, Graz. The financial statements as at 31.12.2013 show negative equity of EUR 74,931.64 (previous year: equity -EUR 98.8 k) including a net profit of EUR 23,864.10 (previous year: net loss for the year of EUR 119.2 k).

All other equity interests are below 20 %.

■ Personnel

JOANNEUM RESEARCH employed 431 people (previous year: 453) on the balance sheet date; pro-rated to allow for part-time employment the number of employees was 355.9 (previous year: 372.3). The average number of salaried employees taking part-time employment into account was 354.0 (previous year: 378.8).

Notes/Executive Bodies

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 84,851.07 (previous year: EUR 84.8 k) was paid out in remuneration for members of the Scientific Advisory Committee and the Supervisory Board.

The bodies of the company were as follows in the 2013/2014 financial year:

■ Members of the Scientific Advisory Committee

Prof. Dr. Dr. Gerald **SCHÖPFER**
Chairman

Dr. Freek **HEIDEKAMP**
Deputy Chairman

Vice President Prof. Dr. Horst **BISCHOF**

Prof. Dr. Günter **GETZINGER**

Prof. Dr. Joachim **KRENN**

Vice President Prof. Dr. Markus **MÜLLER**

Dr. Annette **MÜTZE**

Michael **PATAK**

Reinhard **PETSCHACHER**

Alexander **RADINGER**, MBA

Dr. Karin **SCHAUPP**

Dr. Stefan **TASCH**

■ Members of the Supervisory Board

Prof. Dr. Wolf **RAUCH**
Chairman

Brigitte HASEWEND
(since 04.02.2014, registered on 04.07.2014)
Deputy Chairman

Dr. Oswin **KOIS**
(until 04.02.2014, registered on 04.07.2014)
Deputy Chairman

Prof. Dr. Werner **HAUSER**

Sonja **JÖBSTL-FINDEIS**

Prof. Dr. Jos **KEURENTJES**
(since 28.02.2014, registered on 04.07.2014)

Dr. Thomas **KRAUTZER**

Martin **LATZKA**

Jan H.J. **MENGELERS**, MSc
(until 28.02.2014, registered on 04.07.2014)

Martin **PÖLZL**
(since 04.02.2014, registered on 04.07.2014)

Ingolf **SCHÄDLER**

Prof. Dr. Christine **WÄCHTER**
(until 04.02.2014, registered on 04.07.2014)

■ Appointed to the Supervisory Board by the Works Council

Ferdinand **GOLJA**
Chairman of the Works Council

Clemens **HABSBURG-LOTHRINGEN**, MAS

Helen **HASENAUER**

Gerhard **FANKHAUSER**
(since 15.01.2014, registered on 04.07.2014)

Gerhard **PROBST**

Roland **WACK**
(until 15.01.2014, registered on 04.07.2014)

■ Board of Management:

Prof. Dr. Wolfgang **PRIBYL**, MBA

Notes

■ 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 a rent deposit relating to oekopark Errichtungs GmbH (EUR 1,596.96), as well as a security retention vis-à-vis Voestalpine Schienen GmbH (EUR 15,290.00) are below-the-line memo items.

In the previous year advance payment guarantees to the EACI Executive Agency for Competitiveness and Innovation (EUR 55.7 k) and the European Commission (EUR 15.2 k), a payment guarantee to the Österreichische Bundesforste (EUR 193.0 k), and a rent deposit relating to oekopark Errichtungs GmbH (EUR 1.6 k) as well as a performance bond vis-à-vis W.E.I.Z. Weizer Energie-Innovations-Zentrum GmbH (EUR 125.0 k) were below-the-line memo items according to Sec. 199 UGB.

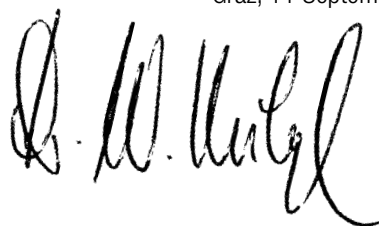
■ Other items

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 12,000.00). In the year under review, the audit of the assessment base of the research premium according to Sec. 108c Income Tax Act for the financial year 2012/2013 was performed; expenses for this certification service provided by the auditing company amounted to EUR 2,000.00 (previous year: EUR 0.00). The auditing company did not provide any other certification, tax consulting or other services during this or the previous financial year.

Graz, 11 September 2014



Prof Dr. Wolfgang Pribyl, MBA
Chief Executive Officer

Fixed Assets Movement Schedule 2013/2014

Development of fixed assets	Acquisition/ manufac- ring costs 01.07.2013	Additions	Disposals	Realloca- tions	Acquisition/ manufac- ring costs 30.06.2014	Cumulative deprecia- tion	Book value as at 30.06.2014	Book value as at 30.06.2013	Deprecia- tion in the financial year
I) Intangible assets									
Software, data transfer and other rights	2,325,344.91	136,017.56	188,757.65	0.0	2,272,604.82	2,098,134.82	174,470.00	208,327.00	169,301.56
Total intangible assets	2,325,344.91	136,017.56	188,757.65	0.0	2,272,604.82	2,098,134.82	174,470.00	208,327.00	169,301.56
II) Tangible assets									
1) Real property and equivalent rights, including buildings on land owned by third parties									
a) Land value	2,314,813.96	336,503.60	0.00	0.00	2,651,317.56	0.00	2,651,317.56	2,314,813.96	0.00
b) Value of buildings	12,719,271.48	261,210.91	123,942.59	192,137.78	13,048,677.58	7,708,422.58	5,340,255.00	5,317,878.00	412,774.69
Total 1) Land	15,034,085.44	597,714.51	123,942.59	192,137.78	15,699,995.14	7,708,422.58	7,991,572.56	7,632,691.96	412,774.69
2) Machines, scientific equipment and data processing equipment	21,607,061.91	982,522.57	533,364.50	68,576.44	22,124,796.42	19,445,918.41	2,678,878.01	3,346,760.55	1,718,801.55
3) Other equipment, operating and office equipment	3,430,654.10	187,920.31	184,834.73	6,426.24	3,440,165.92	2,679,813.92	760,352.00	866,685.00	293,857.55
4) Advance payments and assets under construction VAT Advance payments assets under construction	1,772,581.41	396,637.71	0.00	-272,707.02	1,896,512.10	0.00	1,896,512.10	1,772,581.41	0.00
Vst Anz. Verrechnung Anlagegüter	-247,566.56	-6,258.40	0.00	5,566.56	-248,258.40	0.00	-248,258.40	-247,566.56	0.00
Total 4) Advance payments	1,525,014.85	390,379.31	0.00	-267,140.46	1,648,253.70	0.00	1,648,253.70	1,525,014.85	0.00
5) Low-value assets	0.00	28,881.16	28,881.16	0.00	0.00	0.00	0.00	0.00	28,881.16
Total tangible assets	41,596,816.30	2,187,417.86	871,022.98	0.0	42,913,211.18	29,834,154.91	13,079,056.27	13,371,152.36	2,454,314.95
III) Financial assets									
1) Shares in affiliated companies	83,572.67	0.00	0.00	0.0	83,572.67	35,005.00	48,567.67	48,573.67	6.00
2) Equity interests	170,788.25	0.00	0.00	0.0	170,788.25	33,999.00	136,789.25	136,789.25	0.00
3) Certificated and uncertificated securities held as fixed assets	1,354,050.00	0.00	0.0	0.00	1,354,050.00	8,775.00	1,345,275.00	1,345,275.00	0.00
Total financial assets	1,608,410.92	0.00	0.0	0.00	1,608,410.92	77,779.00	1,530,637.92	1,530,637.92	0.00
Total fixed assets	45,530,572.13	2,323,435.42	1,059,780.63	0.00	46,794,226.92	32,010,068.73	14,784,158.19	15,110,117.28	2,623,616.51

Management Report

The Management Report covers the financial year 2013/14 from 1 July 2013 to 30 June 2014 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 2014, JOANNEUM RESEARCH 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	Institute (since 01 July 2014) for Economic and Innovation Research

I.2. Equity holdings

As of 30 June 2014, 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.

Shares in affiliated companies	
BioNanoNet Forschungsgesellschaft mbH	67,3 %
NanoTecCenter Weiz Forschungsgesellschaft mbH	50,0 %
WATERPOOL Competence Network GmbH *	77,5 %

* WATERPOOL Competence Network GmbH is in liquidation.

I.2.2 Corporate holdings

Share	
FH JOANNEUM Gesellschaft mbH	14,9 %
Holz.Bau Forschungs GmbH *	8,7 %
Human.technology Styria GmbH	7,0 %

* COMET K project "focus_solid_timber_solutions"

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

As of 30 June 2014, 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 Science, Research and Economy (bmwfw):

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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 %

In the framework of the corporate shareholdings, turnover with companies in which an interest is held amounted to approx. EUR 0.8 m in the period 1 July 2013 to 30 June 2014 compared to expenses amounting to EUR 0.3 m. In addition, the corporate shareholdings of JOANNEUM RESEARCH are of importance in terms of networking of the parties involved which continuously opens up opportunities for new projects.

I.3 Branches

The company has no branches.

I.4. Development of business¹

The total value of orders booked as of 30 June 2014 was EUR 59.2 million, representing an increase of EUR 2.1 million compared to the previous year. Work in progress and on hand amounted to approx. EUR 28.4 m representing an increase by EUR 4.3 m compared to the year before. At EUR 46.0 m, the value of open orders was also above the previous year's value of EUR 45.4 million. After the net loss of the financial year 2012/2013 (-EUR 1,186.4 k), a net profit of EUR 84.3 k was achieved in the year under review, and in line with it, the level of self-financing (operating

performance/sum total of expenses) increased to 81 % (previous year: 79 %).

The 2013/2014 operating income from contract research to the amount of EUR 14.7 m remained at virtually the same level as for the previous year (EUR 14.8 m); the operating income from publicly funded research increased by EUR 0.5 million to EUR 13.3 m.

On an international level, JOANNEUM RESEARCH was able to generate contract research and subsidised research projects of a total amount of EUR 11.5 m (previous year: 9.3 m), of which EUR 3.9 m (previous year: 4.6 m) were generated from projects with the European Union and EUR 7.6 m (previous year: 4.7 m) from contract research. The participation of JOANNEUM RESEARCH in the programmes of the European Union and tenders of the European Space Agency (ESA) yielded revenues totalling EUR 6.5 m in the financial year 2013/2014. EUR 3.9 m of this aggregate amount is attributable to the European Union. Projects with a funding volume of EUR 3.4 m were awarded to the company within the scope of the 7th Framework Programme; and orders amounting to EUR 1.5 m were received for ESA projects.

Income from national cooperation projects in the framework of Österreichische Forschungsförderungsgesellschaft mbH (the Austrian Research Promotion Agency FFG) reached EUR 4.8 m (previous year: EUR 4.2 m) in the financial year 2013/2014.

The funding agreement 2013-2014 between the Austrian Ministry for Transport, Innovation & Technology (bmvit) and JOANNEUM RESEARCH provides for funding to the amount of EUR 4.3 m for a two-year period. JOANNEUM RESEARCH recorded income of EUR 2.3 m from the Ministry for Transport, Innovation and Technology (bmvit) in the year under review.

The attributable enterprise contract research amounted to EUR 10.0 m in the financial year 2013/2014, i.e. the specifications of the financing agreement with the Province of Styria have been fully met.

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 2014, JOANNEUM RESEARCH had assets totalling EUR 45.7 m (previous year EUR 48.8 m), comprised of fixed assets of EUR 14.8 m, current assets (including accrued income) of 27.5m and trust assets of EUR 3.4 m. The change in total assets of EUR 3.1 m is primarily due to ongoing work in progress of EUR 1.8 million and the decline of trust assets of EUR 0.4 m.

As of 30 June 2014, equity including investment subsidies amounted to EUR 5.8 m or 13 % of total balance sheet assets compared to EUR 5.6 m or 12 % of total asset in the previous year. Borrowings (including deferred income and trust liabilities) decreased – due to the repayment of loans to the amount of EUR 1.1 m and the EUR 0.9 m decline in downpayments to EUR 40 m – and is 87 % (previous year 88 %) of the 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 3.3 m in the financial year 2013/2014. Working capital increased to EUR 0.5 m compared to EUR 0.3 m in the previous year.

No derivative financial instruments were deployed in the past financial year. The financial instruments shown in the balance sheet are subject to the 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 30.5 m in the financial year 2013/2014, has declined compared to the previous year (some EUR 31.8 m). This deviation is mainly due to the decrease in the volume of work in progress as of 30 June 2014 by EUR 1.8 m compared to EUR 12.1 m in the previous year.

The operating income breaks down to 67 % domestic income and 33 % income from other countries. The share of operating income generated in Styria remained unchanged at 19 %.

Total expenses of EUR 37.7 m (previous year: EUR 40.4 m) consisted of personnel expenses including statutory social security contributions and voluntary employee welfare contributions as well as provisions for old-age pensions (former CEOs) and severance payments of EUR 25.5 million (previous year: EUR 27.2 million), material expenses and other purchased services to the amount of EUR 3.4 m (previous year: EUR 4.2 m), depreciations of EUR 2.6 m (previous year: EUR 2.8 m), as well as other operating expense amounting to EUR 6.1 m (previous year: EUR 6.2 m).

The level of self-financing was at 81 %, 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 2013/2014 was EUR 73,801.19. Taking account of taxes on income of EUR 501.00, the release of revenue reserves of EUR 15,420.00, the allocation to statutory revenue reserves of EUR 4,436.01, and the profit carried forward from the previous year of EUR 256,533.11, the net profit for the year is EUR 340,817.29.

No events of material effect on the assets, financial and earnings position in the financial year 2013/2014 occurred after the balance sheet date.

► I.4.3 Investments

Approx. EUR 2.2 million (previous year: EUR 2.9 m) were invested in fixed assets (scientific equipment, equipment for electronic data processing, operating and office equipment, land and buildings) in the financial year 2013/2014.

► I.4.4 Human Resources

The number of staff as of the reporting date was 431 (147 women and 284 men), i.e. 4.86 % below last year's figures (women -5.16 % and men -4.7 %). The headcount corresponds to 355.9 full-time equivalents as at 30 June 2014, representing a decline of 4.46 % compared to the previous year.

71 new members of staff joined the company (29 women and 42 men) and 93 people left (37 women and

Management Report

56 men) during the year under review. This corresponds to a fluctuation of some 21.58 % (women 8.59 % and men 12.99 %) among employees, a figure that is higher than in the year before (16.56 %).

Given the general economic situation, measures aimed at reducing payroll costs were introduced in the previous year. These measures are reflected in the indicators (headcount/fluctuation). The major part of these measures was concluded in the financial year 2013/2014.

The average age of employees is 40.5 years and has increased only slightly compared to the previous year (40 years). The share of graduates from universities or universities of applied sciences was 67.29 % (of which 26.9 % women) as at 30 June 2014; the share of high school graduates was 21.1 %.

JOANNEUM RESEARCH employed 6 apprentices (3 women, 3 men) at the reporting date. Ten interns (6 women, 4 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. 11 students (5 women, 6 men) had the opportunity to write their master or PhD theses within the scope of an employment relationship at JOANNEUM RESEARCH in cooperation with the respective universities.

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

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

Against the background of unexpected geopolitical developments and the changes in global economic dynamics they entailed, the perspectives of Austrian economy have improved only slightly compared to the previous year. Experts forecast a slow, gradual recovery of the economy with – to some extent – extensive uncertainties prevailing.

The Austrian Institute of Economic Research (WIFO) predicts growth rates for the Austrian economy of 1.4 % and 1.7 % for 2014 and 2015 respectively (following a 0.3 % growth rate in 2013) (monthly reports 7/2014). An EU business survey conducted by WIFO in July 2015

illustrates that Austrian companies are for the first time assessing their situation in a (albeit slightly) more negative light. The index of entrepreneurial expectations is -0.4 %, while expectations for the coming months are cautiously positive at +1.4 %.

STATISTIK AUSTRIA (global estimate for R&D, May 2014) estimates that Austria will spend EUR 9.32 bn on research and experimental development in 2014, which corresponds to an increase in expenditure by 2.7 % compared to the previous year (EUR 9.07 bn). Austrian companies will continue to contribute the largest share to R&D (44.5 %) compared to 38.7 % contributed by the public sector, while foreign as well as private non-profit operations will together contribute a mere 16.9 %. The aggregate R&D expenditure 2014 is estimated to be 2.88 % of Austria's gross national product, which corresponds to a slight decline of the research quota compared to the past two years (2.9 % each year) illustrating stagnation at national level.

■ Financing agreement with the Province of Styria

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

Based on the experience of the first few years, the Province of Styria revised the model of attributable enterprise contract research in the financial year 2013/2014 to take better account of the market situation of R&D and research services.

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

The 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. Funds to the amount of EUR 4.266 m will be made available for five selected research projects related to fundamental research. The total project volume envisaged (funding plus the company's own funds) is EUR 4.8 m.

A funding agreement for 2015 and beyond is currently being negotiated with the Ministry for Transport, Innovation and Technology, providing for an increase of the total

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project volume from EUR 4.8 m to EUR 5.0 m. Projects with a term of up to four years are to be included for the first time.

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.

■ Expansion of research infrastructure and outlook to future strategic priorities

The spatial merging of the research units aimed at improving the competitive situation was continued. In the town of Weiz, a new laboratory facility was established for the MATERIALS Institute in cooperation with the Municipality of Weiz. This new laboratory facility, W.E.I.Z. IV, went into operation in 2014 and is now home to the formerly decentralised laboratories of Graz and Weiz. MATERIALS now has excellent research infrastructure for nanotechnology, surface technology and photonics at its disposal with the new laboratory building. In Graz, the Centre for Knowledge and Technology Transfer in Medicine (ZWT) was completed in 2013/2014, concluding the concentration of HEALTH at one location. Now that HEALTH is located at the Centre for Knowledge and Technology Transfer in Medicine (ZWT), it profits from state-of-the-art laboratory and office space and even closer ties to MED CAMPUS Graz.

Cooperation with businesses was stepped up. JOANNEUM RESEARCH succeeded in concluding a framework agreement with ASFINAG about the supply of the AKUT system. The contract has been concluded for a 7-year term until the end of December 2021 and covers the equipment of 56 tunnels with the AKUT system. The innovative safety concept of Acoustic Tunnel Monitoring AKUT helps to minimise the critical time between the moment an incident happens and the moment tunnel management receives the alarm.

By taking up robotics, and in particular "Collaborative Robotics" and "Mobile Robotics", JOANNEUM RESEARCH has added a promising field to its research portfolio that provides new options for the future. In February 2014, a

Future Lab project was started that is to define the objectives and technological orientation for future development in this priority area and to assess the resources and infrastructure that will be needed over the next few years. While Robotics was initially established in the form of a competence group, it is planned to develop it into an institute in its own right within the medium term.

The financial year 2014/2015 will be a highly challenging and important year for JOANNEUM RESEARCH, above all in strategic terms; a year in which many projects and plans will become concrete and taken up that will be decisive for the medium and long-term development of the company.

III. Report on Research and Development

The focus in the financial year 2014/2015 will be primarily on continuing the implementation of the strategic plans of the corporate concept 2013 – 2016. The annual research programme 2014/2015 describes the scientific objectives and plans in concrete form.

■ III.1 Research units

■ MATERIALS – Institute for Surface Technologies and Photonics

Activities planned for the financial year 2014/2015:

The roll-to-roll system for the roll-based production of nanostructured layers and components by means of nanoimprint lithography on large format film substrates is used in many projects for large-scale micro- and nanostructuring. Technologies to produce safety features, biomimetic surfaces, large-size sensors or microfluidics are developed by this means. Continued, targeted development of skills and expertise is pushed ahead with a planned step-and-repeat system for the production of the company's own imprinting tools to expand the Institute's leading international role in this field.

Similar to robotics, the new area of research, MATERIALS continues to focus on developing higher integrated, miniaturised systems drawing on the pool of expertise and state-of-the-art equipment it has available for surface technology, optics, electronics and structuring processes.

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In the context of printing technologies, sound knowledge of scientific and engineering fundamentals of aerosol-jet printing is to be developed under the funding agreement 2015++ concluded with the Austrian Ministry for Transport, Innovation and Technology (bmvit).

■ HEALTH – Institute for Biomedicine and Health Sciences

Activities planned for the financial year 2014/2015:

HEALTH will continue to develop and strengthen its research services and expand its positioning as a quality-assured supplier of special services:

The K1-Centre CBMed (Centre for Biomarker Research in Medicine) submitted in the framework of the COMET Centre of Competence programme, is to be managed in the form of a limited liability company (GmbH) once it has been approved, with JOANNEUM RESEARCH being one of the shareholders. HEALTH's activities at CBMed will involve applied research on an international level in the areas of metabolomics, tissue-specific pharmacokinetics and pharmacodynamics as well as pharmacoeconomics with the aim of positioning the HEALTH Institute as a leading Austrian service provider.

Two basic technologies of HEALTH – open microperfusion (OFM) and GlucoTab® – will be developed to marketable technologies in Research Studio Austria projects (RSA).

■ DIGITAL – Institute for Information and Communication Technologies

Activities planned for the financial year 2014/2015:

Research work in the current K-projects will also account for a major part of the activities in the coming business year. In the “ASD” project, intelligent acoustic solutions are developed; in “SeCoS”, new application scenarios are linked with RFID technology, and in “Vision+”, the latest algorithms of machine learning are connected with additional expert knowledge and information provided by other sensors.

The Alphasat satellite with Q/V band load (TDP#5) was successfully launched in 2013, starting the next phase of research work with the satellite ground station at Hilmwarte on future satellite communication. Numerous

research projects from environmental monitoring to disaster protection resulted in the development of a multi-sensor flight platform for the collection of remote sensing data. This year's final stage for the time being of this flight platform will include the integration of a laser scanner. In addition to cultural and media developments, information management technologies will focus increasingly in the industrial context at the interfaces between data analytics, industrial internet and big data.

Parallel processing with graphic processing units and ubiquitous computing are used across a variety of business fields.

In the context of future-oriented issues, two projects will be concluded under the funding agreement with the Ministry for Transport, Innovation and Technology (bmvit): the Future Interfaces for Control Centres (FusInc) on the development of innovative user interfaces for central safety control units under special consideration of human-centred design, and Multi-Dimensional Sensor Data Time Series Analysis (MUST) on the development of a framework or toolbox for the analysis of time series from signals.

Given the technological portfolio of robotics, DIGITAL is going to play a central role in this new field of research of JOANNEUM RESEARCH. DIGITAL will mainly contribute to developing technologies for collaborative robotics where the focus is on optimising safe cooperation between robots and people.

■ RESOURCES – Institute for Water, Energy and Sustainability

Activities planned for the financial year 2014/2015:

RESOURCES is a unique provider of comprehensive solutions for complex issues of eco-tech and for ensuring the supply of water, energy and bioresources. The cooperation in the framework of Green Tech Research Styria (GTRS) and with companies of the ECO World Styria cluster is becoming increasingly important and with this also the input to application-oriented, international programmes.

The funding agreement 2015++ concluded with the Austrian Ministry for Transport, Innovation and Technology (bmvit) envisages a basic research project “Competence Centre for Groundwater Modelling Graz – Numeric Simula-

Management Report

tion of Water, Heat, and Material Cycles (KGM)" which will be among the priority activities in the coming financial year.

Leoben University is currently building a research centre for tunnel construction, the "Zentrum am Berg", at Erzberg in Styria. In close cooperation with Leoben University, RESOURCES will investigate possible applications and the validity of geo-physical methods of exploration before and during tunnel construction to provide new impetus for Styria. The use of scientific methods to evaluate the sustainability of products, companies, regions and procedures in terms of economy, ecology and social aspects is gaining relevance both on national and international level. RESOURCES takes account of this demands by focusing on the development of Life Cycle Sustainability Assessments (LCSA).

POLICIES – Institute for Economic and Innovation Research

Activities planned for the financial year 2014/2015:

The mission of POLICIES is to provide support for customers from the political and economic sectors in their evidence-based decisions. To this end, the Institute performs empiric analyses of innovation processes, impact assessments of political and entrepreneurial decisions, and simulations of climatic and socio-economic developments on the smallest possible scale. POLICIES also provides consulting to decision makers when it comes to putting the outcome of these analyses to practical use.

In the financial year 2014/2015, POLICIES will develop its expertise in predictive analysis in large projects carried out with companies and bring this expertise to pilot applications; it will attempt to distribute the tool on "weather-dependent demand analysis" (WEDDA) in Europe; launch the method for precise geographic determination of the origin of food (ingredients); start developing a tool on location-based decision finding and optimisation (LATBox) that is to support settlement decisions; and apply the concepts of responsible research and innovation (RRI) and

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social innovation in the context of technological innovation.

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. It serves as a basis and support of growth and increase in value of the company. The in-house core competencies of the institutes benefit from the shareholding strategy and technologies benefit from a wider range of applications that open up new field of business and research, processes and resources.

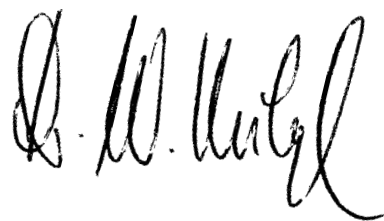
The investments make possible a strengthening of the core business thanks to the acquisition of projects and the access to new customers and business associations. The shareholding management of JOANNEUM RESEARCH is conducive to the central corporate objective, i.e. adding strength to Styria as a location of business and research.

JOANNEUM RESEARCH is an actively organising hub of

national and international research networks. 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's options for conducting fundamental research (e.g. in own research projects and under the funding agreement with the Federal Ministry for Transport, Innovation and Technology (bmvit) as a basis for applied research) are limited by the funds available. 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. This involvement in networks facilitates access to findings of fundamental research that are essential for innovation.

Graz, 11 September 2014



Prof Dr. Wolfgang Pribyl, MBA
Chief Executive Officer

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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
- RJZ – Data Centre
- STP – Strategic Planning

MATERIALS

Institute for Surface Technologies and Photonics

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

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Fax +43 316 876-30 10
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HEALTH

Institute for Biomedicine and Health Sciences

- BTM – Biomedical Technology 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 – Intelligent Acoustic Solutions

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digital@joanneum.at

RESOURCES

Institute for Water, Energy and Sustainability

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

Elisabethstraße 18/II
8010 Graz

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POLICIES

Institute for Economic and Innovation Research

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

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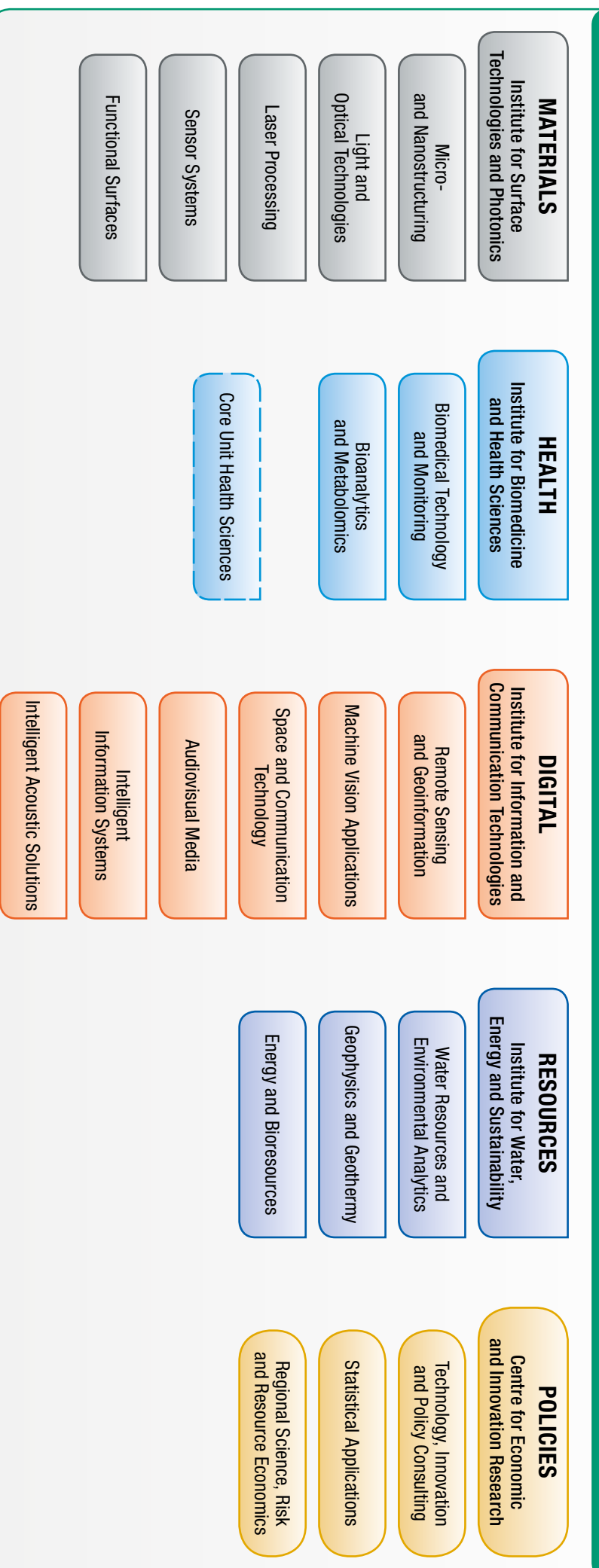


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