



ANNUAL REPORT 2009

MOBIMO HOLDING

KEY FIGURES

Mobimo Group (consolidated)		2009	Restated 2008
Net income from promotion sales	CHF millions	25.2	22.4
Net rental income	CHF millions	63.1	57.9
Net income from revaluation	CHF millions	9.3	9.0
Operating result (EBIT)	CHF millions	98.5	77.9
Profit	CHF millions	62.6	45.0
Return on equity ¹		8.0 %	5.9 %
Profit after tax not including revaluation	CHF millions	55.6	38.3
Return on equity not including revaluation ²		7.1 %	5.0 %
Commercial investment properties	CHF millions	1,147.9	892.4
Residential investment properties ³	CHF millions	135.0	157.5
Commercial development properties	CHF millions	211.3	104.0
Residential development properties	CHF millions	383.3	334.5
Total properties	CHF millions	1,877.5	1,488.4
Investment property vacancy rate		6.7 %	6.1 %
Discount rate for revaluation		4.98 %	4.98 %
Ø Headcount (full-time basis) ⁴		59.3	52.1
Ø Rate of interest on financial liabilities		3.1 %	3.5 %
Ø Residual maturity of financial liabilities	Years	5.1	5.9
Equity ratio		48 %	52 %
Net gearing ⁵		89 %	76 %
Mobimo shares			
No. of shares outstanding		5,049,179	4,335,323
Earnings per share	CHF	14.09	10.37
Earnings per share not including revaluation	CHF	12.51	8.82
Capital repayment via nominal value reduction ⁶	CHF	9.00	9.00
Dividend yield (nominal value reduction)		5.1 %	6.4 %
Payout ratio		73 %	87 %
Nominal value per share	CHF	38.00	47.00
Share capital	CHF millions	192.0	204.2
NAV per outstanding share after options ⁷	CHF	180.29	177.77
Stock market share price as at 31 December	CHF	176.10	141.50
Market capitalisation as at 31 December	CHF millions	889.9	614.9
Equity as at 31 December	CHF millions	926.9	784.2

¹ Profit in relation to average equity (equity at 1 January plus capital increase/reduction) for the period under review.

² Profit not including revaluation (and attributable deferred tax) in relation to average equity (equity at 1 January plus capital increase/reduction) for the period under review.

³ The 2009 reduction is primarily the result of the application of "IAS40 revised" and the related restructuring of the share of sites in properties under construction (Note 7 of the consolidated financial statements).

⁴ Development in headcount see Note 28.

⁵ Net financial liabilities to equity.

⁶ Nominal value repayment for 2009 financial year in accordance with proposal to General Meeting of 5 May 2010.

⁷ Assuming all options granted are exercised.



English Translation of German Original

This is an English translation of
the German original version
(available from ir@mobimo.ch
or at www.mobimo.ch).

Only the German original is
legally binding.

Development property
Condominium building

Horgen, "SeeRenade"
Stockerstrasse 27 – 29



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Cover

Investment property
Commercial property

Lausanne, "Les Mercier A"
Voie du Chariot 6





ABOUT MOBIMO

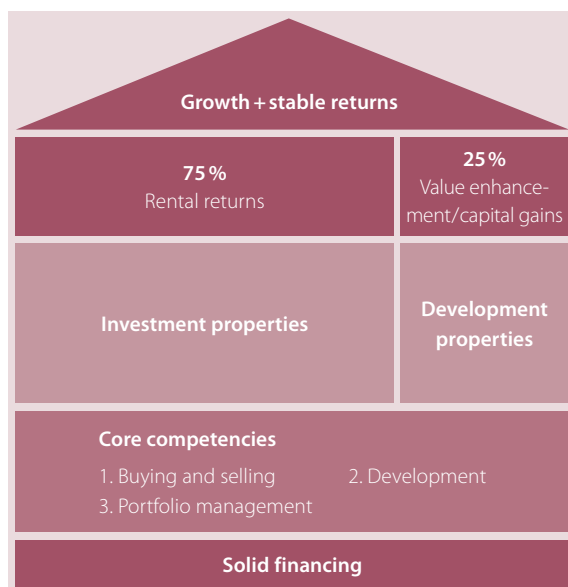
Investment property
Rental apartments

Zurich, "Secret Garden"
Manessestrasse 190 – 192



Mobimo – a leading Swiss real estate company

Mobimo Holding AG was established in 1999 in Lucerne and has been listed on the SIX Swiss Exchange since 2005. Today Mobimo is one of the leading real estate companies in Switzerland. Following the merger with LO Holding Lausanne-Ouchy SA at the end of 2009, it now ranks as one of the biggest market players in both German-speaking and French-speaking Switzerland. Acquisitions and investments are targetted mainly in attractive locations in the business centres of Zurich, Lucerne / Zug, Basel, Aarau, Lausanne / Geneva and St. Gall.



Mobimo's business model sets it apart from its competitors.

Business model combines stable returns with growth

With a solid financing base and equity of not less than 40 % of total assets, Mobimo plans, builds and maintains return-oriented investment properties and sells development properties offering attractive potential gains.

Based on its three core competences – buying/selling, development and portfolio management – Mobimo has successfully built up a premium investment portfolio comprising commercial, industrial and residential properties and broad-based rental income with steady returns. A well stocked pipeline provides a steady supply of new properties for investment and attractive condominium apartments which, when sold, will generate capital gains.

A premium portfolio

As at 31 December 2009, the combined portfolio comprised 139 properties with a value of approximately CHF 1,878 million, broken down into CHF 1,283 million for investment properties and CHF 595 million for development properties. The portfolio mix is optimised on an ongoing basis and the residential component is gradually increased through the planning and construction of investment properties for the company's own property portfolio. The medium-term target is for the office space component, the residential component and the combined commercial component (industry, retail and special use) to each account for one-third of the portfolio.

Secure earnings

Around 75% of the property portfolio is invested in investment properties which are broadly diversified in terms of both location and use. The rentable area of 506 000 m² provided potential rental income of CHF 92 million as at end-2009. This means that a high proportion of revenues are stable and can be calculated. The company's portfolio management team ensures proximity to the market and allows the company to react swiftly to any changes in the market.

Development properties with value enhancement potential

Mobimo currently plans and realises investment and promotion properties with an investment volume of roughly CHF 610 million, with approximately one-third attributable to the Mobimo Tower in West Zurich, the Group's biggest project at present.

Attractive distribution yield

Mobimo has consistently generated a high dividend. Since the initial public offering in 2005, each year CHF 9.00 has been paid out to shareholders in the form of a withholding tax-exempt nominal value repayment. Over the past five years the dividend yield (nominal value repayment) has amounted to an average of 5 %.

GROUP STRUCTURE

Mobimo Holding AG				
Share capital: CHF 192.0 million BoD: Urs Ledermann, Daniel Crausaz, Brian Fischer, Bernard Guillelmon, Wilhelm Hansen, Paul Rambert, Peter Schaub, Paul Schnetzer, Georges Theiler Executive Board: Dr. Christoph Caviezel, Manuel Itten, Peter Grossenbacher, Andreas Hämmerli External auditor: KPMG AG				
Mobimo Verwaltungs AG	Mobimo AG	Mobimo Finance Ltd.	LO Holding Lausanne-Ouchy SA	JJM Participations SA
(name change with effect from 1 March 2010: Mobimo Management AG)				
Share capital: CHF 0.1 million Minimum capital	Share capital: CHF 72 million	Share capital: Minimum capital	Share capital: CHF 12 million	Share capital: CHF 6 million

MILESTONES

1997

On 15 October 1997 Dr. Alfred Meili together with private banker Karl Reichmuth and other investors founded Mobimo AG, with its headquarters in Lucerne. The company's share capital amounted to CHF 36 million in the form of a shareholder loan.

1999

Mobimo Holding AG, Lucerne, was founded on 27 December 1999. Share capital amounted to CHF 73.1 million.

2000

Following a private placement in October 2000 Mobimo Holding AG's share capital was increased to CHF 181.1 million.

2005

On 23 June 2005 Mobimo Holding AG was listed on the SIX Swiss Exchange following a successful IPO, involving an issue volume of CHF 111.8 million.

2006

On 8 June 2006 Mobimo conducted a capital increase of CHF 143 million; at the end of June 2006 share capital amounted to CHF 225 million and shareholders' equity to CHF 596 million.

2007

A further capital increase of CHF 149.1 million took place on 4 June 2007. As at 30 June 2007, Mobimo's shareholders' equity amounted to CHF 757 million.

2009

Mobimo Holding AG's exchange offer for LO Holding Lausanne-Ouchy SA was successfully completed on 9 November 2009; Mobimo now holds almost 99% of LO shares. Share capital was increased by CHF 26.9 million in order to carry out the conversion.



Urs Ledermann

Chairman of the Board of Directors
Member of the Real Estate Committee



Georges Theiler

Vice Chairman of the Board of Directors
Member of the Real Estate Committee



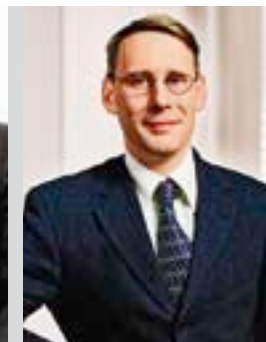
Daniel Crausaz

Member of the Board of Directors
(since December 2009)



Brian Fischer

Member of the Board of Directors
Member of the Audit & Risk Committee



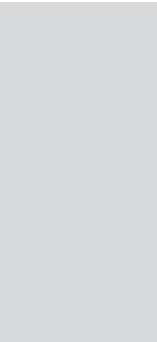
Bernard Guillelmon

Member of the Board of Directors
(since December 2009)



Wilhelm Hansen

Member of the Board of Directors
Chairman of the Audit & Risk Committee



Peter Schaub

Member of the Board of Directors
Chairman of the Audit & Risk Committee

Paul Rambert

Member of the Board of Directors
Member of the Real Estate Committee
(since December 2009)

Paul Schnetzer

Member of the Board of Directors
Chairman of the Real Estate Committee



Dr. Christoph Caviezel

Chairman of the Executive Board,
CEO

Peter Grossenbacher

Member of the Executive Board,
Head of Portfolio Management

Manuel Itten

Member of the Executive Board,
CFO
(since March 2009)

Andreas Hämmerli

Member of the Executive Board,
Head of Development

Qualitative growth

Mobimo strives to grow its real estate portfolio on a step-by-step basis. This growth takes place primarily through the construction of investment properties for the company's own portfolio as well as through the acquisition of individual properties or portfolios. Growth may also be secured via company takeovers.

The decision to grow is taken when the elements of price, location and future prospects come together in such a way as to create value for shareholders. Mobimo invests in promising locations in Switzerland. We see these primarily as the economic areas of Zurich, Lucerne/Zug, Basel, Aarau, Lausanne/Geneva and St. Gall. Investments are only carried out in good locations.

Good portfolio mix

The property portfolio is made up of approximately one-third office space, one-third residential, and one-third industry, retail and special users (e.g. schools, residential schemes for the elderly, etc.).

Active portfolio management

The real estate portfolio is optimised and adjusted on an ongoing basis. Value is rigorously maintained and increased through the maintaining of relations with lessees, increases in the level of rental occupancy, cost optimisation and the implementation of effective marketing strategies.

Value through development

Real estate development focuses on three areas:

- the development, construction and sale of owner-occupied residential property
- the development and construction of investment properties for the company's own portfolio and for third parties
- the continued development and exploitation of proprietary real estate holdings.

Following the continued expansion of real estate holdings, development properties now account for around one-quarter of the overall portfolio.

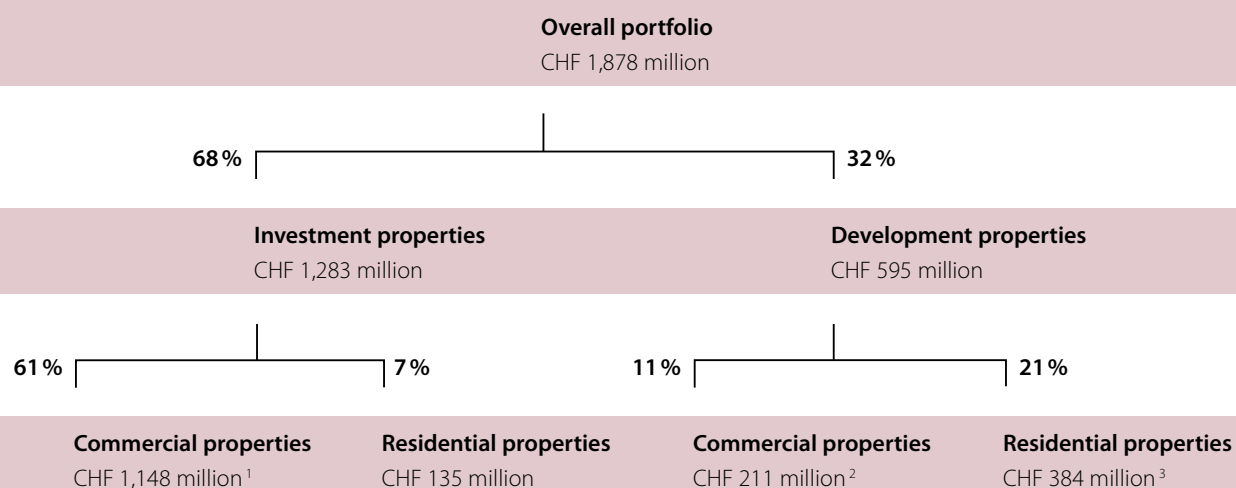
Solid financing

Mobimo can borrow on both a short- and long-term basis. Equity should amount to at least 40 % of total assets.

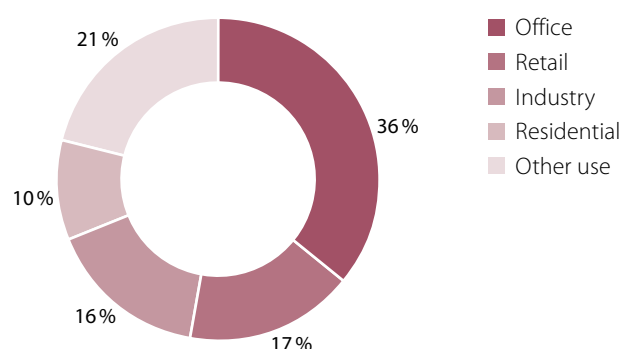
Profitable investment

The Mobimo share generates regular dividends. It is characterised by steady development in value and a high payout ratio.

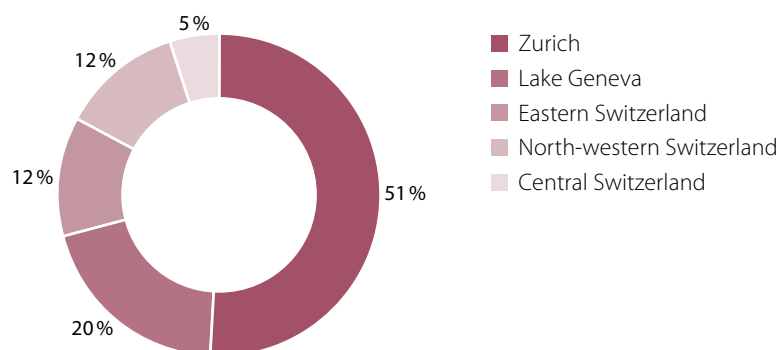
REAL ESTATE PORTFOLIO AS AT 31 DECEMBER 2009



PORTFOLIO MIX AS AT 31 DECEMBER 2009⁴



BREAKDOWN OF PORTFOLIO BY ECONOMIC AREA⁵



¹ Including properties in own use

² Including commercial property Zurich, Turbinenstrasse, Hotel (Mobimo Tower); Horgen, Seestrasse 80 (car park) and Lausanne, Rue de Genève 7 (investment properties under construction) as own-portfolio developments.

³ Including residential properties Adliswil, Wilacker II; Horgen, Seestrasse 43–45; Lausanne, Beau Séjour 8; Zurich, Katzenbachstrasse II and Zurich, Manessestrasse (investment properties under construction) as own-portfolio developments.

⁴ Breakdown of target rental income by type of use.

⁵ Breakdown of market/carrying values of properties by economic area.

I. Overview

No. of shares

No. of shares as at 31 December	2009	2008	2007	2006	2005
Share capital (in CHF thousand)	192,035	204,230	243,232	225,346	192,411
No. of registered shares issued	5,053,552	4,355,323	4,343,425	3,466,860	2,600,145
Nominal value per registered share (in CHF)	38	47	56	65	74
Of which own shares	4,373	10,000	0	0	0
No. of registered shares outstanding	5,049,179	4,345,323	4,343,425	3,466,860	2,600,145

Share data

Ratios in CHF as at 31 December	2009	2008	2007	2006	2005
Earnings per share	14.09	10.37	12.88	12.62	15.62
Earnings per share without revaluation	12.51	8.82	9.56	8.27	10.51
NAV per share, after options	180.29	177.37	178.95	175.91	174.54
Gross dividend (nominal value repayment) ¹	9.00	9.00	9.00	9.00	9.00
Dividend yield (nominal value reduction)	5.1 %	6.4 %	4.9 %	4.6 %	4.8 %
Payout ratio	73 %	87 %	75 %	76 %	65 %

Share data

Stock market price in CHF per share	2009	2008	2007	2006	2005
High	176.60	183.79	192.20	186.22	166.55
Low	116.30	126.29	166.16	162.09	160.43
Year-end price	176.10	141.50	182.00	198.00	188.50
Average no. of shares traded per day	5,920	3,370	3,047	3,137	1,792
Market capitalisation at year-end (in CHF million)	889.9	614.9	790.5	686.4	490.1

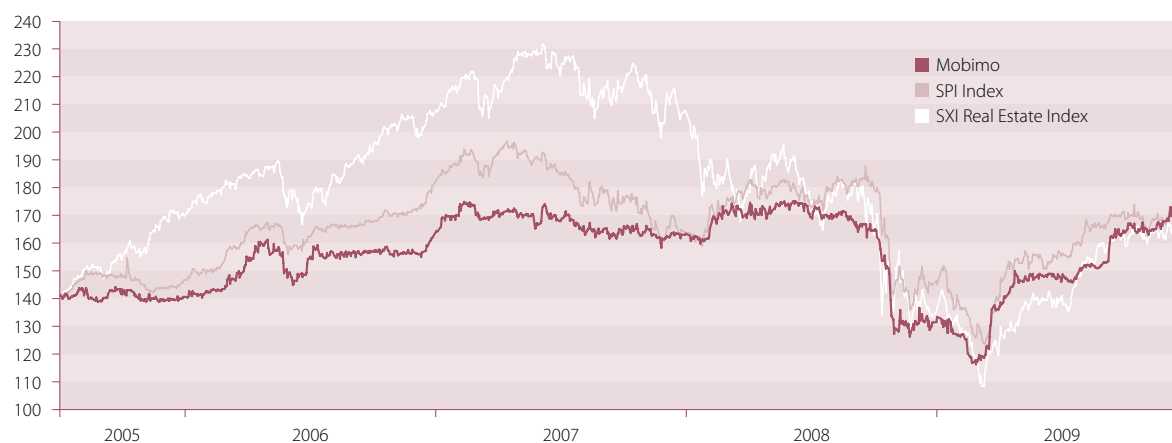
The registered shares of Mobimo Holding AG are traded in the main segment of the SIX Swiss Exchange in Zurich.

Code: MOBN / Security number: 1110887 / ISIN code: CH0011108872, Bloomberg: MOBN SW Equity / Reuters: MOBN.S

The latest stock market data can be found at www.mobimo.ch

II. Share price performance

23 June 2005 to 31 December 2009



¹ Nominal value repayment for 2009 financial year in accordance with proposal to General Meeting of 5 May 2010.

Mobimo's share price went up by 24.5 % in 2009, rising from CHF 141.50 to CHF 176.10. Taking into account the distribution of CHF 9.00 per share in the form of a nominal value repayment on 30 June 2009, the Mobimo share achieved a total performance of 30.8 % for the year as a whole. As at 31 December 2009 Mobimo's share price of CHF 176.10 was 2.3 % below the diluted NAV of CHF 180.29.

The liquidity of the Mobimo share and the trading volume were both positive in 2009. Average daily trading volume amounted to 5 920 (prior year 3 370). This gives daily revenues of TCHF 880 (prior year TCHF 545). The Mobimo share generated total revenues of CHF 230 million (prior year CHF 143 million) on the SIX Swiss Exchange in 2009.

III. Shareholders

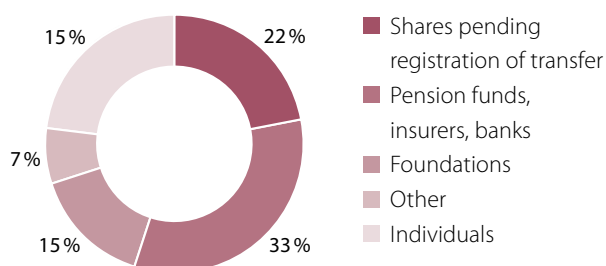
Significant shareholders

The following shareholders held more than 3 % of the share capital as at 31 December 2009:

Reichmuth & Co Investmentfonds AG¹, 5.77 %,
Dr. Alfred Meili², 5.62 %,
Pensionskasse des Kantons Zug, 3.80 %,

Free float as at 31 December 2009 (as per SIX Swiss Exchange definition): 94 %

Shareholder structure



As at 31 December 2009, 2,961 shareholders were recorded in Mobimo's Share Register.

IV. Distribution policy

Mobimo has consistently generated a high dividend. Since the initial public offering in 2005, each year CHF 9.00 has been paid out to shareholders in the form of a withholding tax-exempt nominal value repayment. Over the past five years the average dividend yield (nominal value repayment) has amounted to approximately 5 %.

V. Communication

Mobimo provides information on its business performance via annual and half-year reports prepared in English, German and French. Price-relevant facts are communicated via ad hoc notices.

Information on our company, the share, key dates and answers to commonly asked questions can be found on the website www.mobimo.ch. The information is updated on an ongoing basis.

To protect the environment and keep costs down, print versions of Mobimo Holding AG's annual and half-year reports are only sent out by post upon request.

VI. Contact addresses and calendar

Mobimo Holding AG
Dr. Christoph Caviezel, CEO
Manuel Itten, CFO
Tel. +41 44 397 11 86
ir@mobimo.ch

Share register

Tel. +41 44 809 58 58
info@sharecomm.ch

General Meeting:
5 May 2010, KKL Luzern

Financial reporting:
First half-year report: 25 August 2010

¹ The shareholder group Reichmuth & Co Investmentfonds AG consists of Chasellas Global, Reichmuth Alpin and Reichmuth Voralpin

² Including the shareholder group represented by Dr Alfred Meili.





THE 2009 FINANCIAL YEAR

Development property
Condominium building

Horgen, "Visidea I"
Stockerstrasse 40–42



DEAR SHAREHOLDERS,
LADIES AND GENTLEMEN,

We are delighted to present you with our Annual Report for 2009, an excellent year for Mobimo at both the strategic and operating levels. We were able to successfully implement all our major plans and further enhance the performance of our Group. Overall, we generated a net profit of CHF 62.6 million (2008: 45) and earnings per share of CHF 14.09 (10.37). This means that, for the fifth time in a row, we are able to submit to our shareholders an attractive nominal value repayment proposal of nine Swiss francs per share.

Mobimo's strategic direction was adjusted in the 2008 business year, and we successfully implemented the new framework in the year under review. One important milestone was the merger with LO Holding Lausanne-Ouchy SA (LO), a leading real estate company in French-speaking Switzerland. This, combined with the further diversification of our portfolio, marked the successful completion of our strategic entry into the promising Lausanne/Geneva economic region. LO's portfolio, which has a value of CHF 393 million, comprises premium commercial, retail and residential properties in the centre of Lausanne. In addition, the "Le Flon" district, at one time an industrial zone, still has considerable development potential waiting to be unlocked. With the integration of the successful team in Lausanne, we are well equipped to expand our activities in the real estate market of the Lake Geneva region.

Another achievement in 2009 was the completion of the groundwork for expanding the residential component of our investment portfolio. Around CHF 150 million is currently being channelled into the construction of attractive rental apartments in prime locations in the greater Zurich area and in Lausanne. Lastly, we also managed to add promising projects to our pipeline and thus put in place the framework for future growth.

Effects of the economic crisis comparatively minor

The global financial and economic crisis also made itself felt at Mobimo in 2009 – in both the positive and the negative sense. First, favourable mortgage interest rates and substantial demand for tangible assets, coupled with the fact that consumers remained confident, resulted in brisk demand for residential property. Our attractive condominium offering in the Zurich area allowed us to derive optimum benefits from this situation and we sold a total of 160 units, an absolute record for our firm.

In contrast, the rental market for office and commercial space suffered as expected as a result of the recession. Although 2009 saw rental income increase (after the LO portfolio expansion is filtered out), the vacancy rate also rose slightly to 6.7 % (prior year 6.1 %). Finding new tenants for the properties being vacated will not be easy in the new business year, given that the economic situation remains strained. Nevertheless, Mobimo has a dynamic rental team and we are confident for 2010.

A well stocked project pipeline

Demand for investment properties remains high, which made acquiring properties at reasonable prices difficult. Thanks to our development skills and the projects we have put in place in the past years, Mobimo has been relatively shielded from this difficult market situation.

In order to further enhance the quality of the real estate portfolio, investment holdings are reviewed on a targeted basis. In 2009, six properties totalling CHF 40.1 million were sold at profit.

The value of our portfolio also proved stable. The valuation gain of CHF 9.3 million which resulted in 2009 can be attributed primarily to rental incomes and the completion of the Oh!mega residential property in Zurich. The construction of what is currently our most significant project, the 24-floor Mobimo Tower in West Zurich, is progressing according to schedule. We signed a long-term rental agreement for the planned Marriott Hotel with SV Group in 2009. Floor plans for the apartments above were adapted in line with differentiated demand, and there are now 53 attractive apartments with surface areas of between 100 and 300 m², due to be complete and ready to occupy in 2011.

Successful capital increase, new additions to the Board of Directors and adjustment of compensation policy

The successful exchange offer for LO shareholders increased Mobimo's share capital by around 16% to CHF 192 million, broken down into 5,053,552 registered shares. At the Extraordinary General Meeting held on 17 December 2009, three LO representatives were voted on to the Board of Directors. These three new members are Paul Rambert, long-standing CEO of LO, together with former LO directors Daniel Crausaz and Bernard Guillelmon. The Board of Directors thus now has nine members. There are plans to submit a proposal for the Board to be reduced by one member in 2010 and then by a further two members in the following two years.

With effect from 2009, the performance-related compensation model, consisting of a fixed component and an option component, was replaced by a fixed compensation model for the Board of Directors. This helps Mobimo ensure it is in line with the latest corporate governance requirements structured around a clear separation of operational management (Executive Board) and strategic responsibility (Board of Directors).

It gave us great pleasure to see that our activities are also recognised by the capital market. The Mobimo share enjoyed considerable demand, with volumes traded up by around 76% year on year and the discount of the share price to net asset value also contracted towards the end of the year to 2.3%.

Outlook

We are delighted with the growing interest being shown in Mobimo and intend to continue strengthening our firm in the year ahead. The main focus of our activities in 2010 will be space marketing, condominium sales, the integration of LO and the ongoing development of our well stocked project pipeline. Since our strategic adjustments resulted in the conversion into investment properties of a number of condominium properties originally intended for sale, the (one-time) sales income from promotion activities will naturally contract. In contrast, the regular returns generated via rentals should increase further.

On behalf of our Board of Directors and Executive Board we would like to thank all our employees for their considerable commitment. We also wish to thank our clients and business partners for the excellent working relationships we enjoy with them. Lastly, ladies and gentlemen, we wish to thank you, our shareholders, for the trust you place in our company.



Urs Ledermann

Chairman of the
Board of Directors



Dr. Christoph Caviezel

Chief Executive Officer

MOBIMO POSTS AN EXCELLENT RESULT

Despite a difficult economic environment, Mobimo posted an excellent result for the 2009 financial year and increased profit by 39% to CHF 62.6 million (prior year CHF 45.0 million). The result was up on the prior year in both promotion and investment activities. At CHF 25.2 million, net income from the sale of condominium properties was 13% higher than in the prior year (CHF 22.4 million), while the year-on-year increase in net income from rental activities amounted to 9%, giving a total of CHF 63.1 million (prior year CHF 57.9 million). The merger with LO Holding Lausanne-Ouchy SA (LO) produced negative goodwill which, at CHF 15.6 million, was recognised directly in profit or loss.

The public exchange offer for LO which was launched in summer 2009 met with broad-based support. The transaction was concluded successfully on 9 November 2009, with close to 99% of shares in LO Holding being exchanged for newly created Mobimo shares. The merger of the two companies produced a positive result in the year under review. For the period from 9 November to 31 December 2009, LO made a positive contribution of CHF 1.2 million to the income statement.

The reported profit contains net income of CHF 9.3 million (2008: CHF 9.0 million) resulting from adjustments of properties' market values, corresponding to an increase of 4% on the positive revaluation income in 2008. At 4.98% (prior year 4.98%) the average discount rate applied in revaluations remained unchanged year on year.

At CHF 55.6 million (2008: CHF 38.3 million) net income not including revaluation effects was up 45% on 2008.

EBIT increased 26% to CHF 98.5 million (prior year CHF 77.9 million); before revaluation effects, EBIT increased 29% to CHF 89.1 million (prior year CHF 69.0 million.) compared with 2008.

In the year under review, the value of the portfolio as a whole increased by 26% to CHF 1,878 million (prior year CHF 1,488 million).

In order to settle the public exchange offer for LO shares, 708,229 new shares with a nominal value of CHF 38.00 per share were created from authorised capital, with the result that share capital was increased by a total of CHF 26.9 million.

The excellent operating result increased earnings per share by 36% to CHF 14.09 (prior year CHF 10.37) and earnings per share before revaluation effects were 41.8% higher than in the prior year, at CHF 12.51 (prior year CHF 8.82).

At 8% (prior year 5.9%), return on equity was up 2.1% on the prior year; before revaluation effects, the year-on-year increase in return on equity similarly amounted to 2.1%, producing a figure of 7.1% (prior year 5.0%).

After outstanding options and taking into consideration a distribution of CHF 9 per share by means of a nominal value reduction in June 2009, the net asset value (NAV) per share amounted to CHF 180.29, compared with CHF 177.37 as at 31 December 2008.

With an equity ratio of 48%, Mobimo's capital base remains solid. The average rate of interest for financial liabilities was reduced to 3.1% (prior year 3.5%), with the average residual term of financial liabilities remaining at a long-term-oriented 5.1 years (prior year 5.9 years).

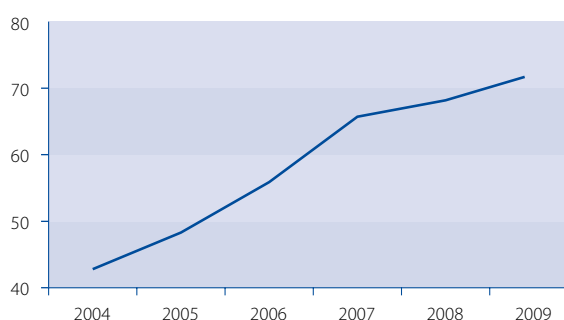
At close of trading on 31 December 2009, the Mobimo share ended the year at CHF 176.10, which corresponds to a discount of 2.3% to the NAV per share after options. Viewed over 2009 as a whole and taking into account the nominal value repayment of CHF 9.00, the Mobimo share achieved a total performance of 30.8%.

Growth in the investment portfolio

Income from rental activities rose by 9.4% to CHF 71.8 million (prior year CHF 65.6 million). Of the additional CHF 6.2 million in rental income, CHF 3.8 million can be attributed to the inflow from the LO investment portfolio. The vacancy rate for investment properties recorded a slight year-on-year increase from 6.1% to 6.7%. In contrast, direct expenses for rented properties remained unchanged versus the 2008 level, at 12% (prior year 12%).

On a long-term comparison, the income generated by rental activity of CHF 71.8 million is 73% higher than the pre-IPO result for the year of CHF 41.6 million.

Development of income/net income from rental activities, in CHF million



The successful merger of Mobimo and LO resulted in the integration of a portfolio with a total value of CHF 393 million comprising properties at premium locations in Lausanne. Further details of the transaction can be found on page 20 in the section entitled "Integration of LO Holding Lausanne-Ouchy SA".

In the current market environment, acquiring properties in good locations capable of generating attractive yields remains a difficult undertaking. In the period under review, the commercial property at Dierikon, Pilatusstrasse 2, was acquired at a purchase price of CHF 11 million. Two further properties were acquired for CHF 1 million: the first at Aarau, Buchserstrasse 47, in order to round off the Torfeld zone and the second, an apartment in the condominium property at St. Gall, Wassergasse 42, as a complement to the existing investment property.

An agreement was signed with the shareholders of O4Real AG on 22 December 2009 regarding the takeover of their company. O4Real AG owns a building complex with a rentable area of 45,000 m², located in a zone comprising 12,600 m² at the heart of Lausanne.

The following investment properties were sold in 2009 for the purposes of portfolio optimisation, resulting in a combined sales price of CHF 40.1 million:

- Egg, Dorfplatz 1 and 2
- Füllinsdorf, Schneckelerstrasse 4/4a
- Neuhausen, Zentralstrasse 2–6
- Schaffhausen, Stauffacherstrasse 36
- Schwerzenbach, Bahnstrasse 5
- Weisslingen, Dorfstrasse 6/8/10/12

These divestments generated a net profit of CHF 1.7 million.

Successful development in sales of owner-occupied residential property and properties under construction

At CHF 182.3 million (prior year CHF 126.8 million), income from promotion sales was 43.8% higher year on year, following the transfer of a record 160 apartments to buyers as new property in 2009. With the first-time application of IFRIC Interpretation 15 and starting from the 2008 financial year, revenues must be recognised upon the transfer of ownership of a property, whereas in previous years adjustments had been made as necessary.

In the year under review the market for residential property remained stable despite the difficult economic environment as a whole, and was underpinned by the extremely attractive interest rate situation and the constant demand

for investment opportunities in property, plant and equipment. Mobimo continued to focus on the development of residential property at prime locations, in particular in and around the city of Zurich and the Lake Geneva region.

The "im Brächli" property in Zurich was acquired as a conversion property in 2009, for a price of CHF 7.1 million. In addition, an advance payment of CHF 2.5 million was made for the extremely attractive property comprising 3 043 m² at the former Würt-Werft site in Weggis. This property is expected to be transferred in the first half of 2010, once the building permit has been obtained.

The construction of new projects does not go ahead until sales or rental levels of 30 to 40% have been achieved. This explains why the length of time from project procurement to project completion tends to be increasing.

Investment properties under construction are development projects for investment properties destined for Mobimo's own portfolio. With the site reserves it holds at premium locations, Mobimo has extremely attractive development potential for its own portfolio and this ensures first-class growth potential, irrespective of what is happening on the transaction market.

In the year under review, the following investment properties were in either the preliminary planning, construction or completion phase:

- Adliswil, Wilacker II (residential property)
- Horgen, Seestrasse 43–45 (residential property)
- Horgen, Seestrasse 80 (car park)
- Lausanne, Rue de Genève 7 (commercial property)
- Lausanne, Rue Beau-Séjour 8 (residential property)
- Zurich, Katzenbach II (residential property)
- Zurich, Manessestrasse 190/192 (residential property)
- Zurich, Turbinenstrasse, Hotel (commercial property)

Total investment for these construction projects amounts to approximately CHF 370 million. Altogether, the projects will produce 361 apartments, one commercial property, one car park and one hotel.

In addition, the following properties were reclassified as development properties in the year under review: the commercial properties at Aarau, Buchserstrasse 7/13, Aarau, Buchserstrasse 18/27/35; Industriestrasse 20/44; Torfeldstrasse 4, Aarau, Industriestrasse 28 and Aarau, Torfeldstrasse (car park). Consequently, the Torfeld development zone will offer an area of 55 000 m² at a prime location and will be available for the development of attractive apartments and commercial properties.

LO HOLDING LAUSANNE-OUCHY SA BECOMES PART OF MOBIMO

Successful transaction

Mobimo and LO Holding Lausanne-Ouchy SA (LO), which is similarly listed on the SIX Swiss Exchange, merged in the second half of 2009. As part of a public exchange offer, Mobimo offered LO shareholders newly created Mobimo shares in return for their LO shares. By end-2009, 99.15% of LO shares had been tendered, which meant that the transaction was completed with the agreement of the overwhelming majority of shareholders. In order to reflect the merger in the Mobimo Board of Directors as well, LO representatives Paul Rambert, Daniel Crausaz and Bernard Guillelmon were elected to the Mobimo Board at the Extraordinary General Meeting of shareholders on 17 December 2009. LO is currently being headed up on a provisional basis by Mobimo CEO Christoph Caviezel.

Qualitative and quantitative growth

Mobimo's merger with LO brings together a host of strategic advantages and the "new" Group has considerable potential. With Mobimo's support, for example, LO can implement its planned expansion, while the combined forces of the new Group will allow Mobimo to secure a foothold in the attractive real estate market in the "Lemanic Arc" region (the districts from Geneva to Aigle). The main synergy effects can be summarised as follows:

1. Regional diversification in

French-speaking Switzerland

The merger makes Mobimo one of the geographically best-diversified real estate companies in Switzerland. It also gives the company a base in this lucrative property market.

2. Additional premium properties in a central location

The properties in Lausanne's Le Flon area, together with LO's other properties, will not only increase Mobimo's portfolio but enrich it, too. The investment properties of the two companies complement and supplement each other in an ideal fashion. The high quality and superb locations of the properties similarly ensure an excellent strategic fit.

3. Good diversification of the portfolio structure

Following the integration of LO, a good quarter of Mobimo's investment and development projects are located in French-speaking Switzerland. This both strengthens and diversifies the portfolio further. In terms of the portfolio mix, there has been a marginal increase in the combined commercial component, while the proportion of office space has remained largely unchanged.

4. Platform for further activities in Lemanic Arc region

The LO management team is extremely experienced and has excellent ties to French-speaking Switzerland. This ensures the further development of the Le Flon area in Lausanne and also means that established structures can be used to secure good opportunities for expansion in the Lake Geneva region, raising the company's profile as a market player here, with LO continuing to operate under its own name.

Le Flon – LO's masterstroke in the heart of Lausanne

Le Flon is located in the very heart of Lausanne. LO began its "Flon Vision" programme of planning, development and construction over 10 years ago. The former industrial area has been completely rehabilitated since 1998 and is today a flagship area in Lausanne.

Under the stewardship of Paul Rambert, a comprehensive concept for the development of this partially run-down but extremely central part of Lausanne was drawn up at the end of the 1990s. Le Flon gradually began to develop into a lively, urban centre and is today a modern and dynamic part of Lausanne which marries tradition with a bustling city atmosphere and has become Lausanne's premier business, cultural and leisure district.

A total rentable area of around 90,000 m² houses offices, shops, commercial units, apartments and a state-of-the-art underground parking area with capacity for 925 vehicles, as well as several public squares and meeting areas. Visitors are attracted by a broad range of leisure activities, pretty boutiques, convenience stores, restaurants, bars, galleries and a large cinema complex. Public transport facilities are excellent, as the area is served directly by two metro stations, a railway station and several bus lines.

Le Flon is a vibrant urban area which has something to offer round the clock, seven days a week, 365 days a year. It is home to a broad range of possible activities, which explains the diversity of lessees in LO properties in the area. Dynamic management ensures a consistently high level of top-quality events.

Le Flon is more than just an interesting urban development for Lausanne, however; it has become a vital commercial location which has changed the face of the city for ever.

Attractive development projects in Lausanne

The Group is currently working on around 100 apartments at a premium location in Lausanne, the Rue Beau-Séjour. The building on Rue de Genève 7 is also being completely renovated, with an investment of just under CHF 20 million. Phase 3 of Le Flon expansion will begin in 2010; further development potential is estimated at approximately CHF 70 million.

Also in Lausanne, Mobimo plans to acquire O4Real AG, a 12,600 m² site between Avenue d'Ouchy, Avenue de la Gare and Place de la Gare, directly bordering Lausanne's main railway station. The associated property offering a good 45,000 m² in rentable area has an excellent location with an unobstructable view of the lake and Alps. The property has good potential and, provided the transaction goes ahead, Mobimo plans to launch attractive development programmes in keeping with this premium location. LO is also constantly evaluating further investments and several promising projects are expected to be given the green light in the coming quarters.

1874	Entrepreneur Jean-Jacques Mercier-Marcel establishes the "Compagnie du Chemin de fer Lausanne-Ouchy et des Eaux de Bret" in Lausanne, with the aim of transporting people and goods between Ouchy, the railway station and Place Saint-François.
1877	Opening of funicular railway Lausanne-Ouchy. New buildings constructed in the Flon valley. Le Flon becomes the main freight station for the city of Lausanne. The family firm increases in size and becomes a public limited company.
1930	Agreement between the company and the city of Lausanne over construction in Flon, valid until 1980.
1984	The Compagnie du Chemin de fer Lausanne-Ouchy hives off its activities and focuses solely on real estate, while the city of Lausanne acquires the Group's transport activities. At the same time the company changes its name to LO Holding Lausanne-Ouchy SA.
From 1999	Development of the comprehensive strategy for Le Flon and start of construction on the first phase.
From 2003	Second phase of "Flon Vision" (until 2008).
2009	LO Holding Lausanne-Ouchy SA merges with Mobimo.



Investment property
Commercial property

Lausanne, "Miroiterie"
Rue du Port-Franc 11









Lausanne, "l'arbre du Flon"

Investment property
Commercial property

Lausanne, "La Banane"
Rue de Genève 2-6





Investment property
Commercial property

Lausanne, "Les Mercier"
Voie du Chariot 2 – 7







FINANCIAL REPORT

Development property
Condominium building

Adliswil, "Wilacker I"
Bernhofstrasse 43 – 45a



1 CONSOLIDATED FINANCIAL STATEMENTS

1.1 CONSOLIDATED BALANCE SHEET

All amounts in TCHF	Note	31.12.2009	Restated ¹ 31.12.2008	Restated 01.01.2008
Assets				
Current assets				
Cash	2	27,407	11,594	17,125
Trade receivables	3	5,079	4,845	4,601
Derivative financial instruments	12	0	0	129
Other receivables	4	11,937	8,064	6,356
Trading properties	5	254,805	306,069	297,810
Accrued income	6	575	2,099	331
Total current assets		299,803	332,671	326,352
Non-current assets				
Investment properties				
– Commercial properties	7	1,232,806	925,270	898,662
– Residential properties	7	135,007	157,542	126,665
– Investment properties under construction	7	237,785	0	0
Property, plant and equipment				
– Investment properties under construction	8	0	85,382	0
– Owner occupied properties	8	17,107	14,128	14,676
– Other property, plant and equipment	8	1,052	1,176	1,049
Intangible assets	9	382	318	27,011
Investments in associates	10	15,297	0	0
Financial assets	11	8,765	1,676	3,709
Total non-current assets		1,648,201	1,185,492	1,071,772
Total assets		1,948,004	1,518,163	1,398,124

¹ The restatement was due to the application of the new IFRIC 15 (see 1.5.2 Accounting policies – IFRIC 15 Agreements for the Construction of Real Estate)

All amounts in TCHF	Note	31.12.2009	Restated 31.12.2008	Restated 01.01.2008
Equity and liabilities				
Liabilities				
Current liabilities				
Current financial liabilities	12	171,342	141,899	96,074
Trade payables	13	11,404	9,196	9,181
Current tax liabilities		30,501	23,925	18,011
Derivative financial instruments	12	420	0	0
Other payables	14	4,708	6	311
Advance payments from buyers	15	6,957	22,004	30,565
Accrued expenses	16	20,086	9,481	25,010
Total current liabilities		245,418	206,511	179,152
Non-current liabilities				
Non-current financial liabilities	12	674,589	467,130	386,172
Employee benefit obligation	17	2,309	1,107	1,118
Derivative financial instruments	12	6,030	2,092	292
Deferred tax liabilities	18	92,772	57,094	52,470
Total non-current liabilities		775,700	527,423	440,052
Total liabilities		1,021,118	733,934	619,204
Equity	19			
Share capital		192,035	204,230	243,232
Treasury shares		-721	-1,605	0
Capital reserves		370,242	281,073	281,073
Retained earnings		363,799	300,531	254,615
Total equity attributable to the shareholders of Mobimo Holding AG		925,355	784,229	778,920
Minority interests		1,531	0	0
Total equity		926,886	784,229	778,920
Total equity and liabilities		1,948,004	1,518,163	1,398,124

1 CONSOLIDATED FINANCIAL STATEMENTS

1.2.1 CONSOLIDATED INCOME STATEMENT

All amounts in TCHF	Note	2009	Restated 2008
Income from sale of trading properties	21	182,296	126,818
Expenses from sale of trading properties	22	-157,073	-104,407
Profit on sale of trading properties		25,223	22,411
Income from rental of properties	23	71,762	65,576
Direct expenses for rented properties	24	-8,622	-7,637
Net rental income		63,140	57,939
Gains from revaluation of investment properties		19,072	16,738
Losses on revaluation of investment properties		-9,753	-7,773
Net gains from revaluation	25	9,319	8,965
Profit on disposal of investment properties	26	1,690	2,007
Negative goodwill from the acquisition of LO Holding Lausanne-Ouchy SA	1.6.1	15,633	0
Other income	27	4 079	4 215
Personnel expenses	28	-14,005	-11,665
Operating expenses	29	-3,773	-3,742
Administrative expenses	30	-1,743	-1,289
Earnings before interest, tax, depreciation and amortisation (EBITDA)		99,563	78,841
Depreciation and amortisation	31	-1,110	-914
Earnings before interest and tax (EBIT)		98,453	77,927
Share of profit of associates		344	0
Financial income	32	592	577
Financial expense	32	-20,822	-20,987
Earnings before tax (EBT)		78,567	57,517
Tax expense	33	-16,008	-12,493
Profit		62,559	45,024
Of which attributable to the shareholders of Mobimo Holding AG		62,549	45,024
Of which attributable to minority interests		10	0
EBITDA excluding revaluation		90,244	69,876
Operating result (EBIT) excluding revaluation		89,134	68,962
Earnings before tax (EBT) excluding revaluation		69,248	48,552
Profit after tax excluding revaluation (and attributable deferred tax)	20	55,559	38,300
Earnings per share in CHF			
– including revaluation	20	14.09	10.37
– excluding revaluation (and attributable deferred tax)	20	12.51	8.82
Diluted earnings per share in CHF			
– including revaluation	20	13.85	10.20
– excluding revaluation (and attributable deferred tax)	20	12.30	8.67

1 CONSOLIDATED FINANCIAL STATEMENTS

1.2.2 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

All amounts in TCHF	2009	Restated 2008
Profit	62,559	45,024
Cash flow hedges		
– Unrealised gains / losses	0	1,038
– Transfer to income statement	–310	–182
– Tax effect	68	–188
Other comprehensive income	–242	668
Total comprehensive income	62,317	45,692
– of which attributable to the shareholders of Mobimo Holding AG	62,307	45,692
– of which attributable to minority interests	10	0

1 CONSOLIDATED FINANCIAL STATEMENTS

1.3 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

All amounts in TCHF	Share capital	Treasury shares	Capital reserves	Hedging reserve	Other retained earnings	Total retained earnings	Equity attributable to the shareholders of Mobimo Holding AG	Minority interests	Total equity
As at 1 January 2008	243,232	0	281,073	776	264,879	265,655	789,960		789,960
Effect of initial application of IFRIC 15 ¹					-11,040	-11,040	-11,040		-11,040
As at 1 January 2008 (restated)	243,232	0	281,073	776	253,839	254,615	778,920		778,920
Profit 2008					45,024	45,024	45,024		45,024
Cash flow hedges:									
– Unrealised gains/losses ²				1,038		1,038	1,038		1,038
– Transfer to income statement ²				-182		-182	-182		-182
Tax effect				-188		-188	-188		-188
Other comprehensive income	0	0	0	668	0	668	668		668
Total comprehensive income	0	0	0	668	45,024	45,692	45,692		45,692
Nominal value repayment	-39,100						-39,100		-39,100
Capital increase	98						98		98
Share-based payments					225	225	225		225
Acquisition of treasury shares		-1,605					-1,605		-1,605
As at 31 December 2008	204,230	-1,605	281,073	1,444	299,087	300,531	784,229		784,229
As at 1 January 2009	204,230	-1,605	281,073	1,444	299,087	300,531	784,229		784,229
Profit 2009					62,549	62,549	62,549	10	62,559
Cash flow hedges:									
– Transfer to income statement ²				-310		-310	-310		-310
Tax effect				68		68	68		68
Other comprehensive income	0	0	0	-242	0	-242	-242		-242
Total comprehensive income	0	0	0	-242	62,549	62,307	62,307	10	62,317
Nominal value repayment	-39,108	90					-39,018		-39,018
Capital increase	26,913	-683	88,977				115,207		115,207
Share-based payments		397	15		195	195	607		607
Current tax impact			47		766	766	813		813
Acquisition of treasury shares		-348					-348		-348
Disposal of treasury shares		1,062	58				1,120		1,120
Minority interests arising from acquisition								1,958	1,958
Purchase of minority interests		366	71				437	-437	0
As at 31 December 2009	192,035	-721	370,242	1,202	362,597	363,799	925,355	1,531	926,886

¹ The impact of the application of IFRIC 15 (Restatement) on the consolidated statement of changes in equity is described in Note 1.5.2 Basis of preparation of the consolidated financial statements

² The cash flow hedges are described in Note 12 Financial liabilities

1 CONSOLIDATED FINANCIAL STATEMENTS

1.4 CONSOLIDATED CASH FLOW STATEMENT

All amounts in TCHF	Note	2009	Restated 2008
Earnings before tax		78,567	57,517
Negative goodwill from the acquisition of LO Holding Lausanne-Ouchy SA	1.6.1	-15,633	0
Net gains from revaluation	25	-9,319	-8,965
Share-based payments	37	607	225
Depreciation of property, plant and equipment	31	913	812
Amortisation of intangible assets	31	197	102
Profit on disposal of investment properties	26	-1,690	-2,007
Loss on sales of property, plant and equipment	27	0	57
Share of profit of associates	10	-344	0
Financial result	32	20,230	20,410
Change			
Trade receivables		571	-244
Trading properties		61,389	-32,200
Other receivables and accrued income		-3,063	-3,444
Employee benefits		25	-11
Trade payables		-2,313	15
Advance payments from buyers		-15,047	-8,562
Other current liabilities and accrued expenses		8,302	-15,140
Income tax paid		-3,582	-2,175
Net cash from operating activities		119,810	6,390
Investments in financial assets	11	-2,660	0
Acquisition of subsidiaries, net of cash acquired	1.6.1	-23,149	0
Acquisition of investment properties	7	-81,881	-34,177
Acquisition of property, plant and equipment	8	-100	-70,247
Acquisition of intangible assets	9	-261	-130
Disposal of financial assets	11	426	2,033
Disposal of property, plant and equipment	8	0	104
Disposal of investment properties	7	39,644	24,264
Dividends received		80	80
Interest received		464	496
Net cash used in investing activities		-67,437	-77,577
Proceeds from financial liabilities		151,491	278,035
Repayment of financial liabilities		-129,797	-150,267
Proceeds from capital increases	19	0	98
Share capital nominal value repayment	19	-39,018	-39,100
Acquisition of treasury shares	19	-348	-1,605
Disposal of treasury shares	19	1,120	0
Interest paid		-20,008	-21,505
Net cash used in/ from financing activities		-36,560	65,656
Increase / decrease in cash		15,813	-5,531
Cash at beginning of reporting period		11,594	17,125
Cash at end of reporting period		27,407	11,594

1.5 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1.5.1 Business activities

The Mobimo Group is a real estate company which operates exclusively in Switzerland. Its business activities consist of the long-term holding and managing of commercial, industrial and residential properties, the construction and selling of owner-occupied residential properties and the development of commercial and residential properties.

The parent company is Mobimo Holding AG, a public limited company under Swiss law, headquartered in Lucerne and listed on the SIX Swiss Exchange.

1.5.2 Accounting policies**General information**

The consolidated financial statements of Mobimo Holding AG are prepared in accordance with International Financial Reporting Standards (IFRS) and comply with legislation in Switzerland as well as with Article 13 of the Additional Rules for the Listing of Real Estate Companies issued by the SIX Swiss Exchange.

Consolidation takes place on the basis of the individual financial statements from the Group companies. These statements are audited and drawn up in accordance with uniform accounting policies. The balance sheet date is 31 December.

All amounts contained in the consolidated financial statements are shown in thousands of Swiss francs (TCHF), unless stated otherwise.

The consolidated financial statements have been prepared on the historical cost basis, with the exception of investment properties, investment properties under construction, derivatives and financial assets available for sale. These are measured at market value.

Use of estimates and assumptions and the application of judgement

In preparing the consolidated financial statements in accordance with IFRS, management is required to make estimates and assumptions and apply its judgement in its application of the accounting policies. This can influence reported income, expenses, assets, liabilities and contingent assets and liabilities at the time the statements are drawn up. The estimates and assumptions used are based on past experience as well as on other factors which appear reasonable at that specific point in time. If actual results in the future differ from such estimates and assumptions, the initial estimates

and assumptions will be adjusted in the applicable reporting period.

The main estimates and assumptions used in the measurement of assets and liabilities are described below.

Estimates and assumptions**Fair values of investment properties**

Mobimo holds investment properties with a carrying amount of CHF 1,606 million. The properties are measured at fair value, determined on the basis of the DCF method. This method is itself based on various estimates and assumptions, which are set out in the accounting policy to the properties.

A sensitivity analysis checks the impact of a reduction or increase in discount rates as part of the DCF measurement. A general reduction in the discount rate of 0.25 % (average discount rate as at 31 December 2009 4.98 %) would increase the fair value of the investment properties as at 31 December 2009 by 5.1 % or CHF 82 million. A general increase in the discount rate of 0.25 % would reduce the current fair value of the investment properties as at 31 December 2009 by 4.6 % or CHF 74 million.

Estimates of construction costs of trading properties

Mobimo has ongoing building projects of CHF 255 million; the luxury apartments in the Mobimo Tower currently account for the largest share of this amount, in terms of value, at CHF 96 million. Ongoing projects are measured on the basis of the financial forecasts for the individual projects. Allowances are made for loss-making projects as soon as losses become visible. Budgeted overall costs and planned sales prices are determined on the basis of various factors and assumptions. These include past experience, project specifications for the properties, benchmark values for construction costs and other relevant factors such as the planned construction period. Financial forecasts are reviewed on an ongoing basis and adjusted where necessary.

If actual construction costs and sales proceeds differ from the planned figures or if unexpected developments during the construction period make an adjustment of the investment plan necessary, an adjustment in carrying values, i.e. an adjustment in allowances for loss-making projects, may become necessary.

Income taxes

Mobimo has deferred tax liabilities of CHF 93 million. Deferred taxes are almost exclusively attributable to valuation differences in respect of investment properties and investment properties under construction.

The taxation of gains from the disposal of properties is subject to a special property gains tax in various cantons. The tax rates applied depend on the length of time the property is held and can vary significantly.

In the calculation of deferred taxes on investment properties, a residual holding period is estimated for each property. Should the actual holding period for a property deviate from the estimated holding period, the amount of tax applicable at the time the property is sold may vary considerably from the deferred tax estimated.

Various property gains tax amounts due on property sales in the current and previous periods are not yet definitive as at the financial reporting date. If the definitive amounts involved are not the same as the initial calculations, this may have a material effect on the tax expense for future periods.

Changes in accounting policies

Mobimo has applied the following new or revised standards and interpretations for the first time in its consolidated financial statements for 2009: IFRS 8 Operating Segments, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 16 Hedges of a Net Investment in a Foreign Operation, IFRIC 18 Transfers of Assets from Customers, the amended IAS 23 Borrowing Costs, IAS 1 Presentation of Financial Statements, IFRS 2 Share-based Payment, IAS 32 Financial Instruments: Presentation / IAS 1 Presentation of Financial Statements, amendments to IFRS 7 Financial Instruments: Disclosures, IFRIC 9 and IAS 39 Embedded Derivatives, IFRS 1 First-time Adoption of International Financial Reporting Standards, IAS 27 Consolidated and Separate Financial Statements as well as various amendments to IFRS (Annual Improvements 2008).

The impact of these changes was as follows:

IFRS 8 – Operating Segments

IFRS 8 replaces IAS 14 Segment Reporting. The new standard requires changes in methodologies and formats for segment reporting. Determination of the segments and presentation of the segment information must be based on the information reported to Group management internally ('management approach'). IFRS 8 defines an operating segment as a component of an entity that engages in business activities from which it may earn revenues and incur expenses, whose operating results are reviewed regularly by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. The two segments Portfolio Management and Development now report in accordance with IFRS 8. A description of the segments can be found in the notes relating to segment reporting. Prior-year figures have been restated accordingly.

IFRIC 15 – Agreements for the Construction of Real Estate

Real estate under construction for which there is a certified purchase agreement and where substantial construction work still has to take place were previously accounted for using the percentage-of-completion method in accordance with IAS 11.

Based on the new interpretation such properties no longer fall within the scope of IAS 11. Revenues must now be recognised in accordance with IAS 18. According to IAS 18 revenues are to be recognised when the significant risks and rewards of ownership have been transferred to the buyer. In the case of trading properties, this does not take place until title is transferred following completion of construction. The percentage-of-completion method can thus no longer be applied based on the business model currently used in connection with trading properties.

In accordance with transitional requirements, IFRIC 15 must be applied retroactively. The impact on the balance sheet due to this change is as follows:

	31.12.2008 TCHF	01.01.2008 TCHF
Trading properties	5,400	15,951
Advance payments from buyers	-21,079	-29,995
Deferred and current tax liabilities	3,206	3,004
Net effect on Group equity	-12,473	-11,040

The impact on the income statement and earnings per share for the 2008 financial year was as follows:

	TCHF
Income from sale of trading properties	6,280
Expenses from sale of trading properties	-7,914
Profit on sale of trading properties	-1,634
Tax expense	201
Profit	-1,433
Earnings per share in CHF	
– including revaluation	-0.33
– excluding revaluation (and attributable deferred tax)	-0.33
Diluted earnings per share in CHF	
– including revaluation	-0.32
– excluding revaluation (and attributable deferred tax)	-0.32

IAS 40 – Investment Property

As part of its Annual Improvement Project from April 2008, the IASB expanded the scope of IAS 40 Investment Property. Under the fair value model, investment properties should now be measured at fair value during the construction phase and not only after completion. Until now, investment properties have been measured at cost until completion, in accordance with IAS 16. This change has to be implemented on a prospective basis, which means that it had no impact on the 2008 results and the balance sheet as at 31 December 2008. In the 2009 financial year Mobimo recognised a gain of TCHF 8,007 from the revaluation of investment properties under construction. Of this figure, TCHF 5,588 can be attributed to initial measurement as at 1 January 2009.

IAS 1 rev. – Presentation of Financial Statements

Application of IAS 1 resulted in additional disclosure requirements for a statement of comprehensive income. In addition, as part of the Improvements Project, the presentation of certain financial instruments classified as held for trading in accordance with IAS 39 has been clarified. Mobimo previously disclosed all derivative financial instruments under current assets or current liabilities irrespective of the terms involved. Pursuant to the additional provisions under IAS 1, derivative financial instruments with a residual maturity in excess of 12 months should be classified as non-current. As a result, Mobimo reclassified, retroactively as at 1 January 2008, derivative financial instruments in an amount of TCHF 292 from current to non-current liabilities and, as at 31 December 2008,

reclassified derivative financial instruments in an amount of TCHF 2,092 likewise from current to non-current liabilities.

The other changes have had no impact on the consolidated financial statements for 2009.

The following new and amended standards and interpretations have been issued, but are not yet effective and have not been early adapted in these consolidated financial statements. The impact on Mobimo's consolidated financial statements has not yet been systematically analysed; this means that the information provided is merely an initial estimate from Group management.

Standard/Interpretation			Entry into force	Planned application by Mobimo (financial year)
IFRS 3 rev.	Business Combinations	***	1 July 2009	2010 financial year
IAS 27 rev.	Consolidated and Separate Financial Statements	***	1 July 2009	2010 financial year
Amendments to IAS 39	Financial Instruments: Recognition and Measurement – Eligible Hedged Items	*	1 July 2009	2010 financial year
IFRIC 17	Distributions of Non-cash Assets to Owners	*	1 July 2009	2010 financial year
Improvements to IFRSs 2008	Amendments to IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations	*	1 July 2009	2010 financial year
Improvements to IFRSs (April 2009)		****	1 July 2009 1 January 2010	2010 financial year
IFRS 1 rev.	First-time Adoption of International Financial Reporting Standards	*	1 July 2009	2010 financial year
Amendments to IFRS 2	Share-based Payment (Cash-settled)	*	1 January 2010	2010 financial year
Amendments to IFRS 1	First-time Adoption of International Financial Reporting Standards – Additional Exemptions	*	1 January 2010	2010 financial year
Amendment to IAS 32 – Financial Instruments	Presentation – Classification of Rights Issues	*	1 February 2010	2011 financial year
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	*	1 July 2010	2011 financial year
IAS 24 (rev. 2009)	Related Party Disclosures	*	1 January 2011	2011 financial year
Amendments to IFRIC 14	IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction – Prepayments of a Minimum Funding Requirement	*	1 January 2011	2011 financial year
IFRS 9	Financial Instruments: Classification and Measurement	****	1 January 2013	2013 financial year

* No impact or no significant impact expected on Mobimo's consolidated financial statements.

*** Will only have an impact in the event of any future acquisitions.

**** Impact on Mobimo's consolidated financial statements has not yet been reliably determined to a sufficient degree.

Scope of consolidation and consolidation methods

Consolidated financial statements comprise all companies where Mobimo Holding AG has either direct or indirect control. Control means the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. This is the case if the Group holds more than 50% of voting rights in a company or if executive management is exercised either under a statute or agreement or on a de facto basis (see Scope of consolidation in Note 42). Group companies acquired or divested during the course of a year are consolidated from the date on which control is acquired or deconsolidated from the date on which control ceases. For fully consolidated companies, assets and liabilities as well as expenses and incomes are taken over on a 100% basis using the full consolidation method. All intragroup transactions and relationships as well as profit on intragroup transactions and balances are eliminated.

Capital is consolidated using the purchase method, whereby the purchase price of the acquired company is offset against the acquired assets, liabilities and contingent liabilities measured at market value at the time of acquisition. Details of the accounting for goodwill can be found in the accounting policy pertaining to intangible assets.

Ownership interests of between 20% and 50% in companies which Mobimo exerts a significant influence over but does not control as well as shares in joint ventures are accounted for using the equity method and recognised separately in the balance sheet. Any goodwill is accounted for as a component of the carrying amount.

Ownership interests of below 20% are classified as financial assets 'available for sale' and recognised in the balance sheet at fair value. Changes in fair value are recognised in equity.

Foreign currency translation

The foreign currency positions contained in the individual statements from consolidated companies are translated as follows:

Foreign currency transactions are translated into Swiss francs and recognised at the exchange rate valid on the day of the transaction. Monetary assets and liabilities denominated in foreign currency are translated in the balance sheet at the closing rate. Exchange rate differences arising from retranslations of foreign currency positions on the financial reporting date are recognised through profit or loss.

At at end 2009 Mobimo held no assets or liabilities in foreign currencies. All subsidiaries prepare their financial statements in Swiss francs, which means that consolidation produces no exchange differences.

Cash

Cash comprises cash in hand and call deposits with banks as well as fixed-term deposits with banks and short-term money market investments with an original term of up to 90 days. These are reflected at nominal value.

Receivables

Receivables are measured at amortised cost, which generally equates to the nominal value, minus any necessary allowances for non-collectible receivables. Allowances are individual allowances for specifically identified positions where there are objective indications that the outstanding amount will not be collected in full.

Trading properties

The category "Trading properties" includes properties for redevelopment as well as residential homes that are newly constructed and subsequently sold.

Trading properties are measured at the lower of cost or market. With loss-making properties, provisions are created immediately for the final loss expected.

Investment properties**Commercial, residential and investment properties under construction**

These properties are classified as investment properties under IAS 40. They are properties which have been either acquired or built by the company and which will be held and managed over a substantial period of time.

Land held for undetermined future use, investment properties under construction and properties which are being converted, renovated or developed are also classified as investment properties.

These properties are initially recognised at cost including directly attributable transaction costs. After initial recognition, they are measured at fair value. To this end, independent property experts Wüest & Partner conduct a valuation as at the financial reporting date. Fair values are determined using the DCF method (Discounted Cash Flow).

The procedure for determining fair values using the DCF method is as follows: Fair values do not take account of any real estate sales tax, real property gains tax or value added tax, nor do they take account of any other costs or commissions due upon any property sale. With the exception of investment properties under construction, neither future investments to enhance value nor any related additional income arising from such investments are factored in. Rental income, operating and maintenance costs, refurbishment costs and the discount rate are based on the following assumptions:

Rental income

Rents are factored into valuations on the basis of current rents and contractually agreed conditions. With leases of limited duration, the period following expiry of the lease is accounted for using the potential collectible rental income, from the current perspective, over the long term. Potential rental income in line with the market is determined on the basis of the most recent leases concluded either for the property concerned or for comparable properties in the vicinity of the property concerned as well as on the comprehensive real estate market research carried out by Wüest & Partner. Lessee options to extend a lease are taken into account when actual rents are less than the market rents determined. Rental properties that are currently vacant are incorporated into the valuation taking account of periods for finding new tenants customary for the market.

Operating and maintenance costs

Operating and maintenance costs are determined using figures from the past, the budgets approved by Mobimo and benchmarking values from Wüest & Partner.

Refurbishment costs

Refurbishment costs aimed at preserving the value of a property are determined using investment plans and construction cost analysis tools.

Discounting

Discounting is carried out for each property in accordance with location and property-specific criteria. These reflect both the location-relevant features of the macro and micro situation as well as the fundamental parameters of the current management situation. The discounting rates applied are subject to empirical measurement and verification using known change of ownership and transaction data.

Investments and revaluation

Replacement and additional investments are capitalised in properties' carrying amounts if it is likely that Mobimo will derive economic benefits from them in the future.

The change in fair values is reflected in profit or loss. Any deferred tax liabilities or assets are stated in the income statement as tax expense or tax income. Investment properties are not depreciated.

Property, plant and equipment

Property, plant and equipment and owner occupied properties are measured at cost minus accumulated depreciation and any accumulated impairment losses.

Components of an item of property, plant and equipment with different useful lives are recognised individually and depreciated separately.

Subsequent investments are capitalised in the carrying amount of property, plant and equipment if it is likely that Mobimo will derive economic benefits from this in the future. Maintenance and renovation costs are charged to the income statement.

Property, plant and equipment financed via long-term leasing agreements is recognised at the present value of the minimum leasing payments or lower fair value. The corresponding lease liabilities are recognised as liabilities.

Property, plant and equipment is depreciated using the straight-line method over the estimated useful life or the shorter leasing period.

Useful life is as follows:

Buildings	50 years
Interior fixtures and fittings	15 years
Technical equipment	15 years
Office furnishings	8 years
Office equipment	5 years
Telephone installations	5 years
Vehicles	4 years
Hardware	3 years

Intangible assets

Goodwill from acquisitions corresponds to the difference between the acquisition cost and the fair value of the net assets acquired.

Goodwill is measured at cost minus any impairment losses. Goodwill is allocated to cash-generating units and not amortised, but subject to an annual impairment test (see Impairment).

With associates, the carrying amount of goodwill is contained in the carrying amount of the investment. If the purchase price is lower than the market value of the net assets acquired, this negative goodwill is recognised directly in profit or loss.

Intangible assets are measured at cost less accumulated amortisation and any additional amortisation resulting from impairment. Software is amortised over a useful life of 5 years.

Financial assets

Financial assets comprise long-term loans to third parties and non-consolidated equity investments. Loans are measured at amortised cost less any valuation allowance. Non-consolidated equity investments are classified as 'available for sale' and measured at fair value; with the exception of impairments, changes in fair value are recognised in equity. Accumulated unrealised gains/losses are reclassified in profit or loss and recognised in the financial result at the time of divestment or in the event of an impairment.

Impairment

With the exception of trading properties (see Promotion [properties]), employee benefits (see Employee benefits) and deferred taxes (see Income taxes), carrying amounts of Group assets are assessed at least once a year. If there are indications for an impairment, an impairment test is carried out.

Recoverable amounts are calculated annually for goodwill, other intangible assets with an indefinite useful life and intangible assets not yet available for use, even if there are no indications of an impairment.

If the carrying amount of an asset or the cash-generating unit (CGU) to which the asset belongs exceeds the recoverable amount, an impairment is recognised.

The recoverable value of receivables and loans is the present value of estimated future cash flows. The recoverable value of the other assets is the higher of fair value less costs to sell and value in use.

Impairments of receivables and loans are reversed if the increase in the recoverable amount can be attributed to an event which occurred in a period following recognition of the impairment. There are no reversals of impairment losses on goodwill.

Impairments on other assets are reversed if the estimates used in the calculation of recoverable amount have changed and the impairment has decreased or been eliminated. The increase in the carrying amount is limited to the value which would have resulted if no impairment had been recorded for the asset in previous years.

Non-current assets held for sale

Non-current assets and groups of assets including directly associated liabilities ('disposal groups') are classified as 'held for sale' and presented separately in the balance sheet as separate assets or liabilities if the carrying amount will be recovered principally through a sale transaction rather than through continuing use. A prerequisite for this is that the sale is highly probable and the asset is available for immediate sale in its current condition. For a sale to be regarded as highly probable certain criteria must be met; for example, the sale must be expected to take place within 12 months.

Immediately before initial classification of non-current assets as held for sale, carrying amounts are measured in accordance with the applicable IFRSs. After classification, all assets with the exception of investment properties measured at fair value, financial assets, deferred tax assets and pension assets are measured at the lower of carrying amount and fair value less costs to sell. After being classified as held for sale, assets to be depreciated will no longer be depreciated. For all other assets, measurement takes place in accordance with the applicable IFRSs, even after classification.

Trade and other short-term payables

Trade and other payables are measured at amortised cost, which generally correspond to the nominal value of the payables.

Financial liabilities

At initial recognition, financial liabilities are recognised at fair value less transaction costs. Subsequent to initial recognition, financial liabilities are measured at amortised cost, with the difference between the amount to be repaid and the carrying amount amortised over the relevant period using the effective interest method.

Provisions

Provisions are recognised if a past event has given rise to a present legal or constructive obligation, it is probable that there will be an outflow of resources and a reliable measurement can be made.

Employee benefits

Mobimo is affiliated with a group administration plan ("Sammelstiftung") for the purposes of mandatory employee benefit insurance in accordance with the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG). In addition, LO employees and retirees are covered by a separate contract with another group administration plan. Neither of these group administration plans is fully reinsured for either the savings process or for the risks of death, disability or old age. Consequently, the employer carries all risks. The plans therefore qualify as defined benefit plans under IAS 19.

Mobimo's non-mandatory occupational benefit cover is provided via a group administration plan which is fully reinsured for the risks of death and disability. For the risks of death and disability, therefore, there is no further obligation on the part of the employer, the premium payment excepted. Nevertheless, for this plan, the employer is liable for the risk associated with the savings process (interest guarantee).

Risk insurance for non-mandatory plan insurance qualifies as a defined contribution plan under IAS 19. Employer contributions are charged to the income statement.

Under IAS 19, however, the savings process for non-mandatory cover qualifies as a defined benefit basis in the same way as mandatory insurance. In such plans, the present value of the defined benefit obligation is determined using the projected unit credit method and the appropriate provisions recognised. All significant obligations and the assets needed to cover them are calculated on an annual basis. Current service cost (the cost of benefits earned by employee services in the current period) is recognised in profit or loss. Past service cost (the change in obligation for employee service in prior periods due to new or improved benefits) is recognised in employee benefit expense on a straight line basis until the amended benefits become vested. Actuarial and investment gains and losses from periodic recalculations are recognised in profit or loss on a straight line basis over the average period remaining provided they exceed 10% of the higher of plan assets and the defined benefit obligation. The anticipated long-term return on pension assets was calculated using the investment strategy applied by the pension institutions and the returns expected over the long term as at end-2009 (weighted average).

Share capital

The share capital is presented as equity since there is no repayment obligation and no dividend guarantee. Transaction costs incurred during a capital increase and attributable directly to the issuing of new shares are deducted from the amount of the capital increase less associated income tax.

Dividends are presented as liabilities as soon as they are approved by the General Meeting and are thus due.

Treasury shares

The costs of acquisition (purchase price and directly attributable transaction costs) of treasury shares are offset against equity. Shares which have been bought back are classified as treasury shares and deducted from equity as a negative item.

Revenue recognition

Revenues from the rental of investment properties include net rental revenues, i.e. target rental revenues less vacancy costs.

Sales proceeds from trading properties are recognised after construction is completed when the significant risks and rewards of ownership are transferred.

Gains from the sale of investment properties correspond to the difference between net proceeds and the fair value recognised. The sale is recognised when the significant risks and rewards are transferred.

Leasing

Leasing agreements are recognised in the balance sheet if the risks and rewards incident to ownership are transferred substantially to the Group company when the agreement is concluded. Leasing payments are apportioned between the finance charge and the reduction of the outstanding liability using the annuity method. The assets under lease are depreciated over the estimated useful life or shorter leasing period.

For operating leases, leasing payments are recognised as an expense in the income statement over the lease term on a straight line basis.

Interest on borrowing

Interest on loans taken out to finance actual construction projects is capitalised over the construction period.

All other borrowing interest is recognised as an expense in the income statement using the effective interest method.

Tax

Income taxes include current and deferred income taxes. They are recognised in profit or loss, with the exception of income tax on transactions which are recognised directly in equity. In these cases, the income tax is similarly charged directly to equity.

Current income taxes include the expected taxes payable on the relevant taxable result, calculated using the tax rates enacted or substantially enacted at the reporting date, capital gains taxes on property sales effected and any adjustments to tax liabilities or assets from previous years.

Deferred taxes are recognised for temporary differences between the respective tax bases and the amounts recognised in the consolidated balance sheet, in accordance with the balance sheet liability method. No deferred taxes will be recognised for temporary differences in the following circumstances: initial recognition of goodwill; initial recognition of assets and liabilities connected with a transaction which impacts neither the Group result nor the taxable result; interests in subsidiaries if it is probable that the temporary differences will not be reversed in the foreseeable future. Measurement of deferred taxes takes account of the point in time when the asset/liability is expected to be realised/settled and the manner in which carrying amounts are expected to be recovered or settled. The tax rates used are those that are enacted or substantially enacted at the financial reporting date.

Deferred tax assets can only be recognised to the extent that it is probable that future profits will be available against which the temporary differences can be utilised.

Derivative financial instruments

Derivative financial instruments may be used within the scope of ordinary business activities.

Derivative financial instruments are measured at fair values at initial recognition and thereafter. Gains and losses from adjustments to fair values are treated as follows:

Hedging of interest rate risk on financial liabilities is classified as a cash flow hedge under certain circumstances. The effective portion of the change in derivatives' fair values is recognised directly in equity via a special reserve (hedging reserve). As soon as the hedged transaction (interest payments) takes place, cumulated unrealised gains and losses are transferred to the income statement and recognised in the financial result.

Changes in fair values of all other derivatives are recognised in profit or loss in the financial result.

Option plan

The costs of the option plan are recognised in profit or loss in personnel expenses, spread over the vesting period. The corresponding counterposting takes place in equity. The vesting period is the period during which there is unlimited entitlement to the options granted. Measurement is based on fair value as at the grant date, using the Black Scholes model.

Earnings per share

Earnings per share are calculated from the Group result attributable to the shareholders of Mobimo Holding AG, divided by the weighted average of the number of shares outstanding during the reporting period. Diluted earnings per share additionally take account of any shares arising from the exercise of option rights.

1.6 SEGMENT REPORTING

The management structure of the Mobimo Group and thus the internal reporting to the Group's chief operating decision maker is based on the individual divisions. The divisions themselves are structured according to the services and/or activities of the Group.

Reportable segments pursuant to IFRS 8 are the two divisions Portfolio Management and Development. The business activities of these two divisions can be described as follows:

Portfolio Management

Long-term holding and managing of commercial and residential properties.

This division also handles the buying and selling of investment properties.

Development

This division is responsible for purchasing land as well as for the construction and sale of residential property (newly constructed buildings and redeveloped buildings). It also holds land, properties under construction and completed properties which will be transferred to the investment property portfolio. These properties are purchased with certain construction shortcomings or substantial vacancy rates. As soon as the vacancy rate of a development property falls below 10% on a long-term basis, it is reclassified as an investment property on 1 January of the subsequent year (and is thus transferred to the Portfolio Management division). Investment properties with a long-term vacancy rate of over 10% where vacancy is unlikely to be brought below 10% on a long-term basis without significant refurbishment measures are transferred from investment properties to development properties.

The Board of Directors, which has been identified as the chief operating decision maker, monitors the results of the individual divisions on the basis of EBIT. These figures are determined using the same accounting principles as in the consolidated financial statements prepared in accordance with IFRS. Income tax and interest are not included in the segment results and are recognised under Reconciliation. The costs of central functions such as Finance and IT, Marketing and Communication, Legal Services and Central Services, like the expenses for the Executive Board and the Board of Directors, are likewise not attributed to the segments and are also reported under Reconciliation.

Segment assets include trading properties, investment properties, owner occupied properties and trade receivables. No other assets are attributed to the segments. Segment assets are measured in the same way as in the consolidated financial statements prepared in accordance with IFRS.

There were no transactions between the individual segments. Accordingly, there was no need to eliminate intersegment transactions.

Since Mobimo is active exclusively in Switzerland, revenues and non-current assets do not need to be broken down on a geographical basis.

Mobimo did not enter into any transactions with clients amounting to more than 10% of Group revenues.

A further breakdown of rental income from properties by sub-segment (commercial, residential and promotions) can be found in Note 23.

Segment information 2009

All amounts in TCHF	Portfolio Management	Development	Total segments	Reconciliation	Total
Income from sale of trading properties		182,296	182,296		182,296
Income from rental of properties	65,050	6,712	71,762		71,762
Net gains from revaluation	612	8,707	9,319		9,319
Profit on disposals of investment properties	1,690		1,690		1,690
Total segment income	67,352	197,715	265,067		265,067
Segment result EBIT	52,545	30,102	82,647	15,806	98,453
Financial result					-19,886
Earnings before tax (EBT)					78,567
Tax					-16,009
Profit					62,559
Trading properties		254,805	254,805		254,805
Investment properties	1,265,795	102,018	1,367,813		1,367,813
Owner occupied properties	17,107		17,107		17,107
Investment properties under construction		237,785	237,785		237,785
Trade receivables	4,962	117	5,079		5,079
Total segment assets	1,287,864	594,725	1,882,589		1,882,589
Non-attributed assets				65,415	65,415
Total assets					1,948,004
Depreciation and amortisation	-739	-174	-913	-197	-1,110
Investments in non-current assets	13,382	68,522	81,904	339	82,243

Segment information 2008

All amounts in TCHF	Portfolio Management	Development	Total segments	Reconciliation	Restated total
Income from sale of trading properties		126,818	126,818		126,818
Income from rental of properties	63,266	2,310	65,576		65,576
Net gains from revaluation	9,321	-356	8,965		8,965
Profit on disposals of investment properties	2,007		2,007		2,007
Total segment income	74,594	128,772	203,366	0	203,366
Segment result EBIT	62,791	16,335	79,126	-1,199	77,927
Financial result					-20,410
Earnings before tax (EBT)					57,517
Tax					-12,493
Profit					45,024
Trading properties		306,069	306,069		306,069
Investment properties	1,035,850	46,962	1,082,812		1,082,812
Owner occupied properties	14,128		14,128		14,128
Investment properties under construction		85,382	85,382		85,382
Trade receivables	4,621	224	4,845		4,845
Total segment assets	1,054,599	438,637	1,493,236	0	1,493,236
Non-attributed assets				24,927	24,927
Total assets					1,518,163
Depreciation and amortisation	-667	-247	-914		-914
Investments in non-current assets	27,206	76,675	103,881	673	104,554

1.6.1 Notes to the consolidated financial statements

1. Changes in scope of consolidation

On 23 July 2009 Mobimo acquired a total of 26,109 shares in LO Holding Lausanne-Ouchy SA, Lausanne (LO) from JBF Finance SA, Buchillon. This corresponded to approximately 21.8 % of LO's share capital. LO is a real estate company listed on the SIX Swiss Exchange. It primarily holds real estate in the city of Lausanne. The purchase price amounted to CHF 1,230 per LO share, giving a total purchase price of CHF 32,114,070. Mobimo published a public exchange offer for all publicly held registered shares in LO and and JJM Participations SA, Lausanne ("JJMP") on 9 September 2009. JJMP held 42,846 LO shares or 35.7 % of LO's share capital. The company had no other business activities. By expiry of the extension period on 27 October 2009 all registered shares in JJMP were tendered to Mobimo, together with 28,402 registered shares in LO. Including the shares already held by Mobimo prior to the exchange offer, this gave Mobimo a direct and indirect interest in LO amounting to 118,690 shares, or 98.91 % of LO's share capital and voting rights.

The exchange offer was settled on 9 November 2009. This date is also the date of acquisition, i.e. the date on which Mobimo assumed control of LO. The definitive exchange ratio amounted to 8.3 Mobimo shares for each LO share tendered and 26.35 Mobimo shares for each JJMP share tendered. The Mobimo shares required to settle the offer were created via a capital increase from existing authorised capital. Overall, 708,229 registered shares in Mobimo with a nominal value of CHF 38 were issued. Of this figure, 4,150 shares were used for the exchange of LO's holding of its own shares.

The acquisition impacted Mobimo's assets and liabilities as follows:

	IFRS carrying value	Market value adjustment	Market value
Cash	10,834		10,834
Trade receivables	803		803
Other receivables	165		165
Accrued income	567		568
Investment properties			
– Commercial properties	331,804		331,804
– Residential properties	22,429		22,429
– Investment properties under construction	39,130		39,130
Property, plant and equipment			
Owner occupied properties	3,545		3,545
– Other property, plant and equipment	124		124
– Intangible assets			
Investment in associates	14,954		14,954
Financial assets	4,854		4,854
Current financial liabilities	–104,300		–104,300
Trade payables	–4,521		–4,521
Current tax liabilities	–335		–335
Derivative financial instruments	–20		–20
Other payables	–103		–103
Accrued expenses	–3,907		–3,907
Non-current financial liabilities	–103,761	–7,345 ¹	–111,106
Employee benefit obligation	–1,177		–1,177
Derivative financial instruments	–2,630		–2,630
Deferred tax liabilities	–33,436	1,616 ¹	–31,820
Identifiable net assets			169,291
Minority interests			–1,958
Negative goodwill from acquisition			–15,633
Purchase price including transaction costs			151,700
Purchase price settled in shares			–115,821
Unpaid transaction costs			–1,896
Cash acquired			–10,834
Net cash outflow			–23,149

¹ Fair value adjustments to the financial liabilities and attributable deferred tax..

The Mobimo shares issued for the settlement of the exchange offer were measured at the stock market price of CHF 164.50 as at the acquisition date. The purchase price includes transaction costs in an amount of CHF 3.8 million, of which CHF 1.9 million remains outstanding. In the period following the purchase, LO contributed CHF 1.2 million to the Group result. If the acquisition had occurred on 1 January 2009, consolidated revenues would have amounted to CHF 271.8 million and the Group result to CHF 75.2 million.

The negative goodwill of CHF 15.6 million arising from the acquisition was recognised in full in profit or loss and is presented separately.

Given that Mobimo controls just under 99% of voting rights, the threshold shareholding required to initiate a squeeze-out procedure in respect of the remaining LO shares still held publicly was attained. This squeeze-out procedure was initiated in December 2009. LO shares will be delisted once the procedure has been completed. This is expected in May 2010. By 31 December 2009, Mobimo had acquired a further 292 LO shares. The purchase was settled with 8.3 Mobimo shares per LO share, just as in the exchange offer. There were no changes to the scope of consolidation in the prior year.

2. Cash

Cash is comprised exclusively of current account deposits.

Of the CHF 27.4 million (prior year CHF 11.6 million) in cash, the entire amount is freely available. The average rate of interest applicable to cash amounted to 0.31 % (prior year 0.44 %).

3. Trade receivables

	2009	2008
Outstanding purchase prices real estate	117	224
Outstanding rents and ancillary costs	6,264	5,691
Less doubtful debt allowance for outstanding rent and ancillary costs	-1,302	-1,070
Total trade receivables	5,079	4,845

Outstanding purchase prices comprises the secured outstanding purchase prices from trading properties which have been completed and sold.

Outstanding rents and ancillary costs includes CHF 2.0 million (prior year CHF 0.3 million) in receivables from rent and CHF 4.3 million (prior year CHF 5.4 million) from ancillary costs; the remaining amount is attributable to other receivables from property accounts.

The aging of receivables that are not impaired, is as follows:

	2009	2008
Not past due	3,718	4,256
Up to 30 days	972	437
Up to 90 days	125	77
Over 90 days	264	75
Total	5,079	4,845

Doubtful debt allowances for outstanding rent and ancillary costs developed as follows in the year under review:

	2009	2008
Specific valuation allowance		
As at 1 January	1,070	663
Acquisition LO Holding Lausanne-Ouchy SA	380	0
Change in valuation allowance	-148	407
As at 31 December	1,302	1,070

There were no general valuation allowances as at the reporting date. In the year under review, specific allowances were newly created in an amount of CHF 0.7 million (prior year CHF 0.7 million).

Based on past experience, Mobimo does not expect any additional defaulting.

4. Other receivables

	2009	2008
Tax receivables (withholding tax and VAT)	1,369	1,175
Other receivables from third parties	7,864	6,662
Receivables WIR	171	227
Advance payment of preliminary contract for the purchase of land in Weggis	2,533	0
Total other receivables	11,937	8,064

Other receivables from third parties include CHF 6.3 million (prior year CHF 5.8 million) in public sector guarantees.

As at the reporting date no receivables were overdue; no valuation allowances were necessary.

5. Trading properties

	2009	2008
Land	70,815	81,611
Properties under construction	150,427	203,907
Completed properties	33,563	20,551
Total trading properties	254,805	306,069

In accordance with the requirements of IFRIC 15, revenues and thus gains from the sale of trading properties are not recognised until the property has been completed and title has been transferred to the buyer. Trading properties are measured at cost. The impact of the application of IFRIC 15 (Restatement) on promotion sales is described in Note 1.5.2.

Land comprises bare land and land where the demolition of an existing building and the construction of a new building is planned.

Accumulated construction costs of CHF 95.5 million relate to Zurich, Turbinenstrasse (Mobimo Tower).v

The following projects were completed in the course of the year: Herrliberg, Schipfplateau; Horgen, Stockerstrasse 27–29; Thalwil, Bergstrasse and Zurich, Katzenbach I. A total of 135 apartments were completed for sale within the scope of these four projects. Of these 135 apartments, 130 had been sold as at 31 December 2009.

A further 14 apartments will be realized with the Wädenswil, Rötiboden project. The property at Zurich, im Brächli was acquired as a conversion property in August 2009 for the purposes of building new residential homes. Winterthur, Museumsstrasse was a further conversion property transferred from investment properties to project development.

Valuation allowances for land and properties which have not yet been sold amount to TCHF 2,084 (prior year TCHF 70) .

6. Accrued income

	2009	2008
Advance payments to general contractors based on stage of completion	0	1,782
Accruals resulting from property accounts	373	6
Other items	202	311
Total accrued income	575	2,099

7. Investment properties

Investment properties developed as follows:

2009	Commercial properties	Residential properties	Investment properties under construction	2009 total
Market value as at 1 January 2009	925,270	116,985	40,557¹	1,082,812
Acquisition costs				
As at 1 January 2009	783,023	107,388	40,630	931,041
Acquisition LO Holding Lausanne-Ouchy SA	331,805	22,429	39,132	393,366
Acquisition of properties	12,307	0	0	12,307
Subsequent expenditures	2,174	82	67,318	69,574
Disposals	-32,744	-4,751	0	-37,495
Transfers to trading properties	-6,047	0	-2,611	-8,658
Transfer from property, plant and equipment	0	0	85,382	85,382
Cumulative acquisition costs as at 31 December 2009	1,090,518	125,148	229,851²	1,445,517
Revaluation				
Total as at 1 January 2009	142,247	9,597	-73	151,771
Fair value adjustments positive	9,196	1,481	8,395	19,072
Fair value adjustments negative	-9,266	-99	-388	-9,753
Disposals	661	-1,120	0	-459
Transfers to trading properties	-550	0	0	-550
Cumulative revaluation as at 31 December 2009	142,288	9,859	7,934	160,081
Fair value as at 31 December 2009	1,232,806	135,007	237,785	1,605,598
(fire insurance value)	(1,329,980)	(137,446)	(143,196)	(1,610,622)

¹ The opening balances under Investment properties under construction were included in Residential properties in the prior year.² Includes CHF 17 million attributable to a guarantee for Zurich, Turbinenstrasse Hotel (Mobimo Tower).

2008	Commercial properties	Residential properties	2008 total
Market value as at 1 January 2008	898,662	126,665	1,025,327
Acquisition costs			
As at 1 January 2008	763,578	116,948	880,526
Acquisition of properties	18,616	4,401	23,017
Subsequent expenditures	11,087	73	11,160
Disposals	-10,258	-10,005	-20,263
Transfers to trading properties	0	36,600	36,600
Cumulative acquisition costs as at 31 December 2008	783,023	148,017	931,040
Revaluation			
Total as at 1 January 2008	135,084	9,717	144,801
Fair value adjustments positive	15,166	1,572	16,738
Fair value adjustments negative	-6,960	-813	-7,773
Disposals	-1,043	-951	-1,994
Cumulative revaluation as at 31 December 2008	142,247	9,525	151,772
Fair value as at 31 December 2008	925,270	157,542	1,082,812
(fire insurance value)	(1,151,777)	(116,590)	(1,268,367)

With the acquisition of LO Holding Lausanne-Ouchy SA, a total of 40 investment properties and 2 investment properties under construction with a market value of CHF 393.4 million were acquired as at 9 December 2009. Further details on the acquisition and the investment properties can be found in Note 1 and in Property details.

The following three investment properties were acquired in the year under review:

Aarau, Buchserstrasse 47/Florastrasse 1	Commercial property
Dierikon, Pilatusstrasse 2	Commercial property
St. Gallen, Wassergasse 42 (CONDO)	Residential property

The sale of six investment properties and some small land cessions for a total price of CHF 40.1 million resulted in a gain of CHF 1.7 million (see Note 25). The following investment properties were divested:

Egg, Dorfplatz 1 and 2	Residential property
Füllinsdorf, Schneckelerstrasse 4/4a	Commercial property
Neuhausen, Zentralstrasse 2 – 6	Commercial property
Schaffhausen, Stauffacherstrasse 36	Commercial property
Schwerzenbach, Bahnstrasse 5	Commercial property
Weisslingen, Dorfstrasse 6/8/10/12	Commercial property

Transfers to trading properties comprise the following properties:

	from	to
Adliswil, Wilacker II (redivision of plot)	Investment properties under construction	Trading properties (land)
Winterthur, Museumstrasse 3 (Palmhof)	Commercial properties	Trading properties (completed properties)

All costs directly attributable to the acquisition of a property (purchase price, notary's costs and change in ownership costs, buying commissions, subsequent expenditures with future economic benefits, etc.) are capitalised as acquisition costs.

Acquisition costs for the residential properties under construction at Adliswil, Wilacker II; Horgen, Seestrasse 43 – 45; Lausanne, Rue de Genève 7; Lausanne, Rue Beau-Séjour 8; Zurich, Katzenbach II and Zurich, Manessestrasse 190 / 192 are accounted for under Investment properties under construction. The commercial properties under construction at Horgen, Seestrasse 80; Zurich, Turbinenstrasse Hotel (Mobimo Tower) are also included under this category. The Mobimo Tower is included at a fair value of CHF 90.3 million.

Accounting for investment properties is based on annual estimates of fair values as at 31 December, which are carried out by an independent property expert. The fair value appraisal as at 31 December 2009 was carried out by Wüest & Partner AG using the DCF method.

For the DCF valuations as at 31 December 2009, the discount rates applied averaged 4.98% (prior year 4.98%), within a range from 4.2% to 6.2% (prior year 4.2% to 6.2%).

8. Property, plant and equipment

2009	Properties under construction	Owner occupied properties	Other P, P & E	2009 total
Cost				
As at 1 January	85,382	15,339	1,751	102,472
Acquisition LO Holding Lausanne-Ouchy SA	0	3,545	123	3,668
Other additions	0	22	78	100
Disposals	0	0	-179	-179
Transfers to Investment properties under construction	-85,382	0	0	-85,382
Cumulative acquisition values as at 31 December	0	18,906	1,773	20,679
Depreciation				
As at 1 January	0	-1,211	-575	-1,786
Depreciation for the year	0	-589	-325	-914
Disposals	0	0	179	179
Cumulative depreciation as at 31 December	0	-1,799	-721	-2,521
Net carrying amount as at 31 December	0	17,107	1,052	18,159
(fire insurance value)	(0)	(13,764)	(540)	(14,304)

Owner occupied properties include the commercial property at Küsnacht, Seestrasse. Mobimo Verwaltungs AG uses this property as its administrative centre. Other properties owned and used include Lausanne, Place de l'Europe 7 and Lausanne, Rue des Côtes-de-Montbenon 16, which are used by LO Holding Lausanne-Ouchy SA as its administrative centre.

Other property, plant and equipment comprises movables, vehicles and computer hardware. Additions in Other property, plant and equipment refer primarily to computer hardware and furnishings for Mobimo Verwaltungs AG's administrative centre in Küsnacht. Property, plant and equipment does not include any items under financial leasing arrangements.

Effective from 1 January 2009 on a prospective basis, investment properties under construction are now recognised under Investment properties and measured using the fair value model (see Note 7).

2008	Investment properties under construction	Owner occupied properties	Other P, P & E	2008 total
Cost				
As at 1 January	0	15,330	1,424	16,754
Additions	69,695	9	543	70,247
Disposals	0	0	-216	-216
Transfers from Intangible assets	6,481	0	0	6,481
Transfers from Trading properties	9,206	0	0	9,206
Cumulative acquisition values as at 31 December	85,382	15,339	1,751	102,472
Depreciation				
As at 1 January	0	-654	-375	-1,029
Depreciation for the year	0	-557	-255	-812
Disposals	0	0	55	55
Cumulative depreciation as at 31 December	0	-1,211	-575	-1,786
Net carrying amount as at 31 December	85,382¹	14,128	1,176	100,686
(fire insurance value)	0	(9,370)	0	(9,370)

9. Intangible assets

2009	Software	2009 total
Cost		
As at 1 January	423	423
Additions	261	261
As at 31 December	684	684
Amortisation		
As at 1 January	-105	-105
Amortisation for the year	-197	-197
Cumulative amortisation as at 31 December	-302	-302
Net carrying amount as at 31 December	382	382

The costs of CHF 26.7 million accrued for the project at Zurich, Turbinenstrasse (Mobimo Tower) in the prior year, in particular for the acquisition of the project and the land purchase agreement, were transferred in spring 2008 following the transfer of title of the land. The part attributable to the apartments was allocated to Trading properties and the part attributable to the hotel was allocated to Investment properties under construction.

¹ Includes CHF 17 million attributable to a guarantee for Zurich, Turbinenstrasse Hotel (Mobimo Tower).

2008	Construction project	Software	2008 total
Cost			
As at 1 January	26,721	293	27,014
Additions	0	130	130
Transfers to Trading properties	-20,240	0	-20,240
Transfers to Investment properties under construction	-6,481	0	-6,481
As at 31 December	0	423	423
Amortisation			
As at 1 January	0	-3	-3
Amortisation for the year	0	-102	-102
Cumulative amortisation as at 31 December	0	-105	-105
Net carrying amount as at 31 December	0	318	318

10. Investments in associates and joint ventures

	2009	2008
Investment in Flonplex SA, Lausanne (stake 40%)	3,354	0
Investment in Parking du Centre SA, Lausanne (stake 50%)	11,943	0
Total	15,297	0

With the acquisition of LO Holding Lausanne-Ouchy SA, investments in Flonplex SA and Parking du Centre SA (PC SA) were also acquired. Flonplex SA is a cinema operator whose majority shareholder is Pathé Schweiz AG. Parking du Centre SA is a joint venture with Vinci Park SA and is a car park operator.

Summary financial information for the 2009 financial year (basis 100%):

	Flonplex SA	PC SA
Assets	27,864	54,150
Liabilities	19,479	30,264
Revenues	11,141	5,425
Profit	1,272	1,050

At the time of the preparation of the financial statements, the financial statements of the above-mentioned companies for the financial year 2009 were not yet available. The proportionate amounts were estimated on the basis of reliable data.

11. Financial assets

Financial assets can be broken down as follows:

	2009	2008
Loans to third parties	3,184	730
Loans to associates	2,640	0
Non-consolidated equity investments (available for sale)	2,230	392
Other	711	554
Total	8,765	1,676

The non-consolidated equity investments comprise the investments in Parking St-François SA (carrying amount TCHF 1,838) and Olmero AG (carrying amount TCHF 392).

Financial assets developed as follows:

	2009	2008
Cost		
As at 1 January	1,741	3,774
Acquisition LO Holding Lausanne-Ouchy SA	4,855	0
Other additions	2,660	0
Disposals	-426	-2,033
Cumulative acquisition values as at 31 December	8,830	1,741
Valuation allowances / unrealised gains/losses		
As at 1 January	-65	-65
Cumulative valuation allowances / unrealised gains/losses as at 31 December	-65	-65
Net carrying amount as at 31 December	8,765	1,676

The addition resulting from the acquisition of LO Holding Lausanne-Ouchy SA of TCHF 4,855 consisted primarily of loans to associates of TCHF 2,840 and the minority stake of TCHF 1,838 in Parking St-François SA. An average rate of interest of 4.2% (prior year 4.4%) applied to loans. Financial assets also include the investment in Olmero in an amount of TCHF 392.

As at the reporting date, there were no overdue items apart from the impaired items in an amount of TCHF 65. Non-impaired loans were granted exclusively to borrowers with good creditworthiness. Based on past experience, Mobimo does not expect any defaulting on these loans.

12. Financial liabilities

	2009	2008
Current bank accounts	2,567	0
Building loans for trading properties	30,250	42,767
Fixed-rate mortgage amortisation due within 12 months	3,128	3,817
Mortgages due for extension or repayment within 12 months	135,397	95,315
Total current financial liabilities	171,342	141,899
Total non-current financial liabilities	674,589	467,130
Total financial liabilities	845,931	609,029

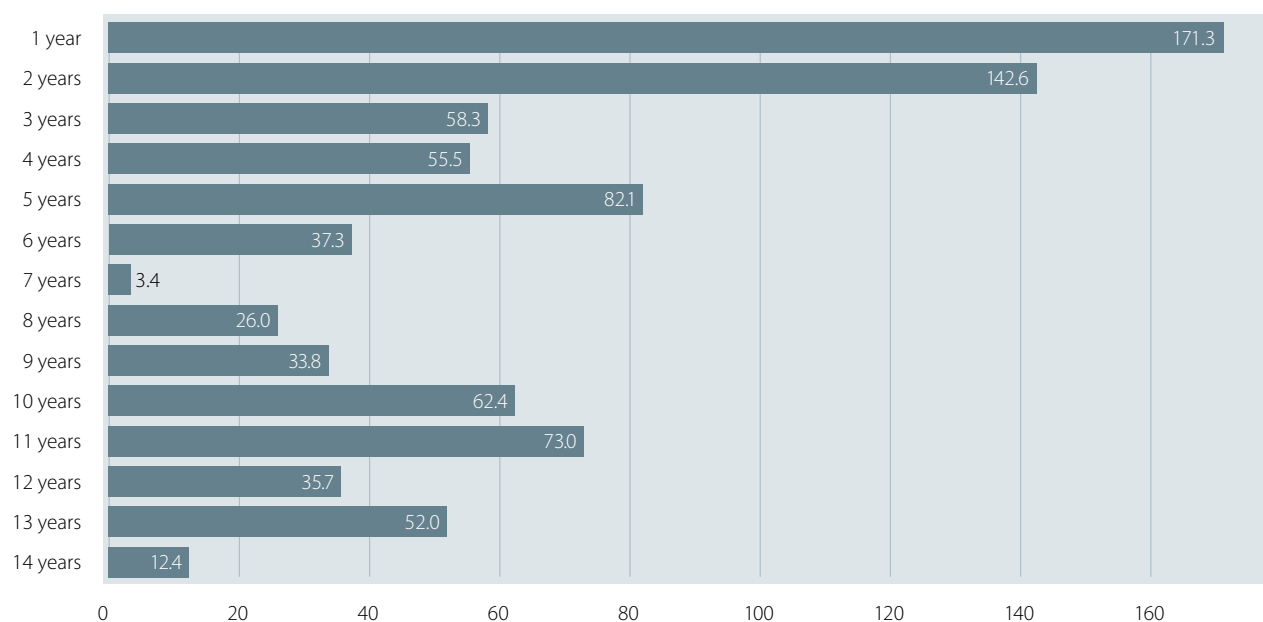
All financial liabilities are denominated in Swiss francs.

As at the reporting date, amounts due were as follows:

	2009	2008
2009	n/a	141,899
2010	171,342	43,182
2011	142,612	59,928
2012	58,301	15,871
2013	55,469	45,294
2014	82,135	46,866
2015	37,285	33,394
2016	3,382	750
2017	26,016	750
2018	33,789	9,550
2019	62,433	37,150
2020	73,023	96,900
2021	35,723	11,600
2022	52,021	53,495
2023	12,400	12,400
Total financial liabilities	845,931	609,029

Mortgages in an amount of CHF 135.4 million (prior year CHF 95.3 million) and due for repayment in the following year are allocated to current financial liabilities since, as at the financial reporting date, there was no formal agreement for extension beyond 2009 (or 2008 where applicable).

Maturity profile



The average residual term of overall financial liabilities amounts to 5.1 years (2008: 5.9 years). This reduction can be attributed to two factors: first, the additional taking up of building loans with terms of up to two years and, second, the increase in the proportion of mortgages with terms of between one and five years as a result of the acquisition of the financing arrangements of LO Holding Lausanne-Ouchy SA.

Interest rate periods are as follows (composition until next interest rate adjustment):

	2009	2008
Up to 1 year	171,342	141,899
Up to 2 years	142,612	43,182
Up to 3 years	58,301	59,928
Up to 4 years	55,469	15,871
Up to 5 years	82,135	45,294
Over 5 years	336,072	302,855
Total financial liabilities	845,931	609,029

Certain mortgage interest rates were hedged in advance by means of forward rate agreements. Such forward rate agreements qualify as derivatives embedded in credit agreements and have to be measured at fair value in accordance with IAS 39. These interest rate hedges were partly classified as cash flow hedges pursuant to IAS 39 and the effective portion of the fair value adjustments are recognised directly in equity via a separate item (hedging reserve). When the hedged interest cash flows take place cumulative gains or losses are transferred to profit or loss. This applies in the years 2009 to 2022. An amount of TCHF 310 (prior year TCHF 182) was reclassified to profit or loss in the year under review. As at 31 December 2009 and 2008 there were no derivatives used for cash flow hedges or the term of the hedged financial liabilities had already started.

Mobimo concluded forward rate agreements as well as separate interest rate hedges (swaps) for further mortgages in an amount of CHF 118.3 million (prior year TCHF 24). These transactions are not classified as cash flow hedges. Consequently, fair value adjustments were recognised through profit or loss. The fair value of interest rate swaps and forwards not held for hedge accounting with a negative replacement value amounts to CHF –6.4 million (prior year CHF –2.1 million).

The fair value of all derivatives thus amounts to a net amount of CHF –6.4 million as at 31 December 2009 (prior year –2.1 million).

Of overall financial liabilities, CHF 746.3 million bear interest at fixed rates and CHF 99.6 million bear interest at variable rates as at 31 December 2009 (taking interest rate swaps into account).

Average rates of interest were as follows:

	2009 in %	2008 in %
Financial liabilities excluding building loans:		
– fixed rate of interest	3.53	3.69
– variable rate of interest	1.28	2.81
Building loans:		
– variable rate of interest	1.82	3.02
Total average rate of interest	3.06	3.51

The average rate of interest in 2009 was 3.06% (prior year 3.51%). This reduction is due, on the one hand, to the expiry of financing agreements with higher rates of interest and, on the other, to the conclusion of new agreements with interest rates which are lower than the average.

All financial liabilities of CHF 843.3million are secured via mortgage liens (prior year all financial liabilities of CHF 609.0 million). Some of the credit facilities arranged with banks contain covenants pertaining to equity, net gearing, interest coverage factor and portfolio structure which were met over the entire reporting period.

Unsecured bank guarantees of CHF 0.3 million (prior year CHF 0.5 million) are available for the purposes of securing any capital gains taxes (contingent liability) to be paid. In addition, as at 31 December 2009 mortgage and building loan facilities in a total amount of approximately CHF 159.2 million were unutilised (prior year CHF 63.9 million).

13. Trade payables

	2009	2008
Other trade payables	11,404	9,196
Total trade payables	11,404	9,196

Other trade payables include liabilities from property accounts for advance rent payments and payables for operating costs.

14. Other payables

	2009	2008
Payables to real estate management companies	287	0
Other payables to third parties	4,149	6
Payables to related parties	272	0
Total other payables	4,708	6

The increase in Other payables of TCHF 4,702 compared to the prior year is attributable primarily to the costs resulting from the acquisition of LO Holding Lausanne-Ouchy SA in an amount of CHF 2.5 million, which had not been paid as of 31 December 2009.

15. Advance payments from buyers

Advance payments from buyers in an amount of TCHF 6,957 (prior year TCHF 925) represent reservation payments prior to the official certification of purchase agreements. All advance payments from buyers are now recognised separately as a liability. In the past, advance payments for contracts accounted for using the percentage-of-completion method were offset against the contract balance (see section on Changes in accounting policies).

16. Accrued expenses

	2009	2008
Accruals for construction work	8,548	2,531
Accruals from property accounts	2,080	2,159
Accruals for services to related parties	1,070	983
Other items	8,388	3,808
Total accrued expenses and deferred income	20,086	9,481

The accruals for construction work include construction costs already generated by third parties but not yet billed. The increase in Other items is attributable to a large extent to the acquisition of LO Holding Lausanne-Ouchy SA (CHF 2.9 million).

17. Employee benefit obligation

Plan assets and defined benefit obligations developed as follows in the year under review:

Change in defined benefit obligations	2009	2008
Present value of defined benefit obligations at the beginning of the period	9,981	8,210
Acquisition LO Holding Lausanne-Ouchy SA	6,590	0
Employer's current service cost	542	545
Interest expenses	403	271
Employee contributions	499	435
Amounts paid	-843	978
Actuarial (gains) losses	-148	-458
Present value of defined benefit obligations at the end of the period	17,024	9,981

Change in plan assets	2009	2008
Plan assets at fair values at the beginning of the period	7,936	6,652
Acquisition LO Holding Lausanne-Ouchy SA	5,414	0
Expected return on plan assets	364	347
Employer contributions	555	480
Employee contributions	499	435
Amounts paid	-843	978
Actuarial gains (losses)	-160	-956
Plan assets available at market values at the end of the period	13,765	7,936

The amounts recognised in the balance sheet for the defined benefit plan are made up as follows:

Net liabilities for all plans	2009	2008	2007	2006
Present value of defined benefit obligations	17,024	9,981	8,210	6,292
Fair value of plan assets	-13,765	-7,936	-6,652	-4,990
Net liability	3,259	2,045	1,558	1,302
Unrecognised actuarial gains (losses)	-950	-938	-440	-200
Net defined benefit obligation recognised in balance sheet	2,309	1,107	1,118	1,102

The expense recognised for these plans in profit or loss is composed as follows:

Net defined benefit expense recognised	2009	2008
Current service cost	542	545
Interest expense	403	271
Expected return on plan assets	-364	-347
Net defined benefit expense	581	469

Expected employer contributions for the 2010 financial year amount to TCHF 601.
The net obligations recognised in the balance sheet developed as follows:

Change in net defined benefit obligation	2009	2008
As at 1 January	1,107	1,118
Acquisition LO Holding Lausanne-Ouchy SA	1,176	0
Company's net defined benefit expense	581	469
Employer contributions	-555	-480
As at 31 December	2,309	1,107

Experience gains and losses	2009	2008	2007	2006
Actual return on assets	204	-609	248	232
Actual return on assets in %	2.0%	-7.7%	3.7%	5.0%
Difference between expected and actual return on assets	160	956	-31	-72
Difference between expected and actual return on assets in %	1.9%	12.0%	-0.5%	-1.0%
Experience loss (gain) on defined benefit obligations	194	-344	755	-207
Experience loss (gain) on defined benefit obligations in %	1.8%	-3.4%	-9.2%	-3.0%

The actual return on plan assets amounted to TCHF 204 (prior year TCHF -609), which did not give rise to any change in the income statement.

Plan assets can be broken down into the following categories:

Investment categories	Plan assets 2009 in %	Expected return 2009 in %	Plan assets 2008 in %	Expected return 2008 in %
Shares	29%	6.25%	36%	6.00%
Bonds and notes	39%	2.10%	34%	2.30%
Real estate	20%	3.90%	15%	3.80%
Alternative investments	2%	4.20%	9%	4.20%
Other	10%	1.20%	6%	0.70%
Total	100%	3.80%	100%	3.90%

The following assumptions were applied to the valuation of the defined benefit plan:

	1. 1. 2010	1. 1. 2009
Discount rate	3.5%	3.6%
Expected return on plan assets	3.8%	3.9%
Expected future salary increases	1.3%	1.3%
Expected future pension benefit increases	0.5%	0.6%
Expected long-term interest rate on saving accounts	3.0%	3.0%

18. Deferred tax

Deferred tax liabilities and assets are allocated to the following balance sheet items:

	2009		2008	
	Assets	Liabilities	Assets	Liabilities
Investment properties		95,915		58,289
Employee benefit obligation	590		234	
Other items	2,397	339	628	445
Deferred taxes on temporary differences	2,987	96,254	862	58,734
Tax benefit from tax loss carryforwards	495		778	
Total deferred taxes	3,482	96,254	1,640	58,734
Offset of deferred tax assets and liabilities	-3,482	-3,482	-1,640	-1,640
Deferred tax liabilities		92,772		57,094

The company holds and manages properties and is also involved in the construction and sale of properties. In some cantons, gains from the sale of properties are subject to separate taxation in the form of a capital gains tax applicable to the portion of the gain in excess of the depreciation recapture. The tax rates applied vary depending on how long the respective property has been held. Capital gains tax rates contain speculation premiums and/or deductions for length of ownership, which is why the tax amount due declines as the period of ownership increases.

Deferred taxes are calculated on the basis of cantonal regulations and, in the case of properties, individually for each property. The expected residual period of ownership is estimated for each property.

Deferred tax assets for unused tax losses are recognised to the extent that it is probable that future taxable profits will be available against which the tax losses can be utilised. The recognised assets of CHF 0.5 million (prior year CHF 0.8 million) related loss carryforwards in cantonal and communal taxes of CHF 2.9 million (prior year CHF 4.6 million). Group companies have no further tax loss carryforwards for which deferred taxes were capitalised.

No deferred taxes were recognised for undistributed profits of subsidiaries since no taxes are expected were a distribution to take place.

Of the change in deferred tax liabilities of CHF 35.7 million (prior year CHF 8.4 million), CHF 3.9 million (prior year CHF 8.2 million) was recognised in profit or loss. Deferred taxes on financial instruments of CHF 0.1 million (prior year CHF 0.2 million) were recognised directly in other comprehensive income. Furthermore, deferred taxes of CHF 31.8 million were taken over as a result of the acquisition of LO Holding Lausanne-Ouchy SA.

19. Equity

The Annual General Meeting of 8 April 2009 approved a capital reduction via a reduction in the nominal value of all shares from CHF 47 to CHF 38. Repayment took place on 30 June 2009. The nominal value repayment reduced share capital by CHF 39.1 million (prior year CHF 39.1 million).

Mobimo issued 708,229 new shares from existing conditional capital on 9 November 2009. These shares were used for the settlement of the public exchange offer of 23 July 2009 to acquire all publicly held registered shares in LO Holding Lausanne-Ouchy SA, Lausanne (LO), both directly and indirectly via JJM Participations SA, Lausanne (see Note 1 Changes in scope of consolidation). The shares issued were measured at the stock market price of CHF 164.50 as at the acquisition date. Share capital thus increased by a nominal amount of CHF 26.9 million. Treasury shares converted by LO Holding Lausanne-Ouchy SA in the amount of CHF 0.7 million were recognised separately. The amount of CHF 89 million in excess of the nominal value was credited to capital reserves. The costs of the capital increase of CHF 0.6 million were charged to capital reserves. This resulted in an overall increase in equity of CHF 115.3 million.

Share capital and treasury shares developed as set out below.

No. of shares	Shares issued	Treasury shares	Shares outstanding
As at 01.01.08	4,343,425		4,343,425
Issue of shares from conditional capital for options exercised	1,898		1,898
Acquisition of treasury shares		-10,000	-10,000
As at 31.12.08	4,345,323	-10,000	4,335,323
Issue of new shares for the acquisition of JJM Participations SA	295,521		295,521
Issue of new shares for the acquisition of LO Holding Lausanne-Ouchy SA	412,708	-4,150	408,558
Acquisition of treasury shares		-2,000	-2,000
Disposal of treasury shares		7,000	7,000
Acquisition of minority interests settled with treasury shares		2,421	2,421
Share-based payments to Board of Directors and management		2,356	2,356
As at 31 December 2009	5,053,552	-4,373	5,049,179

As at 31 December 2009 share capital amounted to CHF 192 million and was composed of 5,053,552 registered shares with a nominal value of CHF 38 each. All outstanding shares are entitled to dividends and are entitled to one vote at the company's general meetings.

In addition, conditional share capital of a maximum of CHF 5.3 million is available for the issue of a maximum of 138,252 fully paid-up registered shares with a nominal value of CHF 38 per share for the purposes of settling option exercises granted to members of the Board of Directors, related parties and Group company employees.

Authorised share capital is available, allowing the Board of Directors to increase the share capital of the company by a maximum of CHF 18.7 million by 22 May 2011 via the issue of a maximum of 491,771 registered shares, to be fully paid up, with a nominal value of CHF 38 per share.

As at 31 December 2009, the company held 4,373 of treasury shares, of which 223 are held by Mobimo Holding AG and 4,150 are held by LO Holding Lausanne-Ouchy SA. The prior year's holding of 10,000 treasury shares was reduced by the sale of 7,000 shares in the amount of TCHF 1,020. A further 2,000 shares were purchased on the market at an average price of CHF 173.52 for a subsequent exchange of shares of LO Holding Lausanne-Ouchy SA and a total of 2,421 shares were used for the exchange. In connection with the public exchange offer, 4,150 treasury shares were acquired through the exchange of treasury shares held by LO Holding Lausanne-Ouchy SA. Furthermore, 2,356 shares were issued in connection with the compensation of the BoD and EB.

In addition, in the year under review a tax benefit in an amount of CHF 0.8 million was recognised directly in equity in connection with share-based payments and in accordance with IAS 12.68C.

The amount available for the dividend distribution is based on the earnings of Mobimo Holding AG available for distribution and is determined in accordance with the provisions of the Swiss Code of Obligations.

The Board of Directors will propose to the upcoming General Meeting of 5 May 2010 a capital reduction of CHF 45.5 million in the form of a reduction in nominal value of CHF 9 per share.

Capital structure

	Total TCHF	Number of registered shares	Nominal value per share (CHF)
Capital as at 31 December 2009			
Share capital	192,035	5,053,552	38
Authorised capital (until 22.05.11)	max. 18,687	491,771	38
Conditional capital	max. 5,254	138,252	38
Changes in capital			
Share capital as at 31. 12. 2005	192,411	2,600,145	74
Share capital as at 31. 12. 2006	225,346	3,466,860	65
Share capital as at 31. 12. 2007	243,232	4,343,425	56
Share capital as at 31. 12. 2008	204,230	4,345,323	47
Share capital as at 31. 12. 2009	192,035	5,053,552	38
Authorised capital as at 31. 12. 2005	26,640	360,000	74
Authorised capital as at 31. 12. 2006	23,400	360,000	65
Authorised capital as at 31. 12. 2007	20,160	360,000	56
Authorised capital as at 31. 12. 2008	16,920	360,000	47
Authorised capital as at 31. 12. 2009	18,687	491,771	38
Conditional capital as at 31. 12. 2005	11,163	150,855	74
Conditional capital as at 31. 12. 2006	9,750	150,000	65
Conditional capital as at 31. 12. 2007	7,848	140,150	56
Conditional capital as at 31. 12. 2008	6,498	138,252	47
Conditional capital as at 31. 12. 2009	5,254	138,252	38

20. Earnings per share

Basic earnings per share are calculated on the basis of Group profit and the average number of outstanding shares.

Diluted earnings per share are calculated using Group profit and the average number of outstanding shares (not including treasury shares), taking into account the effect from outstanding options assuming that all options are exercised.

	2009	Restated 2008
Calculation of earnings per share		
Number of outstanding shares as at 1 January	4,335,323	4,343,425
Effect of capital increase (average)	102,839	708
Effect of acquisition/disposal of treasury shares (average)	1,503	-2,050
Average number of outstanding shares	4,439,665	4,342,083
Effect of outstanding options:		
– average number of potential shares	103,403	102,768
– average number of shares which would be issued at average market price	-25,749	-27,339
– effective number of shares as basis for calculation of diluted earnings per share	4,517,319	4,417,512
Profit in TCHF	62,549	45,023
Net gain from revaluation in TCHF	-9,319	-8,965
Attributable deferred tax in TCHF	2,330	2,241
Profit excluding revaluation (and attributable deferred tax) in TCHF	55,559	38,299
Earnings per share in CHF	14.09	10.37
Diluted earnings per share in CHF	13.85	10.19
Earnings per share excluding revaluation (and attributable deferred tax) in CHF	12.51	8.82
Diluted earnings per share excluding revaluation (and attributable deferred tax) in CHF	12.30	8.67
Calculation of net asset value (NAV) per share		
Number of outstanding shares as at 31 December	5,049,179	4,335,332
Number of outstanding options	105,806	103,403
Number of shares as basis for calculation of diluted NAV	5,154,985	4,438,726
Equity as at 31 December in TCHF	925,355	784,229
Option exercise (outstanding options x nominal value) in TCHF	4,021	4,860
Shareholders' equity after conversion and option exercise in TCHF	929,376	789,089
NAV per share in CHF	183.27	180.89
NAV per share, diluted, in CHF	180.29	177.77

21. Income from sale of trading properties

Trading properties achieved a record result in 2009, with 160 apartments transferred to condominium properties. The income generated was up CHF 55.5 million on the prior year (restated).

The impact of the application of IFRIC 15 (Restatement) on income and profit on sale of trading properties is described in Note 1.5.2.

22. Expenses from sale of trading properties

Expenses can be broken down as follows:

	2009	2008
Pro-rata construction costs of trading properties sold	157,059	104,590
Changes in valuation allowances	14	-183
Total expenses from sale of trading properties	157,073	104,407

23. Income from rental of properties

Rental income can be broken down over the individual divisions as follows:

	2009	2008
Commercial properties	64,190	58,122
Residential properties	7,097	7,100
Income from rental of properties	71,287	65,222
Trading properties ¹	475	354
Total income from rental of properties	71,762	65,576

Rental income contains net rental income i.e. the rents received.

¹ Rental income from conversion properties

24. Direct expenses for rented properties

	2009	2008
Commercial properties	5,842	5,542
Losses on receivables commercial properties	532	492
Residential properties	1,147	1,007
Losses on receivables residential properties	31	5
Investment property expense	7,552	7,046
Rented trading properties	1,069	578
Losses on receivables trading properties	1	13
Total direct expenses for rented properties	8,622	7,637

Direct expenses contains all costs relating to maintenance and administration (including building superintendent remuneration) which cannot be passed on to lessees.

25. Net gains from revaluation

	2009	2008
Gains on valuations	19,072	16,738
Losses on valuations	-9,753	-7,773
Net gains from revaluation	9,319	8,965

In 2009 Mobimo recognised a gain of TCHF 8,007 from the revaluation of investment properties under construction. Of this figure, TCHF 5,588 can be attributed to initial measurement as at 1 January 2009.

26. Profit on disposal of investment property

	2009	2008
Sales proceeds investment properties	40,100	24,425
Carrying amount	-37,954	-22,257
Sales costs	-456	-161
Profit on disposal of investment property	1,690	2,007

In the year under review, six investment properties were sold in Egg, Dorfplatz 1 and 2; Füllinsdorf, Schneckelerstrasse 4/4a; Neuhausen, Zentralstrasse 2-6; Schaffhausen, Stauffacherstrasse 36; Schwerzenbach, Bahnstrasse 5; Weisslingen, Dorfstrasse 6/8/10/12 (see Note 7).

27. Other income

	2009	2008
Capitalised own-account services	3,607	4,255
Other income	472	17
Loss on sales of property, plant and equipment	0	-57
Total other income	4,079	4,215

28. Personnel expenses

	2009	2008
Salaries	8,313	7,033
Social security contributions	773	807
Defined contribution plans	102	93
Defined benefit plans	581	469
Remuneration of Board of Directors ¹	1,283	625
Profit-sharing and option plan ¹	1,770	1,477
External training and education costs	175	146
Other personnel expenses	1,008	1,015
Total personnel expenses	14,005	11,665
Headcount as at 31 December (full time basis)	73,7	51,0
Average headcount (full time basis)	59,3	52,1

Due to the acquisition of LO Holding Lausanne-Ouchy SA, headcount increased by 15.6 full-time positions as at 31 December 2009.

¹ Since 2009, the compensation received by members of the Board of Directors consists of a fixed amount. Overall, the total compensation for the Board of Directors fell compared with the prior year from CHF 1.4 million to CHF 1.2 million (see page 108 Financial statements of Mobimo Holding AG).

29. Operating expenses

	2009	2008
Room costs	57	66
Costs for investigations in connection with the acquisition of properties, sales documentation	171	111
Capital taxes	284	141
Other operating expenses	3,261	3,424
Total operating expenses	3,773	3,742

30. Administrative expenses

	2009	2008
Consulting expense	1,275	863
Consulting expense in respect of related parties	208	263
Other administrative expenses	260	163
Total administrative expenses	1,743	1,289

31. Depreciation and amortisation

	2009	2008
Depreciation on other property, plant and equipment	325	255
Depreciation on owner occupied properties	588	557
Amortisation of intangible assets	197	102
Total depreciation and amortisation	1,110	914

Depreciation on other property, plant and equipment consists of ordinary depreciation for furniture, hardware and vehicles. Depreciation on owner occupied properties comprises ordinary depreciation for the property at Seestrasse, Küsnacht as well as the owner occupied properties at Place de l'Europe 7 and Rue des Cotes-de-Montbenon 16 in Lausanne.

32. Financial result

	2009	2008
Financial income		
Interest on bank and other deposits	142	120
Interest on loans and debt instruments	119	126
Total interest income	261	246
Dividend income from equity investments	81	80
Gain on financial instruments held for trading (derivatives)	250	251
Total financial income	592	577
Financial expense		
Interest expense	-19,118	-19,187
Loss on financial instruments held for trading (derivatives)	-1,704	-1,800
Total financial expense	-20,822	-20,987
Total financial result	-20,230	-20,410

In the financial year 2009, a total of TCHF 919 (prior year TCHF 1,628) in building loan interest was capitalised as construction costs of trading properties. The average rate of interest on the capitalised interest amounted to 1.82% (prior year 3.02%).

33. Tax expense

Tax expense can be broken down as follows:

	2009	2008
Total current tax expense ¹	12,084	8,051
Deferred tax		
Deferred tax from change in temporary differences	4,967	5,658
Capitalisation of deferred tax on tax loss carryforwards 2009	283	86
Changes in tax rate on deferred tax items recognised	-1,326	-1,302
Total deferred tax expense	3,924	4,442
Total income tax expense	16,008	12,493

Current tax expense contains an amount of TCHF -740 (prior year TCHF 694) for income tax from prior periods. Enacted tax rates were used in the calculation of current income tax.

¹ Includes property gains tax of CHF 7.6 million (prior year CHF 1.8 million).

Tax expense can be analysed as follows:

	2009	2008
Group profit before tax	78,567	59,151
Applicable tax rate	25 %	25 %
Tax expense at applicable tax rate	19,642	14,788
Non-deductible expenses/income	-2,576	0
Amount for prior-year current tax	-740	694
Expense/income which are taxed at a lower/higher tax rate	1,105	-1,451
Impact of changes in tax rate on deferred tax items recognised	-1,325	-1,302
Other effects	-97	-34
Total taxes	16,008	12,695

The applicable tax rate in the year under review was a mixed rate. It takes account of the fact that gains subject to cantonal and local authority tax are currently taxed at an average rate of 22 % (including direct federal tax), while property gains subject to property gains tax are taxed at rates of up to 35 %.

Details on deferred tax recognised directly in other comprehensive income can be found in Note 18.

34. Pledged assets / assets not freely disposable

The carrying amount of pledged assets is as follows:

	2009	2008
Trade receivables	8	21
Trading properties	141,935	139,452
Investment properties	1,380,881	988,493
Owner occupied properties	17,107	14,128
Carrying amount of pledged assets	1,539,931	1,142,094

This is the carrying value of those assets which are pledged either in full or in part. These assets were effectively mortgaged in an amount of CHF 845.9 million (prior year CHF 609 million) – (see Note 12).

In addition, pledges also exist on future rental income from five properties for the purposes of securing mortgage loans.

35. Operating leases**Mobimo as lessee**

Obligations from non-cancellable rental and lease agreements are as follows:

	2009	2008
Rental and leasing obligations up to 1 year	52	70
Rental and leasing obligations 2 to 5 years	50	73
Rental and leasing obligations over 5 years	0	0
Total future rental and leasing obligations	102	143

These obligations relate to rented photocopying equipment and third-party leases for premises and car park facilities.

The rental and leasing expenses charged to profit or loss amounted to TCHF 71 (prior year TCHF 75).

Mobimo as lessor

The future rental income set out below will be generated from non-cancellable rental agreements for investment properties:

2009	Commercial properties	Residential properties	Total
Rental income within 1 year	64,979	750	65,729
Rental income within 2 to 5 years	168,294	1,851	170,145
Rental income in over 5 years	97,163	709	97,872
Total future rental income from non-cancellable rental agreements	330,436	3,310	333,746

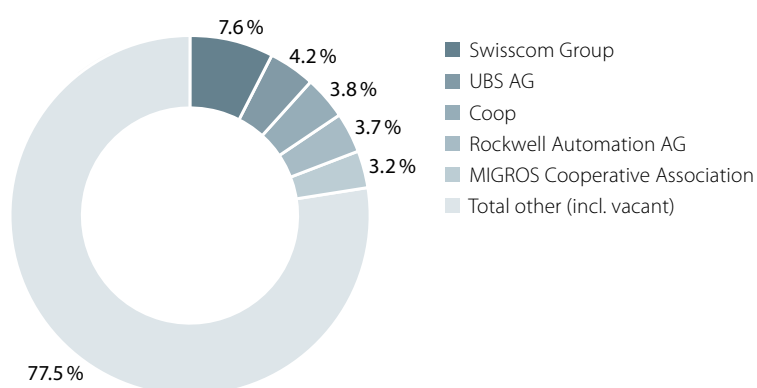
2008	Commercial properties	Residential properties	Total
Rental income within 1 year	50,578	442	51,020
Rental income within 2 to 5 years	127,894	1,185	129,079
Rental income in over 5 years	65,671	520	66,191
Total future rental income from non-cancellable rental agreements	244,143	2,147	246,290

Rental agreements for commercial properties generally contain an index clause stating that rents may be increased on the basis of the consumer price index. Rent increases for residential properties are generally linked to the mortgage interest rate. As at 31 December 2009 80% (CHF 66.6 million) of rental income came from rental agreements with index clauses. The vast majority of these agreements contain a 100% adjustment in line with the index.

The five biggest lessees generate the following share of rental incomes:

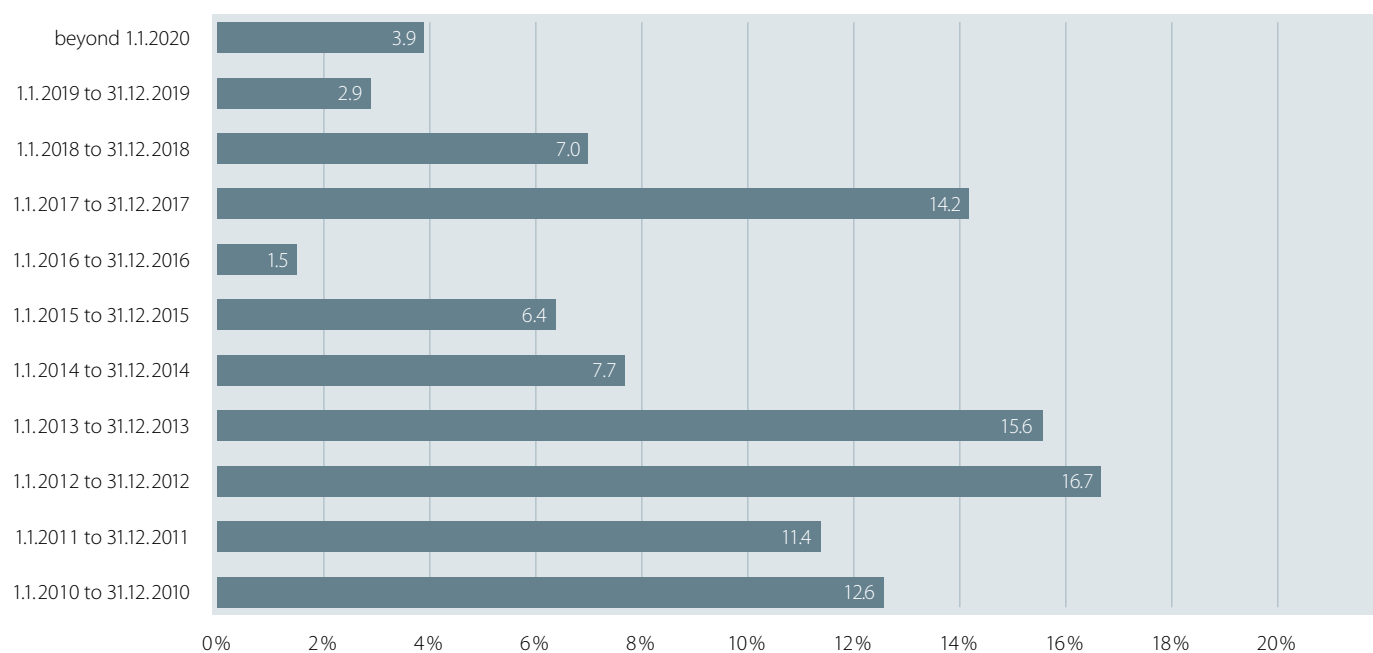
Name of lessee	2009 share in %	2008 share in %
Swisscom Group	7.6	10.7
UBS AG	4.2	6.0
Coop	3.8	5.0
Rockwell Automation AG	3.7	5.1
MIGROS Cooperative Association	3.2	0

Shares of the five biggest lessees (as at 31. 12. 2009)



Further details of rental income can be found in Note 23.

Length of existing fixed rental arrangements (as at 31 December 2009)



36. Financial risk management

36.1 General information

Through its activities, Mobimo is exposed to various financial risks: credit risk, liquidity risk and market risk. Of the various market risks, interest rate risk is particularly significant.

Risk management is assured through Internal Controlling. Internal Controlling operates in line with the principles of Mobimo's risk management concept, which is monitored by the Risk Committee. Risk management focusses on the identification, description, management, monitoring and control of credit, interest rate and liquidity risks. The Group uses derivative financial instruments to hedge certain risks.

The risk management principles and the processes applied are subject to regular review in order to take account of changes in market conditions and in the activities of the Group. The aim is to use existing training and management guidelines and processes to maintain a disciplined and constructive control environment, in which all employees can fulfil their function and exercise their duties. Risk management is part of the processes of the integrated management system.

The following paragraphs provide an overview of the exposure to each of the individual risks as well as information on the objectives, policies and processes for measuring, monitoring and hedging risks and on capital management within the Group. Further information on financial risks can be found elsewhere in the Notes (see Financial statements of Mobimo Holding AG, "8. Risk assessment" in accordance with Article 663b section 12 Swiss Code of Obligations, page 109).

36.2 Credit risk

Credit risk is the risk of financial losses to Mobimo if customers or counterparties to a financial instrument fail to fulfil their contractual obligations. Credit risk arises primarily in connection with trade receivables and cash.

In order to minimise credit risk in connection with cash, short-term bank deposits are held with first-rate institutions. With respect to trade receivables, these are receivables from property sales and from rental agreements. Credit risk is limited in relation to property sales since these sales are based on a certified purchase agreement which is regularly secured via an irrevocable promise to pay. With rental agreements, credit risk is reduced via checks of creditworthiness and monitoring of the age structure of amounts outstanding.

The maximum credit exposure corresponds to the carrying amounts of the individual financial assets. There are no guarantees or similar obligations which could lead to an increase in risk in excess carrying amounts. As at the reporting date, the maximum exposure to credit risk was as follows:

	Carrying values 2009	Carrying values 2008
Cash (bank deposits)	27,407	11,594
Trade receivables	5,079	4,845
Other receivables ¹	1,709	1,086
Accrued income ²	575	317
Financial assets (loans)	6,536	1,284
Total	41,306	19,126

36.3 Liquidity risk

Liquidity risk is the risk that Mobimo will not be able to meet its financial obligations when they become due. Investment properties are generally financed via medium to long-term loans, and residential development property via short-term loans. Liquidity is managed via a liquidity planning tool, combined with a mortgage database.

¹ Not including tax receivables, receivables in relation to social insurance and advance payment of preliminary contract

² Not including advance payments to general contractors

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The table below sets out the contractual maturities (including interest) in relation to Mobimo's financial liabilities. Future variable rates of interest have been estimated using the interest rate curve as at the reporting date.

2009	Carrying amount	Contractual cash flows	1 month or less	1–3 months	3–12 months	1–5 years	Over 5 years
Non-derivative financial liabilities							
Trade payables ¹	7,834	7,834		7,834			
Other payables	4,708	4,708		4,708			
Accrued expenses ²	15,161	15,161		15,161			
Financial liabilities	845,931	994,510	113,075	36,875	46,352	417,271	380,937
Derivative financial liabilities							
Interest rate swap	6,450	6,914	92	149	500	3,659	2,514
Total	880,084	1,029,127	113,167	64,727	46,852	420,930	383,451

2008	Carrying amount	Contractual cash flows	1 month or less	1–3 months	3–12 months	1–5 years	Over 5 years
Non-derivative financial liabilities							
Trade payables ¹	4,450	4,450		4,450			
Other payables	6	6		6			
Accrued expenses ²	9,042	9,042		9,042			
Financial liabilities	609,029	729,485	121,691	2,617	35,538	214,538	355,101
Derivative financial liabilities							
Interest rate swap	2,092	4,382	–21	–41	–185	1,787	2,842
Total	624,619	747,365	121,670	16,074	35,353	216,325	357,943

¹ Not including rents and ancillary costs paid in advance

² Not including tax payables and payables in relation to social insurance

36.4 Market risks

Market risk is the risk that changes in market prices such as exchange rates, interest rates and share prices could have an impact on the profit and the fair value of financial instruments held by Mobimo.

Market risks are managed in order to monitor and control such risks and to ensure that they do not develop beyond a specific extent.

Currency risk

The Group only operates in Switzerland and all transactions are denominated in Swiss francs. This is also the case for Mobimo Finance Ltd., the Group finance company domiciled in Jersey, UK. Consequently, there is no currency risk.

Interest rate risk

The Group's cash is used to reduce variable-rate mortgages or is invested on a short-term basis.

The majority of interest on financial liabilities relates to loans for the financing of investment properties and development properties (trading properties). With investment properties, interest rate risk is generally addressed via the conclusion of long-term fixed-rate mortgage agreements. Where necessary, derivative financial instruments are also used to hedge interest rates. Trading properties are funded over the short term, except for an amount of CHF 39.2 million.

Based on its market assessment, Mobimo has set itself the goal of maintaining the average residual term to maturity of financial liabilities over the long term, via mortgages with long terms (up to 15 years) and derivative financial instruments.

Interest rate risk subdivides into cash flow interest rate risk, i.e. the risk that future interest payments will change as a result of developments in market interest rates, and a fair value interest rate risk, i.e. the risk that the fair value of a financial instrument will change as a result of fluctuations in market interest rates.

Further information on the interest rate profile of financial liabilities as well as forward rate agreements and interest rate swaps can be found in Note 12.

Fair value sensitivity analysis for fixed-rate financial instruments

Mobimo account for any fixed rate financial assets or liabilities as at fair value through profit or loss. Fixed-rate financial instruments are measured at amortised cost. With these positions, therefore, a change in market interest rates would have no impact on the profit for the year.

Mobimo may hold forward rate agreements and interest rate swaps measured at fair value. Changes in fair value for interest rate swaps not held for hedge accounting purposes are recognised in the financial result and therefore have a direct impact on the profit for the year. Changes of fair values of forward rate agreements used for hedge accounting purposes are recognised directly in equity.

An increase in the interest rate of 100 basis points would have reduced profit by CHF 4.6 million (2008: CHF 2 million). A decrease in the interest rate of 100 basis points would have reduced profit by the same amount. The analysis is based on the assumption that all other variables remain unchanged.

Cash flow sensitivity analysis for variable-rate financial instruments

Mobimo is exposed to cash flow interest rate risk in its variable-rate cash components and financial liabilities. An increase in the interest rate of 100 basis points would have reduced profit by CHF 1.4 million (2008: CHF 1.2 million), whereas an equivalent decrease in the interest rate would have increased profit by the same amount. The analysis is based on the assumption that all other variables remain unchanged.

Fair values

The carrying amounts in the financial statements for cash, trade receivables, other current receivables and current liabilities approximate to fair value given the short terms involved.

For interest rate swaps and forward rate agreements, fair value is the present value of the forward contract.

For fixed-rate financial liabilities, fair value corresponds to the present value of the future cash flow to be discounted as at the reporting date using the market interest rate. As at the reporting date, this was CHF 37.0 million (prior year CHF 38.0 million) higher than the carrying amount. The reason for this is that, as at 31 December 2009, market interest rates were considerably lower than the level hedged. The fair values of fixed-rate mortgages are based on early repayment penalties calculated by the lending banks as at the respective date.

Interest rates used in determining fair value

Rates of interest for discounting future cash flows are based on money and capital market rates as at the time of valuation plus an adequate interest spread. For 2009, the discount rates used were between 0.76 % and 3.42 % (prior year between 1.64 % and 3.46 %).

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method, as at 31 December 2009. The different levels have been defined as follows:

Level 1: quoted prices in active markets

Level 2: inputs other than quoted prices in active markets that are observable either directly (i.e. prices) or indirectly (i.e. derived from prices)

Level 3: inputs that are not based on observable market data

	Level 1	Level 2	Level 3
Derivative financial instruments	0	-6,450	0
Financial assets (assets available for sale)	0	0	2,230

Mobimo does not hold any financial instruments carried at fair value which are classified as Level 1.

In 2009 the fair value of the financial instruments classified as Level 3 developed as follows:

	2009
As at 1 January	392
Acquisition LO Holding Lausanne-Ouchy SA	1,838
Gains and losses recognised in other comprehensive income	0
As at 31 December	2,230

For Level 3 financial instruments, gains of TCHF 0 were recognised in other comprehensive income. The fair value stated would not be significantly affected by any change that could reasonably be expected in the input factors used in the valuations.

36.5 Categories of financial instruments

The table below shows the carrying amounts of all financial instruments by category:

	Carrying value 2009	Carrying value 2008
Cash	0	0
Loans and receivables		
Cash (bank deposits)	27,407	11,594
Trade receivables	5,079	4,845
Other receivables ¹	1,709	1,086
Accrued income ²	575	317
Financial assets (loans)	6,536	1,284
Total loans and receivables	41,306	19,126
Financial assets held for trading		
Derivative financial instruments	0	0
Financial assets available for sale		
Financial assets (equity investments)	2,230	392
Financial liabilities measured at amortised cost		
Trade payables ³	7,834	4,450
Other payables	4,708	6
Accrued expenses ⁴	15,161	9,042
Financial liabilities	845,931	609,029
Total liabilities measured at amortised cost	873,634	622,527
Financial liabilities held for trading		
Derivative financial instruments	6,450	2,092

36.6 Capital management

The Board of Directors seeks to ensure a solid capital base. With regard to its capital structure, Mobimo aims to achieve long-term net gearing (ratio of net debt to equity) of a maximum of 150 %. In addition, equity should not drop below 40% of total assets, in accordance with investment guidelines. Mobimo continues to consistently distribute a high dividend. Over the past five years the dividend yield (nominal value repayment) has amounted to an average of 5 %. As at the end of 2009, the return on equity was 8% (profit in relation to average equity). The share is characterised by a high level of stability in value, calculability and profitability in terms of net asset value (NAV).

¹ Not including tax receivables, receivables due from social insurance and advance payments

² Not including advance payments to general contractors

³ Not including rents and ancillary costs paid in advance

⁴ Not including tax payables and payables due to social insurance

37. Share-based payments

The Executive Board and employees are subject to a profit-sharing ruling which states that should a hurdle of 5 % return on equity be exceeded, options (with dilution protection) will be granted on shares in an amount of 20 % of annual unrealised gains (valuation gains on properties less deferred taxes). The high water mark principle stipulates that if figures drop below the 5% hurdle, profit-sharing only becomes possible again when the difference is made up. Since 1 January 2006, the number of options has been determined calculated on the basis of the fair value of the option using the Black Scholes model. The option plan has been in force since 1 July 2000 and the regulations governing the plan were updated following the introduction of new profit-sharing regulations for employees effective 1 January 2005 and 1 January 2006. In addition, the Board of Directors and the Executive Board were granted special one-time options in 2001 for the successful establishment of the Mobimo Group.

For the transitional year 2009, the percentage for the option plan was reduced from 20 % to 10.5 %. This corresponds to the same percentage as for the Executive Board in the prior year.

A total expense of TCHF 195 was recognised in personnel expenses.

The options approved/issued can be broken down as follows:

	Grant date	2009	2008
– For the successful establishment of the Group	21. 11. 2001	13,000	13,000
– From profit-sharing 2000	21. 11. 2001	55,900	55,900
– From profit-sharing 2001	28. 08. 2002	18,725	18,725
– Special allocation Executive Board 2004	31. 12. 2004	2,293	2,293
– From profit-sharing 2005	01. 01. 2005	8,592	8,592
– From profit-sharing 2006	01. 01. 2006	8,322	8,322
– From profit-sharing 2007	01. 01. 2007	6,494	6,494
– From profit-sharing 2008	01. 01. 2008	1,825	1,825
– From profit-sharing 2009	01. 01. 2009	2,403	n/a
Total options approved/issued		117,554	115,151
Options exercised		11,748	11,748
Expired options		0	0
Total options approved/issued 31 December		105,806	103,403
Exercisable options		80,516	78,170

The strike price for all options corresponds to the nominal value at the time of exercise. Following the nominal value reduction at 30 June 2009, the strike price declined from CHF 47.00 to CHF 38.00. A nominal value reduction also took place in the previous year. At that time, the strike price declined from CHF 56 to CHF 47.

All options issued are subject to individually electable past vesting restriction periods (periods during which the options can not be exercised) of at least three years from the issue date (21 November 2001 for the establishment of the Group and profit-sharing 2000, 28 August 2002 for profit-sharing 2001). Exercising was possible for the first time on 21 November 2004. In the period under review, no options were exercised. The regulations, effective from 1 January 2006, governing option granting from the 2006 financial year onwards specify an exercise period of between the third and tenth year. The fair value for the options granted in 2009 was calculated using the Black Scholes model. The following parameters were used in the calculation:

Fair value option	CHF	81.34
Share price	CHF	41.50
Expected strike price	CHF	2.00
Volatility		12.84 %
Present value of expected dividends	CHF	58.43
Risk free interest rate		2.19 %

The volatility component used represents volatility over the last 252 days in the share of Mobimo Holding AG, annualised.

A new compensation system was introduced for the Board of Directors in 2009 (see Corporate governance). Under the new system, the Board of Directors has not participated in the option plan since 1 January 2009. A new system is scheduled to be introduced for the Executive Board with effect from 1 January 2010. The Board of Directors now receives fixed compensation structured on a modular basis. The modules used reflect members' individual activities on the Board of Directors, thus ensuring that remuneration is in line with the level of responsibility involved and the time required. Each member of the Board of Directors may decide whether to receive this remuneration in cash, or partly or fully in shares.

In 2009, a total of TCHF 360 was paid in the form of shares (2,056 shares). In addition, the Executive Board received a special bonus of 300 shares, which was recognised in personnel expenses in the amount of TCHF 51.

38. Capital commitments

As at 31 December 2009, capital commitments amounted to CHF 86.6 million. These commitments relate to the investment properties under construction at Horgen, Seestrasse; Zurich, Manessestrasse and Zurich, Turbinenstrasse Hotel.

39. Contingencies

Contingent liabilities amount to a total of CHF 0.3 million in the form of bank guarantees for securing property gains taxes.

40. Significant shareholders

As at the reporting date, the following shareholders hold more than 3% of the shares and options in Mobimo Holding AG:

31 December	2009	2008
Reichmuth & Co Investmentfonds AG ¹	5.77 %	n/a
Dr. Alfred Meili ²	5.62 %	4.42 %
Pensionskasse des Kantons Zug	3.80 %	3.19 %

¹ The shareholder group Reichmuth & Co Investmentfonds AG consists of Chasellas Global, Reichmuth Alpin and Reichmuth Voralpin. In the prior year, Chasellas Global had an interest of 9.2%.

² Including the shareholder group represented by Dr. Alfred Meili.

41. Related parties

Related parties include shareholders who could exercise a significant influence over Mobimo, the Board of Directors and management, associates, companies controlled by members of the Board of Directors of the Mobimo Group and the Mobimo pension plan. Among the companies controlled by members of the Board of Directors are Ledermann AG Beteiligungen & Immobilien and the law firm Weber Schaub & Partner. The life partner of Dr. C. Caviezel is a partner of Holenstein Rechtsanwälte AG.

In the year under review, the Board of Directors and the Executive Board received the following compensation (in TCHF):

	2009	2008
Members of the Board of Directors/Executive Board	4,243	3,269
broken down as follows		
– salaries	3,390	2,746
– social security contributions	312	298
– share-based payments	541	225

Within the context of the current option plan (see Note 37), options were granted to the Board of Directors and the Executive Board in the years 2000, 2001, 2004, 2005, 2006, 2007 and 2008. As a result of the new compensation system for the Board of Directors, options were only granted to the Executive Board in 2009.

Profit-sharing 2000, 2001, 2005, 2006 and special allocation 2004	93,832 options
Compensation for the successful establishment of the Group	13,000 options
Profit-sharing 2007	6,305 options
Profit-sharing 2008	1,825 options
Profit-sharing 2009	2,403 options

Further details of the current option plan can be found in Note 36.

Further relationships with related parties are expenses:

The income statement contains the following: legal consulting by Holenstein Rechtsanwälte AG TCHF 75 and expenses for tax consulting by the tax and law firm Weber Schaub & Partner AG TCHF 133.

An exchange transaction was carried out with Ledermann Immobilien AG in 2009. Mobimo AG purchased the trading property at Zurich, Im Brächli 5/7/9 for CHF 7.1 million and sold the property at Zurich, Arbenzstrasse 6 for CHF 4.6 million. Mobimo paid CHF 2.5 million to compensate for a difference in market values. The exchange is consistent with Mobimo's strategic investment policy because Zurich, Im Brächli 5/7/9 offers a higher investment volume than Zurich, Arbenzstrasse 6.

Loans of TCHF 2,640 were granted to associates at market rates.

The information on transparency pursuant to the Swiss Code of Obligations can be found in the notes to the financial statements of Mobimo Holding AG.

42. Group companies

The scope of consolidation comprises the following companies:

Company	Domicile	Share capital in TCHF	Ownership interest in %	Consolidation method
Mobimo Holding AG	Lucerne	192,035		F
Mobimo AG	Lucerne	72,000	100.00	F
Mobimo Verwaltungs AG	Küsnacht	100	100.00	F
Mobimo Finance Ltd.	Jersey	Minimum capital	100.00	F
JJM Participations SA ²	Lausanne	6,001	100.00	F
LO Holding Lausanne-Ouchy SA ²	Lausanne	12,000	99.15	F
Scala Tower AG	Lucerne	100	100.00	F
Parking du Centre SA ²	Lausanne	6,000	50.00	E
Flonplex SA ²	Lausanne	2,000	40.00	E
Parking St-François SA ²	Lausanne	1,150	26.52 ¹	not cons.
Olmero AG	Opfikon	208	6.44	not cons.

F = fully consolidated

E = equity valuation

not cons. = not consolidated

43. Events after the reporting date

The Board of Directors authorised the consolidated financial statements for issue on 1 March 2010. These statements are also subject to approval by the General Meeting of Mobimo Holding AG on 5 May 2010.

An agreement was reached for the sale of the commercial property at Oberuzwil, Wiesentalstrasse on 1 May 2010 at a price of CHF 6.8 million.

An agreement was signed between Mobimo Holding AG and the shareholders of 04Real on 22 December 2009 regarding the takeover of 100% of the shares of 04Real AG, which owns a property in the centre of Lausanne. 04Real AG owns the 12,600 m² property situated between Avenue d'Ouchy, Avenue de la Gare and Place de la Gare, directly adjacent to Lausanne's main railway station. The building complex is being repurposed and comprises total rentable area of approx. 45,000 m², which will generate rental income of around CHF 5 million p.a. from 2011. The property offers the option of realising additional usable space of around 20,000 m² for apartments or related uses. The takeover will be carried out in two steps. The first step has been completed with the execution of the agreement. The aim is to complete the takeover over the course of spring 2010.

No other events took place between 31 December and the date of authorisation of these consolidated financial statements which would require adjustments to the carrying amounts of the Group's assets and liabilities as at 31 December 2009 or would require disclosure in this section.

¹ The share of voting rights is 5%.

² Additions in 2009

2 PROPERTY DETAILS

2.1 TRADING PROPERTIES DETAILS

Location	Address	Site area in m ²	Register of polluted sites	Built	Acquired
Site					
Adliswil	Wilacker Site I	7,231	no		Dec 07
Adliswil	Wilacker Site III	1,347	no		Dec 07
Adliswil	Wilacker Site IV	10,935	no		Dec 07
Erlenbach	Forch-/Glärnischstrasse	7,037	no		Apr 07
Flawil	Mittlerer Botsberg 1 ²	6,777	no		Oct 05/Apr 06
Herrliberg	Rigiweg	5,082	no		Nov 08
Horgen	Stockerstrasse 40 – 42 (Wiesental II)	7,047	no		Nov 05
		45,456			
Properties under construction					
Horgen	Stockerstrasse 40 – 42 (Wiesental I)	7,633	no		Nov 05
Horgen	Stockerstrasse 54	919	no		Nov 06
Wädenswil	Rötiboden	3,740	no		Oct 07
Zurich	Turbinenstrasse promotion (Mobimo Tower)	1,936	no		May 08
		14,228			
Completed properties					
Herrliberg	Schiffplateau	5,064	no		Jun 06
Horgen	Stockerstrasse 27 – 29	5,490	no		Nov 05
Lucerne	Guggistrasse 10/12/12a ³	3,004	no	1979	Jul 07
Thalwil	Bergstrasse 10	2,551	no		Jun 06
Winterthur	Museumstrasse 3 ³	2,550	no	1970	Dec 98
Zurich	Im Brächli 5/7/9 ³	2,144	no	1955	Aug 09
Zurich	Katzenbach I	6,530	no		Oct 04/Feb 05
Zurich	Zweierstrasse 141; Zurlindenstrasse 82 ³	880	no	1991	Feb 99
		28,213			

¹ Status: certified purchase agreement

² Sale of building plots

³ Conversion from rental to condominium ownership

Description	Sales volumes in TCHF	Project status 31. 12. 2009	Realisation	Carrying value 31. 12. 2009 in TCHF	Sales status 31. 12. 2009 ⁹¹
open	open	in planning	open	12,237	open
open	open	in planning	open	1,659	open
open	open	in planning	open	11,232	open
open	open	in planning	open	12,956	open
open	open	in planning	open	981	open
open	open	in planning	open	16,726	open
43 CONDO	open	in planning	2010/11	15,024	0/43
	0			70,815	
47 CONDO	62,172	construction project	2008/10	43,441	20/47
4 CONDO	9,020	construction project	2009/10	3,353	1/4
14 CONDO	24,800	construction project	2009/11	7,766	0/14
53 CONDO	175,195	construction project	2008/11	95,867	0/53
	271,187			150,427	
15 CONDO	44,685	for sale	2007/09	4,466	14/15
39 CONDO	41,449	for sale	2007/09	1,138	38/39
9 CONDO	15,936	for sale		10,096	6/9
14 CONDO	19,291	for sale	2007/09	2,251	14/14
open	open	in planning		6,883	open
open	open	in planning		7,237	open
67 CONDO	46,050	for sale	2007/09	1,362	66/67
23 CONDO	19,927	for sale		130	23/23
	187,338			33,563	

GEOGRAPHIC BREAKDOWN OF PROMOTION ACTIVITY

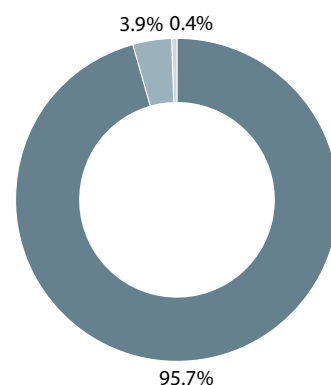
As at 31 December 2009, 19 were recognised in the balance sheet, of which

- 15 newbuild projects (prior year 18)
- 4 conversion projects (prior year 3)

Most residential development properties are located in the Canton of Zurich, primarily the City of Zurich itself and the Lake Zurich region.

Percentage breakdown
of carrying values
in CHF

- Canton Zurich
- Canton Lucerne
- Canton St. Gall



2 PROPERTY DETAILS

2.2 COMMERCIAL PROPERTY DETAILS

Location	Address	Acquired	Built	Year renovated
Aarau	Bahnhofstrasse 102 (Mediapark)	Mar 2004	1975	1998
Adliswil	Soodring 13/13a	Jun 2006	1986/1990	2005
Aesch	Pfeffingerring 201	May 2007	1973	
Baden-Dättwil	Im Langacker 20/20a/22	Jun 2004	1972	1988
Brugg	Bahnhofstrasse 11	Jun 2006	2005	
Buchs	Webereiweg 3; Weierweg 6	Jun 2001		
Bülach	Bahnhofstrasse 39	Sep 2005	1969	1995
Bülach	Schlosserstrasse 4 (Ifang)	Oct 1999	1991	
Dierikon	Pilatusstrasse 2	May 2009	1990	2007
Dietikon	Lerzenstrasse 12	Jun 2005	1983/1986	
Dübendorf	Sonnentalstrasse 5	Mar/Dec 1999	1975	2000
Dübendorf	Zürichstrasse 98	Jan 2000	1965	1983
Frenkendorf	Parkstrasse 2	Sep 2006	2008	
Frenkendorf	Parkstrasse 6	Nov 2005	1983	
Gossau	Industriestrasse 149	Oct 2006	1991	2002
Herisau	Obstmarkt 1	Jul 2008	1984	
Horgen	Seestrasse 80	Nov 2005	1960	
Horgen	Seestrasse 93	Nov 2005	1998	
Jona	St. Gallerstrasse 23/25; Bühlstrasse 1	Nov 2004	1981	2002
Kreuzlingen	Hauptstrasse 37	Sep 2005	1987	
Kreuzlingen	Leubernerstrasse 3	Nov 2006	1983/2003	2003
Kreuzlingen	Lengwilerstrasse 2	Apr 2007	2007	
Kriens	Sternmatt 6	Feb 2004	1986	
Lausanne	Flonplex ³	Nov 2009	n/a	
Lausanne	Parking du Centre ³	Nov 2009	n/a	
Lausanne	Place de la Gare 4 ³	Nov 2009	1961	2000
Lausanne	Place de la Navigation 4 – 6 ³	Nov 2009	1895	
Lausanne	Place de l'Europe 7 ³	Nov 2009	1905	2001
Lausanne	Place de l'Europe 8 ³	Nov 2009	1911	
Lausanne	Place de l'Europe 9 ³	Nov 2009	1900	2002
Lausanne	Rue de Genève 2/4/6/8 ³	Nov 2009	1904	2002
Lausanne	Rue de Genève 17 ³	Nov 2009	1984	2002
Lausanne	Rue de la Vigie 3 ³	Nov 2009	1964	
Lausanne	Rue de la Vigie 5 ³	Nov 2009	1963	1988
Lausanne	Rue des Côtes-de-Montbenon 6 ³	Nov 2009	1921	
Lausanne	Rue des Côtes-de-Montbenon 8 ³	Nov 2009	1946	1998
Lausanne	Rue des Côtes-de-Montbenon 16 ³	Nov 2009	1912	2007
Lausanne	Rue des Côtes-de-Montbenon 24/26 ³	Nov 2009	n/a	
Lausanne	Rue des Côtes-de-Montbenon 28/30 ³	Nov 2009	n/a	
Lausanne	Rue du Port-Franc 9 ³	Nov 2009	1927	
Lausanne	Rue du Port-Franc 11 (Miroiterie) ³	Nov 2009	2006	
Lausanne	Rue du Port-Franc 17 ³	Nov 2009	2002	
Lausanne	Rue du Port-Franc 20; Rue de Genève 33 ³	Nov 2009	2005	
Lausanne	Rue du Port-Franc 22; Rue de la Vigie 1 ³	Nov 2009	2005	
Lausanne	Vallée du Flon ³	Nov 2009	n/a	2007
Lausanne	Vallée du Flon (phase II) ³	Nov 2009	n/a	2009
Lausanne	Voie du Chariot 3 ³	Nov 2009	2008	
Lausanne	Voie du Chariot 4/6 ³	Nov 2009	2008	
Lausanne	Voie du Chariot 5/7 ³	Nov 2009	2008	
Lucerne	Alpenstrasse 9	Jun 2007	1890	2001
Meggen	Neuhausstrasse 3	Oct 2005	1977	
Neuhausen	Victor-von-Bruns-Strasse 19	Mar 2007	2007	

Fair value in TCHF	Acquisition costs in TCHF	Gross yield in % ¹	Target rental income in TCHF	Vacancy rate as at 31.12.2009 in % ²	Vacant surface area as at 31.12.2009 in %
25,490		7.5	1,922	25.0	20.5
13,140		7.3	964	7.3	5.8
26,400		7.5	1,976	0.0	0.0
16,930		7.6	1,291	23.6	30.7
26,470		6.0	1,595	7.4	10.9
14,190		7.1	1,011	0.0	0.0
2,837		6.5	184	0.0	0.0
13,090		8.1	1,055	19.0	16.2
11,520		6.6	758	5.9	1.5
9,219		9.8	905	41.9	47.8
27,020		6.8	1,827	1.6	0.0
21,090		6.7	1,406	12.0	8.4
7,864		5.3	415	0.0	0.0
11,190		8.3	928	4.9	3.0
25,540		7.1	1,824	8.3	9.8
16,750		6.4	1,075	0.6	0.0
7,586		6.6	503	10.7	9.9
28,140		9.7	2,723	0.0	0.0
13,920		7.1	994	1.5	1.3
11,200		6.3	703	0.0	0.0
64,510		5.7	3,646	1.5	2.1
6,506		5.0	324	0.0	0.0
36,740		8.2	3,021	24.9	26.3
4,284		4.9	210	0.0	0.0
6,229		5.6	350	n/a	0.0
20,640		6.5	1,333	14.4	14.3
9,013		7.5	676	0.0	0.0
3,857		6.1	235	0.0	0.0
5,588		6.4	359	0.0	0.0
18,760		6.2	1,172	0.0	0.0
22,330		5.8	1,305	0.0	0.0
17,660		6.1	1,330	0.2	0.6
3,191		5.2	166	0.0	0.0
10,170		8.3	844	1.4	4.0
5,163		5.8	299	0.5	0.8
7,339		7.2	530	0.0	0.0
3,925		6.4	250	0.0	0.0
1,702		4.6	79	0.0	0.0
2,036		3.6	74	0.0	0.0
4,052		7.5	305	0.0	0.0
14,340		4.5	641	4.6	8.5
10,960		6.1	670	0.0	0.0
49,980		5.9	2,927	0.0	0.0
20,880		5.6	1,168	0.0	0.0
1,126		0.0	0	0.0	n/a
6,267		0.4	24	91.6	0.0
12,820		6.6	845	35.3	44.0
30,010		6.0	1,793	0.0	0.0
28,390		5.9	1,666	1.0	2.2
9,887		3.6	360	0.0	0.0
6,814		9.6	653	0.1	2.4
13,970		5.2	723	0.0	0.0

2 PROPERTY DETAILS

2.2 COMMERCIAL PROPERTY DETAILS

Location	Address	Acquired	Built	Year renovated
Oberglatt	Aspstrasse 12	Sep 2005	1990	
Oberuzwil	Wiesentalstrasse 22/22a	Jul 2001	1996	
Otelfingen	Lauetstrasse 3/5/7/9/11/21/23/25/27/29/31/33/35	Feb 1999	1974	2002
Regensdorf	Althardstrasse 30	Dec 2001	1976	
Reinach	Hauptstrasse 13/15	Oct 2001	1983	
Renens	Chemin de la Rueyre 116/118	Mar 2007	1989	
St. Gall	Schochengasse 6	Feb 2004	1974	2000
St. Gall	St. Leonhardstrasse 22	Dec 2004	1900	2002
St. Gall	Wassergasse 42/44	Feb 2004	1966	2000
St. Gall	Wassergasse 50/52	Feb 2004	1998	
Tagelswangen	Lindauerstrasse 17; Ringstrasse 30	Dec 2000	1981	2002
Winterthur	Im Hölderli 26	Dec 1999	1980	1993
Winterthur	Industriestrasse 26	Oct 1999	1994	2002
Winterthur	Marktgasse 34	Dec 1995	1972	
Zurich	Bahnhofplatz 4	Jul 2006	1881	2002
Zurich	Friedastrasse 17	Oct 1998	1968	
Zurich	Hardturmstrasse 3/5 (Mobimo high-rise)	Nov 1999	1974	2001
Zurich	Letzigraben 134 – 136	Sep 2006	1958/1975	
Zurich	Rautistrasse 12	Nov 1999	1972	
Zurich	Schiffände 6; Kruggasse 1	May 1998	1950	
Zurich	Siewerdstrasse 105	Jun 2001	1984	
Zurich	Stauffacherstrasse 41	Jun 2000	1990	
Zurich	Thurgauerstrasse 23; Siewerdstrasse 25	Mar 2002	1963/1968/1985	
Zurich	Witikonstrasse 311/311b	Sep 1997	1992	
76	Commercial investment properties			
Aarau	Buchserstrasse 7/13	Jun 2001	1967	2003
Aarau	Buchserstrasse 15	Aug 2008	1928	
Aarau	Buchserstrasse 18/27/35; Industriestrasse 20/44; Torfeldstrasse 4	Oct 2006	1905/1916/ 1929/1943/1954	
Aarau	Buchserstrasse 47; Florastrasse 1	Feb 2009	1914/1967	
Aarau	Industriestrasse 28	Jun 2001	1974	
Aarau	Torfeldstrasse (car park)	Jun 2001	1973	1994
Cham	Alte Steinhäuserstrasse 35	Aug 2003	1984	
Kreuzlingen	Romanshornstrasse (site)	Nov 2006		
Kriens	Mattenhof (site)	Mar 2005		
Lausanne	Place de l'Europe 6 ³	Nov 2009	1905	
Lausanne	Rue de Genève 19 ³	Nov 2009	1893	
Lausanne	Rue de Genève 21 ³	Nov 2009	1902	
Lausanne	Rue de Genève 23 ³	Nov 2009	1915	
Lausanne	Rue des Côtes-de-Montbenon 1/3 ³	Nov 2009	1930	
Lausanne	Rue des Côtes-de-Montbenon 5 ³	Nov 2009	1930	
Lausanne	Rue des Côtes-de-Montbenon 11/24 ³	Nov 2009	1935	
Lausanne	Rue des Côtes-de-Montbenon 12 ³	Nov 2009	1918	
Lausanne	Rue des Côtes-de-Montbenon 14 ³	Nov 2009	1963	
Regensdorf	Althardstrasse 10	Dec 2001	1982	
Wohlen	Zentralstrasse 34	Dec 1998	1990/1990	
20	Commercial development properties			
96	Total commercial properties			

¹ Target gross yield as at reporting date 31 December 2009 in % of fair value

² Vacancy rate as % of target rental income

³ New acquisition from the acquisition of LO Holding Lausanne-Ouchy SA as at 9 November 2009

Fair value in TCHF	Acquisition costs in TCHF	Gross yield in % ¹	Target rental income in TCHF	Vacancy rate as at 31.12.2009 in % ²	Vacant surface area as at 31.12.2009 in %
23,730		7.8	1,858	5.5	4.4
6,800		9.0	613	16.3	18.1
6,535		10.5	683	11.7	8.3
17,500		10.2	1,788	6.8	3.8
5,347		11.0	591	14.9	17.7
12,530		6.8	851	18.7	18.6
16,580		6.5	1,076	0.0	0.0
4,034		5.8	234	0.0	0.0
14,000		6.4	901	4.0	6.5
12,820		6.2	797	0.0	0.0
6,660		9.7	649	0.0	0.0
5,689		8.4	477	0.0	0.0
17,660		7.9	1,392	23.3	22.5
4,035		6.0	240	0.0	0.0
18,580		4.8	886	15.2	28.1
7,724		7.8	606	18.1	6.8
57,650		5.7	3,265	0.0	0.0
14,010		7.2	1,003	5.9	2.9
18,200		7.1	1,293	14.2	15.1
6,333		5.2	330	0.0	0.0
5,840		7.4	430	32.6	29.8
37,640		5.6	2,097	0.0	0.0
13,870		7.0	971	16.9	18.4
8,296		6.2	514	13.1	15.5
1,130,788	899,710	6.7	75,586	7.1	8.4
11,620		8.0	925	0.0	0.0
392		8.9	35	0.0	0.0
26,500		6.1	1,622	28.7	21.9
696		0.0	0	0.0	100.0
14,720		8.3	1,225	0.0	0.0
5,536		6.4	352	0.0	0.0
5,521		10.4	575	51.6	47.3
1,865		0.0	0	n/a	n/a
3,187		0.0	0	n/a	n/a
155		0.0	0	n/a	n/a
2,765		13.8	381	13.6	19.7
2,564		11.8	303	10.6	13.5
1,939		9.2	178	0.0	0.0
602		14.1	85	8.5	0.0
250		11.3	28	0.0	0.0
729		1.7	12	0.0	0.0
1,646		8.5	140	0.0	n/a
429		8.4	36	0.0	n/a
17,040		10.1	1,724	48.9	54.3
3,861		8.1	314	32.2	39.3
102,018	95,667	7.8	7,935	22.3	23.1
1,232,806	995,377	6.8	83,521	8.5	10.7

2 PROPERTY DETAILS

2.2 COMMERCIAL PROPERTY DETAILS

Location	Address	Ownership	Site area in m ²	Register of polluted sites
Aarau	Bahnhofstrasse 102 (Mediapark)	sole ownership	5,675	no
Adliswil	Soodring 13/13a	sole ownership	3,153	no
Aesch	Pfeffingerring 201	sole ownership	16,034	no details
Baden-Dättwil	Im Langacker 20/20a/22	sole ownership	8,792	no
Brugg	Bahnhofstrasse 11	CONDO (773/1000)	2,726	no
Buchs	Webereiweg 3; Weierweg 6	sole ownership	6,705	no
Bülach	Bahnhofstrasse 39	sole ownership	563	no
Bülach	Schlosserstrasse 4 (Ifang)	sole ownership	4,415	no
Dierikon	Pilatusstrasse 2	sole ownership	4,436	no
Dietikon	Lerzenstrasse 12	sole ownership	3,000	yes (code D) ⁴
Dübendorf	Sonnentalstrasse 5	CONDO (929/1000)	4,368	yes (code D) ⁴
Dübendorf	Zürichstrasse 98	sole ownership	9,719	yes (petrol station / code D) ⁴
Frenkendorf	Parkstrasse 2	sole ownership	4,803	no details
Frenkendorf	Parkstrasse 6	sole ownership	7,748	no details
Gossau	Industriestrasse 149	sole ownership	4,174	no
Herisau	Obstmarkt 1	sole ownership	1,602	no
Horgen	Seestrasse 80	sole ownership	3,117	no
Horgen	Seestrasse 93	sole ownership	10,767	yes
Jona	St. Gallerstrasse 23/25; Bühlstrasse 1	sole ownership	4,058	yes
Kreuzlingen	Hauptstrasse 37	sole ownership	1,448	no
Kreuzlingen	Leubernstrasse 3	sole ownership	32,557	no
Kreuzlingen	Lengwilerstrasse 2	sole ownership	7,027	no
Kriens	Sternmatt 6	sole ownership	28,636	no
Lausanne	Flonplex	building right	1,953	yes ⁹
Lausanne	Parking du Centre	building right	5,065	yes ⁹
Lausanne	Place de la Gare 4	sole ownership	630	no
Lausanne	Place de la Navigation 4 – 6	sole ownership	567	yes ⁵
Lausanne	Place de l'Europe 7	sole ownership	391	yes ⁵
Lausanne	Place de l'Europe 8	sole ownership	1,035	yes ⁵
Lausanne	Place de l'Europe 9	sole ownership	975	yes ⁵
Lausanne	Rue de Genève 2/4/6/8	sole ownership	2,260	yes ⁵
Lausanne	Rue de Genève 17	sole ownership	2,312	yes ⁵
Lausanne	Rue de la Vigie 3	building right	972	yes ⁸
Lausanne	Rue de la Vigie 5	sole ownership	852	yes ⁸
Lausanne	Rue des Côtes-de-Montbenon 6	sole ownership	533	yes ⁵
Lausanne	Rue des Côtes-de-Montbenon 8	sole ownership	587	yes ⁵
Lausanne	Rue des Côtes-de-Montbenon 16	sole ownership	850	yes ⁵
Lausanne	Rue des Côtes-de-Montbenon 24/26	building right	867	yes ⁹
Lausanne	Rue des Côtes-de-Montbenon 28/30	building right	1,068	yes ⁹
Lausanne	Rue du Port-Franc 9	sole ownership	995	yes ⁷
Lausanne	Rue du Port-Franc 11 (Miroiterie)	sole ownership	612	yes ⁶
Lausanne	Rue du Port-Franc 17	sole ownership	776	yes ⁶
Lausanne	Rue du Port-Franc 20; Rue de Genève 33	sole ownership	2,000	yes ⁶
Lausanne	Rue du Port-Franc 22; Rue de la Vigie 1	sole ownership	1,999	yes ⁶
Lausanne	Vallée du Flon	sole ownership	926	yes ⁸
Lausanne	Vallée du Flon (phase II)	sole ownership	5,151	yes ⁸
Lausanne	Voie du Chariot 3	sole ownership	500	yes ⁶
Lausanne	Voie du Chariot 4/6	sole ownership	2,614	yes ⁶
Lausanne	Voie du Chariot 5/7	sole ownership	1,042	yes ⁶
Lucerne	Alpenstrasse 9	sole ownership	569	no

⁴ Code D: clarification necessary within framework of building project ⁵ Site pollution unlikely – the property has to be maintained in accordance with the design plan ("Gestaltungsplan") and has been subject to comprehensive renovation over recent years
⁶ Site pollution eliminated – property rebuilt over recent years

Property description ¹⁰	Total rentable area in m ²	Office space in %	Sales space in %	Commercial space in %	Apartment space in %	Other in %
Com	13,215	65.6	0.0	9.1	0.7	24.6
Com	5,903	42.8	0.0	23.6	0.0	33.5
Com	14,794	28.6	0.0	43.8	0.0	27.6
Com	8,820	24.8	28.8	23.7	1.3	21.4
Com	3,921	27.9	35.4	31.8	0.0	5.0
Com	3,979	92.6	0.0	0.0	0.0	7.4
Com	880	62.2	18.0	0.0	0.0	19.9
Com	7,451	26.1	0.0	52.6	1.9	19.4
Com	4,331	60.0	16.1	15.4	0.0	8.5
Com	7,700	19.4	0.0	61.0	1.4	18.3
Com	8,949	44.7	0.0	44.5	0.0	10.8
Com	9,441	21.2	15.4	33.9	0.0	29.5
Com	1,533	0.0	70.3	0.0	0.0	29.7
Com	6,290	46.1	0.0	44.8	1.7	7.4
Com	10,646	93.7	0.5	0.0	0.0	5.8
Com	5,647	52.5	9.4	0.0	0.0	38.1
Com	2,126	76.5	0.0	0.0	0.0	23.5
Com	19,099	0.0	0.0	86.4	0.0	13.6
Res + Com	4,872	45.6	27.0	0.0	15.8	11.5
Com	2,530	55.7	19.9	0.0	0.0	24.4
Com	17,578	8.9	89.2	0.0	0.0	1.9
Com	1,350	0.0	66.7	0.0	0.0	33.3
Com	27,198	27.0	3.6	48.1	1.0	20.3
Building right	1,953	0.0	0.0	0.0	0.0	100.0
Building right	6,526	0.0	0.0	0.0	0.0	100.0
Com	4,426	67.5	15.1	0.0	0.0	17.4
Com – hotel	2,800	0.0	0.0	0.0	0.0	100.0
Com – share investment prop.	805	40.5	37.5	0.0	0.0	22.0
Com	1,593	75.5	24.5	0.0	0.0	0.0
Com	3,442	43.9	31.8	0.0	0.0	24.3
Com	4,401	10.3	89.7	0.0	0.0	0.0
Com	6,646	43.6	19.1	7.2	0.0	30.0
Building right	1,840	0.0	0.0	70.7	0.0	29.3
Com	3,650	61.5	0.0	0.0	0.0	38.5
Com	2,182	0.0	18.5	63.7	0.0	17.8
Com	2,226	73.9	0.0	3.6	0.0	22.5
Com – share investment prop.	775	64.5	0.0	0.0	35.5	0.0
Building right	867	0.0	0.0	0.0	0.0	100.0
Building right	1,068	0.0	0.0	0.0	0.0	100.0
Com	1,733	21.9	20.5	42.4	0.0	15.2
Com	2,314	20.4	57.7	0.0	0.0	21.8
Com	2,142	57.9	0.0	0.0	24.9	17.1
Com	9,971	34.9	65.1	0.0	0.0	0.0
Com	4,066	81.3	8.9	0.0	0.0	9.8
Site	0	n/a	n/a	n/a	n/a	n/a
Site	54	0.0	0.0	0.0	0.0	100.0
Com	2,168	75.5	15.5	0.0	0.0	9.1
Com	5,538	31.4	64.1	0.0	0.0	4.5
Com	5,005	54.6	16.0	0.0	13.8	15.5
Res + Com	13,215	65.6	0.0	9.1	0.7	24.6

⁷ Site pollution suspected but no measures expected - properties have to be maintained in accordance with the "Gestaltungsplan"

⁸ Site pollution suspected, measures required in newbuild plans

⁹ Building-right plot on which newbuild projects have been completed over recent years

¹⁰ Com = commercial; Res = residential; AB = apartment building

2 PROPERTY DETAILS

2.2 COMMERCIAL PROPERTY DETAILS

Location	Address	Ownership	Site area in m ²	Register of polluted sites
Meggen	Neuhausstrasse 3	sole ownership	6,661	no
Neuhausen	Victor-von-Bruns-Strasse 19	sole ownership	1,597	no
Oberglatt	Aspstrasse 12	sole ownership	32,149	no
Oberuzwil	Wiesentalstrasse 22/22a	CONDO (921/1000)	5,270	no
Otelfingen	Lauetstrasse 3/5/7/9/11/21/23/25/27/29/31/33/35	sole ownership	9,658	yes
Regensdorf	Althardstrasse 30	sole ownership	9,355	yes
Reinach	Hauptstrasse 13/15	building right on sub-plot	553	no
Renens	Chemin de la Rueyre 116/118	sole ownership	4,503	no
St. Gall	Schochengasse 6	sole ownership	1,316	no
St. Gall	St. Leonhardstrasse 22	sole ownership	219	no
St. Gall	Wassergasse 42/44	CONDO (824/1000)	1,714	no
St. Gall	Wassergasse 50/52	sole ownership	1,373	no
Tagelswangen	Lindauerstrasse 17; Ringstrasse 30	sole ownership	8,953	yes (code D) ³
Winterthur	Im Hölderli 26	sole ownership	8,000	yes
Winterthur	Industriestrasse 26	sole ownership	3,635	yes (code D) ³
Winterthur	Marktgasse 34	CONDO (144/1000)	623	no
Zurich	Bahnhofstrasse 4	sole ownership	189	no
Zurich	Friedaustasse 17	sole ownership	869	no
Zurich	Hardturmstrasse 3/5 (Mobimo high-rise)	sole ownership	2,714	yes
Zurich	Letzigraben 134 – 136	sole ownership	5,003	yes
Zurich	Rautistrasse 12	sole ownership	1,894	yes (petrol station)
Zurich	Schifflande 6; Kruggasse 1	sole ownership	120	no
Zurich	Siewerdstrasse 105	sole ownership	1,403	no
Zurich	Stauffacherstrasse 41	sole ownership	1,405	no
Zurich	Thurgauerstrasse 23; Siewerdstrasse 25	sole ownership	2,657	no
Zurich	Witikonstrasse 311/311b	sole ownership	1,846	yes (petrol station)
76	Commercial investment properties		327,303	
Aarau	Buchserstrasse 7/13	sole ownership	3,657	yes (insignificant)
Aarau	Buchserstrasse 15	sole ownership	353	no
Aarau	Buchserstrasse 47; Florastrasse 1	sole ownership	840	yes (code D) ³
Aarau	Buchserstrasse 18/27/35; Industriestrasse 20/44; Torfeldstrasse 4	sole ownership	41,239	yes
Aarau	Industriestrasse 28	sole ownership	3,639	yes (insignificant)
Aarau	Torfeldstrasse (car park)	sole ownership	2,339	yes (insignificant)
Cham	Alte Steinhauserstrasse 35	sole ownership	3,311	no
Kreuzlingen	Romanshonerstrasse (site)	sole ownership	2,180	no
Kriens	Mattenhof (site)	sole ownership	4,303	no
Lausanne	Place de l'Europe 6	sole ownership	369	yes ⁷
Lausanne	Rue de Genève 19	sole ownership	1,738	yes ⁷
Lausanne	Rue de Genève 21	sole ownership	1,440	yes ⁷
Lausanne	Rue de Genève 23	sole ownership	1,084	yes ⁷
Lausanne	Rue des Côtes-de-Montbenon 1/3	sole ownership	1,101	yes ⁸
Lausanne	Rue des Côtes-de-Montbenon 5	sole ownership	734	yes ⁸
Lausanne	Rue des Côtes-de-Montbenon 11/24	sole ownership	1,195	yes ⁸
Lausanne	Rue des Côtes-de-Montbenon 12	sole ownership	499	yes ⁸
Lausanne	Rue des Côtes-de-Montbenon 14	sole ownership	647	yes ⁸
Regensdorf	Althardstrasse 10	sole ownership	7,714	yes
Wohlen	Zentralstrasse 34	sole ownership	3,189	no
20	Commercial development properties		81,571	
96	Total commercial properties		408,874	

Property description ¹⁰	Total rentable area in m ²	Office space in %	Sales space in %	Commercial space in %	Apartment space in %	Other in %
Com	4,103	31.8	0.0	0.0	0.0	68.2
Com	3,130	100.0	0.0	0.0	0.0	0.0
Com	14,096	19.8	0.0	67.2	0.8	12.2
Com	4,938	56.9	0.0	34.7	0.0	8.4
Com	6,082	31.3	0.0	49.6	0.0	19.2
Com	11,552	68.0	0.0	25.8	0.0	6.2
Com	2,271	41.1	24.5	0.0	9.6	24.7
Com	4,304	67.5	0.0	0.8	0.0	31.7
Com	4,504	95.6	0.0	0.0	0.0	4.4
Com	1,073	78.7	13.0	0.0	0.0	8.4
Com	3,870	91.4	0.0	0.0	3.9	4.8
Com	3,581	73.1	0.0	0.0	0.0	26.9
Com	6,161	20.6	0.0	0.0	0.0	79.4
Com	4,497	21.6	0.0	62.7	0.0	15.8
Com	10,586	0.0	0.9	86.3	0.0	12.8
Com	447	0.0	44.7	0.0	0.0	55.3
Com	739	64.7	28.6	0.0	0.0	6.6
Com	2,574	62.9	0.0	3.5	0.0	33.6
Com	8,259	94.6	0.0	0.0	0.0	5.4
Com	6,917	16.1	0.0	39.4	1.3	43.2
Com	5,438	73.8	8.5	0.0	1.4	16.3
Com	501	60.7	17.0	0.0	0.0	22.4
Com	1,827	96.0	0.0	0.0	0.0	4.0
Com	5,667	69.6	3.7	0.0	0.0	26.7
Com	3,968	62.0	6.2	8.1	0.0	23.7
Res + Com	1,999	48.8	0.0	6.5	30.7	14.0
	391,357	40.0	13.1	24.9	1.2	20.8
Com	4,047	91.0	0.0	0.0	0.0	9.0
Com	239	0.0	0.0	0.0	38.5	61.5
Com	430	0.0	0.0	0.0	0.0	100.0
Com	27,512	6.5	0.4	80.1	2.5	10.6
Com	11,180	0.9	0.0	87.2	0.0	11.9
Com	0	n/a	n/a	n/a	n/a	n/a
Com	4,341	82.6	5.1	0.0	0.0	12.3
Site	0	n/a	n/a	n/a	n/a	n/a
Site	0	n/a	n/a	n/a	n/a	n/a
Com	0	n/a	n/a	n/a	n/a	n/a
Com	3,373	0.0	18.1	26.6	0.0	55.3
Com	3,515	0.0	17.1	25.8	0.0	57.0
Com	2,104	0.0	0.0	0.0	0.0	100.0
Com	314	0.0	0.0	100.0	0.0	0.0
Com	272	0.0	0.0	36.4	0.0	63.6
Com	220	0.0	0.0	100.0	0.0	0.0
Com	935	0.0	0.0	21.4	0.0	78.6
Com	640	0.0	0.0	100.0	0.0	0.0
Com	12,903	38.0	29.6	0.0	0.0	32.3
Com	1,600	56.3	22.8	0.0	0.0	20.9
	73,625	19.5	7.4	48.7	1.1	23.3
	464,982	36.9	12.2	28.6	1.2	21.2

2.3 RESIDENTIAL PROPERTY DETAILS

Location	Address	Acquired	Built	Year renovated
Bergdietikon	Baltenschwilerstrasse 3/5/7/9/11/13/15/17	Oct 2007	1973/1980	1992/2007
Binz	Zürichstrasse 244/246	Nov 2005	1966	1997/2001
Lausanne	Place de la Navigation 2	Nov 2009	1895	
Lausanne	Avenue d'Ouchy 70	Nov 2009	1906	
Lausanne	Avenue d'Ouchy 72, 74	Nov 2009	1907	
Lausanne	Avenue d'Ouchy 76	Nov 2009	1907	
Lausanne	Rue des Fontenailles 1	Nov 2009	1910	
Münchwilten	Buchenacker 22/24/26/28; Unterer Buchenacker 7	Jun 2007	1994/1995	
Regensdorf	Schulstrasse 95/101/107/115; Riedthofstrasse 55/63; Feldblumenstrasse 44	Jun 2007	1963/1969	
Rheinfelden	Rütteliweg 8; Spitalhalde 40	Sep 2006	1972	2004
St. Gall	Teufenerstrasse 15	Dec 2006	1900	2005
Wängi	Brühlwiesenstrasse 11a/11b/15a/15b/19a/19b	Jun 2007	1984/1988	
Zurich	Klingenstrasse 34; Konradstrasse 68	Nov 2001	1897	1987
Zurich	Katzenbachstrasse 239	Mar 2008	1969	
Zurich	Wettingerwies 7; Zeltweg	Apr 1999	1969	2003

15 Properties

Location	Address	Ownership	Site area in m ²	Register of polluted sites
Bergdietikon	Baltenschwilerstrasse 3/5/7/9/11/13/15/17	sole ownership	11,131	no
Binz	Zürichstrasse 244/246	sole ownership	4,325	no
Lausanne	Place de la Navigation 2	sole ownership	254	yes ⁵
Lausanne	Avenue d'Ouchy 70	sole ownership	478	yes ⁵
Lausanne	Avenue d'Ouchy 72, 74	easement	0	yes ⁵
Lausanne	Avenue d'Ouchy 76	sole ownership	738	yes ⁵
Lausanne	Rue des Fontenailles 1	sole ownership	716	no
Münchwilten	Buchenacker 22/24/26/28; Unterer Buchenacker 7	sole ownership	5,741	no
Regensdorf	Schulstrasse 95/101/107/115; Riedthofstrasse 55/63; Feldblumenstrasse 44	sole ownership	16,656	no
Rheinfelden	Rütteliweg 8; Spitalhalde 40	sole ownership	14,817	no
St. Gall	Teufenerstrasse 15	sole ownership	658	no
Wängi	Brühlwiesenstrasse 11a/11b/15a/15b/19a/19b	sole ownership	7,412	no
Zurich	Klingenstrasse 34; Konradstrasse 68	sole ownership	361	no
Zurich	Katzenbachstrasse 239	sole ownership	1,987	no
Zurich	Wettingerwies 7; Zeltweg	sole ownership	609	no
15	Properties		65,883	

¹ Target gross yield as at reporting date 31.12.2009 in % of fair value² Vacancy rate as % of target rental income

Fair value in TCHF	Acquisition costs in TCHF	Gross yield in % ¹	Target rental income in TCHF	Vacancy rate as at 31. 12. 2009 in % ²	Vacant surface area as at 31.12.2009 in %
19,740		5.4	1,065	0.1	1.1
8,981		6.1	550	1.1	2.6
4,367		6.4	279	0.0	0.0
3,691		6.1	225	0.0	0.0
1,483		8.1	120	0.0	0.0
10,920		5.7	627	0.0	0.0
1,968		7.2	141	1.0	1.1
12,540		6.2	780	14.0	13.6
18,620		6.2	1,150	4.7	3.8
17,470		6.6	1,154	4.4	1.5
3,592		5.5	197	2.8	4.5
10,680		6.7	716	5.4	4.8
6,426		6.1	394	0.0	3.8
5,085		5.7	290	2.8	0.0
9,444		5.9	555	0.0	0.0
135,007	110,209	6.1	8,243	3.3	3.3

Property description ¹⁰	Total rentable area in m ²	1–1 ½- room apartments	2–2 ½- room apartments	3–3 ½- room apartments	4–4 ½- room apartments	5 and more room apartments	Total apartments	Other space used in %
3 ABs	5,061	0	8	18	28	0	54	3.7
AB	2,461	0	6	12	12	0	30	4.6
Res	1,239	0	2	0	1	5	8	8.6
Res	1,133	0	0	5	0	5	10	6.8
Res	979	0	0	0	0	0	12	0.0
Res	2,517	0	0	0	0	10	10	28.0
Res	1,081	2	0	0	4	4	10	11.5
3 ABs	4,064	0	4	20	20	0	44	2.2
7 ABs	6,490	10	18	43	23	1	95	3.3
2 Res	5,472	7	30	0	46	0	83	1.2
Res + Com	1,534	1	2	1	7	0	11	30.6
3 ABs	4,258	0	6	21	21	0	48	1.0
2 Res + Com	1,466	0	0	7	3	0	18	41.7
AB	1,610	0	5	8	5	0	18	0.0
Res + Com	987	21	0	0	0	0	21	50.5
	40,352	41	81	135	170	25	464	8.2

⁵ Site pollution unlikely – the property has to be maintained in accordance with the design plan ("Gestaltungsplan") and has been subject to comprehensive renovation over recent years

¹⁰ Com = commercial; Res = residential; AB = apartment building

2 PROPERTY DETAILS

2.4 DETAILS OF INVESTMENT PROPERTIES UNDER CONSTRUCTION

Location	Address	Ownership	Acquired	Built
Adliswil	Wilacker II	sole ownership	Dec 2007	preliminary planning
Horgen	Seestrasse 43 – 45	sole ownership	Nov 2005	under construction
Horgen	Seestrasse 80	sole ownership	Nov 2005	under construction
Lausanne	Rue de Genève 7	sole ownership	Nov 2009	under construction
Lausanne	Rue Beau-Séjour 8	sole ownership	Nov 2009	under construction
Zurich	Katzenbachstrasse II	sole ownership	Oct 04/Feb 2005	2009
Zurich	Manessestrasse 190/192; Staffelstrasse 1/3/5 (building project)	sole ownership	Dec 2005	under construction
Zurich	Turbinenstrasse Hotel (Mobimo Tower)	sole ownership	May 2008	under construction
8	Properties			

2.5 DETAILS OF PROPERTIES OWNED AND USED BY MOBIMO

Location	Address	Ownership	Acquired	Built
Küsnacht	Seestrasse 59	sole ownership	Sep 2002	2006
Lausanne	Place de l'Europe 7	sole ownership	Nov 2009	1905
Lausanne	Rue des Côtes-de-Montbenon 16	sole ownership	Nov 2009	1912
3	Properties			

2.6 CO-OWNERSHIP DETAILS

Location	Address	Ownership	Acquired	Built
Lausanne	Flonplex	co-ownership 40%	Nov 2009	2001
Lausanne	Parking du Centre	co-ownership 50%	Nov 2009	2001
Lausanne	Parking du St. François	co-ownership 26.5%	Nov 2009	n/a
3	Properties			

Fair value in TCHF	Site area in m ²	Register of polluted sites	Description of property	Total rentable area in m ²
1,906	3,700	no	Res	735
35,590	11,361	no	AB	8,424
5,909	3,117	no	Com	60
13,030	3,343	yes ⁵	Res	6,004
30,010	3,827	no	Res	10,029
42,610	6,819	no	AB	8,249
18,410	2,345	no	AB	6,312
90,320	5,808	no	Hotel	13,000
237,785	40,320			52,813

Carrying value in TCHF	Site area in m ²	Register of polluted sites	Description of property	Total rentable area in m ²
13,589	2,287	no	Com	1,884
2,628	178	yes ⁵	Com-share own-use	617
890	179	yes ⁵	Com-share own-use	288
17,107	2,644			2,789

Fair value in TCHF	Site area in m ²	Register of polluted sites	Description of property	Total rentable area in m ²
9,234	0	yes ⁶	Multiplex cinema	0
26,510	0	yes ⁶	Car park	0
2,144	0	yes ⁸	Car park	0
37,888				

2 PROPERTY DETAILS

2.7 BREAKDOWN OF RESIDENTIAL AND COMMERCIAL INVESTMENT PROPERTIES AND COMMERCIAL DEVELOPMENT PROPERTIES BY ECONOMIC AREA

As at 31 December 2009, 119 investment properties were recognised in the balance sheet; of these

- 96 were commercial properties (prior year 65)
- 15 were residential properties (prior year 15)
- 8 were investment properties under construction (prior year 5)

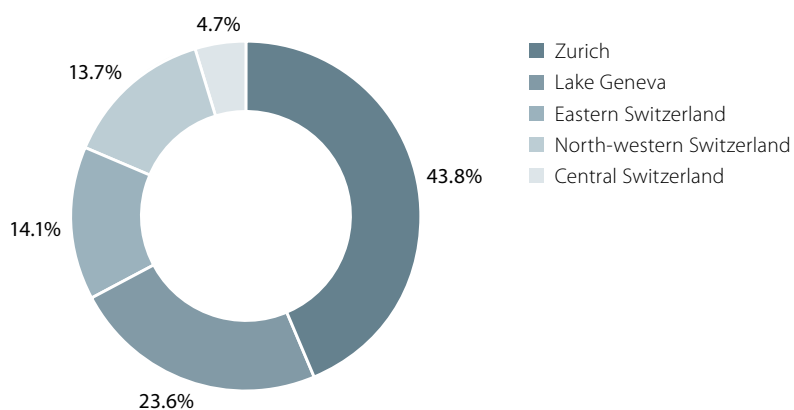


Chart Breakdown of residential and commercial investment properties and commercial development properties by economic area.

REPORT OF THE STATUTORY AUDITOR ON THE CONSOLIDATED FINANCIAL STATEMENTS TO THE GENERAL MEETING OF SHAREHOLDERS OF MOBIMO HOLDING AG, LUCERNE

As statutory auditor, we have audited the consolidated financial statements of Mobimo Holding AG, which comprise the statement of balance sheet, income statement, statement of comprehensive income, statement of changes in equity, cash flow statement and notes (pages 30 to 98), for the year ended 31 December 2009.

Board of Directors' Responsibility

The board of directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The board of directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards as well as International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

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

Opinion

In our opinion, the consolidated financial statements for the year ended 31 December 2009 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with International Financial Reporting Standards (IFRS) and comply with Swiss law and article 13 of the Additional Rules for the Listing of Real Estate Companies of the SIX Swiss Exchange.

Report on Other Legal Requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the board of directors.

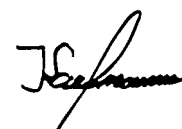
We recommend that the consolidated financial statements submitted to you be approved.

KPMG AG



Reto Benz

Licensed Audit Expert
Auditor in Charge



Reto Kaufmann

Licensed Audit Expert

Lucerne, 1 March 2010

REPORT OF THE VALUATION EXPERT

Valuation of the properties of Mobimo Holding AG

Mandate

In accordance with your mandate, we have undertaken a valuation of those properties held for investment purposes by your company. The valuation was undertaken as per 31 December 2009 for account purposes. On this date, the total portfolio of either investment properties or properties under construction as investment properties, including those properties of the acquired LO Holding, totalled 119 units.

The valuations result in the following summary table for the relevant portfolio of valued properties:

Segment	Units	Fair Value as at 31.12.2009 [CHF]	Share of total	Projected rental income 31.12.2009 [CHF]	Gross yield
Investment Units – Commercial Properties	76	1,130,788,000	70.4 %	75,557,676	6.7 %
Development Units – Commercial Properties	20	102,018,300	6.4 %	7,935,184	7.8 %
Investment Units – Residential Properties	15	135,007,000	8.4 %	8,241,839	6.1 %
All Properties in Inventory	111	1,367,813,300	85.2 %	91,734,699	6.7 %
Properties under construction	8	237,785,000	14.8 %	2,795,748	n/a
All Properties	119	1,605,598,300	100.0 %	94,530,446	5.9 %

The reported market value of CHF 1,605,598 million consists of CHF 1,208,337 million for properties belonging to the Mobimo portfolio and CHF 397,261 million for property in the inventory of LO Holding².

The investment properties and the properties under construction have been valued as per 31 December 2009 using the "discounted cash flow" method. The properties are known to Wüest & Partner due to previous valuations, inspections carried out and documents and information made available to us. For the purposes of the update valuations Wüest & Partner was provided with a current tenant rent roll as per the date of valuation as well as the investment costs undertaken in the defined fiscal year.

It is on this basis and as an independent valuation expert that we undertook the valuation of the individual properties.

¹ The portfolio of investment properties includes, in addition to existing properties, a further eight properties under construction. These are assessed in line with the rules and guidelines of IAS/IFRS as "Investment Properties under Construction (IPUC)".

Not included in the above summary table are the three self-used operational properties (Seestrasse 59; Küsnacht, Place de l'Europe 7; Lausanne und Côte de Montbenon 16, Lausanne) as well as the properties of the affiliated companies (50% share Parking du Centre SA [PCSA], Lausanne; 40% Share Flonplex SA, Lausanne; 26.5% Share Parking St. François SA, Lausanne)

² On 9 November 2009, before the merger of the companies, the market value of the properties of LO Holding were declared to be CHF 393,363 million.

Basis for the Valuations

The market values determined by us, with the valuation date of 31 December 2009, have been completed in line with the definition of "fair value" as described in the "International Financial Reporting Standards" (IFRS) in accordance with IAS 40 "Investment Properties".

The reported "fair value" does not take into account any capital gains tax, property gains tax or value-added tax as well as any other costs or commissions associated with a possible sale of the properties. In addition, no owner liabilities regarding taxes (with the exception of regular property taxes) and financing costs are included.

The determination of "fair value" for investment properties has been undertaken in line with Paragraph 51 of IAS 40, thereby excluding future value-enhancing investments such as conversions, extensions, etc., as well as the associated increases in additional income. A standard marketing period has been included in the valuation for those rental units vacant on the date of valuation.

The valuation of properties under construction is undertaken in accordance with the expanded definition of income properties in IAS 40 (expansion per 1 January 2009). Under this definition those properties which are scheduled for later use as investment properties and which are under construction on the date of valuation fall under the scope of IAS 40 and as such are to be accounted for at market value.

Discounting is undertaken for each property in accordance with location and real estate criteria. These reflect both the relevant spatial characteristics of the macro and micro location as well as the most important aspects of the current economic circumstances of the property.

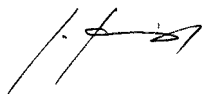
Independence and Confidentiality

We confirm that the valuations of the Mobimo Holding AG properties have been completed in accordance with our business policies, without interference by third parties and solely in accordance with the above-mentioned mandate.

Wüest & Partner AG
Zurich, 1 March 2010



Matthias Arioli
dipl. Ing. ETH /SIA, Partner



Patrik Schmid
dipl. Arch. ETH / SIA, Senior Consultant

Additional information on DCF valuation

Changes in value

Real estate values are influenced by various fundamental factors. A distinction must be made between property-specific factors (management) and exogenous factors arising out of the real estate and financial market environments:

- Changes in the management situation on both the income and the cost side result in a direct adjustment of the stated market value. Of particular significance are the impact of new rentals and the expiry of existing leases, changes in the vacancy situation and changes in respect of operating and maintenance costs.
- Any extraordinary investment programmes carried out in the reporting year are of direct relevance to value since they will no longer be factored into prospective cash outflows. For their part, investments which enhance value and where this can subsequently be passed on to rents lead to higher rental income.
- Developments in the relevant local real estate market impact the calculation of potential rental income.
- Changes in the capital and transaction markets influence discount rates.

The age of a property is a further factor which impacts value. Where general conditions remain absolutely unchanged, the aging of a property alone leads to a decrease in value of around 1 % of the value of the building³.

Estimation of rental income

Valuations are based on actual rental income as stated in the administrator's rent schedule as at the valuation date. This rental income is taken into account in the valuation after the incorporation of any terms and conditions agreed in lease contracts. Future rental income is estimated on the basis of individual rental properties. An individual income cash flow is modelled for each property, taking existing leases into account.

For leases of a limited duration, the potential rental income attainable, from the current perspective, over the long term is used on expiry of the contractual rental period. Potential rental income in line with the market is determined on the basis of the most recent leases concluded either for the property concerned or for comparable properties in the vicinity of the property concerned as well as on the comprehensive real estate market research carried out by Wüest & Partner.

The plausibility of potential rental income from retail spaces is checked using calculations of market-standard revenue figures.

For existing leases based on mixed usage, potential rental income is based on separate individual usage.

Genuine lessee options to extend a lease are taken into account when actual rents are less than the market rents determined. Non-genuine options where provisions are in place for rents to be adjusted in line with market rents prevailing at a specific time are dealt with in the same way as lease contracts for limited periods as set out above.

For leases where duration is unlimited, as is common with residential use, adjustments in line with the potential rental income calculated take account of general conditions under rental law and property-specific fluctuation.

Operating and maintenance costs

The operating and maintenance costs incorporated into valuations are based on property statements from prior years and on the budgets approved by the various bodies responsible at Mobimo Holding AG. The data are subject to a plausibility check based on existing contractual agreements from the management side and compared with benchmarks from Wüest & Partner's database pool.

³ Actual accrued depreciation depends in particular on the type of construction used, the age and the location of the specific property.

Projected outlays for operation and ongoing maintenance are modelled on the basis of these analyses.

Refurbishment costs

Short, medium and long-term refurbishment costs are of central importance in DCF valuation. These valuations essentially reflect the investment plans made available by Mobimo Holding AG. The plausibility of these data is checked using specific cost benchmarking.

In order to determine long-term refurbishment costs Wüest & Partner uses a life-cycle method for the long-term value preservation of existing structural fabric. In this analysis, the long-term investment required to preserve the value of the property is calculated, taking into account the age of the characteristic building components along with production costs and the current condition of the building.

Discounting

The relevant discounting rates determined reflect the risk assessment profile for the respective property. In this calculation, Wüest & Partner takes both property-specific and location and market-specific factors into account. The discounting rates applied are regularly subject to empirical measurement and verification using known change of ownership and transaction data.

The market-based, risk-adjusted discount rate is structured around individual factors within the framework of a supplemental model. The basis is a risk-free interest rate (in this case: long-term government bonds), and supplements are then determined and added to this basis for general real estate risk (the property becomes illiquid, market risks) and for specific property risks (relating to the specific characteristics of the property and the locations).

Inflation

Inflation is implicitly incorporated into valuations via changes in cash flows. In rental income, it is incorporated at the level of individual leases via the contractually-agreed inflation adjustment structure or degree of transferral (or adjustment of 80% in respect of the change in the consumer price index). Full inflation is generally factored in with operating and maintenance costs. The discount rate selected is depicted on the basis of real rates.

3 FINANCIAL STATEMENTS OF MOBIMO HOLDING AG

3.1 BALANCE SHEET AS AT 31 DECEMBER

All amounts in TCHF	2009	2008
Assets		
Current assets		
Cash	5,702	422
Trade receivables – Group	654	224
Other receivables – third parties	1,304	1,153
Other receivables – Group	0	8,910
Prepaid expenses and accrued income – third parties	31	13
Prepaid expenses and accrued income – Group	1,690	2,080
Treasury shares	39	1,415
Total current assets	9,420	14,217
Non-current assets		
Financial assets		
– Participations	620,177	561,058
Total non-current assets	620,177	561,058
Total assets	629,597	575,275

All amounts in TCHF	2009	2008
Equity and liabilities		
Liabilities		
Current liabilities		
Payables – Group	528	1,113
Payables – related parties	2,403	1,630
Payables – third parties	2,563	242
Accrued expenses and deferred income – related parties	0	587
Accrued expenses and deferred income – third parties	351	199
Total current liabilities	5,845	3,771
Non-current liabilities		
Loans from Group companies	36,800	929
Total non-current liabilities	36,800	929
Total liabilities	42,645	4,700
Equity		
Share capital	192,035	204,230
Statutory reserves		
– General reserves	2,355	2,355
– Share premium	280,673	280,673
– Reserves for treasury shares	721	1,605
Retained earnings		
– Balance brought forward	82,596	62,246
– Profit for the year	28,572	19,466
Total equity	586,952	570,575
Total equity and liabilities	629,597	575,275

3 FINANCIAL STATEMENTS OF MOBIMO HOLDING AG

3.2 INCOME STATEMENT

All amounts in TCHF	2009	2008
Income from cost charges – Group	1,602	1,249
Income from participations – Group	35,294	19,710
Income from participations – third parties	80	80
Financial income – Group	79	227
Financial income – third parties	2	1
Total income	37,057	21,267
Personnel expenses	–1,997	–273
Administration expenses – related parties	–111	–102
Administration expenses – third parties ¹	–5,742	–1,173
Interest expenses for loans – Group	–482	–33
Other financial expense – third parties	–126	–20
Valuation allowance treasury shares	0	–190
Tax expense	–27	–10
Total expenses	–8,485	–1,801
Profit for the year	28,572	19,466

¹ The increase in administrative expenses is attributable to the additional administrative workload produced by the acquisition of LO Holding Lausanne-Ouchy SA.

3.3 NOTES TO THE FINANCIAL STATEMENTS

1. Equity

The Annual General Meeting of 8 April 2009 approved a capital reduction via a reduction in the nominal value of all shares from CHF 47.00 to CHF 38.00. Repayment took place on 30 June 2009. The nominal value repayment reduced share capital by CHF 39.1 million (prior year CHF 39.1 million).

Mobimo issued 708,229 new shares from existing conditional capital on 9 November 2009. These shares were used for the settlement of the public exchange offer of 23 July 2009 to acquire all publicly held registered shares in LO Holding Lausanne-Ouchy SA, Lausanne (LO), both directly and indirectly via JJM Participations SA, Lausanne (see Note 1 Changes in scope of consolidation).

As at 31 December 2009 share capital amounted to CHF 192 million and was composed of 5,053,552 registered shares with a nominal value of CHF 38 each. All outstanding shares are entitled to dividends and are entitled to one vote at the company's general meetings.

2. Participations

Name	Registered office	Purpose	Share capital in TCHF	Equity interest in %
Mobimo AG	Lucerne	Real estate company	72,000	100.0
Mobimo Verwaltungs AG	Küsnacht	Real estate company	100	100.0
Mobimo Finance Ltd.	Jersey	Financial services	Minimum capital	100.0
Scala Tower AG	Lucerne	Dormant company	100	100.0
LO Holding Lausanne-Ouchy SA ¹	Lausanne	Real estate group	12,000	99.15
JJM Participations SA ¹	Lausanne	Holding company	6,001	100.0
Olmero AG	Opfikon	IT	208	6.44

3. Conditional capital

Conditional share capital of a maximum of CHF 5.3 million is available for a maximum of 138,252 fully paid up registered shares with a nominal value of CHF 38 each for the purposes of settling option exercises of the members of the Board of Directors, related parties and Group company employees.

No option rights were exercised in the financial year 2009 (prior year 1,898 option rights).

4. Authorised capital

As at 31 December 2009 authorised share capital was available, allowing the Board of Directors to increase the share capital of the company by a maximum of CHF 18.7 million by 22 May 2010 via the issue of a maximum of 491,771 registered shares, to be fully paid up, with a nominal value of CHF 38 per share.

5. Treasury shares

As at 31 December 2009 the company held 4,373 of its own shares, of which 223 are held by Mobimo Holding AG and 4,150 by LO Holding Lausanne-Ouchy SA. The prior year's holding of 10,000 treasury shares was reduced by the sale of 7,000 shares for the amount of TCHF 1,020. A further 2,000 shares were purchased on the market at an average price of CHF 173.52 in order to cover the subsequent exchange of shares in LO Holding Lausanne-Ouchy SA; a total of 2,421 were then used in the exchange. Treasury shares held by LO Holding Lausanne-Ouchy SA were exchanged in connection with the public offer and 4,150 treasury shares were thus acquired. Furthermore, 2,356 shares were issued in connection with the compensation of the Board of Directors and the Executive Board.

6. Significant shareholders

(see Note 40 of the Notes to the consolidated financial statements)

¹ Additions in 2009

7. Additional information

In the year under review, the members of the Board of Directors, related parties and the Executive Board received compensation as set out below (disclosure in accordance with Article 663^{bis} of the Swiss Code of Obligations).

Name, function	Profit-sharing			Shares	Social security contributions	Payments for additional services	Total 2009	Total 2008
	Fees, salary	in cash	in option rights					
BoD	918	0	0	262	42	0	1,222	1,415
Urs Ledermann, Chairman BoD ³	480	0	0	0	0	0	480	250
Dr. Alfred Meili, Chairman BoD ¹	n/a	n/a	n/a	n/a	n/a	n/a	n/a	394
Dr. Kurt Bättig, BoD ¹	n/a	n/a	n/a	n/a	n/a	n/a	n/a	58
Brian Fischer, BoD ²	120	0	0	0	0	0	120	81
Wilhelm Hansen, BoD ²	7	0	0	113	9	0	129	87
Karl Reichmuth, BoD ⁶	n/a	n/a	n/a	n/a	n/a	n/a	n/a	237
Peter Schaub, BoD ²	150	0	0	0	11	0	161	94
Paul Schnetzer, BoD ³	153	0	0	17	11	0	181	47
Georges Theiler, BoD	8	0	0	132	11	0	151	167
Executive Board⁴	1,422	1,050	130	51	270	0	2,923	1,854
Christoph Caviezel, CEO ³	602	600	75	26	118	0	1 421	n/a
Paul Schnetzer, CEO ⁷	n/a	n/a	n/a	n/a	n/a	n/a	n/a	718

Amounts equal the expense recognised in the consolidated financial statements of the reporting year (accrual accounting), with the exception of share-based compensation for members of the Board of Directors, which is disclosed at taxable value.

As at 31 December 2009, the shareholdings of the members of the Board of Directors and the Executive Board were as set out below (disclosure in accordance with Article 663c of the Swiss Code of Obligations). The members elected to the Board of Directors by the Extraordinary General Meeting held on 17 December 2009, Daniel Crausaz, Bernard Guillelmon and Paul Rambert, did not receive any compensation for the financial year 2009.

Name, function	No. of shares	No. of options		Total 2009	Total 2008
		Issued	2009 approved		
BoD	24,146	10,942	0	35,088	44,909
Urs Ledermann, Chairman BoD ³	3,858	1,926	0	5,784	5,051
Brian Fischer, BoD ²	0	112	0	112	112
Wilhelm Hansen, BoD ²	887	112	0	999	112
Karl Reichmuth, BoD ⁶	n/a	n/a	n/a	n/a	29,487
Peter Schaub, BoD ²	8,030	112	0	8,142	642
Paul Schnetzer, BoD ³	532	5,789	0	6,321	6,188
Georges Theiler, BoD	2,865	2,891	0	5,756	3,317
Daniel Crausaz, BoD ⁵	348	0	0	348	n/a
Bernhard Guillelmon, BoD ⁵	3,062	0	0	3062	n/a
Paul Rambert, BoD ⁵	4,564	0	0	4,564	n/a
Executive Board	5,508	219	1,602	7,329	5,459
Christoph Caviezel, CEO ³	3,450	150	915	4,515	2,350
Peter Grossenbacher, Head Portfolio Mgmt ⁸	1,908	46	229	2,183	1,954
Andreas Hämmerli, Head Development ³	0	23	229	252	23
Manuel Itten, CFO ⁹	150	0	229	379	n/a
Markus Meier, CFO ¹⁰	n/a	n/a	n/a	n/a	1,132

¹ until May 2008³ from October 2008⁶ on behalf of Privatbankiers Reichmuth & Co.;
BoD Chairman from May 2008 to September 2008⁸ from July 2008² from May 2008⁴ highest overall compensation⁷ until September 2008⁹ from March 2009⁵ from December 2009¹⁰ until February 2009

8. Risk assessment

The Board of Directors addresses its risk management responsibilities via the Audit & Risk Committee (AC). The main duty of this Committee is to support the Board of Directors by means of preparatory work, audits and clarification. The four areas where the Audit & Risk Committee is active are:

- budgeting, preparation of financial statements, external audit and external appraisal,
- risk management and internal control system (ICS), including compliance with legislation, directives and internal guidelines (compliance),
- financing,
- taxes.

In the period under review, the AC worked with management prepared a risk inventory which sets out the fundamental risks involved by risk category. For each risk, the risk owner, impact and measures implemented are analysed and then evaluated on the basis of the criteria of likelihood, financial impact and damage to reputation and image. Wherever necessary, further measures are defined for the ongoing management of the risks assessed.

9. Joint and several guarantees

Mobimo Holding AG forms a "VAT group" together with Mobimo AG, Scala Tower AG and Mobimo Verwaltungs AG. They are jointly and severally liable for liabilities arising therefrom.

3.4 PROPOSED APPROPRIATION OF RETAINED EARNINGS

in TCHF	2009	2008
Retained earnings available amount to	111,168	81,712
The Board of Directors proposes the following appropriation of retained earnings to the general meeting:		
Balance to be carried forward	111,168	81,712

The Board of Directors will propose to the General Meeting of 5 May 2010 a capital reduction of CHF 45.5 million in the form of a reduction in nominal value of CHF 9 per share.

3.5 REPORT OF THE STATUTORY AUDITOR ON THE FINANCIAL STATEMENTS TO THE GENERAL MEETING OF SHARE HOLDERS OF MOBIMO HOLDING AG, LUCERNE

As statutory auditor, we have audited the financial statements of Mobimo Holding AG, which comprise the balance sheet, income statement and notes (pages 104 to 109), for the year ended 31 December 2009.

Board of Directors' Responsibility

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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

Opinion

In our opinion, the financial statements for the year ended 31 December 2009 comply with Swiss law and the company's articles of incorporation.

Report on Other Legal Requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (Article 728 Code Obligations (CO) and Article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with Article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

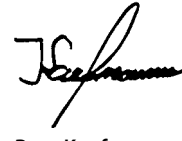
We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

KPMG AG



Reto Benz

Licensed Audit Expert
Auditor in Charge



Reto Kaufmann

Licensed Audit Expert

Lucerne, 1 March 2010



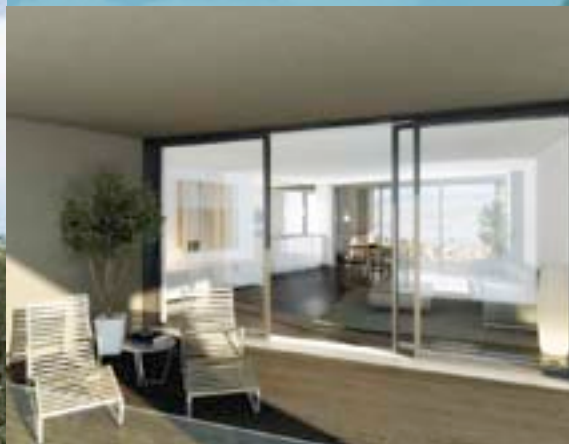




CORPORATE GOVERNANCE

Development property
Condominium building

Wädenswil, "Triton"
Rötibodenstrasse 34/36

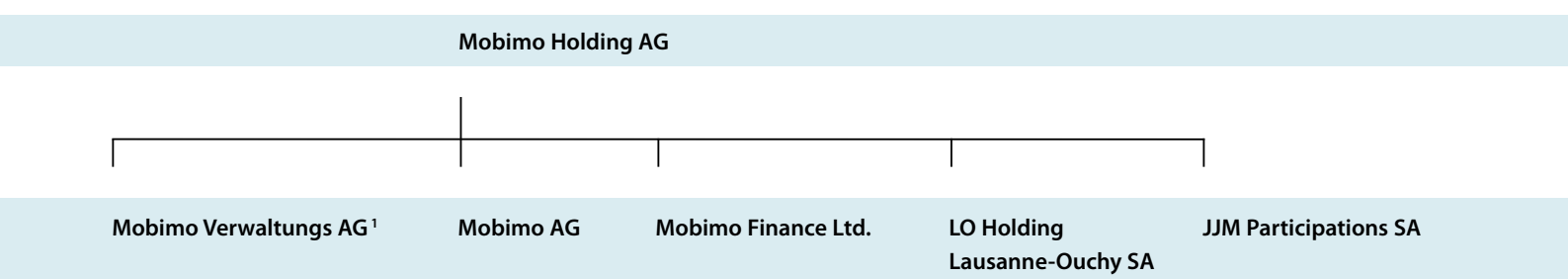


The Corporate Governance report is based on the structure of the SIX guideline concerning corporate governance information (RLCG). Cross references are made to other sections of the Annual Report in order to avoid repetitions. The complete, current Articles of Association of Mobimo Holding AG are available on the internet at www.mobimo.ch in the section "Aktionäre und Analysten" ("Shareholders and Analysts").

1 CONSOLIDATED FINANCIAL STATEMENTS

1.1 Consolidated balance sheet as at 31 December

The Mobimo Group has the following legal and ownership structure:



Mobimo Holding AG, headquartered in Lucerne, is listed on the SIX Swiss Exchange. As at 31 December 2009, its market capitalisation stood at CHF 890 million with a stock exchange price of CHF 176.10.

The registered shares are traded on the main segment (Security number 1110887 / ISIN 0011108872; code MOBN).

LO Holding Lausanne-Ouchy SA, headquartered in Lausanne, is also listed on the SIX Swiss Exchange. As at 31 December 2009, its market capitalisation stood at CHF 164.4 million with a stock exchange price of CHF 1,370. The registered shares are traded on the main segment (Security number 163915 / ISIN CH 0001639159 / code LOUN). Now that Mobimo Holding AG holds 98.91% of the shares of LO Holding Lausanne-Ouchy AG following the completion of the public offer, it has filed a suit to have the remaining publicly held shares cancelled. Once this cancellation procedure has been completed, the shares of LO Holding Lausanne-Ouchy SA will be delisted. As such, SIX Swiss Exchange AG has released LO Holding Lausanne-Ouchy SA from the obligation to submit and publish an annual report for 2009, to publish ad hoc notices, to disclose management transactions and to comply with certain reporting obligations (ruling of 8 January 2010). As at 31 December 2009, 99.15% of the shares of LO Holding Lausanne-Ouchy SA were owned by Mobimo Holding AG.

Below are the key figures of the most significant unlisted ownership interests:

Company	Domicile	Capital stock in TCHF	Ownership interest in %
Mobimo AG	Lucerne	72,000	100.00
Mobimo Verwaltungs AG ¹	Küsnacht	100	100.00
Mobimo Finance Ltd.	Jersey	Minimum capital	100.00
JJM Participations SA	Lausanne	6,001	100.00

Mobimo AG is a real estate company that buys and sells real estate, constructs new buildings, conducts renovations and assesses all related activities on an independent basis. It defines the strategy, appoints the architects, engineers and consultants, develops the basic concepts, oversees the building sites and manages the services furnished by external providers.

Mobimo Verwaltungs AG performs general services for the other Group companies. Mobimo Finance Ltd. provides financial services for the other Group companies.

JJM Participations SA is a pure investment company that holds shares in LO Holding Lausanne-Ouchy SA.

1.2 Significant shareholders

The following shareholders hold a significant proportion of the shares and options in Mobimo Holding AG as at 31 December 2009.

Reichmuth & Co Investmentfonds AG ²	5.8 %
Dr. Alfred Meili ³	5.6 %
Pensionskasse des Kantons Zug	3.8 %

The following reports based on Article 20 SESTA were received during the year under review:

- Dr. Alfred Meili reported on 20 April 2009 that the threshold of a 5 % holding had been exceeded with 158,040 registered shares and 59,956 option rights held.
- Chasellas Global reported on 6 November 2009 that it had fallen below the threshold of a 5 % holding with the increase in the share capital of Mobimo Holding AG as of 6 November 2009.
- Reichmuth & Co Investmentfonds AG reported on 6 November 2009 that it holds 5.8 % of Mobimo's shares.

Of the total 5,053,552 shares issued, 78 % (3,932,288 shares) were also effectively recorded in the Share register as at 31 December 2009. The proportion of shares pending registration of transfer is thus around 22 %. Of the registered shares, 92 % are owned by Swiss investors; some 70 % of these are held by legal entities. In terms of the overall registered equity holding, pension funds and foundations hold a share of approximately 37 %.

1.3 Cross shareholdings

There are no cross shareholdings.

¹ Change of name effective 1 March 2010: Mobimo Management AG

² The shareholder group Reichmuth & Co Investmentfonds AG consists of Chasellas Global, Reichmuth Alpin and Reichmuth Voralpin. Chasellas Global held 9.2 % of the shares in the prior year.

³ Including the shareholder group represented by Dr Alfred Meili.

2 CAPITAL STRUCTURE

2.1 Capital

The following events had an impact on capital in 2009:

- a) Nominal value repayment of CHF 9.00 and subsequent reduction in nominal value to CHF 38.00 per share;
- b) Capital increase of CHF 26,912,702 via the issue of 708,229 new shares at a nominal value of CHF 38.00.

Capital as at 31 December 2009	Total (TCHF)	Number of registered shares	Nominal value per share (CHF)
Share capital	192,035	5,053,552	38.00
Authorised capital	max. 18,687	491,771	38.00
Conditional capital	max. 5,254	138,252	38.00

The development in capital is described in Note 19 of the consolidated financial statements.

2.2 Authorised and conditional capital (in focus)

Authorised and conditional capital is defined in Articles 3a and 3b of the Articles of Association.

In the case of authorised capital, the Board of Directors is entitled, pursuant to Article 3a of the Articles of Association, to increase the share capital through the issue of up to a maximum of 491,771 fully paid-up registered shares until 22 May 2011. Increases by means of firm commitment underwriting or in instalments is permitted. The issue price, type of contributions, conditions governing the exercise of subscription rights, allocation of the excluded subscription rights and timing of the dividend entitlement are determined by the Board of Directors. The Board of Directors decides on subscription rights which have not been exercised in the interest of the company. Once acquired the new registered shares are subject to the restrictions on transfer in accordance with Article 6 of the Articles of Association. Shareholders' subscription rights are removed; the shares issued can be used only as compensation for the acquisition or financing of the acquisition of property or as compensation for the takeover or for the financing of the takeover of companies, parts of companies or ownership interests.

Pursuant to Art. 3b of the Articles of Association, conditional capital may be increased by the issue of up to max. 138,252 fully paid-up registered shares, subject to the exclusion of subscription rights through the exercise of option rights which are granted to members of the Board of Directors, related parties, or employees of Group companies. The acquisition of registered shares through the exercise of option rights and the subsequent transfer of these registered shares are subject to the restrictions on transfer in accordance with Article 6 of the Articles of Association. The option plan is described in Note 37 to the consolidated financial statements.

2.3 Changes in capital

Change	Total (TCHF)	Number of registered shares	Nominal value per share (CHF)
Share capital as at 31. 12. 2004	150,313	1,811,000	83.00
Share capital as at 31. 12. 2005	192,411	2,600,145	74.00
Share capital as at 31. 12. 2006	225,346	3,466,860	65.00
Share capital as at 31. 12. 2007	243,232	4,343,425	56.00
Share capital as at 31. 12. 2008	204,230	4,345,323	47.00
Share capital as at 31. 12. 2009	192,035	5,053,552	38.00
Authorised capital as at 31. 12. 2004	29,880	360,000	83.00
Authorised capital as at 31. 12. 2005	26,640	360,000	74.00
Authorised capital as at 31. 12. 2006	23,400	360,000	65.00
Authorised capital as at 31. 12. 2007	20,160	360,000	56.00
Authorised capital as at 31. 12. 2008	16,920	360,000	47.00
Authorised capital as at 31. 12. 2009	18,687	491,771	38.00
Conditional capital as at 31. 12. 2004	12,865	155,000	83.00
Conditional capital as at 31. 12. 2005	11,163	150,855	74.00
Conditional capital as at 31. 12. 2006	9,750	150,000	65.00
Conditional capital as at 31. 12. 2007	7,848	140,150	56.00
Conditional capital as at 31. 12. 2008	6,498	138,252	47.00
Conditional capital as at 31. 12. 2009	5,254	138,252	38.00

Further information on changes in capital can be found in Note 19 to the consolidated financial statements.

2.4 Shares and participation certificates

The share capital amounts to CHF 192,034,976 as at 31 December 2009 and comprises 5,053,552 fully paid-up registered shares with a nominal value of CHF 38.00, all of which are entitled to dividends and confer the right to vote. There are no preference shares or voting shares.

Mobimo Holding AG has not issued any participation certificates.

2.5 Dividend-right certificates

Mobimo Holding AG has not issued any dividend-right certificates.

2.6 Restrictions on transferability and registration of nominees

Article 6 of the Articles of Association defines the restrictions on transferability. The Board of Directors may deny authorisation to transfer shares for the following reasons:

1. In so far as recognising a transferee as a full shareholder may – according to the information available to it – hinder the company from providing proof of Swiss control as stipulated by the federal laws; specifically, in accordance with the Swiss federal law pertaining to the purchase of property by persons resident abroad (BewG) of 16 December 1983, including the changes of 30 April 1997, and the Federal Council decision on measures against improper use of federal double taxation agreements of 14 December 1962.

2. If, despite requests from the company, the transferee fails to expressly declare that they have acquired and intend to hold the shares in their own name and for their own account.

3. If, following the acquisition of the shares, the number of shares held by the transferee exceeds 5% of the total number of shares recorded in the Commercial Register. Legal entities and partnerships vested with legal capacity which are grouped together in terms of capital or voting rights, by joint management or in a similar way, as well as natural persons or legal entities and partnerships which act together in a coordinated manner with a view to circumventing the restrictions on registration shall be deemed as one transferee as defined under these conditions.

4. As soon as and in so far as the acquisition of shares takes the total number of shares held by persons abroad as defined by the Swiss federal law pertaining to the purchase of property by persons resident abroad over one-third of the shares recorded in the Commercial Register. This restriction shall apply subject to Article 653c para. 3 of the Swiss Code of Obligations, including in the case of registered shares acquired through the exercise of subscription, option or conversion rights.

In order to ensure compliance with the thresholds indicated, before they are entered in the Share Register new shareholders are scrutinised as regards their status as "Swiss citizens" pursuant to the Swiss federal law pertaining to the purchase of property by persons resident abroad. If they cannot be verified as "Swiss citizens", then provided all other conditions are met they are entered in the category "Non-Swiss", as long as the threshold of one-third of all shareholders is not exceeded.

As at 31 December 2009, 6% of all shareholders are classified as "Non-Swiss" according to the above definition. The threshold for registering non-Swiss is thus far from being reached. The Articles of Association do not contain any provisions pertaining to the registration of nominees. Nominees may be registered subject to the above-mentioned 5% clause and the maximum ratio of non-Swiss shares without voting right restrictions; there is, however, no entitlement to registration. No registrations were rejected during the year under review. The Articles of Association do not contain any provisions pertaining to the revocation of statutory privileges (furthermore, none were granted) or the revocation of restrictions on transferability. As a result, the provisions of the Swiss Code of Obligations apply.

2.7 Convertible bonds and options

Convertible bonds

The company has not issued any convertible bonds as at the reporting date.

Options

In terms of options on Mobimo shares, as at 31 December 2009 only the 2,403 options assigned to members of the Board of Directors, third parties closely associated with them and the Executive Board of Mobimo Holding AG are outstanding. These options can be used to subscribe to the same number of fully paid-up registered shares. The details of this option are described in Note 37 of the consolidated financial statements.

3 BOARD OF DIRECTORS

3.1 Members of the Board of Directors

**Urs Ledermann, Chairman,
also Member of the Real Estate Committee**

Entrepreneur, Swiss,
resides in Zollikon ZH

Urs Ledermann was born on 14 July 1955 in Brugg. After completing a commercial apprenticeship at an import/export company in 1974, Urs Ledermann held various positions in the steel, packaging and food industries. In 1977 he founded his own firm, Ledermann AG, an HR consultancy, in Zurich. In 1990 the firm was organised as a holding company and management divided over three partners. Urs Ledermann sold his main office in Zurich in 1992 to devote his time to the five family-run offices in Geneva, Berne, St. Gall, Lugano and Lucerne.

This was followed in 1993 by the founding of Urs Ledermann & Partner AG, a management and HR consultancy company, in Zurich, with 20 employees. In 2002 Urs Ledermann sold this company to a partner; he has since concentrated on complex mandates in the real estate and banking sectors.

Today his chief professional focus is on Ledermann AG Beteiligungen & Immobilien, Zurich, which was founded in 1983 and was merged into new company Ledermann Immobilien AG in the summer of 2009 together with other family companies, the family-run Cleaning Store Company AG, Zurich (a leading textile cleaning group founded in 1957), and on research, analysis, planning, buying, selling and management for his own portfolio of apartment buildings and business properties in the Zurich region.

Urs Ledermann holds various directorships both within and outside his own group of companies. In particular, he serves on the Boards of Directors of Sada AG Zurich and SCM Strategic Capital Management AG. He has been a member of Mobimo's Board of Directors since 2003.

**Georges Theiler, Vice Chairman,
also Member of the Real Estate Committee**

Certified Operating Engineer, Federal Institute of Technology, Entrepreneur, Swiss, resides in Lucerne

Georges Theiler was born on 20 May 1949 in Lucerne. He graduated from high school in Lucerne and studied at the Swiss Federal Institute of Technology Zurich until 1976. After working as a consultant in the field of hospital planning, he served as Chairman of the Executive Board and member of the Board of Directors of construction company and general contractor Theiler + Kalbermatter T+K Bau AG in Lucerne, with 250 employees. This company, active in the building construction, tunnel construction, real estate development and real estate management sectors, was sold to Bati-group AG in 1997.

Since 1997 Georges Theiler has owned GT-Consulting, which specialises in consulting and directorship mandates. Since 1995 he has represented the FDP Party in the National Council. He became a member of Mobimo's Board of Directors in 2000.

Daniel Crausaz

Engineer, Master of Business Administration,
Swiss, resides in St-Sulpice

Daniel Crausaz was born on 28 May 1957 in Aarau. He studied engineering at the Swiss Federal Institute of Technology Lausanne and completed an MBA programme at the Faculty of Business and Economics at the University of Lausanne. He worked as an engineer for Felix Constructions SA in Bussigny from 1983 to 1985 and then for Bonnard & Gardel Ingenieurs Conseils Lausanne SA until 1989. He joined Banque Cantonale Vaudoise in 1990 and was appointed Managing Director in 1997. From 2003 Daniel Crausaz worked as an independent consultant on a number of mandates in French-speaking Switzerland. Since 2008 he has been Deputy Director of Agrifert AG, an international commodities trading firm, and he joined the Board of Directors of LO Holding Lausanne-Ouchy SA in 1999.

He has been a member of the Board of Directors since 17 December 2009.

Brian Fischer,
also Member of the Audit & Risk Committee

Attorney-at-Law and Swiss-certified Tax Expert, Swiss, resides in Langnau am Albis ZH

Brian Fischer was born in Melbourne, Australia, on 27 January 1971. After graduating from high school in Davos in 1990, he went on to study at the University of Berne until 1996. From 1997 until the end of 2000 he was employed as a tax and legal advisor at PricewaterhouseCoopers AG.

Since 2001 he has worked in Investment Banking at Bank Vontobel AG. He advised Mobimo on their IPO in 2005, as well as on their 2006 and 2007 capital increases. He has been a member of the Board of Directors since 2008.

Bernard Guillelmon

Engineer, Masters in Energy, Master of Business Administration, dual nationality (Swiss and French), resides in Berne

Bernard Guillelmon was born on 5 November 1966 in Zurich. After high school he studied engineering at the Swiss Federal Institute of Technology Lausanne, where his special focus was microtechnology, and went on to complete a Masters in energy. He also completed the MBA programme at INSEAD in Fontainebleau with distinction. Bernard Guillelmon worked as an engineer and department head for BKW AG from 1990 to 1998. During this time, he headed up a range of complex reorganisation projects.

Following a short period as an independent consultant, he was appointed Head of Energy at Swiss Federal Railways at the beginning of 2001. He held further key positions at Swiss Federal Railways, with his last position being Deputy Head of Infrastructure and Head of Business Management. Since 1 July 2008 Bernard Guillelmon has been CEO of BLS AG. He joined the Board of Directors of LO Holding Lausanne-Ouchy SA in 2005.

He has been a member of the Board of Directors since 17 December 2009.

Wilhelm Hansen,
also Member of the Audit & Risk Committee

lic. rer. pol., Management Consultant, Swiss, resides in Basel

Wilhelm Hansen was born on 30 August 1953. After spending 25 years working in the area of capital investments (at the former Union Bank of Switzerland as an investment advisor, head of the securities division at Basler Versicherungen and co-owner of Privatbank Baumann & Cie), in 2002 he specialised as an independent management consultant in the area of organisational and strategic development and corporate governance. He also executes various mandates, for example, he is Chairman of the Governing Board of Basellandschaftliche Kantonalbank, Vice Chairman of the Board of Directors of Scobag Privatbank AG and member of the Board of Directors of Tarimo AG. He has been a member of Mobimo's Bank of Directors since 2008.

Paul Rambert,
also Member of the Real Estate Committee

Certified Architect, ETH Zurich, Swiss, resides in Lausanne

Paul Rambert was born on 5 January 1945 in Zurich. He studied architecture at the Swiss Federal Institute of Technology, spent an additional year studying at Harvard University and held a number of key positions at Suter + Suter in Basel over many years. He was a member of the Executive Board of Zschokke AG from 1993 to 1997 and headed up LO Holding Lausanne-Ouchy SA in Lausanne between 1998 to 2009. Through his Immopoly GmbH, he is active as a real estate consultant in Lausanne and Zurich.

He also holds various directorship mandates, for example as Chairman of Parking du Centre SA and Flonplex SA Lausanne) and as Member of the Board at LO Holding Lausanne-Ouchy SA, Securitas AG Zollikofen and Solvalor Fund Management SA, Lausanne. He sits on the Foundation Board of the Fondation Métropol, Lausanne and has been a member of Mobimo's Board of Directors since 17 December 2009.

Peter Schaub,
also Chairman of the Audit & Risk Committee

Attorney-at-Law, Swiss, resides in Uster ZH

Peter Schaub was born on 4 December 1960 in Zurich. After graduating from high school in Zurich he studied law at the University of Zurich, receiving his Masters degree in 1987. In 1987/88 he was employed as a legal advisor at the Schellenberg Wittmer law firm in Zurich, and in 1990 he obtained his licence to practice law in the canton of Zurich. Peter Schaub worked as a tax commissioner for the canton of Zurich between 1990 and 1993, and since 1994 he has been partner of the tax and law firm Weber Schaub & Partner in Zurich.

He also holds various directorships, including at CPH Chemie + Papier Holding AG, in Perlen, UBV Uetikon Betriebs- und Verwaltungs AG, in Uetikon am See, and Rüegg Cheminée AG, in Zumikon. He has been a member of the Board of Directors since 2008.

Paul Schnetzer,
also Chairman of the
Real Estate Committee

Real Estate Expert, Swiss, resides in Herrliberg ZH

Paul Schnetzer was born in Uzwil on 4 February 1941. After leaving school he studied business administration and received a certificate of competence as a land registrar. He managed the municipality of Eggersriet for twelve years in the capacity of full-time chairman, where his main duties included overseeing the departmental organisation and overall finances.

For 16 years he was managing director of a small trust company in St. Gall. During his work for real estate company Göhner Merkur AG in Zurich from 1996 to 2001, he played a successful role in the trading organisation and completed a challenging divestment project in close cooperation with the promotion team.

Paul Schnetzer joined Mobimo Verwaltungs AG on 1 September 2002 and was promoted to CEO of the Mobimo Group on 1 July 2004. He also directly heads up the real estate purchasing division. He has in-depth expertise and extensive practical experience in all areas of the business. He has been a member of the Board of Directors since 1 October 2008.

3.2 Other activities and interests

Mobimo Holding AG has concluded special agreements with all members of the Board of Directors and Executive Board in order to avoid conflicts of interest. In these agreements, the members of the Board of Directors and Executive Board undertake, inter alia, to:

- not take up any directorship mandates with other real estate companies;
- keep the company informed about any offers to acquire land and property and grant the company a priority claim;
- not accept any additional remuneration such as arrangement commissions.

Urs Ledermann owns his own real estate portfolio specialising in the City of Zurich, both privately and through his companies Ledermann AG Beteiligungen und Immobilien, Sihl Liegenschaften AG and Ledermann Liegenschaften AG. Potential conflicts of interest are managed through appropriate organisational and contractual contingency plans.

Georges Theiler works for Implenia AG in an advisory capacity.

Wilhelm Hansen is Chairman of the Governing Board of Basellandschaftliche Kantonalbank and holds 20% of the shares in Tarimo AG, Basel. These companies own and finance properties.

Peter Schaub exercises directorships at CPH Chemie + Papier Holding AG and UBV Uetikon Betriebs- und Verwaltungs AG. These companies own operating and development properties (CPH) and investment properties (UBV).

Daniel Crausaz exercises directorship mandates at Cardar SA, Daniel Fournier AG, Daniel Fournier Agencement SA and Zimal SA. He is Chairman of the Board of Directors of Zimal SA.

Bernard Guillelmon is a member of the Boards of Directors of BLS Cargo SA and RAlpin AG.

The other members of the Board of Directors of Mobimo Holding AG do not occupy any positions in management and supervisory bodies and foreign entities or in institutions and foundations under public and private law. Moreover, the members of the Board of Directors perform no long-term management or advisory functions for key Swiss or foreign interest groups.

3.3 Cross involvements

There is no mutual participation on the Boards of Directors of listed companies.

3.4 Election and term of office

The Board of Directors of Mobimo Holding AG consists of at least three members (during the year under review, nine members following the election on 17 December 2009) and is elected for a period of one year at the General Meeting. The term of office of the members of the Board of Directors ends on the day the corresponding General Meeting is held. They may be immediately re-elected upon expiry of their term of office.

3.5 Internal organisation

The Board of Directors constitutes itself and has nominated Urs Ledermann as its Chairman and Georges Theiler as its Vice Chairman.

The Board of Directors is quorate when the majority of its members are present and passes resolutions by the majority of the votes cast.

A total of 14 ordinary and extraordinary meetings were held in 2009. The Board of Directors was present in full at every meeting apart from three.

The CEO, CFO and the other members of the Executive Board occasionally take part in the meetings of the Board of Directors, although the Board of Directors always first meets without these persons present. The Chairman decides whether employees or other external advisors are to be included in the meeting in order to deal with specific issues.

The Board of Directors has two committees: the Real Estate Committee and the Audit & Risk Committee. The purpose, tasks, duties and competences of the two committees are laid down in a supplement to the organisation regulations. The Audit & Risk Committee met seven times in 2009. The Real Estate Committee met 12 times.

The Real Estate Committee was set up by the Board of Directors with a view to ensuring that the investment and divestment targets set by the latter each year are implemented successfully. The competences of the Board of Directors, Real Estate Committee and Executive Board with respect to purchases and sales are laid down in the organisation regulations of Mobimo Holding AG (see Fig. 3.6). The Real Estate Committee aims to provide the Board of Directors with as broad-based real estate know-how as possible through:

- ongoing market observations;
- development of the network to investors, etc., close cooperation with management;
- regular information to the Board of Directors.

The Real Estate Committee fulfils three functions, namely:

- deciding on property purchases and divestments for property transactions between CHF 10 and CHF 30 million;
- submitting requests to the Board of Directors for purchase transactions which lie within its competences;
- supervising investment and development business.

The obligations and competences assigned to the Board of Directors in accordance with the organisation regulations and the law remain with the Board of Directors as the overriding body.

The Audit & Risk Committee fulfils a purely supervisory function. It may take any measures it deems necessary in order to perform its duties and has direct access to all documentation, employees and the auditors. The main duty of the Audit & Risk Committee is to support the Board of Directors by means of preparatory work, audits and clarification. The four areas where the Audit & Risk Committee is active are:

- budgeting, preparation of financial statements, external audit and external appraisal;
- risk management and internal control system (ICS), including compliance with legislation, directives and internal guidelines (compliance);
- financing;
- taxes.

3.6 Approval authority regulations

The principles of top-tier management, including the allocation of authority, are defined in the company's organisation regulations. The Board of Directors is responsible for managing the company and supervising the Executive Board. It represents the company to the outside world and takes decisions on all matters which do not fall under the remit of another body within the company by law or pursuant to the Articles of Association or other regulations. In addition to the non-transferrable duties in accordance with Article 716a of the Swiss Code of Obligations, the Board of Directors also has the following duties and competences:

- a) Defining the Group policy and business policy of the Group companies (such as defining the guidelines governing the strategic focus of the Group and Group companies/portfolio approach)
- b) Defining and controlling the financial and investment budget of the Group companies
- c) Making fundamental decisions with regard to electing and dismissing members of the Board of Directors, Group company auditors and valuation experts
- d) Passing resolutions on founding, acquiring and disposing of Group and affiliated companies
- e) Initiating business relations between the Mobimo Group and important third parties
- f) Overseeing the measures that need to be undertaken with regard to stock exchange listings
- g) Defining the corporate identity
- h) Defining the accounting principles, including the consolidation of all financial statements
- i) Approving equity investment and option plans

The Executive Board manages the Group companies as BoD and/or Executive Board members in line with the approval authority regulations and local organisation regulations.

The Board of Directors of Mobimo Holding AG makes decisions on all property transactions exceeding CHF 30 million; transactions of between CHF 10 and 30 million fall under the remit of the Real Estate Committee. Operating decisions pertaining to property transactions up to an investment volume of CHF 10 million are delegated to the Executive Board.

3.7 Information and control instruments with regard to the Executive Board

Coordination and information meetings are held with the CEO every two weeks, chaired by the Chairman of the Board of Directors.

The Real Estate Committee generally meets every three weeks. The Chairman may convene additional meetings at any time. The CEO normally takes part in the meetings. Minutes are to be taken at every meeting and subsequently distributed to all members of the Board of Directors.

The Audit & Risk Committee holds at least two ordinary meetings a year. At its meetings, the Audit & Risk Committee discusses a range of topics including the annual and semi-annual reports, the reports of the external auditors and external appraisers, important technical accounting, legal, tax and regulatory issues, other necessary reports and risk management/ICS.

The Board of Directors addresses its risk management responsibilities via the Audit & Risk Committee (AC). The main duty of this Committee is to support the Board of Directors by means of preparatory work, audits and clarification. In the period under review, the AC worked with management to produce a risk inventory which sets out the fundamental risks involved by risk category.

For each risk, the risk owner, impact and measures implemented are analysed and then evaluated on the basis of the criteria of likelihood, financial impact and damage to reputation and image. Wherever necessary, further measures are defined for the ongoing management of the risks assessed.

The Chairman of the Audit & Risk Committee may convene additional meetings at any time. The Audit & Risk Committee can, as needed, invite members of the Executive Board, other employees, external advisors or auditors to its meetings, or request that they meet with members or advisors of the Audit & Risk Committee. The CFO normally takes part in the meetings. Minutes are to be taken at every meeting and subsequently distributed to all members of the Board of Directors.

The entire Board of Directors receives a Management Report on a quarterly basis informing them about the following areas: financial situation/budget achievement, risk report, progress report and planned activities of the operative and administrative areas, and personnel report. The information comprises the developments and events since the last Management Report, on the one hand, and the expected developments and planned activities, on the other. The Executive Board is present during the meetings of the Board of Directors and reports on items on the agenda and/or is available for general questions and information.

A formal internal audit is not appropriate due to the size of the company. Internal control and risk management is performed by Controlling.

The implementation of developments in the regulatory environment and from an accounting perspective is worked out in advance in cooperation with the external auditors. In addition to this, the external auditors and property appraisers are involved on a regular basis for the purpose of assessing larger-scale transactions.

4 EXECUTIVE BOARD

4.1 Members of the Executive Board

Dr. Christoph Caviezel

CEO, Dr. iur., Attorney-at-Law,
Swiss, resides in Zurich

Christoph Caviezel, from Laax GR, was born on 19 August 1957. After completing high school in Coire he went on to obtain a degree in law from the University of Fribourg in 1980.

He was admitted to the bar in the canton of Grisons and obtained his doctorate (Dr. iur.) in 1988. After a number of years as a practising Attorney-at-Law, in 1986 he was appointed Head of Real Estate at SBB in Lucerne. In 1995 he joined listed company Intershop Holding AG. He was appointed to the Board of Management in 1999, with responsibility for real estate in Switzerland. He was appointed CEO of Intershop in 2001 and also became a member of the Board of Directors in 2003.

Christoph Caviezel has been CEO of Mobimo Group since 1 October 2008 and directly manages the Purchase and Divestment division. He sits on the Investment Committee of the Investment Foundation for Overseas Real Estate (Anlagestiftung für Immobilienanlagen im Ausland, AFIAA) in Zurich.

Manuel Itten

CFO, Business Administration FH,
Swiss, resides in Zurich

Manuel Itten was born on 3 October 1965 in Zurich. Following basic commercial and design studies and after gaining several years of professional experience, he obtained a business administration degree (Business Economist HWV) from a university of applied science ('Fachhochschule'). After working in the audit and consulting fields, he was in charge of Controlling at Livit AG for several years.

Manuel Itten joined Mobimo in 2004. He was in charge of Controlling until February 2009 and has been the company's CFO since March 2009.

Peter Grossenbacher

Head of Portfolio Management, Master of
Advanced Studies in Real Estate Management
from the Zurich Fachhochschule and Certified Real
Estate Trustee (dipl. Immobilienreuhänder), Swiss,
resides in Weisslingen ZH

Peter Grossenbacher was born in Schaffhausen on 10 November 1969. After completing his basic construction training and obtaining his site supervisor diploma, he worked for a number of construction and real estate companies. He has been with Mobimo since 2002. He spent five years in charge of the Project Management division, with primary responsibility for the development and construction of premium and ecologically-sound owner-occupied property in good locations. Since July 2008 he has been Head of Portfolio Management.

Andreas Hämmerli

Head of Development, Certified Architect HTL, Swiss, resides in Scheuren BE

Andreas Hämmerli was born in Brüttelen BE on 22 June 1957. After training as a Certified Architect HTL he spent 12 years in a number of positions within the field of architecture (development/project management/marketing/head of an architectural practice). He was Head of Real Estate Trading at Göhner Merkur AG, where he was responsible for real estate divestment as well as the management and restructuring of part of the general contractor. At Livit AG he was a member of the Management Board and headed the Real Estate Consulting Switzerland division (development/real estate trading/real estate trusts and first-time letting).

Prior to joining Mobimo he was involved in the development, implementation and management of the D4 Business Center Lucerne in Root, an initiative of Suva Asset Management.

He has been Head of Development since 1 October 2008, with responsibility for all aspects of real estate development, construction and sales.

4.2 Other activities and interests

The members of the Executive Board perform no long-term management or advisory functions for key Swiss or foreign interest groups, nor do they perform any official functions or hold any political offices.

4.3 Management agreements

There are no management agreements with third parties. There is a service agreement between Mobimo AG and Mobimo Verwaltungs AG.

5 COMPENSATION, PROFIT-SHARING AND LOANS

5.1 Content of and procedure for determining compensation and profit-sharing plans

In line with Article 20 of the Articles of Association, the members of the Board of Directors are entitled to receive remuneration commensurate with their activities. This remuneration is set by the Board of Directors itself. Since 2009, the compensation received by members of the Board of Directors consists solely of a fixed amount structured on a modular basis depending on the specific activities of each member. This ensures that the remuneration paid to the Board of Directors is in line with the time required for their activities and the level of responsibility involved. The members of the Board of Directors also participate in the long-term success of the company, as all or part of their compensation may take the form of shares in Mobimo Holding AG. The proportion of the total compensation that may take the form of shares is set by the Board of Directors on an annual basis. Shares are valued at the VWAP (volume weighted average price) applicable 20 days before the reference date. All shares issued are subject to a defined vesting period, generally five years. The Board of Directors sets the vesting period and the reference date for the shares on an annual basis.

Compensation for the Executive Board is broken down into a fixed element and a variable performance-related element determined by the return on equity.

Compensation is geared to the actual area of responsibility of each member of the Executive Board and the amount of work involved. The variable compensation element forms part of a company ruling whereby 10.5 % of the consolidated profit of Mobimo Holding AG, after deduction of a hurdle of 5 % of the intrinsic value (net asset value, share capital, shareholder loans, open and hidden reserves), are allocated to the Executive Board, the Executive Board of Mobimo Verwaltungs AG and the employees. A distinction is made between the realised and unrealised portion of gains (valuation gains on properties and associated taxes).

While profit-sharing for realised gains takes the form of cash, compensation for unrealised gains is provided in the form of options to purchase shares in Mobimo Holding AG. A high water mark principle stipulates that if figures drop below the 5 % hurdle, profit-sharing only becomes possible again when the difference is made up.

The number of options is determined on the basis of the market value of the options in accordance with International Financial Reporting Standards (IFRS). Shares are acquired at the nominal value of the shares at the time the option is exercised. The options from profit-sharing owing to beneficiaries are confirmed by the audit company. Beneficiaries may exercise their subscription right between the third and tenth year after the conclusion of the financial year, depending on allocation. If the option rights are not exercised within this period, they expire without compensation.

The option plan has been in force since 1 July 2000. Mobimo employees were also integrated into the plan as of the 2005 financial year, with their compensation exclusively taking the form of cash. The option plans are described in Note 37 of the consolidated financial statements. The Board of Directors has not participated in this performance-related option plan since the 2009 financial year. 100 % of the compensation paid to the Board of Directors in 2009 took the form of fixed compensation. Of the compensation paid to members of the Executive Board in the year under review, 54 % took the form of fixed sums, 40 % was paid as variable compensation in cash and 6 % was paid in the form of options or shares.

Further information on compensation, profit-sharing and loans can be found in Note 41 to the consolidated financial statements.

6 SHAREHOLDERS' RIGHTS OF PARTICIPATION

6.1 Restrictions on voting rights and proxies (Articles 6 and 12 of the Articles of Association)

Only members entered in the share register are entitled to exercise their rights at the General Meeting.

The Board of Directors may refuse to approve the transfer of registered shares, in so far as recognising a transferee as a full shareholder may, according to the information available to it, hinder the company from providing proof of Swiss control as stipulated under federal law (in particular the BewG). The Board of Directors did not reject any entries in the share register in the year under review. Under Art. 12 of the Articles of Association, any shareholder may be represented by another shareholder who has been granted a written proxy, the independent proxy or the proxy holder for shares.

6.2 Quorum prescribed by the Articles of Association (Articles 13 and 14 of the Articles of Association)

There is no quorum prescribed by the Articles of Association that goes beyond the statutory provisions on passing resolutions (Art. 703 and 704 of the Swiss Code of Obligations).

6.3 Convocation of the General Meeting (Articles 9 and 10)

The convocation of the General Meeting, the form of convocation and the right of shareholders to convene a General Meeting are governed by Art. 9 and 10 of the Articles of Association.

The Annual General Meeting is convened by the Board of Directors or if necessary by the auditor and is held once a year within six months of the end of the financial year. The Board of Directors may convene Extraordinary General Meetings at any time. Extraordinary General Meetings are to be convened by the Board of Directors on the basis of a resolution of the General Meeting, at the request of the auditor or if one or more shareholders who together represent at least one-tenth of the share capital request one in writing and submit the items for the agenda.

The liquidators also have the right to convene a General Meeting. Invitations to the General Meeting are issued at least 20 days prior to the date of the meeting via publication of a single notice in the Swiss Official Gazette of Commerce. Personal invitations are also sent to the shareholders entered in the share register giving the same amount of notice. The invitation must set out all the items on the agenda together with the proposals of the Board of Directors and any shareholders who have requested that a General Meeting be convened.

The annual report and auditor's report must be made available for inspection by shareholders at the company's registered office no later than 20 days prior to the General Meeting. The availability of these reports and the right of shareholders to request that copies be sent to them must be indicated in the notice of convocation of the General Meeting.

6.4 Agenda (Article 10 of the Articles of Association)

The statutory provisions set out in Article 699 of the Swiss Code of Obligations apply to the right of shareholders to propose agenda items referred to in Art. 10 of the Articles of Association. Shareholders who together represent at least 10% of the company's share capital may request that the Board of Directors convene a General Meeting. Shareholders who together represent shares with a nominal value of at least CHF 1 million may request that an item be placed on the agenda.

6.5 Entries in the share register (Article 6 of the Articles of Association)

Under Article 6 of the Articles of Association anyone entered in the share register is recognised as a shareholder or usufructuary. Entry is conditional on provision of evidence that the transfer meets formal requirements and is subject to the approval of the Board of Directors. No entries are made in the share register in the 20 days prior to and the day after the General Meeting. The cut-off date for the Annual General Meeting of 5 May 2010 is 21 April 2010. The 2010 General Meeting takes place in Lucerne on 5 May 2010.

7 CHANGE OF CONTROL AND DEFENSIVE MEASURES

7.1 Obligation to make an offer

Anyone who acquires shares directly, indirectly or by mutual agreement with third parties, with the result that their total holding, including the securities they already own, exceeds the threshold of 33 ⅓% of the voting rights of a listed company, whether exercisable or not, must make an offer to acquire all listed shares of said company (Art. 32 SESTA).

In view of the Swiss federal law pertaining to the purchase of property by persons resident abroad (BewG), the company has chosen not to make use of the opportunity to include an 'opting-out' or 'opting-up' clause in their Articles of Association. The legal provisions under Art. 32 SESTA governing the obligation to make a purchase offer therefore apply.

7.2 Change of control clauses

There are no change of control clauses.

8 AUDITOR

8.1 Duration of mandate and term of office of lead auditor

Since Mobimo Holding AG was established in December 1999, the company's external and Group auditor has been KPMG AG, Lucerne. The external and Group auditor are appointed annually by the General Meeting. In accordance with the audit rotation cycle, Mr Reto Benz, Partner, has been lead auditor since the 2007 financial year.

8.2 Audit fee

KPMG received total fees of CHF 0.5 million (incl. LO Group) for services relating to the audit of the interim results and 2009 annual results.

8.3 Additional fees

KPMG received CHF 0.8 million for transaction services (primarily tax advice and due diligence) relating to the acquisition of LO Holding Lausanne-Ouchy SA. Fees totalling CHF 0.2 million were also paid to the property valuer Wüest & Partner, Zurich in the year under review.

8.4 Supervision and control instruments with regard to the auditor

- The AC reviews the annual audit plan and scope, evaluates the performance, fees and independence of the external auditor and makes recommendations to the BoD.
- The AC evaluates the classification of the risks of misstatements in the financial statements by the Executive Board and the external auditor and evaluates and monitors the implementation of countermeasures.
- The AC discusses the audited financial statements and the interim financial statements with the Executive Board and the external auditor and undertakes a critical analysis, particularly with regard to special matters. The AC decides whether the individual and consolidated financial statements can be submitted to the BoD for approval and publication, prior to approval and publication by the BoD.
- The AC discusses with the external auditor any significant problems arising during the audit and all management letters or other important reports on the ICS that are prepared by the external auditor or that the external auditor recommends be prepared, as well as the responses of the Executive Board to such reports, submits its own reports to the BoD, with proposals for appropriate solutions where necessary, and monitors the implementation of countermeasures.
- The AC discusses with the Executive Board and the external auditor their assessment of the general quality of the accounting policies applied by Mobimo in its financial reporting, undertakes a critical analysis thereof and submits reports to the BoD.

At the invitation of the Board of Directors, the auditor's representatives participate either in person or by phone in the meetings of the AC or Board of Directors that deal with issues in this area.

9 INFORMATION POLICY

Mobimo Holding AG provides its shareholders and the capital market with information that is open, up-to-date and as transparent as possible. The Media and Analysts' Conference on the 2009 financial results took place on 9 March 2009.

Financial reporting takes the form of semi-annual and annual reports. These are prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and comply with both Swiss law and the provisions of the listing rules and additional rules for the listing of real estate companies issued by the SIX Swiss Exchange.

The company is also subject to the obligation in respect of ad hoc publicity pursuant to Article 72 of the listing rules.

Further information on the company can be found at the website www.mobimo.ch.

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