



ANNUAL REPORT 2011

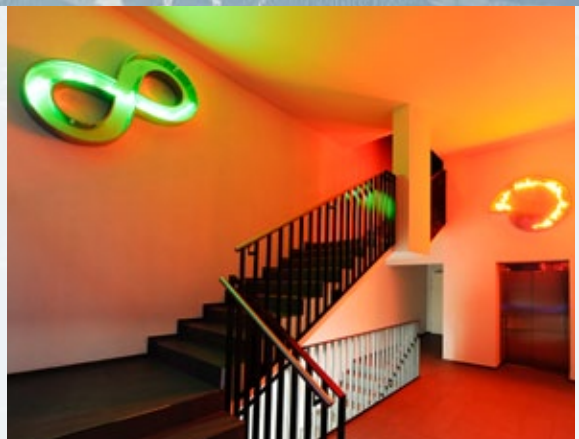
MOBIMO HOLDING



The art of construction:
 "Give me your light" – Chiara Dynys
 "Water Light Stone" – Rolf Dormayer
 (Mobimo)

Investment property
 Rental apartments

Zurich, "Secret Garden"
 Manessestrasse 190/192; Staffelstrasse 1/3/5



KEY FIGURES

Mobimo Group (consolidated)		2011	2010
Net rental income	CHF million	76.0	79.2
Net income from revaluation	CHF million	41.2 ¹	29.1
Profit on sale of trading properties	CHF million	22.3	8.4
Operating result (EBIT)	CHF million	121.1	102.2
Profit	CHF million	80.5	66.0
Return on equity ²		8.5 %	7.1 %
Profit after tax not including revaluation	CHF million	49.6	44.2
Return on equity not including revaluation ³		5.2 %	4.8 %
Commercial investment properties	CHF million	1,133.3	1,131.9
Residential investment properties	CHF million	335.3	202.8
Commercial development properties	CHF million	288.2	253.4
Residential development properties	CHF million	414.4	423.8
Total properties	CHF million	2,171.2	2,011.9
Investment property vacancy rate		3.3 %	5.1 %
Ø Discount rate for revaluation		4.76 %	4.90 %
Ø Headcount (full-time basis) ⁴		78.9	64.2
Ø Rate of interest on financial liabilities		3.0 %	2.9 %
Ø Residual maturity of financial liabilities	Years	9.2	5.1
Equity ratio		47 %	45 %
Net gearing ⁵		69 %	92 %
Mobimo share			
No. of shares outstanding ⁶		6,168,351	5,130,099
Earnings per share	CHF	15.46	13.01
Earnings per share not including revaluation	CHF	9.53	8.70
Distribution ⁷	CHF	9.00	9.00
Nominal value per share	CHF	29.00	29.00
NAV per outstanding share after options and convertible bond ⁸	CHF	191.41	190.45
Share price as at 31 December	CHF	208.00	189.13
Dividend yield (distribution yield)		4.3 %	4.5 %
Payout ratio ⁹		58 %	69 %
Share capital	CHF million	178.9	148.8
Market capitalisation as at 31 December	CHF million	1,283.4	1,024.7
Equity as at 31 December	CHF million	1,174.2	971.3

¹ Most of the positive revaluation income of CHF 41.2 million derives from operating performance. The completion of properties under construction and the development of investment properties brought a remeasurement gain of CHF 20.7 million, while successful new lettings made a contribution of CHF 8.3 million. The positive performance of the Swiss property market accounted for about a further CHF 12.2 million of the change in value

² Profit in relation to average equity (equity at 1 January plus capital increase/reduction) for the period under review

³ 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

⁴ Change in headcount: see Note 28

⁵ Net financial liabilities to equity

⁶ No. of shares in issue 6,170,098 less treasury shares 1,747 = no. of outstanding shares 6,168,351

⁷ Distribution of paid-in capital for 2011 financial year of CHF 9.00 per share in accordance with proposal to General Meeting of 18 April 2012. Some CHF 380 million was available for distribution of paid-in capital as at 31 December 2011

⁸ Assuming all options granted and conversion rights are exercised

⁹ Payout ratio = distribution ÷ earnings per share



Investment and development property
Rental apartments and condominiums

Zurich, "Am Pfingstweidpark"
Turbinenstrasse 22-56

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ABOUT MOBIMO

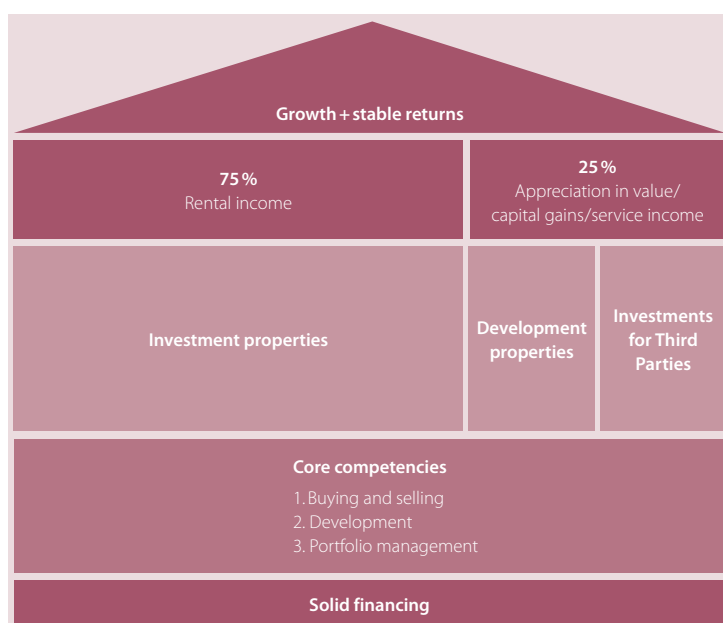
Investment and development property
Hotel and condominiums

Zurich, "Mobimo Tower"
Turbinenstrasse 18/20



Mobimo – a leading Swiss real estate company

Mobimo Holding AG was established in Lucerne in 1999 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 targeted mainly in the economic areas of Zurich and Lausanne/Geneva and in Basel, Lucerne/Zug, Aarau and St. Gallen.



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 realises development properties offering attractive potential gains.

Based on its three core competencies – buying/selling, development and portfolio management – Mobimo has successfully built up a premium investment portfolio comprising commercial, industrial and residential properties and generating broad-based rental income with steady returns. A well stocked project pipeline provides a steady supply of new investment properties to be held in the portfolio or sold to third-party investors, along with attractive condominium apartments which, when sold, will generate capital gains.

A premium portfolio

As at 31 December 2011, the real estate portfolio comprised 128 properties with a value of approximately CHF 2,171 million, which breaks down into CHF 1,468 million for investment properties and CHF 703 million for development properties. The portfolio mix is optimised on an ongoing basis, and the residential component is gradually being increased through the planning and construction of investment properties for the company's own property portfolio. The medium-term target is for office space, residential and other commercial usage to each account for around 30% of the portfolio.

Secure earnings

Around three-quarters of the property portfolio is invested in investment properties which are broadly diversified in terms of both location and use. The rentable area of 476,200 m² provided potential rental income of some CHF 98 million p.a. as at 31 December 2011. This means that a high proportion of revenues is stable and predictable. The company's portfolio management team ensures close proximity to the market and allows the company to react swiftly to any changes in the market.

Development properties with appreciation potential

Mobimo is currently planning and realising investment properties (CHF 1,000 million) and condominium properties (CHF 600 million) with a total investment volume of around CHF 1,600 million.

In addition to these developments, Mobimo also offers development services for third parties up to and including turn-key real estate investments for institutional and private investors. Area, site and project developments are realised in a way which meets the needs of the market and is sustainable. Cooperation with partners takes a number of different forms, and is structured in line with requirements and depending on the stage reached.

Attractive distribution yield

Mobimo has consistently generated a high dividend. Since the initial public offering in 2005, CHF 9.00 has been paid out to Mobimo shareholders each year in the form of a withholding tax-exempt nominal value repayment or capital repayment. Over the past six years the dividend yield (nominal value repayment or capital repayment) has consistently averaged in the region of 5%, calculated on the basis of the relevant year-end share price.

GROUP STRUCTURE

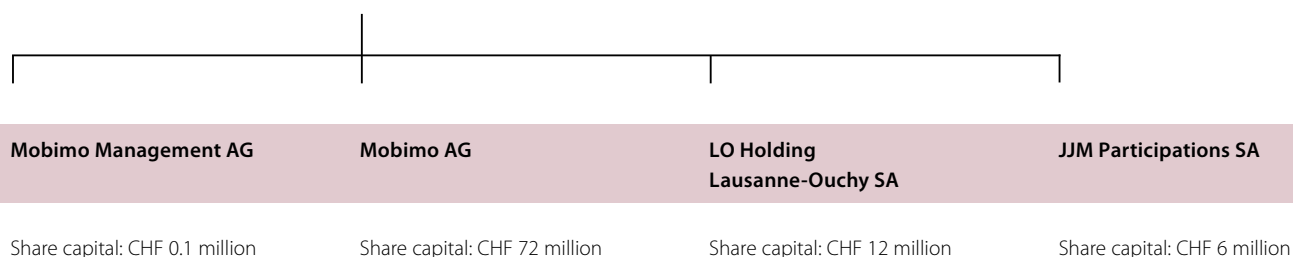
Mobimo Holding AG

Share capital: CHF 179 million

BoD: Urs Ledermann, Daniel Crausaz, Brian Fischer, Bernard Guillelmon, Wilhelm Hansen, Paul Rambert, Peter Schaub, Georges Theiler

Executive Board: Dr. Christoph Caviezel, Manuel Itten, Peter Grossenbacher, Andreas Hämmerli, Thomas Stauber

External auditor: KPMG AG



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 was CHF 36 million, on top of which there was another CHF 36 million in the form of shareholder loans.

1999

Mobimo Holding AG, Lucerne, was founded on 27 December 1999. Its share capital amounted to CHF 73 million.

2000

Under a private placement in October 2000 Mobimo Holding AG's share capital was increased to CHF 181 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 112 million.

2006

On 8 June 2006 Mobimo conducted a capital increase of CHF 143 million; as 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 million took place on 4 June 2007. As at 30 June 2007, Mobimo's shareholders' equity stood at CHF 757 million.

2008

The newly formed Board of Directors, led by Chairman Urs Ledermann, and the Executive Board, headed by CEO Dr. Christoph Caviezel, reviewed the company's strategy and direction.

2009

Mobimo Holding AG's exchange offer for LO Holding Lausanne-Ouchy SA was successfully completed on 9 November 2010; share capital was increased by CHF 27 million in order to carry out the conversion.

2010

In June 2010 Mobimo Holding AG successfully completed a CHF 175 million convertible bond issue maturing on 30 June 2014.

2011

As part of the restructuring of the Mobimo Group, the assets of Mobimo Finance Ltd. were transferred to Mobimo Holding AG and LO Holding Lausanne-Ouchy SA and the company was subsequently liquidated. The investment in O4Real AG was also transferred to LO Holding Lausanne-Ouchy SA.

A further capital increase of around CHF 193 million took place on 6 December 2011. Mobimo Holding AG issued 1,028,350 new registered shares, which were traded on the SIX Swiss Exchange for the first time on 7 December 2011.



f.l.t.r.

Urs Ledermann

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

Georges Theiler

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

Peter Schaub

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

Bernard Guillelmon

Member of the Board of Directors

Brian Fischer

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

Daniel Crausaz

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

Paul Rambert

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

Wilhelm Hansen

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

**Thomas Stauber**

Member of the Executive Board,
Head of Investments for Third Parties

Manuel Itten

Member of the Executive Board, CFO

Dr. Christoph Caviezel

Chairman of the Executive Board, CEO

Peter Grossenbacher

Member of the Executive Board,
Head of Portfolio Management

Andreas Hämmerli

Member of the Executive Board,
Head of Development

Model:

Investment and development property

Zurich, "Am Pfingstweidpark" and
"Mobimo Tower"

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 achieved 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 and Lausanne/Geneva, together with those of Basel, Lucerne/Zug, Aarau and St. Gallen. Investments are only made in sustainably good locations.

Good portfolio mix

Over the medium term, the investment portfolio should comprise residential, office and commercial properties, each accounting for around 30 % of holdings.

Active portfolio management

The real estate portfolio is optimised and adjusted on an ongoing basis. Value is rigorously maintained and increased by cultivating relationships with lessees, ensuring a high level of rental occupancy, optimising costs and implementing effective marketing strategies.

Value through development

Real estate development focuses on the following areas:

- the development and construction of new investment properties for our own portfolio
- the continued development and optimisation of proprietary real estate holdings.
- the development, construction and sale of owner-occupied residential property
- development and investments for third parties

Sustainability

Quality of life is expressed in the design of living, residential and working space. In addition to economic aspects, Mobimo also incorporates environmental and socio-cultural aspects in its activities. This results in added value for the users of Mobimo properties and for shareholders.

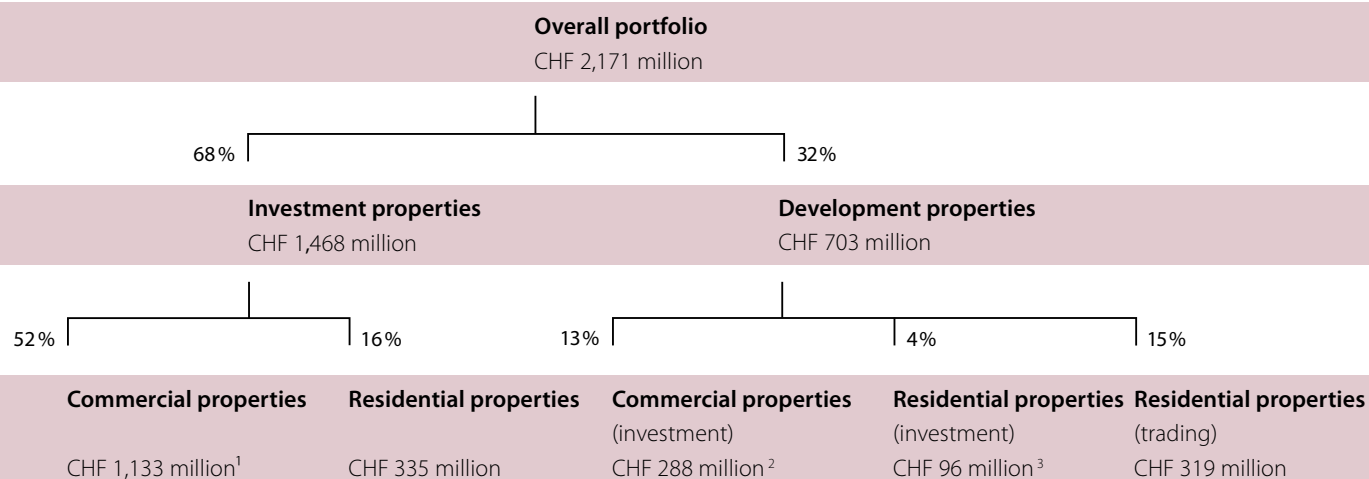
Solid financing

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

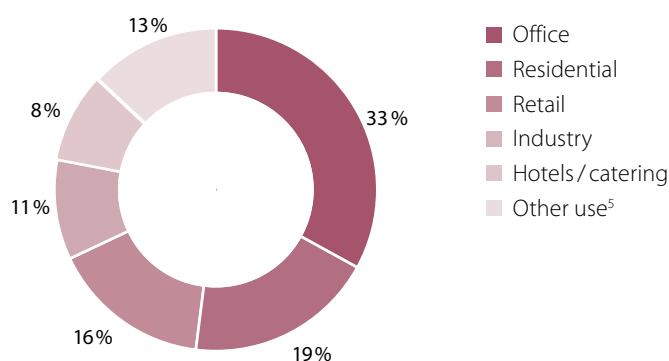
Profitable investment

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

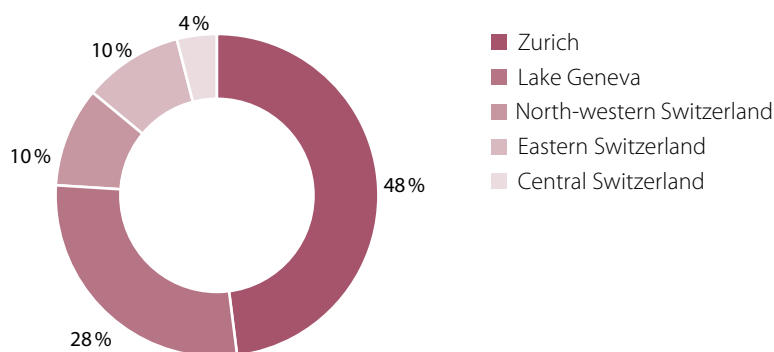
REAL ESTATE PORTFOLIO AS AT 31 DECEMBER 2011



PORTFOLIO MIX AS AT 31 DECEMBER 2011⁴



BREAKDOWN OF PORTFOLIO BY ECONOMIC AREA⁶



¹ Including owner occupied properties

² Including commercial properties under construction (investment properties under construction) Aarau Polygon – Industriestrasse, site 3; Affoltern am Albis, Obstgartenstrasse; Horgen, Seestrasse 93 (Meilenwerk); Lausanne, Avenue d'Ouchy 4–6 and Lausanne, Les Pépinières, as own-portfolio developments

³ Including residential properties under construction (investment properties under construction) Affoltern am Albis, Obfelderstrasse; Zurich, Manessestrasse 190/192 and Zurich, Turbinenstrasse – City West site C, as own-portfolio developments

⁴ Breakdown of target rental income by type of use

⁵ Other use mainly comprises: car parks and ancillary uses

⁶ Breakdown of market/carrying amounts of properties by economic area

I. Overview

No. of shares

No. of shares as at 31 December	2011	2010	2009	2008	2007
Share capital (in TCHF)	178,933	148,804	192,035	204,230	243,232
No. of registered shares issued	6,170,098	5,131,170	5,053,552	4,355,323	4,343,425
Nominal value per registered share (in CHF)	29	29	38	47	56
Of which treasury shares	1,747	1,071	4,373	10,000	0
No. of registered shares outstanding	6,168,351	5,130,099	5,049,179	4,345,323	4,343,425

Share data

Ratios in CHF as at 31 December	2011	2010	2009	2008	2007
Earnings per share	15.46	13.01	14.09	10.37	12.88
Earnings per share not including revaluation	9.53	8.70	12.51	8.82	9.56
NAV per share, after options and convertible bond	191.41	190.45	180.29	177.37	178.95
Gross dividend ¹	9.00	9.00	9.00	9.00	9.00
Dividend yield (distribution yield)	4.3 %	4.5 %	5.1 %	6.4 %	4.9 %
Payout ratio ²	58 %	69 %	64 %	87 %	70 %

Share price

Stock market price in CHF per share	2011	2010	2009	2008	2007
High ³	222.06	190.36	159.45	158.08	157.88
Low ³	185.63	158.91	105.01	114.03	142.92
Year-end price ³	208.00	189.13	159.00	120.41	147.54
Average no. of shares traded per day	10,878	6,857	6,259	3,558	3,231
Market capitalisation at year-end (in CHF million)	1,283.4	1,024.7	889.9	614.9	790.5

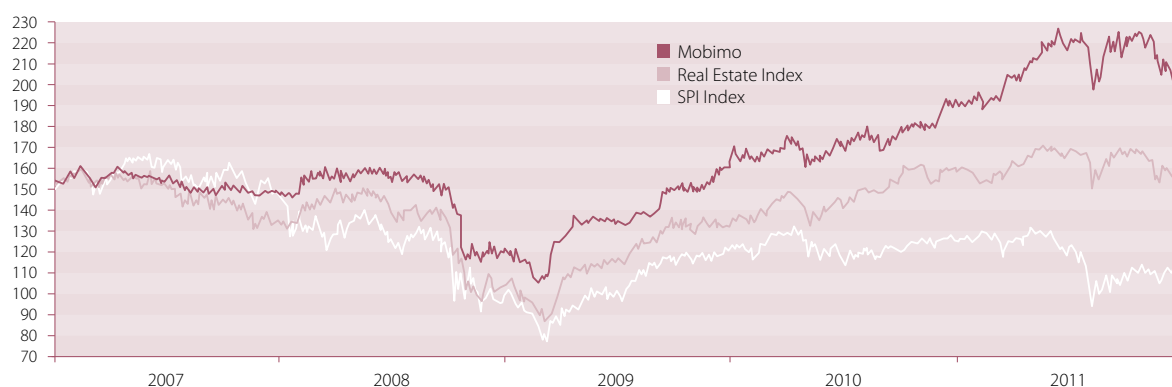
The registered shares of Mobimo Holding AG are traded in the real estate companies segment of the SIX Swiss Exchange in Zurich.

Code: MOBN / Swiss security no.: 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

1 January 2007 to 31 December 2011



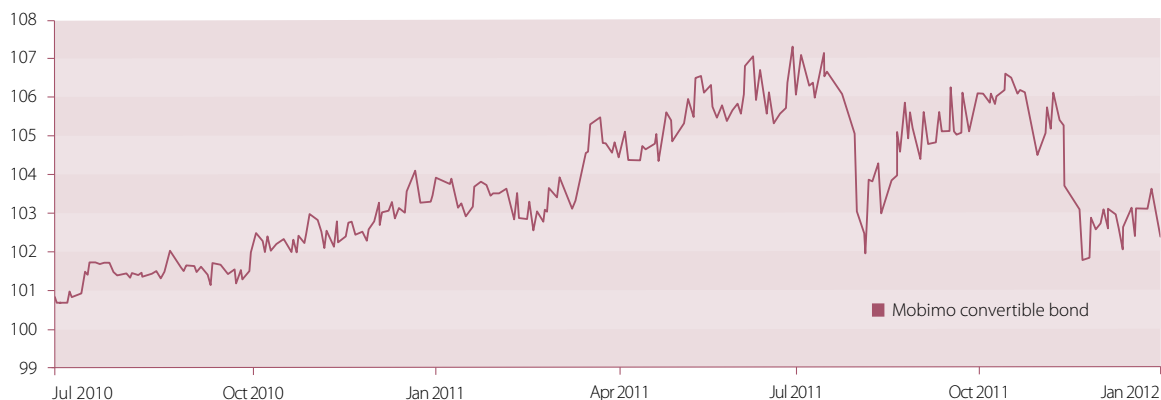
As at 31 December 2011, Mobimo's share price of CHF 208.00 was 8.7% above the diluted NAV (net asset value) of CHF 191.41. Taking into account the distribution of paid-in capital of CHF 9.00 per share on 13 April 2011, Mobimo shares achieved a total performance of 10.0% for the year as a whole. The liquidity of the Mobimo share and the trading volume remained positive. An average of 10,878 (prior year: 6,857) shares were traded each day, generating daily revenues of around CHF 2.3 million (prior year: CHF 1.3 million). The Mobimo share generated total revenues of CHF 590 million (prior year: CHF 320 million) on the SIX Swiss Exchange in 2011.

¹ Distribution of paid-in capital for 2011 financial year of CHF 9.00 per share in accordance with proposal to General Meeting of 18 April 2012

² Payout ratio = distribution ÷ earnings per share

³ Historical prices restated (source: Bloomberg)

III. Convertible bond



Source: Bloomberg

The convertible bonds of Mobimo Holding AG are traded on the SIX Swiss Exchange in Zurich in accordance with the Standard for Bonds. Code: MOB10/Swiss security no.: 11299133/ISIN code: CH0112991333, Bloomberg: MOBIMO Corp./Reuters: CH11299133.

In June 2010, Mobimo successfully completed a CHF 175 million convertible bond issue with a coupon of 2.125 %, maturing in 2014, with a conversion price of CHF 210.37. The capital increase in December 2011 led to the conversion price being adjusted to CHF 207.99. Published credit ratings for Mobimo: UBS: BBB stable; ZKB: BBB+.

IV. Shareholders

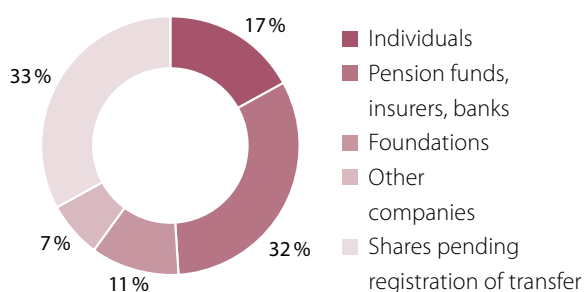
Significant shareholders

The following shareholders held more than 3 % of the share capital as at 31 December 2011:

Zuger Pensionskasse, 3.40 %

Free float as at 31 December 2011 (as per SIX Swiss Exchange definition): 100 %

Shareholder structure



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 Mobimo 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, print versions of Mobimo Holding AG's annual and half-year reports are only sent out by post upon request. A summary report on the 2011 financial year is to be sent to shareholders.

VI. Contact addresses and calendar

Mobimo Holding AG
Dr. Christoph Caviezel, CEO
Manuel Itten, CFO
Tel. +41 44 397 11 59
ir@mobimo.ch

Share register

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

General Meeting 2012

18 April 2012, Métropole Lausanne

Financial reporting

2012 interim results: 28 August 2012





THE 2011 FINANCIAL YEAR

Development property
Condominium

Wädenswil, "Triton"
Rötibodenstrasse 34 + 36

DEAR SHAREHOLDERS,
LADIES AND GENTLEMEN

Mobimo Holding AG successfully continued its growth strategy in the 2011 financial year. A number of large building projects were completed and some major new construction projects were initiated. At the same time, attractive sites were secured for new development projects, while the multi-year project to optimise the portfolio through the systematic disposal of non-strategic investment properties was brought to a conclusion. Our results are also regarded favourably on the capital market, as underlined by the successful capital increase in the fourth quarter of 2011.

Over 2011 as a whole, Mobimo achieved an operating profit of CHF 121.1 million (2010: CHF 102.2 million) and net profit of CHF 80.5 million (2010: CHF 66.0 million), with earnings per share at CHF 15.46 (2010: CHF 13.01). This good annual result has enabled us to continue with our dividend policy. The Board of Directors intends to propose to the General Meeting that it once again pass a distribution of CHF 9 per share (tax-efficient for Swiss shareholders with shares held as part of their personal assets).

Market remains robust but challenging

The Swiss real estate market remained robust in the year under review. Easily accessible, attractive commercial and office space and high-quality residential space in good locations remain much in demand among tenants and buyers. Thanks to low mortgage rates, ongoing immigration and the comparatively minor impact of the global debt crisis on the Swiss economy, condominium apartments in particular remain highly sought after. There are certain noticeable variations in market trends, however. In the mid-price segment, demand is very high, as underlined by the successful start of sales at our "Am Pfingstweidpark" development in Zurich and our "Wilacker" development in Adliswil. In the top-price segment, which includes properties such as the Mobimo Tower, the absorption period has increased and potential buyers are taking more time to decide.

Our investment portfolio properties continue to be very popular, and we were able to reduce the vacancy rate to a low 3.3%. In general, market demand for investment properties remains robust, leading to healthy transaction prices. On the purchasing side, therefore, Mobimo continues to focus on properties and sites with potential for development and expansion. Thanks to its reputation as a careful developer, Mobimo was able to take up new opportunities and further fill its project pipeline in the year under review.

Good results across the board

Extensive construction projects were completed, such as the "Beau-Séjour" residential development and the "Genève 7" commercial property in Lausanne. The completion of the Mobimo Tower and the handover of the Renaissance Zurich Tower Hotel to its new tenant, SV Group, represented a milestone in Mobimo's history. These successful operations led to net income from revaluations of CHF 41.2 million (2010: CHF 29.1 million). The transfer of ownership of numerous apartments generated a profit on the sale of trading properties of CHF 22.3 million (2010: CHF 8.4 million). Net rental income remained practically unchanged against the previous year at CHF 76.0 million (2010: CHF 79.2 million). This reflects the growth of new (higher-value) acquisitions being balanced out by extensive disposals to optimise the investment portfolio. The total value of our investment portfolio as at the end of 2011 was CHF 1,468 million (2010: CHF 1,335 million), while our development portfolio was worth CHF 703 million (2010: CHF 677 million).

Attractive new developments and projects

The Torfeld Süd project in Aarau, an area of 50,000 m² on which building work began in June 2011, is an excellent example of a Mobimo project. The current industrial activities of the firm Rockwell Automation will be concentrated on one of a total of four sites, while the other three sites are being transformed into a lively new urban district. In addition to Aarau, major construction projects have also begun at "La Poste" in Lausanne and "Am Pfingstweidpark" in Zurich. A new use has been found for the old Grob factory site in Horgen on Lake Zurich. A vintage car centre is being created, with all the accompanying services, along with a hotel, catering and events zone. In Zurich, Mobimo acquired the old Labitzke site, on which it plans to build around 300 rental apartments in the mid-price segment for its own portfolio. On a 17,000 m² site in Regensdorf, Mobimo plans to begin construction of nine apartment buildings providing 141 apartments. The new buildings will replace existing investment holdings currently comprising 98 apartments from the 1960s. Mid-price rental apartments for families will be created to meet modern expectations with regard to comfort and use of space. One thing common to all these projects is that they are being realised according to sustainable construction principles.

New business area: Investments for Third Parties

Mobimo's development expertise is appreciated by many market participants. A new business area, Investments for Third Parties, has therefore been created in line with the company's proven strategy to complement its existing activities, namely the development and sale of condominiums and development for its own investment portfolio. Launched on 1 January 2012, this new business area offers development services up to and including turn-key investments for private and institutional investors. Potential investors have already shown a great deal of interest in this new offering. The business area is headed by Thomas Stauber, who joined Mobimo on 1 November 2011 as a new member of the Executive Board.

Reporting now includes a sustainability report

Mobimo attaches a high priority to sustainable construction methods and contemporary property maintenance, as this enhances the quality of the portfolio. New quality standards are implemented wherever possible, particularly with regard to the energy efficiency of buildings. Taking a long-term view of how we deal with our customers, partners and employees is also hugely important to us, however. As such, sustainability is a strategic success factor, which is why this Annual Report contains a detailed sustainability report for the first time (see pages 20 – 31).

Solid financing and a high equity ratio

In the year under review Mobimo was able to significantly lengthen the average term of its credit agreements and optimise its average interest costs. A capital increase was also successfully carried out in December 2011, reflecting the high degree of trust that Mobimo enjoys on the capital market and amongst our shareholders. A total of 1,028,350 new registered shares were issued or placed at a price of CHF 192 per share, generating gross proceeds of around CHF 193 million. Following this transaction the equity ratio rose to a solid 47%. This gives the Group greater room for manoeuvre and provides sufficient funds for realising our expansion plans.

Mobimo share performance 10.0%

Mobimo's performance was also rewarded on the capital market. Including the dividend of CHF 9.00, the Mobimo share achieved a total performance of 10.0% in 2011. At the same time there was further growth in trading activity in our share. This improved liquidity was also bolstered by inclusion in the EPRA index of leading European real estate stocks.

Outlook

The Board of Directors and the Executive Board are confident about the new financial year. The main focus of our activities in 2012 will be the realisation of numerous construction projects, the expansion of development business, space marketing, condominium sales and adding to our well-stocked project pipeline.

We would like to thank all of our staff for their hard work over the past year. Our thanks also go to our customers and business partners for the close cooperation. And we would like to thank you, our shareholders, for the trust you continue to place in our company.



Urs Ledermann
Chairman of the
Board of Directors



Dr. Christoph Caviezel
Chief Executive Officer

MOBIMO ACHIEVES RECORD RESULT – SUCCESSFUL DEVELOPMENT – LOW VACANCY RATE

Mobimo achieved a new record result in the 2011 financial year on the basis of successful developments for the company's own portfolio and solid results in other business areas. Total profit was up 22% on the prior-year period at CHF 80.5 million (2010: CHF 66.0 million). Before revaluations, profit was CHF 49.6 million (2010: CHF 44.2 million), an increase of 12% over the prior-year period. This translates to a 19% rise in earnings per share to CHF 15.46 (2010: CHF 13.01) and a 10% rise in earnings per share before revaluations of CHF 9.53 (2010: CHF 8.70). The total value of the portfolio rose to CHF 2,171.2 million (end-2010: CHF 2,011.9 million).

At CHF 76.0 million (2010: CHF 79.2 million), net rental income in the 2011 financial year was more or less in line with the prior-year period. The reduction in rental receipts resulting from the sale of non-strategic investment properties was largely offset by new rental income from the development of investment properties for the company's own portfolio.

As expected, net income from the sale of trading properties in the 2011 financial year was well above the prior-year result at CHF 22.3 million (2010: CHF 8.4 million) due to the number of projects in which residential properties were transferred to the ownership of the buyers.

Net income from revaluation was in excess of the prior-year figure at CHF 41.2 million (2010: CHF 29.1 million). The revaluation gains are predominantly attributable to operating performance, with CHF 20.7 million coming from the development of properties under construction for the company's own portfolio and CHF 8.3 million from successful lettings and improvements in the existing portfolio. The market-based portion of the net income from revaluation associated with the reduction in the discount rate amounted to CHF 12.2 million.

The ruling issued by the Swiss Federal Supreme Court on 4 April 2011 put an end to a long-running legal dispute between Mobimo AG and the City of Zurich with respect to various aspects of the assessment of property gains tax. As a result of the Supreme Court ruling, which was positive for Mobimo, tax provisions no longer needed were released in the reporting period. As a non-recurring effect, this led to a very low rate of tax expense of 12.9% in the financial year under review (2010: 15.3%).

Strengthened equity ratio and solid financing

In December 2011, Mobimo carried out a successful capital increase. The capital increase involved the issue of 1,028,350 new registered shares and generated issue proceeds of around CHF 193 million. This significantly strengthened the equity ratio, which was 47% at 31 December (if liquid assets were to be set off against financial liabilities, the equity ratio would be well over 50%). Mobimo therefore remains very solidly financed. The funds from the capital increase will be used for the acquisition and realisation of new investment and development properties. In the short term, the funds can also be used to pay down financial liabilities. The average residual term of the company's financial liabilities was increased from 5.1 years to 9.2 years through long-term interest rate hedges in a very favourable interest rate environment. The focus when renewing financial liabilities remains to tie in favourable interest rates for the long term. The net yield achieved on investment properties in the 2011 financial year was 5.0% (end-2010: 5.1%). After deducting average borrowing costs of 3.0%, the yield spread was 2.0% (end-2010: 2.2%).

Reduction in vacancy rate and stable rental receipts

As at 31 December 2011, the vacancy rate for investment properties had been significantly reduced again to a very low 3.3% (end-2010: 5.1%). Good demand for rental space and the positive effects of the portfolio adjustments were responsible for this excellent result.

Income from rentals of CHF 88.8 million (2010: CHF 90.9 million) was generated in the 2011 financial year. In the previous year, eleven properties were sold as part of the portfolio adjustment process, while a further eight were sold in 2011. These portfolio adjustments reduced rental income by around CHF 15.2 million per year. This reduction was largely offset by the acquisition of three properties in the same period and rental receipts from the properties completed by Mobimo in the prior-year period. Potential rental income will rise by around a further CHF 16.5 million in 2012 as rents from the following developments for the company's own portfolio come on stream:

- Lausanne, Place de l'Europe 6
- Lausanne, Rue de Genève 7
- Lausanne, Rue Beau-Séjour 8
- Zurich, Manessestrasse 190/192
- Zurich, Turbinenstrasse Hotel (Mobimo Tower)

The sale of the following eight commercial properties:

- Bülach, Schlosserstrasse 4
- Cham, Alte Steinhäuserstrasse 35
- Dietikon, Lerzenstrasse 12
- Frenkendorf, Parkstrasse 2
- Frenkendorf, Parkstrasse 6
- Oberglatt, Aspstrasse 12
- Tagelswangen, Lindauerstrasse 17, Ringstrasse 30
- Wohlen, Zentralstrasse 34

and additional smaller assignments of land for a total price of CHF 89.6 million resulted in a gain of CHF 2.5 million. Overall, therefore, the sales prices achieved were above market values according to property valuations.

Condominium development construction proceeding as planned

As expected, income from the sale of trading properties in the 2011 financial year was well above the prior-year figure at CHF 133.0 million (2010: CHF 79.1 million). This was primarily down to the completion and transfer of ownership of residential properties from four developments:

- Horgen, Stockerstrasse 40–42 (Wisental I)
- Wädenswil, Rötibodenstrasse
- Winterthur, Museumstrasse 3
- Zurich, Turbinenstrasse (Mobimo Tower, apartments)

As at 31 December 2011, notarised sales agreements with a value of around CHF 82 million had been concluded for condominiums at the realisation stage, which will generate proceeds when ownership of the residential properties is transferred.

Overall, work on all home ownership development projects proceeded as planned in the 2011 financial year.

Attractive project pipeline

The targeted development of residential and commercial properties is driving Mobimo's growth and optimising the quality of the portfolio on an ongoing basis. In the 2011 financial year, the following properties were under construction or at the completion stage:

- Aarau, Polygon – Industriestrasse
- Affoltern a. Albis, Obstgartenstrasse
- Affoltern a. Albis, Obfelderstrasse
- Horgen, Seestrasse 93
- Lausanne, Avenue d'Ouchy 4–6
- Lausanne, Les Pépinières
- Zurich, Turbinenstrasse, City West – site C

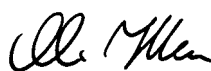
The total investment in these projects for the company's own portfolio is around CHF 340 million. The following projects for the company's own portfolio, involving a total investment volume of CHF 660 million, are also being planned:

- Aarau, Torfeld site 1
- Aarau, Torfeld site 2
- Aarau, Torfeld site 4
- Kriens, Mattenhof site
- Lausanne, Côtes-de-Montbenon
- Lausanne, Rue de Genève 19/21
- Lausanne, La Poste
- Lausanne, Vigie 3
- Regensdorf, Im Pfand
- Zurich, Albulastrasse / Hohlstrasse (Labitzke site)
- Zurich, Letzigraben

The properties under construction and planned for the company's own portfolio will create additional potential rental income of over CHF 57 million a year.

Increase in liquidity

On 31 December the shares closed at CHF 208. This equates to a total performance of 10% in the 2011 financial year, taking the dividend of CHF 9 per share into account. The closing price of CHF 208 represents a premium of 8.7% over the diluted NAV of CHF 191.41 (prior-year premium: 5% over the diluted NAV of CHF 190.45). The average trading volume was 10,878 shares per trading day (2010: 6,780 shares per trading day), which represents another significant increase in the liquidity of the shares. The Mobimo share was included in the FTSE EPRA/NAREIT index on 20 June; this is likely to have a further positive impact on the liquidity of the shares.



Manuel Itten
Chief Financial Officer



SUSTAINABILITY REPORT

Planned investment and development property
Residential, office, commercial and leisure use.

Aarau, "Torfeld Süd"
50 000 m² site



INTERVIEW WITH CHRISTOPH CAVIEZEL, CEO

Mr Caviezel, how important is sustainability for you and Mobimo?

Within the real estate sector, sustainability must be understood as a concept that provides answers to new, tougher environmental requirements and social changes. In light of the limited supplies of crude oil and natural gas and the plans to stop producing nuclear power, issues such as resource-saving power generation and energy efficiency are particularly gaining in importance within real estate. Customers are paying increasing heed to considerations such as architecture, the source of materials used and public transport connections. We acknowledge the challenge posed by these developments and the associated demands. The business objectives that we are pursuing at Mobimo are not altered by this.

So does that mean Mobimo has plans for how it wants to meet these demands?

We say that we have a "passion for real estate", which means that we want to create a basis for modern, healthy, responsible and environmentally friendly living, working and other forms of use in our properties. Mobimo has set clear strategic sustainability targets and developed suitable implementation measures, enabling us to carve out a competitive advantage.

You mention your sustainability targets.**What are your goals?**

With sustainability in mind, the portfolio is primarily grown by adding properties that are fit for the future. We develop and renovate buildings that where possible meet these criteria, carrying out high-quality densification of sites, increasing the housing stock and promoting diversity. Through our sustainable products, we are increasing Mobimo's attractiveness to customers and stakeholders, strengthening its image and thus assuring its future development. The appreciation in and preservation of the portfolio's value adds value for shareholders.

So does that mean that sustainability relates mainly to the portfolio?

Sustainability is an all-embracing concept, and therefore also extends externally to our partners and suppliers and internally to our corporate culture. To ensure that all employees live by the strategy, we are boosting employee awareness of sustainability through information, training and other measures.

Can sustainability be demonstrated?

We work with partners such as MINERGIE, DGNB and the 2000 Watt Society, which certify or assess the fulfilment of defined sustainability criteria in relation to the environment, business and society at buildings and sites. The certificates issued by these independent organisations create the transparency that customers demand for the sustainability of the property rented or acquired. Through this reporting, carried out in accordance with the Global Reporting Initiative (GRI) Guidelines, we also want to flag up improvements in all business areas and strive for more in future.

Is sustainability a cost driver and how much of a negative impact does it have on returns?

This generally relates to planning and construction costs, which are higher at the start of new projects. The additional investment pays off in the medium to long run: operating and consequential costs can be significantly reduced for sustainable buildings. In addition to the technical benefits offered by these buildings, such as greater energy efficiency or improved general infrastructure, it is already the case that they are more highly rated, fetch higher prices and have relatively low vacancy rates, because demand for sustainable and energy-efficient properties on the up. The better rental appeal they offer compared to traditional properties and the greater willingness of customers to pay higher prices is not only due to ecological awareness – energy savings, CO₂ reduction and independence from the oil price due to district heating, for example. Other factors include cost savings, a central location, accessibility with public transport, larger living spaces, materials and technical equipment, mechanical ventilation etc. This is also true for renovations of existing buildings, where the costs depend mainly on the type of building, its age and the extent of the work required. Consideration of the entire building lifecycle will therefore be an important tool in this calculation in future. All in all, acting sustainably adds to the value of individual properties and the portfolio.

How do you see the future?

Decisions in the real estate sector are tied to the longevity of the property and the long-term impact. Some 75% of the Swiss building stock is more than 30 years old. The development projects and renovations that we undertake today will probably influence the energy consumption, CO₂ emissions, water consumption, etc. of the buildings for decades to come.

For Mobimo – as a leading real estate company – sustainability therefore relates not only to investing in individual properties and in the investment portfolio or, equally importantly, to constant optimisation of the management process (e.g. by taking the entire building lifecycle into account), but also to engaging with environmental, social, economic and political developments in the interests of current and future society.

SUSTAINABILITY REPORT INTRODUCTION

Sustainability is a guiding principle

For Mobimo, sustainability means successfully striking a realistic balance between generating profits and safeguarding the future of the company. Sustainability is a guiding principle for the company, and its properties create a basis for modern, healthy, responsible and environmentally friendly living and working.

In real estate, decisions taken today have a major impact down the decades on business results and on the achievement of environmental and sociocultural objectives, such as energy efficiency and quality of architecture respectively. There is particularly great potential to make savings in buildings' energy consumption. Given the limited availability of non-renewable forms of energy, new requirements and cost considerations, there is rising demand for sustainable homes and office buildings.

Value creation at all levels

Mobimo wants to seize on this development as an opportunity and integrate an environmental and market orientation into its real estate strategy by developing living and working spaces that are fit for the future. Growth is to take place in accordance with the guiding principle, by means of future-oriented properties. Existing buildings are renovated sustainably wherever possible. The sustainable buildings should be identifiable by means of nationally or internationally recognised certificates, such as Minergie, DGNB or LEED. In this way, Mobimo is seeking to increase its attractiveness towards customers and other stakeholders, safeguard its future and further bolster its market position. The integration of sustainability issues is linked to investment that will create value over the medium to long term, as lower operating and maintenance costs make up for

higher initial construction costs. The growing demand will lead sustainable Mobimo buildings to appreciate, adding value for customers and shareholders.

In the case of development projects, Mobimo sets itself apart through the choice of location, the architecture selected, the efficient use of resources, the certified energy efficiency of buildings and the avoidance of emissions. Checks on the indoor climate (including pollutant measurements), colour consultants and the use of art also enhance quality and add value. In selected projects, electrobiology is used to reduce electromagnetic radiation to a minimum by means of optimised arrangement of rooms and electronic installations, use of shielding, etc. Customers are involved in the construction and development process from the outset, and as such deal directly with the product and its quality.

Gains in investment property values are achieved through ongoing analysis and rationalisation and active portfolio management. The newly added properties largely meet the latest construction standards. Building renovations also help to constantly improve the quality of the portfolio. However, such projects entail high costs and tend to have long lead-in times, as the buildings are generally let. In one recent example, an office building in Winterthur (Museumstrasse) was fully renovated, made more energy-efficient and sold as condominiums shortly after the existing tenancy had expired.

Open communication with all stakeholders

For Mobimo, sustainability doesn't just mean investing in projects, but also engaging with shareholders, customers and partners in the interests of today's and future society. The key stakeholders of course include shareholders, customers and employees, but also partners from the construction industry and other organisations and associations of relevance to society. In order to report transparently on its sustainability activities, Mobimo is for the first time publishing a sustainability report as part of its 2011 annual report. It has been drawn up in accordance with the Global Reporting Initiative (GRI) Guidelines and fulfils GRI level C. Mobimo wants to drive the issue of sustainability further forward in 2012 and make it a core element of projects and of the company's profile. Mobimo's passion for real estate also encompasses the long-term objective of continuing to realise high-quality real estate projects that add value in environmental and economic terms and contribute to society and to future generations.

CUSTOMERS

Customers are at the heart of all Mobimo does

Above all else, Mobimo's customers demand quality and personalised support. These customers include private and commercial tenants of investment properties, and also investors, interested parties, buyers and tenants of development properties.

To ensure high satisfaction, Mobimo invests mainly in developing quality standards, in service and in building close, intensive customer relationships.

Mobimo's customers receive intensive support from the time they express an interest right through to the signing of contracts, and then after-sales care following the handover of the rented or purchased property. The Portfolio Management and Development departments undertake numerous personally targeted measures to illustrate to customers at all times that Mobimo is a reliable partner that knows its customers and their needs. In addition to the individually targeted measures, Mobimo also develops specific offerings that relate to entire sites and are aimed at the community generally. For instance, it is greatly involved in Lausanne, where employees plan and host regular events in the Flon district (site). These Flon events are widely known beyond Lausanne and are highly regarded, as is borne out by the number of attendees. For new-build projects, information events and foundation stone laying ceremonies create opportunities for personal contact with and between future customers, and also with partners from the worlds of business and politics.

Mobimo seeks to keep abreast of customer satisfaction levels or concerns at all times and to use this knowledge to keep enhancing customer relationships and the quality of properties. To this end it conducts surveys at clearly defined points in the customer process. When selling properties, this takes place following official certification, following selection of the internal fixtures and fittings, three months after transfer of possession and three months after the two-year acceptance. In the case of rental properties, the surveys are conducted annually. 79.8% of buyers and 89.5% of tenants are very satisfied with Mobimo's offering and performance and would be happy to recommend the company. Customers of the Development department particularly appreciate its expertise, professionalism, fast response times to queries or problems, and employees' flexibility and willingness to help. Portfolio Management customers – private and commercial tenants – mention in particular that they are made to feel welcome and are taken seriously.

All customers can also give direct personal feedback at any time to their customer advisor or manager, by email, letter or telephone, or at a specific customer meeting.

Relationship management is a priority

When dealing with complaints, short information channels, personal contact and fast responses to emails and letters are top priorities.

Customers both of new-build projects and in existing buildings have high demands that must be taken into account as the corresponding processes permit.

There are hardly any complaints or requests from tenants within the Portfolio Management department, which is linked to the portfolio adjustments, meaning higher-quality properties. At the same time, the more accurate understanding of customer requirements resulting from surveys has made a major contribution to the quality of the offering and service. The level of process standardisation has been raised. Maintaining personal contact with customers is highly important. Mobimo employees make regular on-site visits to commercial tenants (offices, commercial space, retail, hotels) in particular. Close collaboration with managers is a key element in well-functioning customer relationship management, and within this loyalty and diligence are especially important.

In the Development department, it is especially important to get to know customers and their expectations as early as possible. In the case of new-build projects, even the basics at the building site have to be clearly defined. This is the first tangible step for the customer towards the realisation of his or her project. Additional checks, preliminary acceptance and show homes help keep customers fully in the loop. Regular one-to-one contact with the customer advisor and the customer surveys conducted throughout the entire process and after handover make a major contribution. The findings constantly feed into Mobimo's activities and help fulfil the expectations of top quality in this customer segment. The number of complaints is vanishingly small.

Quality of products and services

Mobimo seeks to win people over through its quality. Clearly defined quality management is implemented at building sites and in services, with a particular emphasis on health and safety aspects.

At building sites, Mobimo systematically ensures compliance with requirements and standards promulgated by the federal government, the cantons and organisations such as SIA and SUVA. Mobimo also defines its own standards and criteria for sustainable construction, which are aimed at achieving steady improvements in sociocultural, technological, environmental and location-related quality and process stages. Health considerations in respect of residential space are closely scrutinised, e.g. through the *Gutes Innenraumklima* (good indoor climate) quality seal. To test implementation of the demands, Mobimo always produces a show home, which enables customer reactions and needs to be gauged and technical scope for improvement to be identified.

Particularly when dealing with commercial tenants, the quality of the offering plays a decisive role, especially as a cost factor. Surveys show that tenants of office, commercial, retail and hotel space particularly appreciate Mobimo properties for their space, central location and transport connections. Tenants also value the attractive price/benefit ratio and ancillary costs that are proportionate to the level of cleanliness, security or heating/cooling facilities.

Portfolio Management is planning a package of measures to promote service quality. As described above, Mobimo is in regular one-to-one contact with tenants. The contact persons are known to tenants and are available to answer questions or provide assistance. Mobimo's 24-hour help-desk provides such support round the clock. Tenants are provided with full written notification of renovation plans in good time. In the case of major works, on-site information events are held. Announcements of new tenants are made within the building, and the Mobimo website also acts as an information and marketing portal for customers and partners.

Mobimo ensures that it passes information to its customers transparently. To do so, it uses various communication channels (brochures, newspaper advertisements, its own website and other platforms) and one-to-one information sharing via discussions with estate agents, architects and other parties. It reports on the key financial figures and on materials and technologies for which declaration is required. There were no incidents or breaches of declaration requirements during the period under review. Great

importance is also attached to customer data protection, which is supported through the use of the latest IT technologies and suitable employee training.

Adding value for customers

Customer satisfaction remains Mobimo's primary objective in 2012. The company can expect to see rising demand among customers for sustainability in real estate. The direct added value for its customers that Mobimo wants to increase even further through its activities relates above all to future energy cost savings and higher energy efficiency, as well as generally lower maintenance and running costs, a high standard of living, and good infrastructure and public transport connections.

Adding value for shareholders

Shareholders benefit from Mobimo's transparent information policy, which makes it possible to gain a good idea of future developments and decisions. Annual and semi-annual reports, up-to-date price information and news stories on the website in English, German and French, information events, this GRI report and more all keep shareholders informed. They earn profits thanks to a well-performing stock, the company's growth and the appreciation in the value of the portfolio. Mobimo is independent of the influence of any single shareholder or group of shareholders (100% of its shares are in free float). This ensures that all shareholders are treated equally.

ENVIRONMENT

Ongoing improvement of the portfolio

Mobimo is one of the leading real estate companies for sustainable building. By developing living and working spaces that are fit for the future, it actively integrates environmental aspects into its real estate strategy. Where possible, investments are made in central locations with good transport links. This means excellent public transport connections. Particularly in light of climate change, issues such as resource-saving power generation, energy efficiency and the reduction of emissions and pollutants are key aspects of the sustainability strategy. In terms of Mobimo's business model, this means reviewing the investment portfolio according to both business and environmental criteria. As part of the ongoing cycle of renovation, properties are renovated sustainably where possible. Wherever possible, properties that are added to the portfolio are sustainable and fit for the future. The portfolio is thus adjusted on an ongoing basis and its value increased in line with sustainability criteria. With a view to adopting a holistic approach, Mobimo considers other aspects of sustainable building in addition to energy targets. It takes the building life cycle into account along with land consumption with regard to properties or the compatibility of site developments with the 2000 Watt Society.

Energy consumption and CO₂ emissions

One of the key aims of the real estate strategy is to reduce the portfolio's energy consumption. Since Mobimo has only partial access to actual consumption figures for investment properties, energy consumption was calculated using a modelling tool.

- Each individual investment property in the existing portfolio was assigned to a building category (e.g. office building, 1960s-80s residential building, commercial building, etc.)

- Each building category is itself defined by specific energy values that describe the average consumption of heat energy and electricity per square metre for each building category. These energy values correspond to the average values of the Swiss building stock for the category concerned.¹
- More than 70% of newbuilds (built in 2009 or later) comply with Minergie requirements. The Minergie values were therefore applied for these properties.
- The overall energy consumption in heating and electricity was then calculated for each investment property based on the energy-consuming space and energy values per square metre. Energy-consuming space was estimated at an average 85% of overall usable space.²
- Finally, CO₂ emissions were calculated based on energy consumption³ in heating and electricity. Specifically, the CO₂ emissions from heating were calculated for each investment property in line with the energy sources used (e.g. gas, oil or district heating) based on the factors published by the Federal Office for the Environment (FOEN), while CO₂ emissions from electricity consumption were based on the average Swiss consumer mix.

The analysis of all existing Mobimo investment properties shows that properties built in or before 2008 consume a total of more than 232 kWh per m² and year. Of this, 165 kWh/m² relates to heating and 67 kWh/m² to electricity. The newbuild properties in the portfolio, meanwhile, require just 83 kWh per m² and year. This is a reduction of 64% compared with older investment properties. With regard to demand for heating in particular, building standards such as Minergie have produced huge advances.⁴

The ongoing adjustment and expansion of the portfolio will therefore lead to a continuous reduction in energy consumption and CO₂ emissions over the next few years, even as the overall portfolio grows. This reduction will be achieved through systematic implementation of Minergie standards, or other equivalent building standards, both for

¹ Energy values are based on analyses in ten cities and regions (Germany, Austria, Switzerland) and have been calibrated to the Swiss building stock. See also, for example, Berger, T., Genske, D., Hüsler, L., Jödecke, T., Menn, A. and Ruff, A. (2011). Energy Optimisation in the Canton of Basel-Stadt. Office of Environment and Energy, Basel-Stadt. 171 pages.

² Energy-consuming space is the space in which energy (electricity, heating, fuel) is consumed and also includes unheated areas of a building such as staircases and cellars.

³ Without concrete consumption figures, energy consumption calculations are subject to uncertainty. In fact, the average values for the Swiss building stock that are used may differ significantly from actual energy consumption in individual cases. Across the entire investment portfolio, however, the overestimated and underestimated energy values balance each other out in line with the law of large numbers. With this in mind, the entire portfolio was analysed rather than a projection being produced based on part of the portfolio. This additional step means that the overall energy consumption calculated does represent a solid estimate of actual consumption.

⁴ To a certain extent, the differences are also attributable to the fact that newbuild projects increasingly involve residential properties, whereas a larger proportion of older investment properties are commercial or other types of properties. Even if we were to compare residential buildings exclusively, however, newbuilds would be over 50% more energy-efficient than older investment properties.

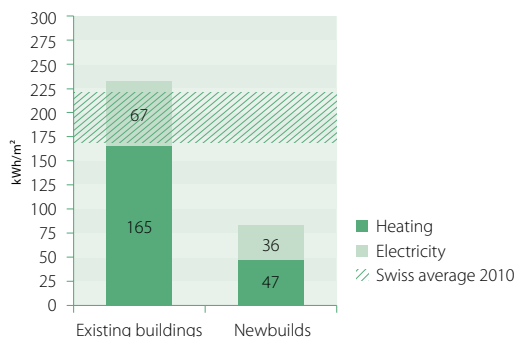


Chart above: Electricity and heat consumption of the properties in the Mobimo portfolio. Heat consumption comprises heating, hot water and process heat. The electricity used for heat generation (hot water, process heat) is also included under heat consumption. More than 70% of newbuilds (2009 and later) comply with Minergie requirements. The Swiss average value was determined using energy statistics and weighted according to the mix of residential, commercial and other buildings in the Mobimo portfolio. The different data sources used give rise to uncertainties, which are taken into account on a blanket basis with an overall range of 25%. The width of the bar shows this visually.

newbuilds and also for renovations where possible. CO₂ emissions can also be cut significantly through the targeted expansion of renewable forms of energy, for example geothermal probes or connections to district heating networks to meet heating needs or the use of renewable energy sources for electricity.

Energy consumption is expected to fall by 4% over the next five years, while the portfolio measured in terms of energy-consuming space is set to increase by 13%. Energy efficiency, expressed in the form of energy consumption per square metre of energy-consuming space, will improve by more than 15% over the same period, while CO₂ emissions per square metre will fall by 19%. The model assumes that 50% of the heat energy for development properties comes from renewable sources, including district heating from waste incineration plants. It also assumes energy optimisation for 1% of the portfolio annually. Although Mobimo recommends that its customers use certified green electricity for development properties, in the interests of producing a conservative model this has not been taken into account here. In reality, not all customers opt for green electricity.

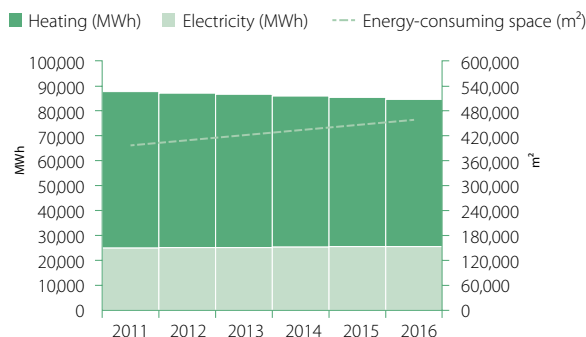


Chart above: Energy consumption in heating and electricity for the Mobimo portfolio over the next five years and portfolio growth over the same period.

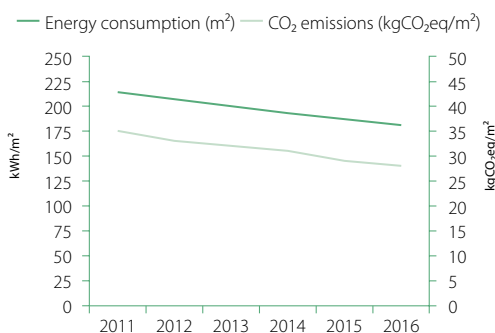


Chart above: Energy consumption and CO₂ emissions per m² of energy-consuming space over the next five years.

High demands on development properties

Mobimo was one of the earliest investors in Minergie-certified real estate and has been building such properties since 2001. In addition, the processes for new projects are currently being adapted and improved in line with the guidelines and recommendations of KBOB/IPB, DGNB, the 2000 Watt Society and Minergie. Alongside energy considerations, attention is also paid to the type of materials used, reduced water consumption and the nature of the waste water solution. Other key aspects include the use of domestic plants in outdoor spaces and optimal conditions for sustainable mobility. This includes favourable public transport links, availability of car sharing services, sufficiently convenient bicycle parking and charging stations for electric cars. Mobimo's approach with regard to development properties is to work with partners that also actively support sustainability aims and possess the corresponding certificates. This is recognised by Mobimo's customers, who benefit from the appreciation in the value of the properties.

"Secret Garden", Manessestrasse, Zurich

(Mobimo development for its own residential property portfolio)



- Energy: Built to Minergie standards. Heat supplied through brine/ water heat pumps that use ground water.
Use of energy efficiency class A washing machines and driers.
- Materials: Use of sustainable building materials in line with KBOB/IPB sustainable planning and building guidelines.
- Water: Use of water-saving sanitation systems.
Soakaway unit on the site.
- Waste: Waste management system in line with requirements of the City of Zurich.
- Other: Use of largely domestic plant types in parks and gardens.

Setting a good example

One good example of the sustainable real estate strategy in respect of the environment is the "Secret Garden" development on Manessestrasse in Zurich. The modern residential building in the centre of Zurich, which has only recently been completed, was built using sustainable building materials in line with KBOB/IPB guidelines. This not only reduced the environmental burden but also helped create a better indoor climate. The property has been built to Minergie standards: heat is supplied through a brine/water heat pump that uses ground water, and water soaks away via the natural garden. The Secret Garden is just one of the many examples that show how ecology, residential climate and aesthetics combine to create economic and social added value that is also sustainable.

"Horgen". Seestrasse 43-49 and 63-69, Zurich

(Mobimo development for its own residential property portfolio)



- Energy: Built to Minergie standards. Heat supplied via cold district heating (treated waste water from the town of Horgen's waste water purification plant) and a heat pump.
"Good indoor climate" certification.
Use of energy efficiency class A washing machines and driers.
- Materials: Use of sustainable building materials in line with KBOB/IPB sustainable planning and building guidelines.
- Water: Use of water-saving sanitation systems.
- Other: Restoration of the previously canalised Holzbach.
Use of largely domestic plant types in parks and gardens.

EMPLOYEES

Passion for real estate

Mobimo's expert and motivated workforce enables it to offer top-quality support to its customers. The company objectives set out in Mobimo's positioning statement include the aim that Mobimo and its employees should stand out through their know-how and expertise, be it in correspondence or project realisation. Projects and properties are managed in a way that gives them a clear identity. New, visionary ideas are assimilated and encouraged, and an awareness not only of costs but also of the environment should be taken as read. Rapid response times, both externally and internally, are assured through clearly defined deadlines that are adhered to in practice. Departments are expected to work together and communicate in a targeted manner, with all employees seeing each other as customers. And finally, the employees exude passion, enjoyment and enthusiasm for Mobimo and its properties.

A clear focus on expertise

Expertise is the brand promise that the motivated Mobimo team honour anew each and every day. The company therefore strives to recruit, train and develop highly qualified employees. The latter is achieved both by gaining practical experience on the job and by acquiring specialist knowledge. Mobimo sets great store by staff with detailed specialist knowledge and therefore offers various measures including assistance with the cost of appropriate training and development courses. Despite the flat hierarchy, these measures allow Mobimo to create career opportunities within the company where possible and provide employees with attractive and challenging projects and tasks.

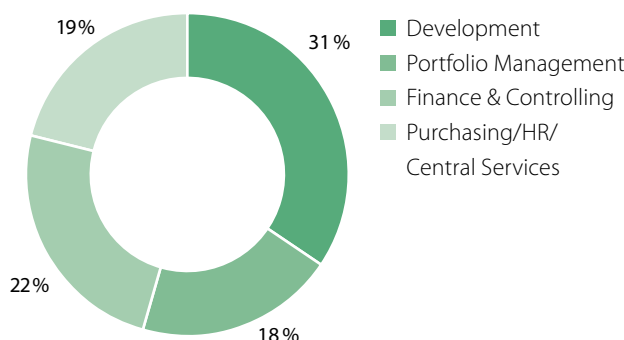
Mobimo also employs apprentices to develop the next generation. The company takes on one new apprentice each year, and three commercial apprentices were employed at Mobimo in 2011. The training given is in line with statutory requirements and also follows Mobimo's own training plan. The apprentices work in various different departments, spending a few months in each.

Ongoing and open dialogue

Employees are involved in the company's development on an ongoing basis through discussions with line managers, team/management meetings and workshops. New employees receive a thorough induction into the company and their role. Individual annual objectives are defined for all employees, and their achievement is discussed in annual performance appraisals. In these appraisals, line managers and employees discuss and evaluate specialist knowledge, quality of work, creativity, output/entrepreneurship, planning, organisation, initiative, customer focus, decision-making ability, ability to cope with stress, motivation, identification with Mobimo and its culture and, where necessary, training and development programmes.

A balanced and increasingly stable workforce

Mobimo had a total of 90 employees in the year under review (prior year: 80). A little over half of the company's staff work in the Development and Portfolio Management divisions. The remaining employees are split between the Finance & Controlling department and the Purchasing, HR, Central Services and Communication units.



The company has offices in Küsnacht (71 employees, 2010: 63) and Lausanne (19 employees, 2010: 17). All employees are on permanent contracts (with the exception of apprentices), and 81.5% work on a full-time basis (2010: 85%).

An analysis of the age structure shows that most employees are in the middle segment from 30 to 50, with a balanced spread of age groups above and below this segment. The average age is 41. The medium age segment is also well represented in management bodies. There is a good gender mix in the Mobimo workforce as a whole, but there are still significantly fewer women at senior levels.

The turnover rate for Mobimo employees in the year under review was 10%. This is in line with the average, and the (downward) trend corresponds to the company's goal of a stable workforce.

Attractive employment conditions

As a respected company Mobimo attaches importance to being known as a good employer, as this helps boost employee loyalty. The flat hierarchies mean that employees have a great deal of responsibility and independence. The company pays market-based salaries that are determined on the basis of various aspects such as education, experience, function and rank and take individual performance and success into account. Employees receive a 13th month salary, a bonus based on the performance of the business and of the employee in question, and five weeks' holiday. There is a good working environment, and regular employee events. Employees are granted service anniversaries after 5, 10 and 15 years as a thank you for their loyalty to the company. All Mobimo employees are members of a defined contribution pension scheme. The majority of employees enjoy the mandatory pension coverage required by law, while additional, non-statutory coverage is provided for middle managers, Executive Board members and a number of other employees. As at September 2011, the coverage ratio of the pension fund was 100.1%. With the exception of assistance with training costs, all work-

related benefits are also available to temporary employees, although pension provision is only provided for contracts of more than three months and maternity leave lasts only until the end of the contractual period.

Health and safety are assured

Mobimo complies with all statutory health and safety provisions and also implements further-reaching recommendations such as those issued by SUVA. Employees work at generously proportioned workstations in light and well-ventilated rooms, and smoking areas are only provided outside buildings. Offices, furniture and shelves are specifically designed to reduce the risk of accidents. Employees with long-term illnesses receive support from line managers or the HR department in the form of case management. Absences due to illness or accident are continuously monitored with the aid of an SAP absence system, and statistical evaluations are produced. Days of absence are counted right from the first day, and accidents are immediately reported to the insurance company (Zurich Insurance). Mobimo employees are offered attractive insurance solutions. There is no deduction for daily sickness benefits, and the accident insurance includes hospital treatment in a private ward.

Employee protection and work/life balance

Employees are also well protected against bullying, sexual harassment and discrimination. The employee regulations set out a whistle-blowing framework and provide an external, independent contact person that employees can approach if they are affected by any of these issues or suspect another person of misconduct. Once again, no such cases were reported in 2011.

Work/life balance is promoted through measures such as flexible working with core hours and the possibility of part-time working or job-sharing. Mobimo attempts to cater to employees' wishes as regards holiday dates and days off wherever possible. If required, the company offers scope for early retirement or for continued employment beyond official retirement age and also provides assistance for women returning to work after having children.

SOCIETY

Active commitment to sustainable business

For Mobimo, social responsibility means acting in a far-sighted way and sustainably creating added value for society and future generations. Real estate has a long lifespan, so the decisions made in the initial phase affect the environment and society for a particularly long time. For this reason, in putting together and managing its real estate portfolio Mobimo takes care to combine environmental aspects such as emissions, waste and the consumption of resources with social aspects relating to health and safety and with economic objectives.

One example of this forward-looking, long-term strategy was realised with the completion of the Mobimo Tower in 2011. The 24-storey tower contains a 300-room hotel and 53 apartments. Everything is in cutting-edge design and equipped with state-of-the-art in-room and air conditioning technology.

For all building projects, Mobimo tries to notify residents of potential noise and dust disturbance promptly and in a transparent fashion.

With a view to constantly improving how it deals with such challenges, Mobimo endeavours to exchange views and ideas with other experts in discussion forums and is an active member of various associations and organisations such as the Swiss Real Estate Association (SVIT), the Association of Real Estate Investors and Managers (VIV), the Homeowners Association (HEV), the Public Private Partnership (PPP) Association and various other business organisations. Mobimo regularly produces analyses to ascertain the impact of its business activities and help it better address trends in the market and changing requirements for living space.

Strong values for long-term success

Passion for real estate is Mobimo's identifying and distinguishing feature. To realise its objectives, the company focuses on its core competences and on actively implementing values such as fairness, transparency and workplace equality. These are core elements of the company's business ethics that are actively formulated through dialogue with employees and passed on to customers.

To protect the corporate values and promote integrity, every employee must sign an anti-corruption statement when they start working for Mobimo. This forms part of the anti-corruption strategy designed to combat active and passive bribery and breaches of equality law.

There were no cases of corruption in 2011, nor were any lawsuits filed due to anti-competitive practices or the formation of cartels or monopolies. In addition, no fines or sanctions were imposed on Mobimo in the year under review for breaches of legal provisions.

Cooperation with regional suppliers, expertise and shared values

To further promote forward-looking ideas, Mobimo takes care to ensure that the suppliers it works with also share its values. Projects are always realised in line with Swiss standards, and the suppliers and partners involved generally come from the corresponding geographical development areas, in other words from the Zurich metropolitan area, from Central Switzerland or, in the Canton of Vaud, primarily from the Lausanne region. 70-80% of all purchases thus come from regional or national suppliers. In addition to the regional aspect, expertise, quality and in particular adherence to Mobimo's requirements with regard to sustainability are also taken into account when selecting suppliers. For example, Mobimo's service contracts with sole contractors and their sub-contractors contain an explicit requirement to respect equality. Mobimo is in the process of drawing up a supplier strategy to ensure that suppliers implement sustainability aspects even more consistently.

Sponsorship

Mobimo undertook various social commitments in the year under review. It mainly considered requests relating to real estate, such as meetings on the subject, specialist books, events, etc.

Publishing details

**Mobimo Management AG sustainability report,
GRI Standard C (Global Reporting Initiative)**


Dr. Brigitte Ruetsch,
Ruetsch & Partner Consulting GmbH, management
sustainerv GmbH, GRI sustainability partner







FINANCIAL REPORT



Investment property
Office building

Zurich, "Apollo"
Stauffacherstrasse 41

1 CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

1.1 CONSOLIDATED BALANCE SHEET

All amounts in TCHF	Note	31.12.2011	31.12.2010
Assets			
Current assets			
Cash	2	252,059	92,773
Trade receivables	3	6,368	5,705
Derivative financial instruments	12	0	180
Other receivables	4	12,113	16,865
Trading properties	5	319,008	286,837
Accrued income and prepaid expenses	6	4,753	3,009
Assets held for sale	11	0	1,367
Total current assets		594,301	406,736
Non-current assets			
Investment properties			
– Commercial properties	7	1,317,333	1,234,893
– Residential properties	7	335,261	202,829
– Investment properties under construction	7	182,964	270,946
Property, plant and equipment			
– Owner occupied properties	8	16,630	16,409
– Other property, plant and equipment	8	1,039	875
Intangible assets	9	3,524	11,099
Investments in associates	10	20,087	17,841
Financial assets	11	2,153	2,952
Deferred tax assets	18	4,647	0
Total non-current assets		1,883,638	1,757,844
Total assets		2,477,939	2,164,580

All amounts in TCHF	Note	31.12.2011	31.12.2010
Equity and liabilities			
Liabilities			
Current liabilities			
Current financial liabilities	12	60,867	168,996
Trade payables	13	14,557	13,929
Current tax liabilities		33,675	35,725
Derivative financial instruments	12	306	93
Other payables	14	154	2,177
Advance payments from buyers	15	25,430	25,158
Accrued expenses and deferred income	16	28,450	19,921
Total current liabilities		163,439	265,998
Non-current liabilities			
Non-current financial liabilities	12	1,001,790	815,131
Employee benefit obligation	17	1,691	2,310
Derivative financial instruments	12	25,052	8,311
Deferred tax liabilities	18	111,784	101,490
Total non-current liabilities		1,140,317	927,242
Total liabilities		1,303,756	1,193,240
Equity	19		
Share capital		178,933	148,804
Treasury shares		-374	-183
Capital reserves		494,308	391,269
Retained earnings		501,316	431,450
Total equity attributable to the shareholders of Mobimo Holding AG		1,174,183	971,339
Attributable to minority interests		0	1
Total equity		1,174,183	971,340
Total equity and liabilities		2,477,939	2,164,580

1 CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

1.2.1 CONSOLIDATED INCOME STATEMENT

All amounts in TCHF	Note	2011	2010
Income from rental of properties	21	88,787	90,945
Direct expenses for rented properties	22	-12,753	-11,743
Net rental income		76,034	79,202
Gains from revaluation of investment properties		54,330	39,728
Losses on revaluation of investment properties		-13,136	-10,597
Net income from revaluation	23	41,194	29,132
Income from sale of trading properties	24	133,029	79,068
Expenses from sale of trading properties	25	-110,714	-70,673
Profit on sale of trading properties		22,315	8,395
Profit on sale of investment properties	26	2,484	5,437
Capitalised own account services		5,771	5,648
Other income	27	907	941
Personnel expenses	28	-18,054	-17,717
Operating expenses	29	-5,542	-4,575
Administrative expenses	30	-2,683	-2,940
Earnings before interest, tax, depreciation and amortisation (EBITDA)		122,426	103,523
Depreciation and amortisation	31	-1,356	-1,372
Earnings before interest and tax (EBIT)		121,070	102,151
Share of profit of associates		2,246	2,544
Financial income	32	1,523	652
Financial expense	32	-32,472	-27,397
Earnings before tax (EBT)		92,367	77,949
Tax expense	33	-11,913	-11,942
Profit		80,454	66,007
Of which attributable to the shareholders of Mobimo Holding AG		80,454	65,995
Of which attributable to minority interests		0	12
EBITDA not including revaluation		81,232	74,391
Operating result (EBIT) not including revaluation		79,876	73,019
Earnings before tax (EBT) not including revaluation		51,173	48,817
Profit after tax not including revaluation (and attributable deferred tax)	20	49,558	44,146
Earnings per share in CHF			
– including revaluation	20	15.46	13.01
– not including revaluation (and attributable deferred tax)	20	9.53	8.70
Diluted earnings per share in CHF			
– including revaluation	20	14.00	12.21
– not including revaluation (and attributable deferred tax)	20	8.90	8.29

1 CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

1.2.2 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

All amounts in TCHF	2011	2010
Profit	80,454	66,007
Cash flow hedges		
– Loss on financial instruments for hedge accounting	–12,888	0
– Transfer to income statement	–336	–323
– Tax effects	3,010	71
AFS financial assets		
– Market value adjustment	0	975
– Transfer to income statement	–975	0
Other comprehensive income/loss	–11,189	724
Total comprehensive income	69,265	66,731
– of which attributable to the shareholders of Mobimo Holding AG	69,265	66,719
– of which attributable to minority interests	0	12

1 CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

1.3 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

All amounts in TCHF	Share capital	Treasury shares	Capital reserves	Market value reserve	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 2010	192,035	-721	370,242	0	1,202	362,597	363,799	925,355	1,531	926,886
Profit 2010						65,995	65,995	65,995	12	66,007
Cash flow hedges:										
– Transfer to income statement ²					-323		-323	-323		-323
Tax effect					71		71	71		71
Market value adjustment of AFS financial assets				975			975	975		975
Other comprehensive income/loss	0	0	0	975	-252	0	724	724	0	724
Total comprehensive income/loss	0	0	0	975	-252	65,995	66,719	66,719	12	66,731
Nominal value repayment	-45,725	10						-45,715		-45,715
Capital increase	2,494							2,494		2,494
Convertible bond			4,001					4,001		4,001
Tax effect			-603					-603		-603
Share-based payments:										
– Board of Directors and management		285	2			933	933	1,221		1,221
– Acquisition of property ¹		799	17,467					18,266		18,266
Acquisition of treasury shares		-1,939						-1,939		-1,939
Purchase of minority interests		1,287	10					1,297	-1,297	0
Squeeze-out of minority interests			245					245	-245	0
Share conversion after squeeze-out		95	-95					0		0
As at 31 December 2010	148,804	-183	391,269	975	950	429,524	431,450	971,339	1	971,340
As at 1 January 2011	148,804	-183	391,269	975	950	429,524	431,450	971,339	1	971,340
Profit 2011						80,454	80,454	80,454		80,454
Cash flow hedges:										
– Loss ²					-12,888		-12,888	-12,888		-12,888
– Transfer to income statement ²					-336		-336	-336		-336
Tax effects					3,010		3,010	3,010		3,010
AFS financial assets:										
– Transfer to income statement ³				-975			-975	-975		-975
Other comprehensive income/loss	0	0	0	-975	-10,214	0	-11,189	-11,189	0	-11,189
Total comprehensive income	0	0	0	-975	-10,214	80,454	69,265	69,265	0	69,265
Distribution of capital contribution reserves			-46,204					-46,204		-46,204
Capital increase	30,129		162,730					192,859		192,859
Share-based payments:										
– Board of Directors and management		1,703	-12			604	604	2,295		2,295
– Acquisition of property ¹		13,477	-13,477					0		0
Acquisition of treasury shares		-15,434						-15,434		-15,434
Sale of treasury shares		63	3					66		66
Purchase of minority interests						-4	-4	-4	-1	-5
As at 31 December 2011	178,933	-374	494,308	0	-9,263	510,579	501,316	1,174,183	0	1,174,183

¹ The purchase of the property Place de la Gare, Avenue d'Ouchy 4/6 in Lausanne is described in Note 19

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

³ Sale of the investment in Olmero AG

1 CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

1.4 CONSOLIDATED CASH FLOW STATEMENT

All amounts in TCHF	Note	2011	2010
Earnings before tax		92,367	77,949
Net gains from revaluation of investment properties	23	-41,194	-29,132
Share-based payments	37	2,295	1,221
Depreciation on property, plant and equipment	31	1,115	1,097
Amortisation of intangible assets	31	242	274
Profit on sale of investment properties	26	-2,484	-5,437
Loss on sales of property, plant and equipment	29	20	16
Share of profit of associates		-2,246	-2,544
Financial result	32	30,949	26,746
Change			
Trade receivables		-663	-626
Trading properties		-31,372	-29,058
Other receivables and accrued income and prepaid expenses		4,416	-5,894
Employee benefit obligation		-619	1
Trade payables		628	2,510
Advance payments from buyers		272	18,201
Other current liabilities and accrued expenses and deferred income		5,944	-8,159
Income tax paid		-6,297	-3,670
Net cash from operating activities		53,373	43,495
Cash increases from asset deal		0	733
Investments in financial assets	11	-2	-5
Acquisition of investment properties	7	-160,935	-96,199
Acquisition of property, plant and equipment	8	-614	-249
Acquisition of intangible assets	9	-3,358	-10,984
Disposal of financial assets		2,168	5,426
Disposal of property, plant and equipment	8	4	10
Disposal of investment properties	7	89,040	114,158
Dividends received		107	102
Interest received		440	370
Net cash used in investing activities		-73,150	13,362
Proceeds from financial liabilities		274,888	319,659
Repayment of financial liabilities		-198,100	-409,802
Proceeds from convertible bond	12	0	171,179
Net cash from capital increases	19	192,443	2,494
Share capital nominal value repayment	19	-46,204	-45,715
Acquisition of treasury shares	19	-15,434	-1,939
Disposal of treasury shares	19	63	0
Interest paid		-28,593	-27,367
Net cash used in/from financing activities		179,063	8,509
Increase/decrease in cash		159,286	65,366
Cash at beginning of reporting period		92,773	27,407
Cash at end of reporting period		252,059	92,773

1.5 NOTES TO THE CONSOLIDATED ANNUAL 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 condominium 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 Group accounting policies**General information**

The consolidated annual 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 17 of the Directive on Financial Reporting 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 standardised guidelines. The balance sheet date is 31 December.

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

The consolidated annual 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.

Capitalised own account services are reported separately in the income statement for the first time in the reporting period and the prior-year figures were restated accordingly.

Use of estimates and assumptions and the application of judgement

In preparing the consolidated annual 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 plausible 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.

Market values of investment properties

Mobimo holds investment properties with a carrying amount of CHF 1,836 million. The properties are measured at market 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 applicable 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 of 0.25% in the discount rate (average discount rate as at 31 December 2011 4.76%) would increase the fair value of the investment properties as at 31 December 2011 by 5.4% or CHF 99 million. A general increase in the discount rate by 0.25% would reduce the fair value of the investment properties as at 31 December 2011 by 4.9% or CHF 90 million. Further findings from the sensitivity analysis can be found in the table below.

Estimates of construction costs of trading properties

Mobimo has ongoing building projects (trading properties) of CHF 319 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 building costs and sales proceeds differ from the planned figures or if unexpected developments during the construction period make an adjustment of the financial forecasts necessary, an adjustment in carrying amounts, i.e. an adjustment in allowances for loss-making projects, may become necessary.

Change in discount rate	Change in fair value in %	Change in fair value in CHF million
-0.40	8.9%	163
-0.30	6.5%	120
-0.25	5.4%	99
-0.20	4.3%	78
-0.10	2.1%	39
Average discount rate as at 31 December 2011	0.0%	-
0.10	-2.0%	-37
0.20	-4.0%	-73
0.25	-4.9%	-90
0.30	-5.8%	-107
0.40	-7.6%	-140

Income taxes

Mobimo has deferred tax liabilities of CHF 111.8 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. For uncertainties in connection with the implementation of the Swiss Federal Supreme Court ruling of 4 April 2011 relating to property gains tax, see Note 33 Tax expense.

Changes in accounting policies

Mobimo has applied the following new or revised standards and interpretations for the first time in its consolidated annual financial statements for 2011.

Standard/Interpretation:

- Amendments to IAS 32 – Financial Instruments: Presentation – Classification of Rights Issues
- IFRIC 19 – Extinguishing Financial Liabilities with Equity Instruments
- IAS 24 (rev. 2009) – Related Party Disclosures
- Amendments to IFRIC 14 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
- Amendments to IFRSs (May 2010)

These changes had no impact on the consolidated annual financial statements for 2011.

The following new and amended standards and interpretations have been approved, but did not take effect until a later date and have not been applied in advance in these

consolidated annual financial statements. The impact on Mobimo's consolidated annual 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)
Amendments to IFRS 7	Disclosures – Derecognition of Financial Assets	*	1 July 2011	2012 financial year
Amendments to IAS 12	Deferred Taxes – Recovery of Underlying Assets	*	1 January 2012	2012 financial year
IFRS 10	Consolidated Financial Statements: establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities	*	1 January 2013	2013 financial year
IFRS 11	Joint Arrangements: establishes principles for financial reporting by parties to a joint arrangement	*	1 January 2013	2013 financial year
IFRS 12	Disclosure of Interests in Other Entities	**	1 January 2013	2013 financial year
IFRS 13	Fair Value Measurement	***	1 January 2013	2013 financial year
Amendments to IAS 1	Amendment to Presentation of Other Income	**	1 July 2012	2013 financial year
Amendments to IAS 19	Employee Benefits	***	1 January 2013	2013 financial year
IAS 28 (rev. 2011)	Investments in Associates and Joint Ventures	*	1 January 2013	2013 financial year
IFRS 9	Financial Instruments – Classification and Measurement	****	1 January 2015	2015 financial year

IFRS 13

The new IFRS 13 Fair Value Measurement standard was published in May 2011. IFRS 13 does not change the rules as to which items on the balance sheet must be measured at fair value, but it does contain new standard guidelines for determining the fair value of assets, liabilities and equity instruments, if its application is required or permitted by another standard. IFRS 13 also contains extended rules on disclosures in the notes. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date (i.e. an exit price). With non-financial assets, management has to assume the "highest and best use" by a market participant, which may differ from its current use. For Mobimo, IFRS 13 will mainly be of significance in the measurement of investment properties. The impact of the new standard is currently being analysed.

IAS 19

The most important amendments in the revised standard are as follows: Until now Mobimo has recognised actuarial gains and losses from periodic recalculations in profit or loss on a straight-line basis over the average remaining period of service if they exceeded 10% of the higher of assets and benefit obligations ("corridor method"). With the ending of the corridor method from 1 January 2013 onwards, actuarial gains and losses will be recognised immediately in equity, not through profit or loss, under other income. As at 31 December 2011, these totalled CHF 2.2 million. Greater volatility in pension assets/employee pension obligations and consolidated equity can therefore be expected. In addition, the revised IAS 19 now provides for a net interest component. This is determined by multiplying the net pension obligation by the discount rate. As the net pension

obligation covers both obligations and plan assets, this approach implies a netting of interest expense and expected income from plan assets. At the same time, this means that expected income from plan assets will be at the level of the discount rate. Previously the return on plan assets was estimated in accordance with expected income based on the respective investment portfolio. If the new rule had been applied in the 2011 financial year, pension expense would have been TCHF 188 higher.

Scope of consolidation and consolidation methods

Consolidated annual financial statements comprise all companies where Mobimo Holding AG has either direct or indirect control. Control means the exertion of a significant influence on 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 vot-

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

** Additional disclosures or changes in the presentation of Mobimo's consolidated financial statements are primarily expected.

*** The impact on the consolidated financial statements is explained below.

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

ing 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, liabilities, expense and income 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. Unrealised losses on intragroup transactions are also eliminated, unless there is evidence of an impairment.

Capital is consolidated at the time of acquisition using the purchase method. The purchase price of the acquired company is determined on the basis of the total market value of the acquired assets, the liabilities incurred or assumed and the equity instruments issued by the company. Transaction costs arising in connection with a company acquisition are recognised in profit or loss. Goodwill arising from a company acquisition is recognised as an asset. It corresponds to the excess of the sum of the purchase price, the contribution of the minority interests to the acquired company and the market value of the equity already owned over net assets, liabilities and contingent liabilities measured at market value. A particular option may be selected for each transaction when valuing the amount attributable to the minority interests. They may be valued either at market value or as the proportion of the non-controlling interests in the market value of the net assets acquired. In the case of a negative difference, the remaining balance is immediately recognised in profit or loss following a further assessment of the market value of the net assets acquired. Goodwill is subject to an impairment test at least once a year, or sooner if there are indications of a decrease in value.

Minority interests are shown separately from the Group's equity. Changes in the interest that do not lead to loss of control are treated as equity transactions with owners. Any difference between the purchase price paid or the consideration received and the amount by which the minority interests are being adjusted is recognised directly in equity.

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. The market value of the pro-rata net assets is determined at the time of acquisition and recognised in the balance sheet together with any goodwill under Investments in associates. In subsequent reporting periods, this figure will be adjusted to reflect Mobimo's share of the additional capital and the profits generated, as well as any dividends.

Ownership interests of below 20% are classified as financial assets 'available for sale' and recognised in the balance sheet at market value. Changes in market value are recognised in equity, not as income.

Foreign currency translation

The foreign currency positions contained in the individual statements of 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 or revaluations of foreign currency positions on the financial reporting date are recognised through profit or loss.

At at end-2011, Mobimo held no assets or liabilities in foreign currencies. All subsidiaries present 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 a term of up to 90 days from the time of acquisition. These are recognised at nominal value.

Receivables

Receivables are measured at amortised cost, which generally equates to the nominal value less 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.

Valuation allowances are reversed if the increase in the recoverable value can be attributed to an event which occurred in a period following recognition of the impairment.

Trading properties

The category "trading properties" includes properties for conversion as well as new-builds where Mobimo performs the production of condominiums in order to subsequently sell them.

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 market value. To this end, independent property experts Wüest & Partner conduct a valuation as at the financial reporting date. Market values are determined using the DCF (discounted cash flow) method.

The procedure for determining market values using the DCF method is as follows: Market 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 prop-

erty concerned, as well as on the comprehensive real estate market research carried out by Wüest & Partner. Tenants' 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 of commercial exploitation 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 and 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 market values is recognised in profit or loss. Any deferred tax liabilities or assets are recognised 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 less 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 these in the future. Maintenance and renovation costs are charged to the income statement.

Property, plant and equipment is depreciated using the straight-line method over the shorter of its estimated useful life or the term of the lease.

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

Leasing

Assets and liabilities from leasing agreements are recognised in the balance sheet as finance leases if the risks and rewards associated with ownership are transferred substantially to Mobimo when the agreement is concluded. They are valued at market value or present value, whichever is lower, of the minimum leasing payments less accumulated amortisation and any impairments. The lease instalments are divided into interest costs and principal amounts using the annuity method. The assets under lease are amortised over the shorter of their estimated useful lives and the term of the lease.

Payments for operating leases are recognised in profit or loss over the term of the lease.

Intangible assets

Goodwill from acquisitions corresponds to the excess of the sum of the purchase price, the contribution of the minority interests to the acquired

company and the market value of the equity already owned over net assets, liabilities and contingent liabilities measured at market value. Goodwill is recognised at cost minus any impairment losses. It is not amortised, but is subject to an annual impairment test (see Impairment).

Software and other intangible assets (e.g. purchase rights) are measured at cost less accumulated amortisation and any additional amortisation resulting from impairment. Software is amortised over a useful estimated life of three to five years.

Financial assets

Financial assets comprise long-term loans to third parties and non-consolidated equity investments. Loans are recognised at amortised cost less any valuation allowance. A valuation allowance is calculated as the difference between the carrying amount and the present value of the expected future cash flows discounted at the original effective interest rate. Non-consolidated equity investments are classified as 'available for sale' and measured at market value; with the exception of impairments, changes in market value are recognised in equity, not through profit or loss. 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. Reversals of impairment losses on non-consolidated equity investments are recognised in equity, not through profit or loss.

Impairment of non-financial non-current assets

The intrinsic value of property, plant and equipment and intangible assets is assessed at least once a year. If there are indications of 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 item or the cash-generating unit (CGU) to which the asset item belongs exceeds the recoverable amount, an impairment is recognised.

The recoverable value is equal to the higher of the market value less costs to sell and the value in use. To determine the value in use, estimated future cash flows are discounted at a pre-tax rate. This pre-tax rate takes the current market value estimate of the time value of money into consideration, as well as the risks inherent in the asset, where these have not already been included in the cash flow estimate.

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 is to 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 market value, financial assets, deferred tax assets and pension assets are measured at the lower of carrying amount and market 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 corresponds to the nominal value of the payables.

Financial liabilities

At initial recognition, financial liabilities are recognised at market 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 set aside if an event which has taken place has given rise to a present legal or constructive obligation, it is probable that there will an outflow of resources and a reliable measurement can take place.

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). The group administration plan is not 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. The discount rate used for the calculation is based on the interest rate of first-class industrial bonds with very similar terms to the liabilities. This method takes into account the market value of plan assets, unrealised actuarial profits and losses, and unrealised past service costs. Pension costs associated with work performed in the reporting period (current service cost) are 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 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-2011 (weighted average).

Provisions are made for deficits arising from those calculations. Surpluses are only capitalised up to a specific amount that does not exceed the sum of unrealised past service costs, unrealised actuarial losses and gains from future contribution refunds or reductions.

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. In the case of rental agreements classed as operating leases, the rents are recognised on an accrual basis over the term of the lease. At present Mobimo has no rental agreements classed as finance leases.

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 market value recognised. The sale is recognised when the significant risks and rewards are transferred.

Interest on borrowing

Interest on loans taken out to finance 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 that are recognised in other income or directly in equity. In these cases, the income tax is similarly charged to other income or 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 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 offset.

Derivative financial instruments

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

Derivative financial instruments are measured at market values at initial recognition and thereafter. Gains and losses from adjustments to market 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' market 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 market values of all other derivatives are recognised in profit or loss in the financial result.

Share-based payments

Share-based payments are transactions whereby Mobimo receives goods or services in return for equity instruments such as shares or options. The Board of Directors and the Executive Board are currently subject to compensation rules under which compensation is paid partly in the form of shares. Both schemes are classified as share-based payments. The costs of share-based payments are recognised in profit or loss in personnel expenses, spread over the vesting period. The corresponding counter-posting takes place in equity. The vesting period is the period during which unlimited entitlement to the options granted is earned. The valuation is based on the market value of the equity instruments as at the grant date. The grant date is the date on which both parties agree to the plan for the share-based payment and reach a joint agreement on the terms and conditions of the plan.

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.

1.5.3 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

Portfolio Management focuses on the long-term holding and managing of commercial and residential properties. This division also handles the buying and selling of investment properties.

Development

The Development division is responsible for purchasing land as well as for the construction and sale of residential property (newly constructed buildings and redeveloped buildings) as well as for residential and commercial properties. It also holds land, properties under construction and completed properties which will be transferred to the investment property portfolio. These investment 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 key 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 annual 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, are attributed to the segments on the basis of usage. The other revenues and expenses in connection with the Board of Directors are not allocated to the segments and are likewise 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 annual 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 operates 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 income from properties by sub-segment (commercial, residential and trading properties) can be found in Note 23.

Segment information 2011

All amounts in TCHF	Portfolio Management	Development	Total segments	Reconciliation	Total
Income from rental of properties	72,112	16,675	88,787		88,787
Net income from revaluation	27,849	13,345	41,194		41,194
Income from sale of trading properties		133,029	133,029		133,029
Profit on disposal of investment properties	2,067	417	2,484		2,484
Total segment income	102,028	163,466	265,494		265,494
Segment result EBIT	82,560	39,100	121,660	-589¹	121,070
Financial result					-28,704
Earnings before tax (EBT)					92,367
Tax					-11,913
Profit					80,454
Trading properties		319,008	319,008		319,008
Investment properties	1,451,971	200,623	1,652,594		1,652,594
Owner occupied properties	16,630		16,630		16,630
Investment properties under construction		182,964	182,964		182,964
Trade receivables	6,298	70	6,368		6,368
Total segment assets	1,474,899	702,665	2,177,564		2,177,564
Non-attributed assets				300,375	300,375
Total assets					2,477,939
Depreciation and amortisation	-974	-263	-1,237	-119	-1,356
Investments in non-current assets	10,054	107,532	117,586	8,126	125,712

¹ EBIT reconciliation comprises compensation for the Board of Directors amounting to TCHF 1,496 and other revenues of T CHF 907,000

Segment information 2010

All amounts in TCHF	Portfolio Management	Development	Total segments	Reconciliation	Total
Income from rental of properties	81,893	9,052	90,945		90,945
Net income from revaluation	14,719	14,413	29,132		29,132
Income from sale of trading properties		79,068	79,068		79,068
Profit on disposal of investment properties	5,437		5,437		5,437
Total segment income	102,049	102,533	204,582		204,582
Segment result EBIT	84,040	19,568	103,608	-1,457¹	102,151
Financial result					-24,202
Earnings before tax (EBT)					77,949
Tax					-11,942
Profit					66,007
Trading properties		286,837	286,837		286,837
Investment properties	1,318 305	119,417	1,437,722		1,437 722
Owner occupied properties	16,409		16,409		16,409
Investment properties under construction		270,946	270,946		270,946
Trade receivables	4,435	1,270	5,704		5,704
Total segment assets	1,339 149	678,470	2,017,619		2,017,619
Non-attributed assets				146,962	146,962
Total assets					2,164,580
Depreciation and amortisation	-794	-121	-915	-457	-1,372
Investments in non-current assets	118,661	67,929	186,590	11,208	197,798

¹ EBIT reconciliation comprises compensation for the Board of Directors amounting to TCHF 1,885 and other revenues of TCHF 428.

1.5.4 Notes to the consolidated annual financial statements

1. Changes in scope of consolidation

There were no changes to the scope of consolidation in the 2011 financial year. There were, however, transactions and restructuring within the companies covered under the scope of consolidation. The property in Zurich at Albulastrasse/Hohlstrasse was purchased by acquiring the shares of Büha-Verwaltungs AG. As the purchased company did not qualify as a business within the meaning of IFRS 3, the acquisition did not qualify as a business combination but represented a purchase of assets. Under a merger agreement dated 17 May 2011, Büha-Verwaltungs AG was merged with Mobimo AG.

Under the terms of a restructuring, the assets of Mobimo Finance Ltd. were transferred to Mobimo Holding AG and LO Holding Lausanne-Ouchy SA and the company was subsequently liquidated. In addition, the investment in O4Real AG was transferred from Mobimo Holding AG to LO Holding Lausanne-Ouchy SA.

No change was made to the scope of consolidation in the previous year, with the exception of the acquisition of O4Real AG, the purchase of which does not qualify as a business combination within the meaning of IFRS 3. Further details on the acquisition of O4Real AG may be found under Note 19 Equity. Also in 2010, Mobimo declared that the shares still held publicly in LO Holding Lausanne-Ouchy SA were invalid as the result of a squeeze-out procedure; Mobimo then acquired all the newly issued shares. The LO shares were subsequently delisted. As a result of the squeeze-out, the holders of the LO shares not yet tendered lost their position as shareholders in the company and instead acquired an entitlement to a payout of the offer price. As a result, the non-controlling interests still held at the time the squeeze-out took effect were allocated to capital reserves. Own shares from the treasury shares holdings are reserved for the fulfilment of the offer price.

2. Cash

Cash is comprised exclusively of current account deposits.

Of the CHF 252.1 million (prior year: CHF 92.8 million) in cash, the entire amount is freely available. The average rate of interest applicable to cash amounted to 0.11 % (prior year: 0.28 %).

3. Trade receivables

	2011	2010
Outstanding purchase prices real estate owed to third parties	124	1,329
Outstanding purchase prices real estate owed to related parties	70	0
Outstanding rents and ancillary costs owed to third parties	6,965	5,292
Outstanding rents and ancillary costs owed to third parties	123	0
Less doubtful debt allowance for outstanding rent and ancillary costs	-914	-916
Total trade receivables	6,368	5,705

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 1.8 million (prior year: CHF 1.6 million) in receivables from rent and CHF 5.2 million (prior year: CHF 3.7 million) from ancillary costs; the remaining amount is attributable to other receivables from property accounts.

The age structure of receivables that are not impaired is as follows:

	2011	2010
Not past due	5,663	5,106
Up to 30 days	448	397
Up to 90 days	129	9
Over 90 days	128	193
Total	6,368	5,705

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

	2011	2010
Specific valuation allowance		
As at 1 January	916	1,302
Change in valuation allowance	-2	-386
As at 31 December	914	916

There were no general valuation allowances as at the reporting date. In the year under review, specific allowances amounting to TCHF 2 (prior year: TCHF 386) were reversed. Based on past experience, Mobimo does not expect any additional defaulting.

4. Other receivables

	2011	2010
Tax receivables (withholding tax and VAT)	301	55
Other receivables from third parties	10,744	8,938
Receivables WIR	396	396
Advance payments for land purchases	672	7,348
Receivables from associates	0	128
Total other receivables	12,113	16,865

Other receivables from third parties includes CHF 10.6 million (prior year: CHF 8.8 million) in public sector guarantees.

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

5. Trading properties

	2011	2010
Land	57,405	40,342
Properties under construction	153,027	180,645
Completed real estate and development properties	108,576	65,850
Total trading properties	319,008	286,837

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.

Land comprises bare land and land where the demolition of an existing building and the construction of a new building is planned. In the year under review, land was acquired in Lucerne (Büttenenhalde), Meilen (Feldgüetliweg) and Müllheim (Grüenegg).

The following projects were completed in the course of the year: Rötibodenstrasse, Wädenswil and Turbinenstrasse, Zurich (Mobimo Tower). A total of 69 apartments were completed for sale within the scope of these two projects. Of these 69 apartments, 42 had been sold as at 31 December 2011. Of the apartments that had not been sold in 2010 from the projects completed in the previous year (Museumstrasse, Winterthur and Stockerstrasse 40–42, Horgen (Wisental I)), a total of 23 were transferred to the ownership of buyers in the year under review.

In addition, a residential property in Buchserstrasse, Aarau and condominiums in Egerkingen were acquired.

On the trading properties, valuation allowances for land and properties which have not yet been sold amount to TCHF 12 (prior year: TCHF 696).

6. Accrued income and prepaid expenses

	2011	2010
Accruals resulting from property accounts relating to third parties	3,928	2,166
Accruals resulting from property accounts relating to associates	13	31
Other items	812	812
Total accrued income and prepaid expenses	4,753	3,009

7. Investment properties

Investment properties developed as follows:

2011	Commercial properties	Residential properties	Investment properties under construction	2011 total
Market value as at 1 January	1,234,893	202,829	270,946	1,708,668
Acquisition costs				
As at 1 January	1,104,274	184,195	252,387	1,540,856
Increases from purchases	34,242	0	9,500	43,742
Increases from investments	12,334	2,132	104,264	118,729
Disposals	-74,970	0	-62	-75,032
Transfers from intangible assets	0	0	10,691	10,691
Transfers from / to property, plant and equipment	3,245	0	-4,155	-910
Transfers between segments	89,783	102,835	-192,618	0
Cumulative acquisition costs as at 31 December	1,168,908	289,161	180,007	1,638,076
Revaluation				
Total as at 1 January	130,618	18,634	18,559	167,811
Gains on valuations	28,397	6,877	19,056	54,330
Losses on valuations	-9,369	-1,447	-2,320	-13,136
Disposals	-11,521	0	-3	-11,524
Transfers between segments	10,300	22,035	-32,335	0
Cumulative revaluation as at 31 December	148,425	46,100	2,957	197,482
Market value as at 31 December	1,317,333	335,261	182,964	1,835,558
(Fire insurance value)	(1,284,088)	(293,500)	(189,953)	(1,767,542)

2010	Commercial properties	Residential properties	Investment properties under construction	2010 total
Market value as at 1 January	1,232,806	135,007	237,785	1,605,598
Acquisition costs				
As at 1 January	1,090,517	125,148	229,850	1,445,515
Increases from purchases	88,380	21,624	0	110,004
Increases from investments	8,094	531	67,396	76,021
Disposals	-88,859	0	0	-88,859
Transfers to trading properties	0	0	-1,825	-1,825
Transfers between segments	6,142	36,892	-43,034	0
Cumulative acquisition costs as at 31 December	1,104,274	184,195	252,387	1,540,856
Revaluation				
Total as at 1 January	142,289	9,859	7,935	160,083
Gains on valuations	19,768	3,345	16,614	39,727
Losses on valuations	-9,729	-288	-579	-10,596
Disposals	-21,322	0	0	-21,322
Transfers to trading properties	0	0	-81	-81
Transfers between segments	-388	5,718	-5,330	0
Cumulative revaluation as at 31 December	130,618	18,634	18,559	167,811
Market value as at 31 December	1,234,893	202,829	270,946	1,708,668
(Fire insurance value)	(1,244,637)	(160,196)	(155,439)	(1,560,272)

The following new plots or investment properties were acquired for CHF 43.7 million in the year under review:

Zurich, Hohlstrasse 485/Albulastrasse 30–40	Commercial property
Affoltern a. A., Obstgartenstrasse	Investment properties under construction

The sale of eight investment properties and some small land cessions for a combined price of CHF 89.6 million produced a gain of CHF 2.5 million (see Note 26). The following investment properties were divested:

Bülach, Schlosserstrasse 4	Commercial property
Cham, Alte Steinhäuserstrasse 35	Commercial property
Dietikon, Lerzenstrasse 12	Commercial property
Frenkendorf, Parkstrasse 2	Commercial property
Frenkendorf, Parkstrasse 6	Commercial property
Oberglatt, Aspstrasse 12	Commercial property
Tagelswangen, Ringstrasse 30, Lindauerstrasse 17	Commercial property
Wohlen, Zentralstrasse 34	Commercial property

The following properties are shown under Transfers:

	from	to
Horgen, Seestrasse 43	Investment properties under construction	Residential properties
Horgen, Seestrasse 93 (Meilenwerk)	Commercial properties	Investment properties under construction
Lausanne, Avenue d'Ouchy 4/6 (Administration)	Commercial properties	Investment properties under construction
Lausanne, Beau-Séjour 8	Investment properties under construction	Residential properties
Lausanne, Côtes-de-Montbenon 16	Owner occupied properties	Commercial properties
Lausanne, Place de l'Europe 7	Owner occupied properties	Commercial properties
Lausanne, Place de l'Europe 6	Investment properties under construction	Commercial properties
Lausanne, Rue de Genève 7	Investment properties under construction	Owner occupied properties
Zurich, City West, site C	Intangible assets	Investment properties under construction
Zürich, Turbinenstrasse Mobimo Tower	Investment properties under construction	Commercial properties

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

Residential properties under construction at Zurich, Turbinenstrasse site C; Zurich Manessestrasse 190/192 and Affoltern am Albis, Obfelderstrasse, and commercial properties under construction at Aarau, Polygon (Industriestrasse, Site 3); Affoltern am Albis, Obstgartenstrasse; Horgen, Seestrasse 93 (Meilenwerk); Lausanne, Avenue d'Ouchy 4/6 (Administration) and Lausanne, les Pépinières are accounted for under investment properties under construction.

Accounting for investment properties is based on annual estimates of market values as at 31 December, which are carried out by an independent property expert. The market value appraisal as at 31 December 2011 was carried out by Wüest & Partner AG using the DCF method.

For the DCF valuations as at 31 December 2011, the discount rates applied averaged 4.76% (prior year: 4.90%), within a range from 4.1% to 8.0% (prior year: 4.1% to 6.2%).

8. Property, plant and equipment

2011	Owner occupied properties	Other P, P & E	2011 total
Acquisition values			
As at 1 January	18,939	1,844	20,783
Increases	44	569	613
Disposals	0	-228	-228
Transfers to commercial property	-3,545	0	-3,545
Transfers from investment properties under construction	4,155	0	4,155
Cumulative acquisition values as at 31 December	19,593	2,185	21,778
Depreciation			
As at 1 January	-2,530	-969	-3,498
Increases	-734	-381	-1,115
Disposals	0	204	204
Transfers to commercial property	300	0	300
Cumulative depreciation as at 31 December	-2,963	-1,146	-4,109
Net carrying amount as at 31 December	16,630	1,039	17,668
(Fire insurance value)	(13,753)	(1,039)	(14,792)

Owner occupied properties include the commercial property at Küsnacht, Seestrasse and the owner occupied part of the property at Lausanne, Rue de Genève 7. Mobimo Management AG uses these commercial properties as its administrative centre. The parts of the buildings at Rue des Côtes-de-Montbenon 16 and Place de l'Europe 7, which were used for administrative purposes in the prior year, were let to third parties following the move to the new building.

Other property, plant and equipment comprises movables and computer hardware. Property, plant and equipment does not include any items under financial leasing arrangements.

2010	Owner occupied properties	Other P, P & E	2010 total
Cost			
As at 1 January	18,906	1,773	20,679
Additions	33	216	248
Disposals	0	-144	-144
Cumulative acquisition values as at 31 December	18,939	1,844	20,783
Depreciation			
As at 1 January	-1,800	-721	-2,520
Additions	-730	-367	-1,097
Disposals	0	119	119
Cumulative depreciation as at 31 December	-2,530	-969	-3,498
Net carrying amount as at 31 December	16,409	875	17,284
(Fire insurance value)	(13,319)	(540)	(13,859)

9. Intangible assets

2011	Purchase options/ construction projects	Software	2011 Total
Cost			
As at 1 January	10,692	975	11,668
Additions	3,051	307	3,358
Disposals	0	-603	-603
Transfers to investment properties under construction	-10,691	0	-10,691
As at 31 December	3,051	680	3,731
Amortisation			
As at 1 January	0	-568	-568
Additions	0	-242	-242
Disposals	0	603	603
Cumulative amortisation as at 31 December	0	-207	-207
Net carrying amount as at 31 December	3,051	473	3,524

In the year under review, Mobimo acquired a notarised purchase option for a plot in Merlischachen (SZ). The Zurich-West (City West) construction project recognised in the balance sheet of the previous year was transferred to investment properties under construction after completion of the transfer of ownership.

2010	Purchase rights/ construction projects	Software	2010 Total
Cost			
As at 1 January	0	684	684
Additions	10,692	300	10,992
Disposals	0	-8	-8
As at 31 December	10,692	975	11,668
Amortisation			
As at 1 January	0	-302	-302
Additions	0	-274	-274
Disposals	0	8	8
Cumulative amortisation as at 31 December	0	-568	-568
Net carrying amount as at 31 December	10,692	407	11,099

10. Investments in associates and joint ventures

	2011	2010
Investment in Flonplex SA, Lausanne (40% stake)	5,332	4,295
Investment in Parking du Centre SA, Lausanne (50% stake)	14,755	13,546
Total	20,087	17,841

With the acquisition of LO Holding Lausanne-Ouchy SA in 2009, Mobimo also acquired stakes in Flonplex SA and Parking du Centre SA (PC SA). 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 2011 financial year (basis: 100%):

	Flonplex SA 2011	Flonplex SA 2010	PC SA 2011	PC SA 2010
Assets	27,118	26,968	57,258	56,047
Liabilities	13,789	16,230	27,748	28,956
Revenues	12,517	12,669	6,188	5,842
Profit	2,591	2,278	2,419	3,205

11. Financial assets

Financial assets can be broken down as follows:

	2011	2010
Financial assets		
Loans to third parties	282	314
Loans to associates	0	800
Non-consolidated equity investments (available for sale)	1,871	1,838
Total	2,153	2,952

The non-consolidated equity investments primarily comprise the investment in Parking St-François SA.

Financial assets changed as follows:

	2011	2010
Acquisition values		
As at 1 January	3,017	8,830
Additions	34	5
Disposals	-833	-5,426
Market value adjustment	0	975
Reclassification as assets held for sale	0	-1,367
Cumulative acquisition values as at 31 December	2,218	3,017
Valuation allowances		
As at 1 January	-65	-65
Cumulative valuation allowances as at 31 December	-65	-65
Net carrying amount as at 31 December	2,153	2,952

Disposals include the repayment of a loan of CHF 0.8 million to Parking du Centre S.A.

The investment in Olmero AG, which was reclassified in the previous year as assets held for sale, was sold in 2011.

As at the reporting date, there were no overdue items apart from the impaired items 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

	2011	2010
Building loans for trading properties	0	26,400
Fixed-rate mortgage amortisation due within 12 months	4,697	3,323
Mortgages due for extension or repayment within 12 months ¹	56,170	139,273
Total current financial liabilities	60,867	168,996
Mortgages	831,790	647,023
Convertible bond	170,000	168,108
Total non-current financial liabilities	1,001,790	815,131
Total financial liabilities	1,062,657	984,128

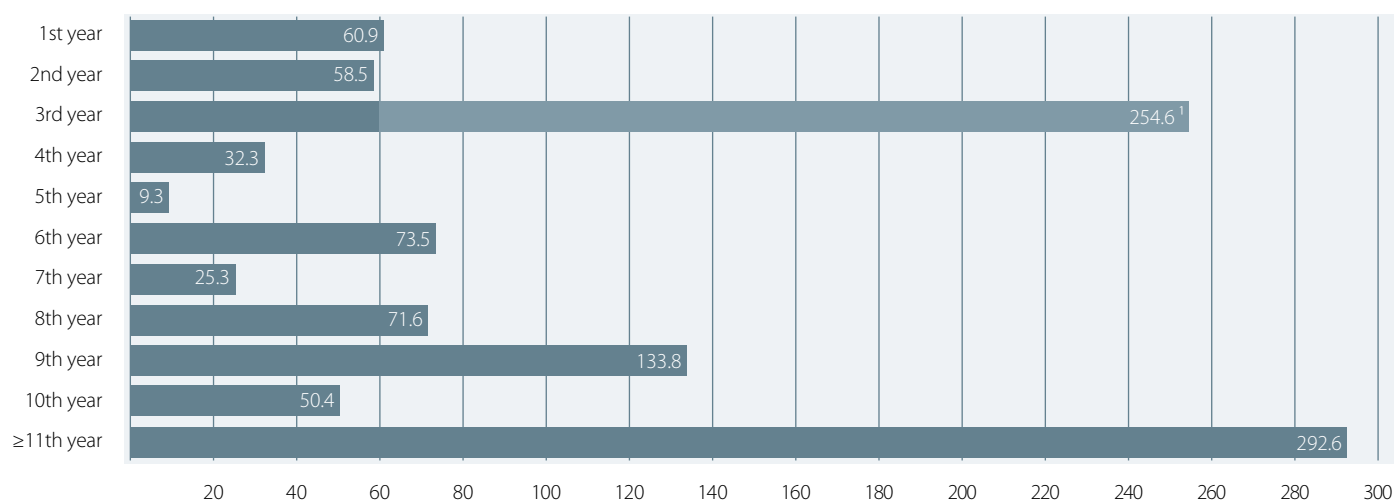
¹ inc. building loans for properties under construction

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

	2011	2010
2011	n/a	168,996
2012	60,867	59,393
2013	58,513	56,837
2014	254,574	251,293
2015	32,287	35,353
2016	9,348	4,432
2017	73,481	72,066
2018	25,254	34,839
2019	71,598	70,183
2020	133,754	132,748
2021	50,438	35,923
2022	53,623	52,165
2023	10,915	9,900
2024	1,015	n/a
2025 to 2041	226,993	n/a
Total financial liabilities	1,062,657	984,128

Mortgages of CHF 56.2 million (prior year: CHF 139.3 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 2011.

Maturity profile



In the very attractive interest rate environment it was possible to significantly increase the average residual term of overall financial liabilities with long-term interest rate hedging, to 9.2 years (prior year: 5.1 years) as at 31 December 2011.

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

	2011	2010
Up to one year	60,867	168,996
Up to 2 years	58,513	59,393
Up to 3 years	254,574	56,837
Up to 4 years	32,287	251,293
Up to 5 years	9,348	35,353
Over 5 years	647,069	412,255
Total financial liabilities	1,062,657	984,128

Certain mortgage interest rates used to be hedged in advance by means of forward rate agreements. Such forward rate agreements generally qualify as derivatives embedded in credit agreements and have to be measured at market value in accordance with IAS 39. These forward rate agreements were partly classified as cash flow hedges pursuant to IAS 39, and market value adjustments relating to the effective portion of the hedge are recognised directly in equity via a separate item (hedging reserve). When the hedged interest cash flows occur, cumulative unrealised gains or losses are transferred to the income statement. This applies until 2022. An amount of TCHF 336 (prior year: TCHF 323) was reposted to the income statement in the year under review. As at 31 December 2011 and 2010, no new forward rate agreements of this kind were used for cash flow hedges, or the term of the hedged financial liabilities had already started.

Mobimo has concluded separate interest rate hedges (swaps) for further mortgages amounting to CHF 238.3 million. Of these, CHF 130 million (prior year: CHF 0) are classified as cash flow hedges. Consequently, market value adjustments were recognised under other comprehensive income in equity, and not through profit or loss. The fair value of these instruments amounts to CHF –12.9 million. In addition, interest rate hedges not classified as cash flow hedges stand at CHF 108.3 million (prior year: CHF 108.3 million). Market value adjustments were thus recognised through the income statement. The fair value of interest rate swaps not held for hedge accounting with a negative replacement value amounted to CHF –12.5 million (prior year: CHF –8.4 million) and interest rate swaps with a positive replacement value stood at CHF 0 (prior year: CHF 0.2 million). The market value of all derivatives thus stood at a net amount of CHF –25.4 million as at 31 December 2011 (prior year: CHF –8.2 million).

¹ Non-current financial liabilities include the convertible bond in the amount of CHF 175 million maturing on 30 June 2014 in addition to mortgage liabilities.

In addition to mortgage liabilities, non-current financial liabilities also include a convertible bond that was issued on 30 June 2010 with the following features:

Volume: CHF 175 million
Interest rate: 2.125% p. a., payable annually on 30 June, with the first payment on 30 June 2011
Term: 4 years (30 June 2010 – 30 June 2014)
Conversion price: CHF 210.37, new conversion price after capital increase of 6 December 2011: CHF 207.99
Listing: SIX Swiss Exchange
Swiss security no.: 11299133

Each convertible bond has a nominal value of CHF 5,000 and can be converted up to seven trading days before the end of the term into registered shares at the conversion price of CHF 207.99. The conversion price was adjusted following the capital increase of 6 December 2011 and the resulting dilution; the original conversion price was CHF 210.37 per registered share. A maximum of 841,386 registered shares may be issued at the conversion price under the convertible bond (831,866 registered shares before the capital increase). The company has created conditional capital for the creation of the registered shares. The prospective exercise of conversion rights would dilute earnings per share. The convertible bond can be redeemed early at any time if more than 85% of the original bond volume is converted and/or redeemed or, after 21 July 2013, if the closing price of Mobimo Holding AG registered shares on the SIX Swiss Exchange (SIX) is 130% or more of the conversion price over a period of 20 consecutive trading days.

A convertible bond is a compound financial instrument, in which a conversion right is embedded for the investor. Under IAS 32, convertible bonds must be split into a liability component and an equity component. The early redemption options represent further embedded derivatives. However, there is no need under the provisions of IAS 39 to recognise these derivatives separately, as the options are tied closely to the economic characteristics and risks of the underlying contract, namely the bond.

Upon initial recognition of the convertible bond, the liability and equity components were split as follows: In a first step, the market value of the liability component was determined. This corresponds to the present value of future payments from the convertible bond (interest and principal). They were discounted at an interest rate that would apply to an identical bond with no conversion right. The difference between the market value of the liability component calculated in this way and the nominal amount was recognised as the equity component. The issuance costs were split pro rata between the liability and equity components.

The proceeds from the issue of the convertible bond totalled CHF 171.2 million. They can be derived as follows:

CHF million	30.06.2010
Convertible bond (liability component)	170.9
./ pro-rated issuance costs	-3.7
Convertible bond (liability component)	167.2
Equity component before issuance costs	4.1
./ pro-rated issuance costs	-0.1
./ deferred taxes on the difference between the carrying amount of the liability component and the taxable value of the convertible bond	-0.6
Equity component, net	3.4
Provisions for deferred tax	0.6
Total income from issue	171.2

The equity component remains unchanged under equity until bonds are converted. The difference between the carrying amount of the liability component and the redemption amount (CHF 175.0 million) will be amortised over the residual maturity of the convertible bond out to 2014 using the effective interest method. Deferred tax liabilities must be recognised on the difference between the taxable value of the convertible bond and the carrying amount of the liability component at the holding tax rate of 7.8% and released through the income statement over the term of the convertible bond.

In the period under review, a financial expense of CHF 4.7 million (prior year: CHF 2.1 million) was incurred in respect of the convertible bond. In addition, interest of CHF 0.9 million (prior year: CHF 0.7 million) on the convertible bond was capitalised on trading properties and investment properties under construction.

Of overall financial liabilities, CHF 1,062.7 million bear interest at fixed rates (prior year: CHF 950.3 million) and CHF 0 million (prior year: CHF 34.0 million) bear interest at variable rates as at 31 December 2011 (taking interest rate swaps into account). Loans with a total maturity of less than one year count as variable, property financing for construction projects is included under building loans.

Average rates of interest for the period, taking interest rate swaps into account, were as follows:

	2011 in %	2010 in %
Financial liabilities excluding building loans:		
– fixed rate of interest	3.26	3.03
– variable rate of interest	0.77	0.82
Building loans:		
– fixed rate of interest	1.95	1.29
– variable rate of interest	0.83	–
Total average rate of interest	3.02	2.93

13. Trade payables

Trade payables include payables from property accounts for advance rent payments, payables for operating costs and payables for construction costs.

14. Other payables

In the year under review, other payables amounting to TCHF 154 (prior year TCHF 2,177) primarily comprise payables in relation to social insurance. Payables in relation to value added tax and other items were also included in the prior year.

15. Advance payments from buyers

Advance payments from buyers of CHF 25.4 million (prior year: CHF 25.2 million) represent reserve payments from purchasers of trading properties prior to transfer of ownership.

16. Accrued expenses and deferred income

	2011	2010
Accruals for construction work	13,672	2,426
Accruals from property accounts	4,369	6,032
Accruals for services for related parties	776	700
Other items	9,633	10,763
Total accrued expenses and deferred income	28,450	19,921

17. Employee benefit obligations

Plan assets and employee benefit obligations changed as follows in the year under review:

Change in benefit obligations	2011	2010
Present value of benefit obligations at the beginning of the period	21,422	17,024
Employer's current service cost	834	641
Interest expenses	592	590
Employee contributions	664	604
Amounts paid	768	1,285
Actuarial (gains) losses	-1,026	1,278
Present value of benefit obligations at the end of the period	23,254	21,422

Change in plan assets	2011	2010
Plan assets at market values at the beginning of the period	16,685	13,765
Expected return on plan assets	667	541
Employer contributions	1,408	689
Employee contributions	665	604
Amounts paid	768	1,285
Actuarial gains (losses)	-858	-200
Plan assets at market values at the end of the period	19,335	16,685

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

Net liabilities for all plans	2011	2010	2009	2008	2007
Present value of benefit obligations	23,254	21,422	17,024	9,981	8,210
Market value of plan assets	-19,335	-16,685	-13,765	-7,936	-6,652
Net liability	3,919	4,737	3,259	2,045	1,558
Unrecognised actuarial gains (losses)	-2,228	-2,427	-950	-938	-440
Net benefit obligations recognised in balance sheet	1,691	2,310	2,309	1,107	1,118

The expense recognised for these plans in the income statement is made up as follows:

Net benefit expense recognised	2011	2010
Current service cost	834	641
Interest expense	592	590
Expected return on plan assets	-667	-541
Recognition of actuarial (gains) losses	30	0
Net benefit expense	789	690

Expected employer contributions for the 2012 financial year amount to TCHF 772.

The net obligations recognised in the balance sheet changed as follows:

Change in net benefit obligation	2011	2010
As at 1 January	2,310	2,309
Company's net benefit expense	789	690
Employer contributions	-1,408	-689
As at 31 December	1,691	2,310

Experience gains and losses	2011	2010	2009	2008	2007
Actual return on assets	-192	341	204	-609	248
Actual return on assets in %	-1.0%	2.0%	2.0%	-7.7%	3.7%
Difference between expected and actual return on assets	858	200	160	956	-31
Difference between expected and actual return on assets in %	4.4%	1.2%	1.9%	12.0%	-0.5%
Experience loss (gain) on benefit obligations	-804	-1,066	194	-344	755
Experience loss (gain) on benefit obligations in %	-3.5%	-5.0%	1.8%	-3.4%	-9.2%

The actual return on plan assets amounted to TCHF -192 (prior year: TCHF 341).

Plan assets can be broken down into the following categories:

Asset classes	Plan assets 2011 in %	Expected return 2011 in %	Plan assets 2010 in %	Expected return 2010 in %
Shares	27%	5.90%	30%	6.50%
Bonds and notes	45%	1.75%	48%	1.60%
Real estate	16%	3.75%	16%	3.50%
Alternative investments	9%	3.75%	3%	3.75%
Other	3%	0.25%	3%	0.75%
Total	100%	3.30%	100%	3.90%

At 31 December 2011, the plan assets did not include treasury shares or real estate in the company's own use.

The following assumptions were applied to the expense reported in the income statement:

	1.1.2012	1.1.2011
Discount rate	2.7 %	2.8 %
Expected return on plan assets	3.4 %	3.9 %
Expected future salary increases	1.3 %	1.3 %
Expected future pension benefit increases	0.5 %	0.5 %
Expected long-term interest rate on pension assets	2.0 %	2.5 %

18. Deferred tax

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

	2011		2010	
	Assets	Liabilities	Assets	Liabilities
Investment properties		110,438		103,091
Employee benefit obligation	320		490	
Other items	5,037	2,341	1,836	725
Deferred taxes on temporary differences	5,357	112,778	2,326	103,816
Tax benefit of offsettable loss carryforwards	284			
Total deferred taxes	5,641	112,778	2,326	103,816
Offset of deferred tax assets and liabilities	-995	-995	-2,326	-2,326
Deferred tax assets/liabilities	4,647	111,784		101,490

The company holds and manages properties and is also involved in trading activities. In some cantons, gains from the sale of properties are subject to separate taxation in the form of a property 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 property has been held. Property 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 assets of CHF 0.3 million recognised in the year under review relate to offsettable loss carryforwards in cantonal and communal taxes of CHF 1.2 million. In addition, unrecognised loss carryforwards amounted to CHF 0.9 million.

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

Of the net change in deferred tax liabilities of CHF 5.6 million (prior year: CHF 8.7 million), CHF 5.7 million (prior year: CHF 2.9 million) was recognised in the income statement and CHF -0.1 million (prior year CHF -0.1 million) on financial instruments was recognised directly in other income. In the prior year, deferred taxes on the equity component of the convertible bond of CHF 0.6 million were charged to capital reserves and deferred tax liabilities of CHF 5.3 million were taken over with the acquisition of O4Real AG.

19. Equity

The Annual General Meeting of 6 April 2011 approved a distribution of capital contribution reserves for the financial year 2010 of CHF 9 per share, which was paid on 13 April 2011. The nominal value of Mobimo shares remains at CHF 29.

Changes in the equity holding can be summarised as follows:

No. of shares	Shares issued	Treasury shares	Shares outstanding
As at 1 January 2010	5,053,552	-4,373	5,049,179
Issue of shares from conditional capital for options exercised	77,618		77,618
Acquisition of treasury shares		-10,754	-10,754
Share-based payments for the acquisition of properties		4,800	4,800
Share-based payments to Board of Directors and management		1,562	1,562
Acquisition of non-controlling interests settled with treasury shares		7,158	7,158
Shares for former LO shareholders (squeeze-out)		536	536
As at 31 December 2010	5,131,170	-1,071	5,130,099
Issue of shares from conditional capital for options exercised	10,578		10,578
Acquisition of treasury shares		-71,736	-71,736
Share-based payments for the acquisition of properties		62,785	62,785
Share-based payments to Board of Directors and management		8,331	8,331
Sale of treasury shares		300	300
Issue of shares from authorised capital for capital increase	1,028,350		1,028,350
Acquisition of treasury shares from capital increase		-356	-356
As at 31 December 2011	6,170,098	-1,747	6,168,351

As at 31 December 2011, share capital amounted to CHF 178.9 million and was composed of 6,170,098 registered shares with a nominal value of CHF 29 per share. 1,747 treasury shares were held as at that date.

10,578 option rights were exercised in 2011, leading to a CHF 0.3 million increase in share capital.

In the prior year, the purchase of the property Place de la Gare, Avenue d'Ouchy 4/6 in Lausanne took place as part of the takeover of O4Real AG. The purchase did not qualify as a business combination within the meaning of IFRS 3, but as a share-based payment within the meaning of IFRS 2. The purchase price of up to CHF 18.3 million was payable entirely in shares and was paid incrementally depending on rents received. The maximum purchase price was fully recognised at the time of acquisition as an increase in the capital reserves. The final transfer of shares took place in 2011. In total, 67,585 shares were transferred to the sellers for the purchase of the property: 62,785 in 2011 and 4,800 in 2010. The acquisition costs of the treasury shares bought back on the market after being transferred to the sellers totalled CHF 14.3 million (2011: CHF 13.4 million; 2010: CHF 0.9 million) and were charged to capital reserves at the time of transfer.

Mobimo issued 1,028,350 new registered shares from existing conditional capital on 6 December 2011. The capital increase safeguarded shareholders' subscription rights. Each existing shareholder was granted one subscription right per registered share held. Five subscription rights entitled the holder to purchase a new Mobimo registered share at the price of CHF 192 per share. By the end of the subscription period on 5 December, 99.8% of the subscription rights had been exercised. The remaining 1,959 shares were placed at the price of CHF 206 each. Share capital thus increased by a nominal CHF 29.8 million. The amount of CHF 167.6 million in excess of the nominal value was credited to capital reserves. The costs of the capital increase, which amounted to CHF 5.3 million, were charged to capital reserves and the consequent tax effect of CHF 0.4 million was credited to capital reserves. This resulted in an overall increase of CHF 192.6 million.

There is also conditional share capital of a maximum of CHF 36.25 million for the issue of up to 1,250,056 fully paid-up registered shares with a nominal value of CHF 29, of which

- up to CHF 0.5 million is designated for the exercise of option rights granted to members of the Board of Directors, employees of Group companies and related parties. Shareholders' subscription rights are excluded;
- up to CHF 0.9 million is designated for the exercise of subscription rights created after 5 May 2010 under an employee share option programme. Shareholders' subscription rights are excluded;
- up to CHF 34.8 million is designated for the exercise of conversion and/or option rights connected to convertible bonds, bonds with warrants, similar bonds or other financial market instruments of the company or granted by Group companies. Shareholders' subscription rights are excluded.

Finally, authorised share capital is available allowing the Board of Directors to increase the share capital of the company by a maximum of CHF 34.0 million within two years at most via the issue of up to 1,171,650 registered shares, to be fully paid up, with a nominal value of CHF 29 per share.

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 18 April 2012 a distribution of CHF 55.6 million in the form of a distribution of paid-in capital of CHF 9 per share.

Capital structure

	Total TCHF	Number of registered shares	Nominal value per share (CHF)
Capital as at 31 December 2011			
Share capital	178,933	6,170,098	29
Authorised capital (until 6 April 2013)	max. 33,978	1,171,650	29
Conditional capital	max. 36,252	1,250,056	29
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
Share capital as at 31. 12. 2010	148,804	5,131,170	29
Share capital as at 31. 12. 2011	178,933	6,170,098	29
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
Authorised capital as at 31. 12. 2010	34,800	1,200,000	29
Authorised capital as at 31. 12. 2011	33,978	1,171,650	29
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
Conditional capital as at 31. 12. 2010	36,558	1,260,634	29
Conditional capital as at 31. 12. 2011	36,252	1,250,056	29

20. Earnings per share

Undiluted 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 effects from outstanding options assuming that all options are exercised, and the potential shares arising from the convertible bond.

	2011	2010
Calculation of earnings per share		
Number of outstanding shares as at 1 January	5,130,099	5,049,179
Effect of capital increase (average)	79,013	23,700
Effect of change in holdings of treasury shares	-6,486	1,353
Average number of outstanding shares	5,202,626	5,074,232
Effect of outstanding options:		
– average number of potential shares	22,402	82,106
– average number of shares which would be issued at average market value	-3,095	-12,830
Average number of potential shares from convertible bond	832,544	419,352
Effective number of shares as basis for calculation of diluted earnings per share	6,054,477	5,562,860
Profit in TCHF	80,454	65,995
Net income from revaluation in TCHF	-41,194	-29,132
Attributable deferred tax in TCHF	10,299	7,283
Profit not including revaluation (and attributable deferred tax) in TCHF	49,558	44,146
Effect of coupon payment on convertible bond in TCHF	4,701	2,107
Attributable income tax in TCHF	-367	-164
Profit after eliminations from convertible bond in TCHF	84,788	67,938
Profit not including revaluation or effects from convertible bond in TCHF	53,893	46,089
Earnings per share in CHF	15.46	13.01
Diluted earnings per share in CHF	14.00	12.21
Earnings per share not including revaluation (and attributable deferred tax) in CHF	9.53	8.70
Diluted earnings per share not including revaluation (and attributable deferred tax) in CHF	8.90	8.29
Calculation of net asset value (NAV) per share		
Number of outstanding shares as at 31 December	6,168,351	5,130,099
Number of outstanding options	17,610	28,188
Number of potential shares from convertible bond	841,386	831,866
Number of shares as basis for calculation of diluted NAV	7,027,347	5,990,153
Equity as at 31 December in TCHF	1,174,183	971,339
Liability component convertible bond	169,999	168,108
Deferred taxes on convertible bond	390	538
Option exercise (outstanding options x nominal value) in TCHF	511	817
Shareholders' equity after conversion and option exercise in TCHF	1,345,083	1,140,802
NAV per share in CHF	190.36	189.34
NAV per share, diluted, in CHF	191.41	190.45

21. Income from rental of properties

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

	2011	2010
Commercial properties	71,154	79,162
Residential properties	15,775	10,631
Income from rental of investment properties	86,929	89,793
Trading properties ¹	1,858	1,152
Total income from rental of properties	88,787	90,945

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

22. Direct expenses for rented properties

	2011	2010
Commercial properties	9,743	10,208
Losses on receivables commercial properties	333	-496
Residential properties	2,444	1,905
Losses on receivables residential properties	83	40
Investment property expense	12,603	11,656
Rented trading properties	150	98
Losses on receivables trading properties	0	-11
Net income from revaluation	12,753	11,743

Direct expenses contains all costs relating to maintenance and administration (including building superintendent remuneration) which cannot be passed on to tenants. In the prior year, the losses on receivables commercial properties included a reversal of provisions no longer required.

23. Net income from revaluation

	2011	2010
Positive fair value adjustments	54,330	39,728
Negative fair value adjustments	-13,136	-10,597
Net gains from revaluation	41,194	29,132

Of the CHF 41.2 million in net income from revaluation, CHF 20.7 million relates to the completion of properties under construction for the company's own portfolio and the development of existing investment properties.

¹ Rental income from development properties

24. Income from sale of trading properties

In 2011, a total of 65 apartments and various ancillary properties such as parking spaces and workshops were transferred to condominiums. The income generated was CHF 133 million.

25. Expenses from sale of trading properties

Expenses can be broken down as follows:

	2011	2010
Pro-rata construction costs of trading properties sold	111,398	70,065
Changes in valuation allowances	-684	608
Total expenses from sale of trading properties	110,714	70,673

26. Profit on disposal of investment properties

	2011	2010
Sales proceeds investment properties	89,631	116,650
Carrying amount	-86,556	-110,180
Sales costs	-591	-1,033
Profit on disposal of investment properties	2,484	5,437

In the period under review, eight investment properties were sold and there was additional cession of land (see Note 7).

27. Other income

	2011	2010
Other income	907	939
Gain from sales of property, plant and equipment	0	2
Total other income	907	941

Other income includes income from the management of third-party property in Lausanne.

28. Personnel expenses

	2011	2010
Salaries	10,831	9,580
Social security contributions	1,095	1,050
Defined contribution plans	142	139
Defined benefit plans	789	690
Compensation for Board of Directors	1,496	1,885
Profit-sharing and option plan	3,034	2,302
External training and education costs	110	135
Other personnel expenses	557	1,937
Total personnel expenses	18,054	17,717
Headcount as at 31 December (full time basis)	84.1	75.1
Average headcount (full time basis)	78.9	64.2

29. Operating expenses

	2011	2010
Room costs	126	66
Costs for investigations in connection with the acquisition of properties, sales documentation	250	111
Capital taxes	281	319
Other operating expenses	4,885	4,079
Total operating expenses	5,542	4,575

Other operating expenses includes a loss of TCHF 20 on the sale of property, plant and equipment.

30. Administrative expenses

	2011	2010
Consulting expense	1,852	2,046
Consulting expense in respect of related parties	510	368
Other administrative expenses	320	527
Total administrative expenses	2,683	2,940

31. Depreciation and amortisation

	2011	2010
Depreciation on other property, plant and equipment	381	367
Depreciation on owner occupied properties	734	730
Amortisation of intangible assets	242	274
Total depreciation and amortisation	1,356	1,372

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

32. Financial result

	2011	2010
Financial income		
Interest on bank and other deposits	223	261
Interest on loans and debt instruments	200	20
Interest on loans to associates	17	24
Total interest income	440	305
Dividend income from equity investments	107	101
Income from financial instruments (derivatives)	0	180
Gains from sale of financial assets	975	0
Other income	0	66
Total financial income	1,523	652
Financial expense		
Interest expense	-28,093	-25,102
Cost of financial instruments (derivatives)	-4,248	-2,295
Other financial charges	-132	0
Total financial expense	-32,472	-27,397
Total financial result	-30,949	-26,745

In the 2011 financial year, a total of CHF 2.2 million (prior year: CHF 2.5 million) in building loan interest was capitalised under trading properties and investment properties under construction. The average rate of interest on the capitalised interest amounted to 1.91 % (prior year: 1.75 %).

33. Tax expense

Tax expense can be broken down as follows:

	2011	2010
Total current tax expense	6,193	9,042
Deferred tax		
Change in deferred tax	7,985	3,312
Capitalisation of deferred tax on tax loss carryforwards 2011	-284	495
Changes in tax rate on deferred tax items recognised	-1,981	-907
Total deferred tax expense	5,720	2,900
Total income tax expense	11,913	11,942

Current tax expense contains an amount of CHF -5.4 million (prior year: CHF -1.4 million) for income tax from prior periods. Enacted tax rates were used in the calculation of current income tax. Other comprehensive income (equity) also includes current tax income of CHF 2.9 million from recognising the losses on financial instruments classified as cash flow hedges (swaps). The positive tax effect of CHF 0.4 million in current tax resulting from reporting the costs of the capital increase in equity is recognised directly in equity.

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

Tax expense can be analysed as follows:

	2011	2010
Group profit before tax	92,367	77,949
Applicable tax rate	25 %	25 %
Tax expense at applicable tax rate	23,092	19,487
Non-deductible expenses/income	1,527	-1,512
Creation/reversal for prior-year current tax	-5,412	-1,396
Non-recognition of tax loss carryforwards	900	0
Capitalisation of deferred tax assets	-3,667	0
Expense/income which are taxed at a lower/higher tax rate	-2,637	-3,469
Impact of changes in tax rate on deferred tax items recognised	-1,981	-907
Other effects	91	-261
Total taxes	11,913	11,942

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 %.

The low tax rate in the 2011 financial year was mainly attributable to the implementation of the Swiss Federal Supreme Court judgement of 4 April 2011 which ended the longstanding legal dispute between Mobimo Holding AG ("Mobimo") and the City of Zurich. The dispute concerned the possibility of deducting expenses and loss carryforwards in connection with the assessment of property gains tax. As a result of the Supreme Court ruling in Mobimo's favour, the company was able to release tax provisions of CHF 5.5 million. There are still a number of unresolved issues currently being clarified with the local tax authorities relating to how the Supreme Court judgement is to be effectively implemented.

34. Pledged assets/assets not freely disposable

The carrying amount of pledged assets is as follows:

	2011	2010
Trade receivables	303	267
Trading properties	57,568	116,673
Investment properties and investment properties under construction	1,773,408	1,594,259
Owner occupied properties	16,630	16,409
Carrying amount of pledged assets	1,847,909	1,727,608

This is the carrying amount of those assets which are pledged either in full or in part for the purpose of securing bank mortgage loans. These assets were effectively mortgaged in an amount of CHF 892.6 million (prior year: CHF 816.0 million) (see Note 12).

35. Operating leases**Mobimo as tenant**

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

	2011	2010
Rental and leasing obligations up to 1 year	50	71
Rental and leasing obligations 2 to 5 years	0	6
Rental and leasing obligations over 5 years	0	0
Total future rental and leasing obligations	50	77

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

The rental and leasing expenses charged to the income statement amounted to TCHF 83 (prior year TCH 69).

Mobimo as landlord

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

2011	Commercial properties	Residential properties	Total
Rental income within 1 year	61,664	3,749	65,413
Rental income within 2 to 5 years	173,403	2,152	175,555
Rental income in over 5 years	197,628	711	198,338
Total future rental income from non-cancellable rental agreements	432,695	6,612	439,306

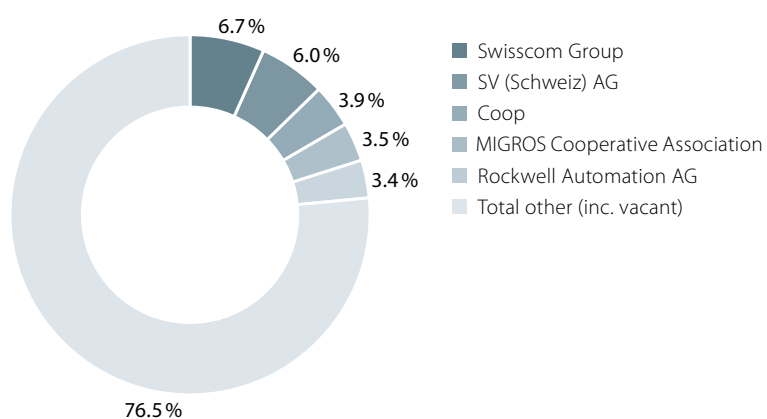
2010	Commercial properties	Residential properties	Total
Rental income within 1 year	65,109	819	65,928
Rental income within 2 to 5 years	182,136	2,305	184,441
Rental income in over 5 years	113,398	634	114,032
Total future rental income from non-cancellable rental agreements	360,643	3,758	364,401

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 2011 80.1% (CHF 72.6 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 tenants generate the following share of rental income:

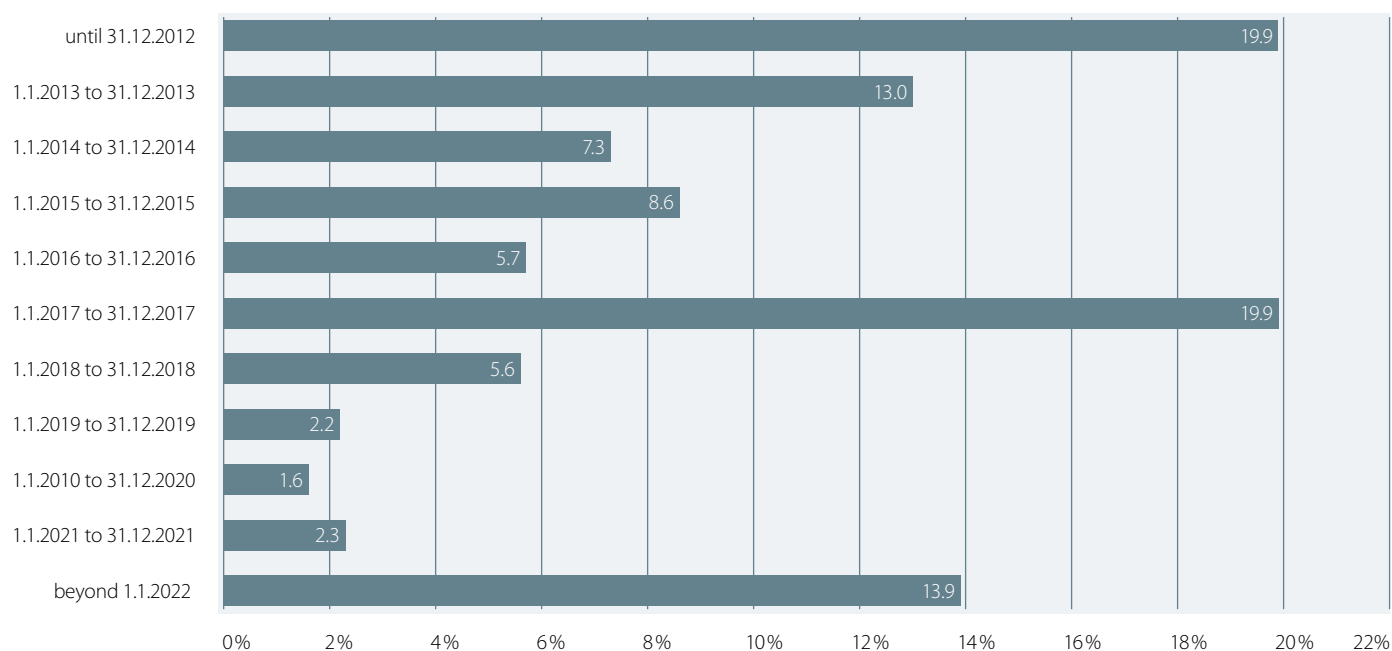
Name of tenant	2011 share in %	2010 share in %
Swisscom Group	6.7	7.0
SV (Schweiz) AG	6.0	n/a
Coop	3.9	3.8
MIGROS Cooperative Association	3.5	3.3
Rockwell Automation AG	3.4	3.8

Shares of the five biggest tenants (as at 31. 12. 2011)



Further details of rental income can be found in Note 21.

Length of existing fixed rental agreements (as at 31 December 2011)



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 by Internal Controlling. Internal Controlling operates in line with the principles of Mobimo's risk management concept, which is monitored by the Audit and Risk Committee. Risk management focuses 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 together with 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 Annual financial statements of Mobimo Holding AG, "9. Risk assessment", in accordance with Article 663b section 12 Swiss Code of Obligations).

36.2 Credit risk

Credit risk is the risk that Mobimo could suffer financial losses if clients 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. Deposits or bank guarantees of three to six times the monthly rent are also demanded.

The maximum credit risk 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 of the carrying amounts. As at the reporting date, the maximum credit risk exposure was as follows:

	Carrying amounts 2011	Carrying amounts 2010
Cash (bank deposits)	252,059	92,773
Trade receivables	6,368	5,704
Other receivables ¹	449	587
Accrued income and prepaid expenses ²	3,278	1,765
Derivative financial instruments	0	180
Financial assets (loans)	282	1,114
Total	262,436	102,123

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 condominium development properties 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 payments

² Not including costs paid in advance

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.

2011	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	6,456	6,456		6,456			
Other payables ²	154	154		154			
Accrued expenses and deferred income ³	23,325	23,325		23,325			
Financial liabilities	1,062,657	1,268,555	63,073	126,185	70,131	421,017	588,149
Derivative financial liabilities							
Interest rate swaps	25,358	37,060	431	1,088	4,526	15,740	15,275
Total	1,117,950	1,335,550	63,504	157,208	74,657	436,757	603,424

2010	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	5,163	5,163		5,163			
Other payables ²	579	579		579			
Accrued expenses and deferred income ³	4,229	4,229		4,229			
Financial liabilities	984,128	1,128,467	42,646	93,963	153,146	446,898	391,813
Derivative financial liabilities							
Interest rate swaps	8,403	8,971	178	350	1,320	4,697	2,426
Total	1,002,501	1,147,408	42,824	104,284	154,466	451,594	394,239

¹ Not including rents and ancillary costs paid in advance

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

³ Not including deferred income and unused annual leave

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 from and market 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 is only active in Switzerland and all business is transacted in Swiss francs.

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. As at the reporting date there were no short-term building loans for trading properties (prior year CHF 26.4 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 and derivative financial instruments.

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.

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

Market value sensitivity analysis for fixed-rate financial instruments

Mobimo has no fixed-rate financial assets or liabilities which are classified at market value in the income statement. 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 no direct impact on the profit for the year. Changes in fair value for 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 increased the Group result by CHF 6.2 million (2010: CHF 6.2 million) as a result of changes in fair value for swaps not held for hedge accounting purposes. Changes in fair value for swaps held for hedge accounting purposes would have increased other income (equity) by CHF 24.5 million (2010: CHF 0). An equivalent decrease in the interest rate would have reduced the Group result and other income by a similar 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 financial liabilities. An increase in the interest rate of 100 basis points would have reduced the Group result by CHF 0 million (2010: CHF 0.5 million), whereas an equivalent decrease in the interest rate would have increased the Group result by the same amount. The analysis is based on the assumption that all other variables remain unchanged.

Market values

The carrying amounts in the annual 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 time value of the future cash flows to be discounted as at the reporting date using the market interest rate. As at the reporting date, for fixed-rate mortgages this figure was CHF 87.4 million (2010: CHF 53.7 million) higher than the carrying amount. The reason for this is that, as at 31 December 2011, market interest rates were considerably lower than the level hedged. The market values of fixed-rate mortgages are based on early repayment penalties calculated by the lending banks as at the respective date. For the listed convertible bond, fair value, which corresponds to the closing price on the stock exchange, is CHF 9.0 million (2010: CHF 12.6 million) higher than the carrying amount.

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 2011, the discount rates used were between 0.57 % and 2.00 % (2010: between 0.70 % and 2.96 %).

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method, as at 31 December 2011. 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

2011	Level 1	Level 2	Level 3
Derivative financial instruments (net)	0	-25,358	0
Financial assets (assets held for sale)	0	0	0
Assets held for sale	0	0	0
2010	Level 1	Level 2	Level 3
Derivative financial instruments (net)	0	-8,224	0
Financial assets (assets held for sale)	0	0	1,838
Assets held for sale	0	0	1,367

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

The fair value of the financial instruments classified as Level 3 changed as follows in 2011:

	2011	2010
As at 1 January	3,205	2,230
Gains and losses recognised in other comprehensive income	0	975
Sale of the investment in Olmero AG	-1,367	0
Decrease through change to measurement at cost	-1,838	0
As at 31 December	0	3,205

As part of the purchase price allocation (PPA) for the acquisition of the LO Group, a corresponding fair value was calculated and recognised for the investment in Parking Saint-François S.A. Since there is insufficient information available to produce a regular and reliable calculation of the current fair value, however, the investment is now valued as an equity instrument and recognised at cost. The investment in Olmero AG was also sold during the year under review. See Note 11 Financial assets for further details.

36.5 Categories of financial instruments

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

	Carrying amount 2011	Carrying amount 2010
Loans and receivables		
Cash	252,059	92,773
Trade receivables	6,368	5,705
Other receivables ¹	449	587
Accrued income and prepaid expenses ²	3,278	1,765
Financial assets (loans)	282	1,114
Total loans and receivables	262,436	101,944
Financial assets held for trading purposes		
Derivative financial instruments	0	180
Financial assets available for sale		
Assets held for sale	0	1,367
Financial assets (equity investments)	1,871	1,838
Financial liabilities measured at amortised cost		
Trade payables ³	6,456	5,163
Other payables ⁴	154	579
Accrued expenses and deferred income ⁵	23,325	9,296
Financial liabilities	1,062,657	984,128
Total liabilities measured at amortised cost	1,092,592	999,166
Financial liabilities held for trading purposes		
Derivative financial instruments	12,471	8,403
Financial liabilities held for hedging purposes		
Derivative financial instruments	12,887	0

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 shareholders' 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 about 5.1% (2010: 5.2%). As at the end of 2011, the return on equity was 8.5% (2010: 7.1%) (profit in relation to average equity). The shares are 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 in relation to social insurance and advance payments

² Not including costs paid in advance

³ Not including rents and ancillary costs paid in advance

⁴ Not including tax payables and payables in relation to social insurance

⁵ Not including deferred income and unused annual leave

37. Share-based payments

New profit-sharing regulations have been in force for the Executive Board since 1 January 2010. These state that should a hurdle of 5 % return on equity be exceeded, shares will be granted in an amount of at least 50 % of a 7 % proportion of the remaining consolidated profit for the year after deduction of the hurdle. 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. The annual share of profits for the individual members of the Executive Board is limited to a maximum of 150 % of fixed gross annual salary.

All the shares issued under profit-sharing arrangements are subject to a vesting period, generally of five years.

For the 2011 financial year, a total of 7,392 shares were granted to the Executive Board as a share of profits. The cost of the approved share allocation was recognised as TCHF 1,538, valued at the share price on 31 December 2011 of CHF 208 per share. Share-based remuneration for the Executive Board was based on the assumption that a ratio of 60 % applies.

In line with the allocation regulations applicable at the time, the Executive Board received a share of profits in the form of options for the last time in 2009. The Board of Directors was allocated a share of profits in the form of options for the last time in connection with the 2008 financial year.

The options issued can be broken down as follows:

	Grant date	2011	2010
– 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	2,403
Total options issued		117,554	117,554
Options exercised		99,944	89,366
Expired options		0	0
Total options outstanding 31 December		17,610	28,188
Exercisable options		0	3,898

In accordance with the regulations that came into effect in the 2009 financial year, the Board of Directors receives fixed remuneration 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 receive their remuneration in cash, or partly or fully in shares in accordance with the allocation resolution. In total, remuneration of CHF 1.0 million was paid in cash and CHF 0.4 million in the form of shares (1,708 shares) in 2011.

The following profit-sharing regulations applied to the Executive Board and employees until 31 December 2009, and to the Board of Directors until 31 December 2008:

Until 31 December 2009, the Executive Board and employees were subject to profit-sharing regulations which stated that should a hurdle of 5 % return on equity be exceeded, options (with dilution protection) would 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 stipulated that if figures dropped below the 5 % hurdle, profit-sharing would only become possible again when the difference was made up. From 1 January 2006, the number of options was determined on the basis of the market value of the option using the Black Scholes model. The option plan was in force from 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.

The strike price for all options corresponds to the nominal value at the time of exercise. Following the nominal value reduction on 12 August 2010, the strike price declined from CHF 38 to CHF 29 in the previous year. There was no nominal value reduction in the 2011 financial year, so the strike price remains unchanged at CHF 29.

All options issued are subject to individual vesting periods 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). The first possible date for exercising options was 21 November 2004. The regulations, effective from 1 January 2006, governing the granting of options from the 2006 financial year onwards specify an exercise period of between the third and tenth year.

38. Capital commitments

As at 31 December 2011, capital commitments amounted to CHF 72.1 million. These commitments relate to the investment properties under construction at Zurich City West site C, Lausanne "La Poste", Aarau Polygon, Affoltern am Albis Obstgartenstrasse and Regensdorf Schulstrasse.

39. Contingencies

There are no contingent liabilities.

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	2011	2010
Pensionskasse des Kantons Zug	3.40 %	3.41 %
Dr. Alfred Meili family ¹	–	3.19 %

¹ Following the disposal of shares at the beginning of 2011, the Dr. Alfred Meili shareholder group had fallen below the 3 % threshold as at year-end 2011.

41. Related parties

Related parties include shareholders who could exert 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 Immobilien AG, the law firm weber schaub & partner ag and Immopoly Sàrl owned by Paul Rambert. The life partner of Dr. Christoph Caviezel is a partner in Holenstein Rechtsanwälte AG. Paul Rambert's son is a managing partner in the company OloOm Sàrl. The company provides interior design services.

The Board of Directors and the Executive Board received the following remuneration in the year under review (in TCHF):

	2011	2010
Members of the Board of Directors/Executive Board	6,173	5,505
broken down as follows		
– salaries	3,733	3,900
– social security contributions	548	502
– share-based payments	1,892	1,103

The regulations governing the remuneration system for the Board of Directors were amended in 2009 and the existing option plan discontinued (see Note 37). As of the 2010 financial year, the option plan for the Executive Board was also replaced by the new profit-sharing regulations for the Executive Board (see Note 37).

EB profit-sharing/BoD remuneration 2010	5,651 shares
EB profit-sharing/BoD remuneration 2011	9,100 shares

Further details of the Executive Board profit-sharing regulations can be found in Note 37.

Further relationships with related parties are as follows:

The income statement includes expenses of TCHF 488 for tax consulting by the tax and legal consulting firm weber schaub & partner ag. It also includes TCHF 27 for advisory services provided by Immopoly Sàrl, TCHF 10 for services provided in connection with the sale of investment properties by Paul Schnetzer and TCHF 6 for services provided by Holenstein Rechtsanwälte. A committee supporting Georges Theiler's campaign for election to the Council of States received a donation of TCHF 40. Dr. Christoph Caviezel and Urs Ledermann each bought an apartment in the Mobimo Tower, for CHF 2.4 million and CHF 1.3 million respectively. Since these apartments are used and let as show apartments, Mobimo made a contribution of TCHF 100 and TCHF 50 respectively for internal fixtures and furnishings, and paid rent of TCHF 27 to Dr. Christoph Caviezel and TCHF 15 to Urs Ledermann. The rental agreement with Urs Ledermann ended in January 2012, and Mobimo expects the other rental agreement to end on 30 September 2012.

Payments of TCHF 176 not recognised in profit or loss were capitalised for construction project services provided by OloOm Sàrl, and TCHF 3 was recognised in equity for tax advice provided by weber schaub & partner in connection with the capital increase.

The information on transparency pursuant to the Swiss Code of Obligations can be found in the notes to the annual 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	178,933		F
Mobimo AG	Küsnacht	72,000	100.00	F
Mobimo Management AG	Küsnacht	100	100.00	F
JJM Participations SA	Lausanne	6,001	100.00	F
LO Holding Lausanne-Ouchy SA	Lausanne	12,000	100.00	F
LO Immeubles SA	Lausanne	2,000	100.00	F
LO Gestion SA	Lausanne	250	100.00	F
FLON Events Sàrl	Lausanne	20	95.00	F
PARKING DU CENTRE S.A.	Lausanne	6,000	50.00	E
Flonplex SA	Lausanne	2,000	40.00	E
Parking Saint-François S.A.	Lausanne	1,150	26.52 ¹	not cons.
O4Real AG	Lausanne	1,000	100.00	F

F = fully consolidated

E = equity valuation

not cons. = not consolidated

As part of a restructuring, the assets of Mobimo Finance Ltd. were transferred to Mobimo Holding and LO Holding Lausanne-Ouchy in the year under review and the company was subsequently liquidated.

The investment in O4Real was transferred to LO Holding Lausanne-Ouchy SA on 14 June 2011 by means of a contribution in kind.

The investment in Olmero AG was sold in March 2011.

43. Events after the reporting date

The Board of Directors approved the consolidated annual financial statements for publication on 20 February 2012. These statements are also subject to approval by the General Meeting of Mobimo Holding AG on 18 April 2012.

No other events occurred between 31 December and the date of approval of the consolidated annual financial statements which would require adjustments to the carrying amounts of the Group's assets and liabilities as at 31 December 2011 or would require disclosure in this section.

¹ The share of voting rights is 5 %.

2 PROPERTY DETAILS

2.1 TRADING PROPERTY DETAILS

Location	Address	Site area in m ²	Register of polluted sites	Built	Acquired
Land					
Erlenbach	Forch-/Glärnischstrasse	7,037	no		Apr 07
Herrliberg	Rigiweg	5,082	no		Nov 08
Lucerne	Büttenenhalde	7,115	no		Dec 11
Meilen	Feldgüetliweg	2,660	no		Aug 11
Müllheim	Grünenegg	10,500	no		Mar 11
Weggis	Hertensteinstrasse 105	3,043	no		May 10
		35,437			
Properties under construction					
Adliswil	Wilacker I	7,231	no		Dec 07
Adliswil	Wilacker II	10,935	no		Dec 07
Adliswil	Wilacker III	4,500	no		Dec 07
Horgen	Stockerstrasse 40–42 (Wisental II)	7,047	no		Nov 05
Zurich	Hinterbergstrasse 53 ²	1,465	no		Jul 10
Zurich	Turbinenstrasse Site A	5,144	no		May 11
Zurich	Turbinenstrasse Site B	5,965	no		May 11
		40,822			
Completed properties					
Aarau	Buchserstrasse 8	241	no		Mar 11
Egerkingen	Einschlagstrasse	8,729	no		Mar 11
Horgen	Stockerstrasse 27-29	5,490	no		Nov 05
Horgen	Stockerstrasse 40-42	7,633	no		Nov 05
Horgen	Stockerstrasse 54	919	no		Nov 06
Lucerne	Guggistrasse 10/12/12a ²	3,004	no	1979	Jul 07
St. Moritz	Via Maistra 29 ²	557	no		Jul 10
Wädenswil	Rötibodenstrasse	3,740	no		Oct 07
Zurich	Im Brächli 5 / 7 / 9 ²	2,144	no	1955	Aug 09
Zurich	Turbinenstrasse trading property (Mobimo Tower)	1,936	no		May 08
		35,858			

¹ Status: certified purchase agreement

² Development properties

³ Sale as project

Description	Sales volumes in TCHF	Project status 31.12. 2011	Realisation	Carrying amount 31.12. 2011 in TCHF	Sales status 31.12. 2011 ¹
n/a ³	open	in planning	n/a ³	12,868	open
8 condominiums	open	in planning	2012/2013	17,708	0/8
open	open	in planning	open	5,298	open
12 condominiums	25,499	construction project	2012/2014	9,597	0/12
open	open	in planning	open	1,861	open
open	open	in planning	open	10,073	open
	25,499			57,405	
33 condominiums	34,609	construction project	2010/2012	24,099	18/33
24 condominiums	27,635	construction project	2010/2012	19,014	4/24
3 apartment buildings	18,000	construction project	2010/2012	13,597	3/3 apartment buildings
43 condominiums	51,845	construction project	2011/2013	24,946	7/43
11 condominiums	25,570	in planning	2011/2013	13,803	9/11
63 condominiums	59,755	construction project	2011/2013	25,209	11/63
81 condominiums	75,465	construction project	2011/2013	32,359	12/81
	267,309			153,027	
residential property	open	in planning	open	470	open
4 condominiums	open	for sale	open	4,756	0/4
39 condominiums	41,341	for sale	2007/2009	14	39/39
47 condominiums	60,218	for sale	2008/2010	6	47/47
4 condominiums	9,091	for sale	2009/2010	1,500	3/4
9 condominiums	15,936	for sale	2008/2011	20	9/9
open	open	in planning	2013/2014	15,579	open
16 condominiums	25,114	construction project	2010/2011	1 415	15/16
17 condominiums	25,078	in planning	2011/2014	8,175	0/17
53 condominiums	173,756	for sale	2008/2011	76,641	30/53
	376,102			108,576	

GEOGRAPHIC BREAKDOWN OF TRADING PROPERTIES

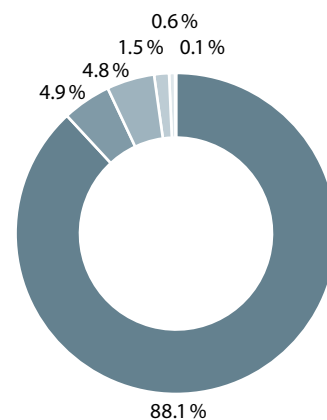
As at 31 December 2011,
23 trading properties were recognised in the
balance sheet, of which

- 19 are newbuild projects (prior year: 15)
- 4 are development properties (prior year: 5)

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 amounts
in CHF

- Canton of Zurich
- Canton of Graubünden
- Canton of Lucerne
- Canton of Solothurn
- Canton of Thurgau
- Canton of Aargau



2 PROPERTY DETAILS

2.2 COMMERCIAL PROPERTY DETAILS

Location	Address	Acquired	Built	Year renovated
Aarau	Bahnhofstrasse 102 (Mediapark)	Mar 2004	1975	1998
Aesch	Pfeffingerring 201	May 2007	1973	
Baden-Dättwil	Im Langacker 20/20a/22	Jun 2004	1972	1988
Brugg	Bahnhofstrasse 11	Jun 2006	2005	
Bülach	Bahnhofstrasse 39	Sep 2005	1969	1995
Dierikon	Pilatusstrasse 2	May 2009	1990	2007
Dübendorf	Sonnentalstrasse 5	Mar/Dec 1999	1975	2000
Dübendorf	Zürichstrasse 98	Jan 2000	1965	1983
Herisau	Obstmarkt 1	Jul 2008	1984	2008
Horgen	Seestrasse 80	Nov 2005	1960	2000/2008
Horgen	Seestrasse 82	Nov 2005	2010/2011	
Kreuzlingen	Hauptstrasse 37	Sep 2005	1987	
Kreuzlingen	Leubernstrasse 3	Nov 2006	1983/2003	2003
Kreuzlingen	Lengwilerstrasse 2	Apr 2007	2007	
Kreuzlingen	Romanshorneerstrasse	Nov 2006	n/a	
Kriens	Sternmatt 6	Feb 2004	1986	2008
Lausanne	Flonplex	Nov 2009	n/a	
Lausanne	Parking du Centre	Nov 2009	n/a	
Lausanne	Place de la Gare 4	Nov 2009	1961	2000
Lausanne	Place de la Navigation 4 – 6	Nov 2009	1895	2002
Lausanne	Place de l'Europe 6	Nov 2009	1905	2011
Lausanne	Place de l'Europe 7	Nov 2009	1905	2001
Lausanne	Place de l'Europe 8	Nov 2009	1911	1989
Lausanne	Place de l'Europe 9	Nov 2009	1900	2002
Lausanne	Rue de Genève 2/4/6/8	Nov 2009	1904	2002
Lausanne	Rue de Genève 7	Nov 2009	1932	2011
Lausanne	Rue de Genève 17	Nov 2009	1984	2002
Lausanne	Rue de la Vigie 3	Nov 2009	1964	
Lausanne	Rue de la Vigie 5	Nov 2009	1963	1988
Lausanne	Rue des Côtes-de-Montbenon 6	Nov 2009	1921	2009
Lausanne	Rue des Côtes-de-Montbenon 8	Nov 2009	1946	1998
Lausanne	Rue des Côtes-de-Montbenon 16	Nov 2009	1912	2007
Lausanne	Rue des Côtes-de-Montbenon 24/26	Nov 2009	n/a	
Lausanne	Rue des Côtes-de-Montbenon 28/30	Nov 2009	n/a	
Lausanne	Rue du Port-Franc 9	Nov 2009	1927	2009
Lausanne	Rue du Port-Franc 11 (Miroiterie)	Nov 2009	2008	
Lausanne	Rue du Port-Franc 17	Nov 2009	2002	
Lausanne	Rue du Port-Franc 20; Rue de Genève 33	Nov 2009	2007	
Lausanne	Rue du Port-Franc 22; Rue de la Vigie 1	Nov 2009	2007	
Lausanne	Voie du Chariot 3	Nov 2009	2008	
Lausanne	Voie du Chariot 4/6	Nov 2009	2008	
Lausanne	Voie du Chariot 5/7	Nov 2009	2008	
Lucerne	Alpenstrasse 9	Jun 2007	1890	2001/2010
Neuhausen	Victor-von-Bruns-Strasse 19	Mar 2007	2007	

¹ Target gross yield as at reporting date 31 December 2011 as % of market value

² Vacancy rate as % of target rental income

Market value in TCHF	Acquisition costs in TCHF	Gross yield in % ¹	Target rental revenues in TCHF	Vacancy rate as at 31. 12. 2011 in % ²	Vacant area as at 31. 12. 2011 in %
26,800		7.5	2,001	10.8	8.9
27,010		7.3	1,967	0.0	0.0
17,790		7.8	1,379	12.4	16.6
27,470		5.6	1,552	2.4	2.3
2,933		6.3	183	0.0	0.0
11,160		6.6	739	12.5	10.7
27,280		6.7	1,828	6.7	8.0
21,480		6.3	1,358	5.7	4.9
16,230		6.6	1,070	8.5	10.4
7,962		6.5	517	0.2	0.0
6,488		2.7	173	0.0	0.0
11,530		6.1	698	0.0	0.0
65,560		5.6	3,678	1.0	1.2
6,410		5.0	324	0.0	0.0
1,884		4.3	81	0.0	n/a
37,480		8.1	3,033	17.3	21.3
4,275		4.9	210	0.0	n/a
7,314		5.5	400	0.0	n/a
22,250		6.0	1,344	13.9	15.0
10,040		6.7	676	0.0	0.0
5,270		5.7	298	0.0	0.0
7,796		5.8	454	0.0	0.0
6,609		5.7	374	0.0	0.0
19,320		6.5	1,253	0.0	0.0
22,550		5.8	1,307	0.0	0.0
29,610		5.3	1,579	0.0	0.0
18,560		7.4	1,371	0.2	0.6
6,865		6.3	430	1.5	1.1
11,260		7.6	854	0.0	0.0
6,394		5.3	341	0.5	0.8
7,865		6.7	528	0.7	1.4
5,009		6.2	308	0.0	0.0
1,705		4.6	79	0.0	n/a
2,070		3.6	74	0.0	n/a
5,020		6.8	342	0.0	0.0
14,560		5.7	828	0.0	4.2
11,310		6.3	714	0.0	0.0
47,920		6.7	3,193	0.0	0.0
21,740		5.6	1,219	0.0	0.0
13,680		4.0	551	3.7	6.3
30,470		6.1	1,866	0.0	0.0
29,380		5.7	1,677	1.0	2.2
10,480		4.8	502	0.2	0.9
13,740		5.3	725	0.0	0.0

2 PROPERTY DETAILS

2.2 COMMERCIAL PROPERTY DETAILS

Location	Address	Acquired	Built	Year renovated
Renens	Chemin de la Rueyre 116/118	Mar 2007	1989	
St. Gallen	Schochengasse 6	Feb 2004	1974	2000
St. Gallen	St. Leonhardstrasse 22	Dec 2004	1900	2002/2006
St. Gallen	Wassergasse 42/44	Feb 2004	1966	2000
St. Gallen	Wassergasse 50/52	Feb 2004	1998	
Winterthur	Industriestrasse 26	Oct 1999	1994	2002
Zurich	Bahnhofplatz 4	Jul 2006	1881	2002/2005
Zurich	Friedaustasse 17	Oct 1998	1968	
Zurich	Hardturmstrasse 3/5 (Mobimo Tower)	Nov 1999	1974	2001/2008
Zurich	Letzigraben 134 – 136	Sep 2006	1958/1975	
Zurich	Rautistrasse 12	Nov 1999	1972	2011
Zurich	Schiffände 6; Kruggasse 1	May 1998	1950	
Zurich	Stauffacherstrasse 41	Jun 2000	1990	2011
Zurich	Thurgauerstrasse 23; Siewerdtstrasse 25	Mar 2002	1963/1968/1985	
Zurich	Turbinenstrasse (Mobimo Tower, Hotel)	May 2008	2011	
Zurich	Witikonstrasse 311/311b	Sep 1997	1992	
60	Commercial investment properties			
Aarau	Site 1 – Torfeld Süd	Jun 2001/Aug 2008	1967/1984	
Aarau	Site 2 – Torfeld Süd	Oct 2006	1905/1916 / 1929/1943/1954	
Aarau	Site 3 – Torfeld Süd	Jun 2001/Oct 2006	1905/1916/1929 / 1943/1954/1974	
Aarau	Site 4 – Torfeld Süd	Jun 2001/Oct 2006 / Feb 2009	1905/1914/1916/1929 / 1943/1954/1967/1973	
Kriens	Mattenhof (land)	Mar 2005	n/a	
Lausanne	Avenue d'Ouchy 4 – 6	May 2010	1962	
Lausanne	Rue de Genève 19	Nov 2009	1893	2002
Lausanne	Rue de Genève 21	Nov 2009	1902	
Lausanne	Rue de Genève 23	Nov 2009	1915	2005
Lausanne	Rue des Côtes-de-Montbenon 1/3	Nov 2009	1930	
Lausanne	Rue des Côtes-de-Montbenon 5	Nov 2009	1930	
Lausanne	Rue des Côtes-de-Montbenon 11/24	Nov 2009	1935	
Lausanne	Rue des Côtes-de-Montbenon 12	Nov 2009	1918	2004
Lausanne	Rue des Côtes-de-Montbenon 14	Nov 2009	1963	
Regensdorf	Althardstrasse 10	Dec 2001	1982	
Regensdorf	Althardstrasse 30	Dec 2001	1976	
Zurich	Albulastrasse/Hohlstrasse	Feb 2011	1896	
17	Commercial development properties			
77	Total commercial properties			

¹ Target gross yield as at reporting date 31 December 2011 as % of market value

² Vacancy rate as % of target rental income

Market value in TCHF	Acquisition costs in TCHF	Gross yield in % ¹	Target rental revenues in TCHF	Vacancy rate as at 31. 12. 2011 in % ²	Vacant area as at 31. 12. 2011 in %
12,230		7.0	859	8.0	6.7
17,280		6.2	1,075	0.0	1.7
4,306		6.0	260	0.0	0.0
15,200		6.4	973	26.6	32.3
13,420		5.9	792	0.0	0.0
20,030		7.3	1,458	9.8	7.9
19,280		4.7	897	0.0	0.0
8,146		6.5	531	0.0	0.0
57,210		5.7	3,258	0.2	0.0
13,810		7.1	982	6.9	5.0
20,170		6.6	1,333	5.8	5.1
6,813		4.9	331	0.0	0.0
47,970		5.0	2,379	0.0	0.0
14,400		6.6	954	2.3	6.2
129,180		4.2	5,400	0.0	0.0
8,376		6.5	565	1.5	0.0
1,116,710	972,170	5.9	66,125	3.4	5.3
9,988		9.6	960	0.0	0.0
7,396		3.8	284	69.2	58.0
24,208		6.2	1,494	0.0	0.0
17,544		6.2	1,081	0.1	0.0
3,187		n/a	n/a	n/a	n/a
60,870		4.0	2,405	39.1	26.5
2,762		13.6	377	14.3	22.6
2,578		12.0	311	9.7	13.1
1,950		9.3	182	0.0	0.0
608		14.3	87	11.1	0.0
251		11.2	28	0.0	0.0
150		8.3	12	0.0	0.0
1,647		8.5	140	0.0	n/a
445		20.1	90	100.0	n/a
18,050		9.6	1,740	48.6	45.7
15,020		13.2	1,989	95.5	87.7
33,970		5.4	1,837	28.0	20.9
200,623	196,738	6.5	13,015	35.2	27.0
1,317,333	1,168,908	6.0	79,140	8.7	11.0

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
Aesch	Pfeffingerring 201	sole ownership	16,034	no details
Baden-Dättwil	Im Langacker 20/20a/22	sole ownership	8,792	no
Brugg	Bahnhofstrasse 11	condominiums (773/1,000)	2,726	no
Bülach	Bahnhofstrasse 39	sole ownership	563	no
Dierikon	Pilatusstrasse 2	sole ownership	4,397	no
Dübendorf	Sonnentalstrasse 5	condominiums (929/1,000)	4,368	yes (code D) ³
Dübendorf	Zürichstrasse 98	sole ownership	9,719	Yes (petrol station/code D) ³
Herisau	Obstmarkt 1	sole ownership	1,602	no
Horgen	Seestrasse 80	sole ownership	3,393	no
Horgen	Seestrasse 82	sole ownership	0	no
Kreuzlingen	Hauptstrasse 37	sole ownership	1,448	no
Kreuzlingen	Leubernstrasse 3	sole ownership	25,530	no
Kreuzlingen	Lengwilerstrasse 2	sole ownership	7,027	no
Kreuzlingen	Romanshornestrasse (land)	Building right	2,180	no
Kriens	Sternmatt 6	sole ownership	28,757	no
Lausanne	Flonplex	Building right	1,953	yes ⁸
Lausanne	Parking du Centre	Building right	5,065	yes ⁸
Lausanne	Place de la Gare 4	sole ownership	630	no
Lausanne	Place de la Navigation 4 – 6	sole ownership	567	yes ⁴
Lausanne	Place de l'Europe 6	sole ownership	369	yes ⁴
Lausanne	Place de l'Europe 7	sole ownership	391	yes ⁴
Lausanne	Place de l'Europe 8	sole ownership	1,035	yes ⁴
Lausanne	Place de l'Europe 9	sole ownership	975	yes ⁴
Lausanne	Rue de Genève 2/4/6/8	sole ownership	2,260	yes ⁴
Lausanne	Rue de Genève 7	sole ownership	3,343	yes ⁴
Lausanne	Rue de Genève 17	sole ownership	2,312	yes ⁴
Lausanne	Rue de la Vigie 3	Building right	972	yes ⁷
Lausanne	Rue de la Vigie 5	sole ownership	852	yes ⁷
Lausanne	Rue des Côtes-de-Montbenon 6	sole ownership	510	yes ⁴
Lausanne	Rue des Côtes-de-Montbenon 8	sole ownership	587	yes ⁴
Lausanne	Rue des Côtes-de-Montbenon 16	sole ownership	850	yes ⁴
Lausanne	Rue des Côtes-de-Montbenon 24/26	Building right	867	yes ⁸
Lausanne	Rue des Côtes-de-Montbenon 28/30	Building right	1,068	yes ⁷
Lausanne	Rue du Port-Franc 9	sole ownership	995	yes ⁶
Lausanne	Rue du Port-Franc 11 (Miroiterie)	sole ownership	612	yes ⁵
Lausanne	Rue du Port-Franc 17	sole ownership	776	yes ⁵
Lausanne	Rue du Port-Franc 20; Rue de Genève 33	sole ownership	2,000	yes ⁵
Lausanne	Rue du Port-Franc 22; Rue de la Vigie 1	sole ownership	1,999	yes ⁵
Lausanne	Voie du Chariot 3	sole ownership	500	yes ⁵
Lausanne	Voie du Chariot 4/6	sole ownership	2,614	yes ⁵
Lausanne	Voie du Chariot 5/7	sole ownership	1,042	yes ⁵
Lucerne	Alpenstrasse 9	sole ownership	569	no

³ Code D: clarification necessary within framework of building project

⁴ Site pollution unlikely – the property must be maintained in accordance with the design plan ("Gestaltungsplan") and has been subject to comprehensive renovation in recent years

⁵ Site pollution eliminated – property rebuilt in recent years



Property description ⁹	Total rentable area in m ²	Office space in %	Sales space in %	Commercial space in %	Residential space in %	Other in %
Com	13,113	64.2	0.0	9.4	0.7	25.7
Com	14,794	28.6	0.0	43.8	0.0	27.6
Com	9,170	22.8	27.7	36.7	1.1	11.8
Com	4,076	33.0	33.3	28.7	0.0	5.0
Com	879	62.1	17.9	0.0	0.0	19.9
Com	4,331	60.0	16.1	15.4	0.0	8.5
Com	8,855	24.1	0.0	64.9	0.0	11.1
Com	9,736	16.2	17.1	39.6	0.0	27.1
Com	5,669	52.3	9.3	0.0	0.0	38.4
Com	2,151	76.2	0.0	19.0	0.0	4.8
Car park	64	0.0	0.0	0.0	0.0	100.0
Com	2,530	55.7	19.9	0.0	0.0	24.4
Com	17,876	9.1	89.1	0.0	0.0	1.9
Com	1,348	0.0	66.5	0.0	0.0	33.5
Building right	n/a	0.0	0.0	0.0	0.0	100.0
Com	27,655	26.5	3.6	47.8	1.0	21.1
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	4,431	67.4	14.7	0.0	0.0	17.9
Com – hotel	2,800	0.0	0.0	0.0	0.0	100.0
Com – hotel	923	0.0	0.0	0.0	0.0	100.0
Com	1,423	66.3	7.9	0.0	0.0	25.9
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 – share investment prop.	5,114	12.4	27.2	0.0	20.9	39.5
Com	6,640	43.7	19.1	7.2	0.0	30.0
Building right	3,104	54.9	0.0	0.0	0.0	45.1
Com	3,645	61.6	0.0	0.0	0.0	38.4
Com	2,182	37.0	18.5	26.7	0.0	17.8
Com	2,226	73.9	0.0	3.6	0.0	22.5
Com	1,063	51.2	0.0	23.0	25.9	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	0.0	57.7	0.0	0.0	42.3
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
Com	2,168	75.5	15.5	0.0	0.0	9.0
Com	5,438	32.0	65.2	0.0	0.0	2.8
Com	5,030	54.3	15.9	0.0	13.8	16.0
Res + com	1,929	55.6	12.9	0.0	21.7	9.9

⁶ Site pollution suspected but no measures expected – properties must be maintained in accordance with the the design plan ("Gestaltungsplan")

⁷ Site pollution suspected, measures required in newbuild plans

⁸ Building-right plots on which newbuild projects have been completed in recent years

⁹ Com = commercial ; Res = residential

2 PROPERTY DETAILS

2.2 COMMERCIAL PROPERTY DETAILS

Location	Address	Ownership	Site area in m ²	Register of polluted sites
Neuhausen	Victor-von-Bruns-Strasse 19	sole ownership	1,597	no
Renens	Chemin de la Rueyre 116/118	sole ownership	4,503	no
St. Gall	Schochengasse 6	sole ownership	1,316	no
St. Gallen	St. Leonhardstrasse 22	sole ownership	219	no
St. Gallen	Wassergasse 42/44	condominiums (842/1,000)	1,714	no
St. Gallen	Wassergasse 50/52	sole ownership	1,373	no
Winterthur	Industriestrasse 26	sole ownership	3,635	yes (code D) ³
Zurich	Bahnhofplatz 4	sole ownership	189	yes
Zurich	Friedastrasse 17	sole ownership	869	no
Zurich	Hardturmstrasse 3/5 (Mobimo Tower)	sole ownership	2,151	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	Stauffacherstrasse 41	sole ownership	1,405	no
Zurich	Thurgauerstrasse 23; Siewerdstrasse 25	sole ownership	2,657	no
Zurich	Turbinenstrasse (Mobimo Tower, Hotel)	sole ownership	5,808	no
Zurich	Witikonstrasse 311/311b	sole ownership	1,846	no
60	Commercial investment properties		194,223	
Aarau	Site 1 – Torfeld Süd	sole ownership	3,774	yes (insignificant)
Aarau	Site 2 – Torfeld Süd	sole ownership	12,692	yes (insignificant)
Aarau	Site 3 – Torfeld Süd	sole ownership	14,249	yes (insignificant)
Aarau	Site 4 – Torfeld Süd	sole ownership	13,032	yes (insignificant)
Kriens	Mattenhof (land)	sole ownership	3,666	no
Lausanne	Avenue d'Ouchy 4 – 6	sole ownership	12,609	yes ⁷
Lausanne	Rue de Genève 19	sole ownership	2,733	yes ⁶
Lausanne	Rue de Genève 21	sole ownership	2,524	yes ⁶
Lausanne	Rue de Genève 23	sole ownership	2,524	yes ⁶
Lausanne	Rue des Côtes-de-Montbenon 1/3	sole ownership	1,101	yes ⁷
Lausanne	Rue des Côtes-de-Montbenon 5	sole ownership	734	yes ⁷
Lausanne	Rue des Côtes-de-Montbenon 11/24	sole ownership	696	yes ⁷
Lausanne	Rue des Côtes-de-Montbenon 12	sole ownership	499	yes ⁷
Lausanne	Rue des Côtes-de-Montbenon 14	sole ownership	647	yes ⁷
Regensdorf	Althardstrasse 10	sole ownership	7,714	no
Regensdorf	Althardstrasse 30	sole ownership	9,355	no
Zurich	Albulastrasse/Hohlstrasse	sole ownership	8,663	yes
17	Commercial development properties		97,212	
77	Total commercial properties		291,435	

³ Code D: clarification necessary within framework of building project

⁶ Site pollution suspected but no measures expected – properties must be maintained in accordance with the design plan ("Gestaltungsplan")

⁷ Site pollution suspected, measures required in newbuild plans

⁹ Com = commercial ; Res = residential

Property description ⁹	Total rentable area in m ²	Office space in %	Sales space in %	Commercial space in %	Residential space in %	Other in %
Com	3,130	100.0	0.0	0.0	0.0	0.0
Com	4,329	67.1	0.0	0.8	0.0	32.1
Com	4,460	95.4	0.0	0.0	0.0	4.6
Com	1,073	78.7	13.0	0.0	0.0	8.4
Com	4,044	83.7	0.0	0.0	6.3	10.0
Com	3,554	72.3	0.0	0.0	0.0	27.7
Com	11,645	61.4	0.8	23.6	0.0	14.3
Com	758	63.5	27.8	0.0	0.0	8.7
Com	2,567	62.3	0.0	3.5	0.0	34.2
Com	8,228	94.3	0.0	0.0	0.0	5.7
Com	6,879	16.2	0.0	39.1	1.3	43.5
Com	6,095	75.2	7.4	0.0	1.3	16.1
Com	517	50.9	16.4	0.0	7.9	24.8
Com	6,793	66.3	1.0	0.0	0.0	32.6
Com	3,938	60.6	6.0	8.2	0.0	25.2
Com – hotel	17,874	0.0	0.0	0.0	0.0	100.0
Res + com	2,060	48.2	0.0	6.3	29.6	15.9
	298,382	39.9	16.5	14.8	1.5	27.3
Com	4,286	85.9	0.0	0.0	0.0	14.1
Com	3,684	4.9	2.7	62.4	7.6	22.4
Com	21,248	0.5	0.0	93.3	0.0	6.3
Com	9,878	0.0	0.0	96.8	3.2	0.0
Land	n/a	n/a	n/a	n/a	n/a	n/a
Com	21,689	20.7	18.3	32.4	0.0	28.6
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	13,172	40.0	29.0	0.0	0.0	31.0
Com	12,855	61.4	0.0	29.4	2.2	7.0
Com	8,087	3.1	0.0	83.1	0.0	13.8
	106,272	20.6	8.6	49.4	0.8	20.6
	404,654	34.8	14.4	23.9	1.3	25.5

2 PROPERTY DETAILS

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
Horgen	Seestrasse 43 – 49	Nov 2005	2011	
Horgen	Seestrasse 63 – 69	Nov 2005	2011	
Lausanne	Place de la Navigation 2	Nov 2009	1895	2004
Lausanne	Avenue d'Ouchy 70	Nov 2009	1906	2004
Lausanne	Avenue d'Ouchy 72, 74	Nov 2009	1907	
Lausanne	Avenue d'Ouchy 76	Nov 2009	1907	2004
Lausanne	Rue Beau-Séjour	Nov 2009	2011	
Lausanne	Rue des Fontenailles 1	Nov 2009	1910	1933
Münchwilen	Buchenacker 22/24/26/28; Unterer Buchenacker 7	Jun 2007	1994/1995	
Opfikon	Farmanstrasse 47/49	Dec 2010	2009	
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. Gallen	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 221 – 231	Oct 2004/Feb 2005	2009	
Zurich	Katzenbachstrasse 239	Mar 2008	1969	
Zurich	Wettingerwies 7; Zeltweg	Apr 1999	1969	2003

20 Residential investment 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
Horgen	Seestrasse 43 – 49	sole ownership	6,047	no
Horgen	Seestrasse 63 – 69	sole ownership	5,307	no
Lausanne	Place de la Navigation 2	sole ownership	254	yes ⁴
Lausanne	Avenue d'Ouchy 70	sole ownership	478	yes ⁴
Lausanne	Avenue d'Ouchy 72, 74	easement	0	yes ⁴
Lausanne	Avenue d'Ouchy 76	sole ownership	738	yes ⁴
Lausanne	Rue Beau-Séjour	sole ownership	3,827	yes ⁵
Lausanne	Rue des Fontenailles 1	sole ownership	716	no
Opfikon	Farmanstrasse 47/49	sole ownership	3,840	no
Münchwilen	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. Gallen	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 221 – 231	sole ownership	6,137	no
Zurich	Katzenbachstrasse 239	sole ownership	1,987	no
Zurich	Wettingerwies 7; Zeltweg	sole ownership	610	no

20 Residential investment properties

91,042

¹ Target gross yield as at reporting date 31 December 2011 as % of market value

² Vacancy rate as % of target rental income

⁴ Site pollution unlikely – the property must be maintained in accordance with the design plan ("Gestaltungsplan") and has been subject to comprehensive renovation in recent years

⁵ Site pollution eliminated – property rebuilt in recent years

Market value in TCHF	Acquisition costs in TCHF	Gross yield in % ¹	Target rental revenues in TCHF	Vacancy rate as at 31. 12. 2011 in % ²	Vacant area as at 31. 12. 2011 in %			
19,840		5.3	1,060	2.2	2.5			
9,484		5.7	543	4.7	3.6			
28,010		5.1	1,425	0.5	0.0			
26,010		5.1	1,331	0.1	0.0			
4,981		6.0	299	0.0	0.0			
4,181		5.9	248	0.0	0.0			
1,687		7.3	124	0.0	0.0			
11,890		5.3	627	0.0	0.0			
72,950		5.7	4,156	1.3	1.0			
2,679		5.8	155	1.1	1.3			
12,710		6.1	778	3.3	2.8			
21,990		5.0	1,110	1.7	0.4			
18,380		6.6	1,205	8.1	4.9			
17,800		6.5	1,158	4.6	1.4			
3,701		5.2	192	1.8	4.4			
10,940		6.6	717	5.6	5.4			
7,217		5.6	404	0.0	0.0			
45,800		5.4	2,468	5.0	3.7			
5,023		5.8	293	4.6	0.0			
9,988		5.6	561	0.0	0.0			
335,261	289,161	5.6	18,855	2.6	2.1			
Property description ⁹	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 or more room apartments	Total apartments	Other forms of use in %
3 Res	5,273	0	8	18	28	0	54	5.9
Res	2,580	0	6	12	12	0	30	4.5
Res	4,555	0	2	6	24	7	39	6.6
Res	4,051	0	0	24	16	0	40	0.5
Res + com	1,239	0	2	0	1	5	8	8.6
Res + com	1,133	0	0	5	0	5	10	6.8
Res	979	0	6	3	3	0	12	0.0
Res + com	2,517	0	0	0	0	10	10	28.0
Res	10,061	0	19	55	17	10	101	1.0
Res	957	2	0	0	4	4	10	0.0
Res	3,598	1	13	15	10	0	39	0.4
3 Res	4,358	0	4	20	20	0	44	4.7
7 Res	6,490	9	19	43	23	1	95	3.3
2 Res	5,588	8	30	0	46	0	84	0.5
Res + com	1,533	1	2	1	7	0	11	30.5
3 Res	4,439	0	6	21	21	0	48	2.1
2 Res + com	1,457	0	0	7	3	0	10	41.2
Res	7,961	0	5	32	27	5	69	4.1
Res	1,610	0	5	8	5	0	18	0.0
Res + com	1,145	21	0	0	0	0	21	42.1
71,523	42	127	270	267	47	753	5.8	

⁹ Com = commercial; Res = residential

2.4 DETAILS OF INVESTMENT PROPERTIES UNDER CONSTRUCTION

Location	Address	Ownership	Acquired	Built
Aarau	Polygon – Industriestrasse	sole ownership	Jun 2001	2012
Affoltern am Albis	Obstgartenstrasse – retirement apartments	sole ownership	Aug 2011	2013
Affoltern am Albis	Obfelderstrasse – rental apartments	sole ownership	Aug 2011	2013
Horgen	Seestrasse 93 – Meilenwerk	sole ownership	Jan 2000	1956/2013
Lausanne	Avenue d'Ouchy 4 – 6 (Administration)	sole ownership	May 2010	1962/2012
Lausanne	Les Pépinières	sole ownership	Nov 2009	2013
Zurich	Manessestrasse 190/192; Staffelstrasse 1/3/5	sole ownership	Dec 2005	2012
Zurich	Turbinenstrasse – City West, site C	sole ownership	Dec 2010	2013
8	Properties under construction			

All the above investment properties are in the construction phase. Zurich: Manessestrasse 190/192; Staffelstrasse 1/3/5 were completed as at end-2011 and will be reclassified in the upcoming year as residential properties included in investment properties. Completion of the properties in Lausanne, Avenue d'Ouchy 4 – 6 and Aarau, Polygon – Industriestrasse, site 3 is planned for 2012. Construction in Horgen, Seestrasse 93 – Meilenwerk, Lausanne, Les Pépinières and Zurich, Turbinenstrasse – City West, site C is scheduled to end in 2013. Affoltern am Albis, Obstgarten- and Obfelderstrasse are scheduled to be completed by the end of 2013.

2.5 DETAILS OF PROPERTIES OWNED AND USED BY MOBIMO

Location	Address	Ownership	Acquired	Built
Küsnacht	Seestrasse 59	sole ownership	Sep 2002	2006
Lausanne	Rue de Genève 7	sole ownership	Nov 2009	1932
2	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	2002
Lausanne	Parking Saint-François	Co-ownership 26.5%	Nov 2009	n/a
3	Properties			

³ Code D: clarification necessary within framework of building project

⁴ Site pollution unlikely – the property must be maintained in accordance with the design plan ("Gestaltungsplan") and has been subject to comprehensive renovation in recent years

⁵ Site pollution eliminated – property rebuilt in recent years

Market value in TCHF	Site area in m ²	Register of polluted sites	Description of property ⁹	Total rentable area in m ²
12,540	3,840	yes (code D) ³	Com	4,215
5,980	3,537	no	Com	2,462
5,801	5,305	no	Res	4,366
29,890	10,767	yes	Com	19,099
30,800	12,609	yes ⁷	Com	7,518
8,353	2,602	yes	Com	6,348
46,070	2,345	no	Res	6,823
43,530	7,431	no	Res	10,040
182,964	48,436			60,872

Year renovated	Carrying amount in TCHF	Site area in m ²	Register of polluted sites	Description of property ⁹	Total rentable area in m ²
	12,538	2,287	no	Com	2,044
2011	4,092	3,343	yes ⁴	Com-share own-use	624
	16,630	5,630			2,668

Market value in TCHF	Site area in m ²	Register of polluted sites	Description of property ⁹	Total rentable area in m ²
9,150	0	yes ⁵	Multiplex cinema	5,256
27,890	0	yes ⁵	Car park	0
2,262	0	yes ⁷	Car park	0
39,302				

⁷ Site pollution suspected, measures required in newbuild plans

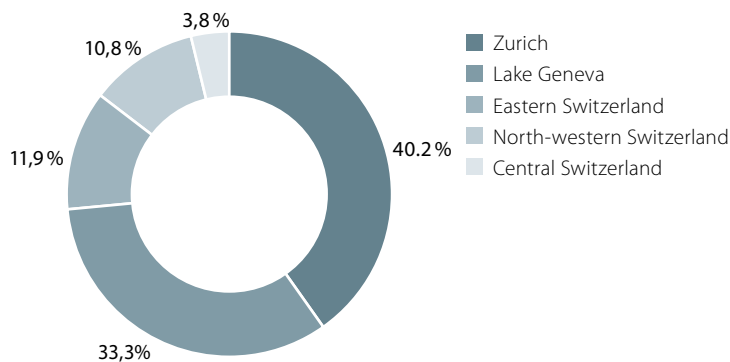
⁹ Com = commercial; Res = residential

2 PROPERTY DETAILS

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

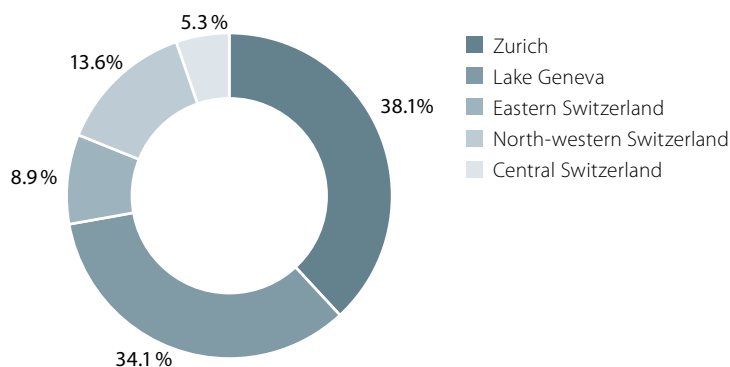
As at 31 December 2011, 105 investment properties were recognised in the balance sheet; of which

- 77 were commercial properties (prior year: 84)
- 20 were residential properties (prior year: 17)
- 8 were investment properties under construction (prior year: 7)

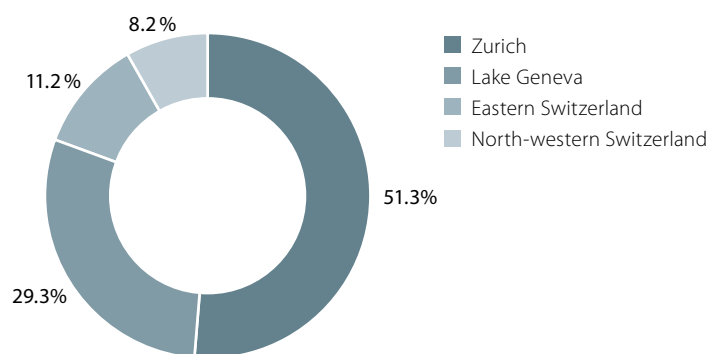


Charts: Breakdown of residential and commercial investment properties, commercial development properties and investment properties under construction by economic area

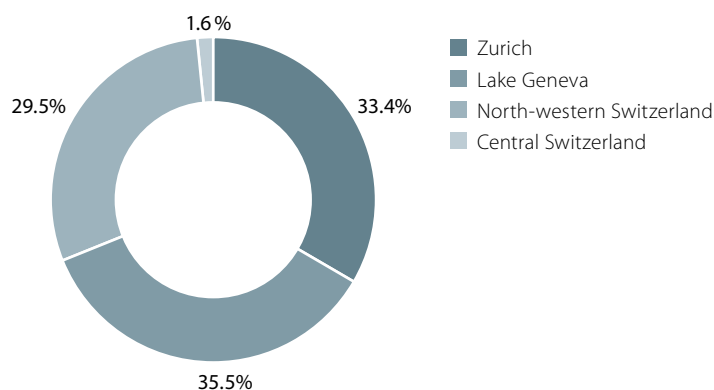
60 commercial investment properties



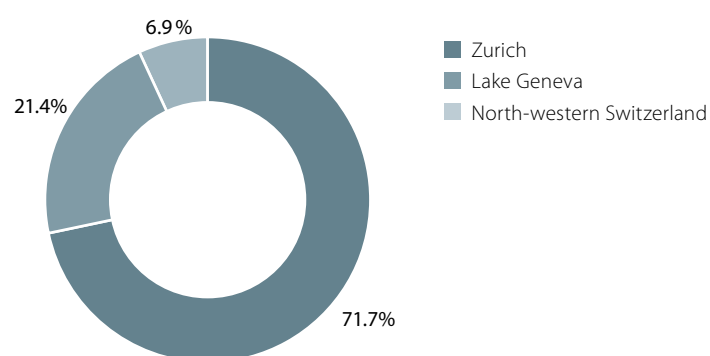
20 residential investment properties



17 commercial development properties



8 investment properties under construction



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 34 to 104), for the year ended 31 December 2011.

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), Article 17 of the Directive on Financial Reporting (Directive Financial Reporting, DFR) of SIX Swiss Exchange 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 2011 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 Article 17 of the Directive on Financial Reporting (Directive Financial Reporting, DFR) of SIX Swiss Exchange as well as the Swiss law.

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

Root/Lucerne, 20 February 2012

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 31st December 2011 for accounting purposes. On this date, the total portfolio of either investment properties or properties under construction as investment properties totalled 105 units¹.

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

Segment	Units	Fair Value per 31.12.2010 (CHF)	Share of Total	Projected Rental Income 1.12.2010 (CHF)	Gross Yield
Investment Units – Commercial Properties	60	1,116,710,000	60.8 %	66,124,861	5.9 %
Development Units – Commercial Properties	17	200,623,400	10.9 %	13,014,959	6.5 %
Investment Units – Residential Properties	20	335,261,000	18.3 %	18,855,418	5.6 %
All Properties in Inventory	97	1,652,594,400	90.0 %	97,995,237	5.9 %
Properties under construction	8	182,964,000	10.0 %	8,389,235	n/a
All Properties	105	1,835,558,400	100.0 %	106,384,472	5.8 %

The investment properties and the properties under construction have been valued as per 31st December 2011 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 current a 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 and Rue de Genève 7, Lausanne) as well as the properties of the affiliated companies (50%-share of Parking du Centre SA [PCSA], Lausanne; 40%-share of Flonplex SA, Lausanne; 26.5%-share of Parking St. François SA, Lausanne)

Basis for the Valuations

The market values determined by us, with the valuation date of 31st December 2011, 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 1st 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.

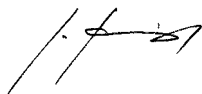
Independence and Confidentiality

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 in solely in accordance with the above-mentioned mandate.

Wüest & Partner AG
Zurich, 20 February 2012



Matthias Arioli
dipl. Ing. ETH / SIA, Partner



Patrik Schmid
dipl. Arch. ETH / SIA, MRICS, Partner

DCF Valuation: Further Comments**Value Growth**

The development of real estate values is influenced and determined by various fundamental factors. Amongst these variables a distinction should be made between property-specific factors (e.g. property management) and exogenous factors from the real estate and financial environment:

- Changes in the property management situation, both on the revenue side and on the cost side, will directly lead to an adjustment in the declared market value. In particular such changes include the influence of new leases and the termination of existing tenancies, changes in the vacancy situation as well as any observed changes in operating and maintenance costs.
- Extraordinary investments completed during the reporting period also have a direct effect on the property value, this due to the absence of these funds in the cashflow summary. In turn investments, if value-enhancing in character and if successfully passed on to the tenants, lead to higher rental income.
- Developments in the relevant local real estate market effect the determination of the market / potential rents within a property.
- Changes in capital or transaction markets affect the determination of discount rates.

In addition, age related deterioration of a property is also a considerable factor effecting property values. Within a single year – should all other factors remain constant – aging alone leads to a depreciation of the building value of approximately 1%².

Estimation of Rental Income

The starting point for the valuations is the effective rental income, as declared in the tenant rent roll for the given valuation date as provided by the property management company. The declared rental income is included in the valuation whilst respecting the agreed terms and conditions of the respective rental contracts. The assessment of the future rental income is undertaken per rental unit within the property. An individual revenue cash-flow is modelled for each rental unit, thereby taking existing tenancy agreements into account.

Following the expiry of the contracted rental period of fixed-term contracts, a cur-rent estimation of the sustainable and achievable potential market rent is adopted in the valuation. The determination of the potential market rent is based on recent contracts in the relevant property or on well-known comparable properties in the immediate neighbourhood as well as on the extensive property market research by Wüest & Partner.

The rental potentials for retail locations are verified with the help of calculations of the customary market turnover levels. For those existing leases, which include several different uses, the potential rents are calculated separately for each individual use.

So called “real” (tenant side only) renewal options are considered relevant if the actual rents are lower than the determined market rent. “Non-real” (landlord or tenant side) renewal options that provide for adjustment of rents to the future market rent levels are incorporated in the valuations as fixed-term contracts. For contracts of unlimited duration, for example for residential uses, the ad-

justment to the rent potential is determined in line with prevailing rental law as well as the observed tenant turnover for the property.

Operating and Maintenance Costs

The incorporated operating and maintenance costs are based on the values as provided in the property accounts for recent years as well as the property budgets as approved by MOBIMO Holding AG. This data is verified using both existing contractual arrangements from the property management as well as comparisons against benchmarks from the Wüest & Partner database pool. Based on this analysis, the anticipated future expenses for the operation and regular maintenance of the properties are modelled.

Long-term Maintenance Costs

The incorporation of short-, medium-and long-term repair costs in the DCF valuation plays a central role in the valuation process. As matter of principle the valuations reflect the investment plans as provided by MOBIMO Holding AG. The provided information is verified using specific cost benchmarks.

To determine the long-term maintenance costs Wüest & Partner implements a life-cycle approach for the long-term value conservation of existing buildings. This approach estimates the long-term investment needs for maintaining the value of the property based upon the age of the characteristic components of the property, their production costs and the current structural condition.

Discount Rate

The identification and determination of the relevant discount rates reflect a risk assessment of each property. In determining this value Wüest & Partner takes into account both property specific characteristics as well as location and market related factors. The selected discount rates are regularly empirically measured and verified using ob-

² The actual amount of age depreciation is linked in particular to the construction type, the age and the location of the property in question.

served ownership changes and transactions.

The risk-adjusted market discount rate is broken down into individual elements in a premium-based model. The model identifies and adds various risks premiums to a risk-free base interest rate (e.g. a long-term government bond). These premiums include additions for the general real estate risk (such as property illiquidity or market risk) as well as the specific property risk (dependant upon specific characteristics of the property and the location).

Inflation

In the valuation, inflation is implicitly taken into account through the development of individual cash flows. In calculating the rental income each rental position takes into account the contractually agreed inflation adjustment or indexation rate (e.g. 80% adjustment in line with changes in the consumer price index). As rule, the full rate of inflation is applied to the operating and maintenance costs. The selected discount rate is displayed on a real basis.

Mobimo EPRA performance measures

This year, the Mobimo Group is reporting its key performance metrics in accordance with the Best Practices Recommendations of the EPRA Reporting and Accounting Committee for the first time. The European Public Real Estate Association is an association of leading European property companies and is a partner of the FTSE EPRA / NAREIT index family, which added the Mobimo Holding AG share as one of its components on 20 June 2011. The figures published elsewhere by Mobimo on NAV, net initial yield and vacancy rates are more conservative than the EPRA figures set out below, as Mobimo does not for example include the market value of trading properties, which are accounted for at cost, and bases its calculations on effective and not market rents. However, when calculating earnings per share Mobimo does take account of profits on the sale of trading and investment properties.

A EPRA earnings & EPRA earnings per share	2011
Earnings as per IFRS income statement	80,454
(i) Changes in value of investment properties, development properties held for investment and other interests	-41,194
(ii) Profits or losses on disposal of investment properties, development properties held for investment and other interests	-3,459
(iii) Profits or losses on the sales of trading properties including impairment charges in respect of trading properties	-22,316
(iv) Tax on profits or losses on disposals	7,317
(v) Negative goodwill/goodwill impairment	n/a
(vi) Changes in fair value of financial instruments and associated close-out costs	4,248
(vii) Acquisition costs on share deals and non-controlling joint venture interests	n/a
(viii) Deferred tax in respect of EPRA adjustments	10,687
(ix) Adjustments to positions (i) to (viii) in respect of joint ventures	-833
(x) Minority interests in respect of the above	n/a
EPRA earnings	34,904
Average number of shares outstanding	5,202,626
EPRA Earnings Per Share	6.71

B EPRA net asset value	2011
NAV as per consolidated financial statements	1,174,183
Effect of exercise of options, convertibles and other equity instruments	170,900
Diluted NAV after the exercise of options, convertibles and other equity instruments	1,345,083
(i.a) Revaluation of investment properties (if IAS 40 cost model is used)	n/a
(i.b) Revaluation of investment property under construction (IPUC) (if IAS 40 cost model is used)	n/a
(i.c) Revaluation of other non-current investments (owner-occupied properties)	8,847
(ii) Revaluation of tenant leases held as finance leases	n/a
(iii) Revaluation of trading properties	47,495
(iv) Fair value of financial instruments	25,358
(v.a) Deferred tax	107,137
(v.b) Goodwill as a result of deferred tax	n/a
Adjustments to (i) to (v) in respect of joint ventures	n/a
EPRA NAV	1,533,921
Diluted No. of shares outstanding	7,027,347
EPRA NAV per share	218.28

C Triple net asset value (NNNAV)	2011
EPRA NAV	1,533,921
(i) Market value of derivative financial instruments	-25,358
(ii) Market value of financial liabilities	-96,385
(iii) Deferred tax	-107,137
EPRA NNNAV	1,305,041
Diluted No. of shares outstanding	7,027,347
EPRA NNNAV per share	185.71

D EPRA net initial yield	2011
Investment properties - wholly owned	1,835,558
Investment properties - share of joint ventures / funds	20,087
Trading property	319,008
Less developments	-505,159
Completed property portfolio	1,669,494
Allowance for estimated purchasers' costs	0
Gross up completed property portfolio valuation	1,669,494
Annualised cash passing rental income	92,810
Direct cost of investment properties	-12,771
Annualised net rents	80,039
Add: additional notional rent expiration of rent free periods or other lease incentives	0
"Topped-up" net annualised rent	80,039
EPRA net initial yield	4.8%
EPRA "topped-up" net initial yield	4.8%

E EPRA Vacancy rate	2011
Estimated rental income potential from vacant space	2,768
Estimated rental income from overall portfolio	84,980
EPRA Vacancy rate	3.3%

The EPRA figures are based on the EPRA Performance Measures, which can be found at www.epra.com.

4.1 BALANCE SHEET AS AT 31 DECEMBER

All amounts in TCHF	2011	2010
Assets		
Current assets		
Cash	155,612	5,489
Trade receivables – Group	2,153	497
Other receivables – Group	301	720
Other receivables – third parties	278	42
Accrued income and prepaid expenses – Group	12,560	11,412
Accrued income and prepaid expenses – third parties	25	33
Treasury shares	363	183
Total current assets	171,291	18,377
Non-current assets		
Financial assets		
– Participations	281,115	749,791
– Loan – Group	475,132	0
Total non-current assets	756,247	749,791
Total assets	927,538	768,168

All amounts in TCHF	2011	2010
Equity and liabilities		
Liabilities		
Current liabilities		
Payables – Group	1,764	101
Payables – related parties	500	670
Payables – third parties	611	550
Accrued expenses and deferred income – third parties	2,263	2,263
Total current liabilities	5,138	3,584
Non-current liabilities		
Convertible bond	175,000	175,000
Provisions	0	17,450
Total non-current liabilities	175,000	192,450
Total liabilities	180,138	196,034
Equity		
Share capital	178,933	148,804
Statutory reserves		
– General reserves	37,268	2,355
– Capital contribution reserve	381,083	292,750
– Reserve for treasury shares	363	183
Retained earnings		
– Balance brought forward	128,042	111,706
– Profit for the year	21,711	16,336
Total equity	747,400	572,133
Total equity and liabilities	927,538	768,168

4.2 INCOME STATEMENT

All amounts in TCHF	2011	2010
Income from cost charges – Group	2,134	2,767
Income from participations – Group	21,255	25,663
Income from participations – third parties	0	101
Financial income – Group	10,590	0
Financial income – third parties	1,017	21
Total income	34,996	28,551
Personnel expenses	–2,293	–2,327
Administrative expenses – related parties	–93	–94
Administrative expenses – third parties	–6,954	–6,052
Interest expense for loans – Group	0	–729
Interest expense for convertible bond	–3,719	–1,859
Other financial expense – third parties	–65	–1,153
Tax expense	–161	–1
Total expenses	–13,285	–12,216
Profit for the year	21,711	16,336

4.3 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

1. Equity

The Annual General Meeting of 6 April 2011 approved a distribution from capital contribution reserves for the financial year 2010 of CHF 9.00 per share, which was paid on 13 April 2011. The nominal value of Mobimo shares remains at CHF 29. The share capital rose by CHF 29.8 million as a result of the capital increase and rose by CHF 0.3 million as a result of the exercise of options (prior year: CHF 2.5 million).

As at 31 December 2011 share capital amounted to CHF 178.9 million, composed of 6,170,098 registered shares with a nominal value of CHF 29 each. All outstanding shares are entitled to dividends and confer the right to one vote per share at the company's general meetings.

2. Participations

Name	Registered office	Purpose	Share capital in TCHF	Equity interest in %
Mobimo AG	Küsnacht	Real estate company	72,000	100.0
Mobimo Management AG	Küsnacht	Real estate company	100	100.0
LO Holding Lausanne-Ouchy SA ¹	Lausanne	Real estate group	12,000	100.0 ²
JJM Participations SA	Lausanne	Holding company	6,001	100.0

See Note 11 for the changes deriving from the restructuring during the year under review.

The participation in Olmero AG was sold in March 2011.

3. Conditional capital

Conditional share capital of a maximum of CHF 36.25 million is available for up to 1,250,056 fully paid-up registered shares with a nominal value of CHF 29 (with shareholders' pre-emptive rights excluded), of which

- a) up to CHF 0.5 million is designated for the exercise of option rights granted to members of the Board of Directors, employees of Group companies and related parties.
- b) up to CHF 0.9 million is designated for the exercise of subscription rights created after 5 May 2010 under an employee share option programme.
- c) up to CHF 34.8 million is designated for the exercise of conversion and/or option rights relating to convertible bonds, bonds with warrants, similar bonds or other financial market instruments of the company or granted by Group companies.

10,578 option rights were exercised in 2011.

4. Authorised capital

As at 31 December 2011, authorised share capital was available, allowing the Board of Directors to increase the share capital of the company by a maximum of CHF 34.0 million by 6 April 2013 via the issue of up to 1,171,650 registered shares, to be fully paid up, with a nominal value of CHF 29 per share.

5. Treasury shares

As at 31 December 2011 the company held 1,747 treasury shares. In the course of the financial year the initial holding as at 1 January of 1,071 shares was increased through the purchase of a total of 72,092 shares at an average price of CHF 214.09. Of these shares, 62,785 were used for the acquisition of O4Real AG at a value of CHF 13.4 million. 300 shares were sold in the course of the year at a price of CHF 219. 8,331 shares were granted to the Board of Directors as part of their remuneration arrangements.

6. 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	2011	2010
Pensionskasse des Kantons Zug	3.40%	3.41 %
Dr. Alfred Meili and family ³	n/a	3.19 %

¹ Subholding: see Note 42 to the consolidated annual financial statements for an overview of all Group companies

² 64.3% of this holding is held directly and 35.7% via JJM Participations SA.

³ As a result of a sale of shares at the beginning of 2011 the Dr. Alfred Meili shareholder group had fallen below the 3% threshold at year-end 2011

7. Additional information

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

Name, function	Fees, salary	Shares	Profit-sharing		Social security contributions	Payments for additional services	Total 2011	Total 2010
			in cash	in shares				
BoD	1,143	264	0	0	69	0	1,476	1,906
Urs Ledermann, Chairman BoD	480	0	0	0	0	0	480	566
Brian Fischer, BoD	8	112	0	0	9	0	129	159
Wilhelm Hansen, BoD	8	112	0	0	9	0	129	159
Peter Schaub, BoD	150	0	0	0	12	0	162	191
Paul Schnetzer, BoD ¹	45	0	0	0	3	0	48	209
Georges Theiler, BoD2	162	0	0	0	13	0	175	180
Daniel Crausaz, BoD	80	40	0	0	9	0	129	159
Bernard Guillelmon, BoD	70	0	0	0	6	0	76	105
Paul Rambert, BoD	140	0	0	0	8	0	148	178
Executive Board	1,815	0	776	1,165	479	0	4,235	3,318
Christoph Caviezel, CEO	703	0	305	458	189	0	1,654	1,421

Amounts equal the expense recognised in the consolidated annual financial statements of the reporting year (accrual accounting), with the exception of share-based remuneration, which is disclosed at taxable value. Share-based compensation for the Executive Board was based on the assumption that a ratio of 60 % as stipulated in the remuneration regulations applies.

As at 31 December 2011, 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).

Name, function	No. of shares		No. of options	Total 2011	Total 2010
	issued	approved			
BoD	50,236	0	2,540	52,776	34,430
Urs Ledermann, Chairman BoD	30,370	0	690	31,060	12,274
Brian Fischer, BoD	870	0	201	1,071	201
Wilhelm Hansen, BoD	2,451	0	201	2,652	1,927
Peter Schaub, BoD	720	0	201	921	401
Paul Schnetzer, BoD	n/a	n/a	n/a	n/a	6,138
Georges Theiler, BoD	4,577	0	980	5,557	4,652
Daniel Crausaz, BoD	1,194	0	89	1,283	884
Bernard Guillelmon, BoD	5,622	0	89	5,711	3,300
Paul Rambert, BoD	4,432	0	89	4,521	4,653
Executive Board	14,426	7,392	1,783	23,601	11,880
Christoph Caviezel, CEO	8,033	2,904	1,065	12,002	6,850
Manuel Itten, CFO	2,137	1,848	191	4,176	1,509
Peter Grossenbacher, Head of Portfolio Management	3,424	1,320	275	5,019	2,434
Andreas Hämmerli, Head of Development	832	1,320	252	2,404	1,087
Thomas Stauber, Head of Third-Party Investments ³	0	0	0	0	n/a

¹ until April 2011

² Chairman of the Real Estate Committee from April 2011

³ from November 2011

8. Convertible bond

A CHF 175 million convertible bond maturing on 30 June 2014 was issued on 30 June 2010. The coupon is 2.125 %. For further information see Note 12 to the consolidated annual financial statements.

9. 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 to prepare 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.

10. Joint and several guarantees and undertakings

Mobimo Holding AG forms a VAT group together with Mobimo AG, Mobimo Management AG, O4Real AG, JJM Participations SA, LO Holding Lausanne-Ouchy SA, LO Gestion SA, LO Immeubles SA and FLON Events Sàrl. It is jointly and severally liable for the liabilities arising therefrom.

As part of an external financing arrangement with a bank Mobimo Holding AG provided a joint and several guarantee of CHF 20 million for a Group company. As part of another external financing arrangement Mobimo Holding AG has given an undertaking in a letter of comfort to ensure that Mobimo AG maintains minimum equity of CHF 100 million. Moreover, in certain construction projects Mobimo Holding AG provides joint and several guarantees to Group companies for payments to contractors arising from service contracts.

11. Restructuring – set-off of income from participation against write-down

In the course of a restructuring of the Mobimo Group during the year under review part of the assets of Mobimo Finance Ltd. were paid into Mobimo Holding AG by means of a dividend in kind on 10 June 2011. As this transaction did not involve external parties, the resulting income from participations of CHF 464.3 million was set off in full against the write-down of the same amount in the participation in Mobimo Finance Ltd.

After this transaction the investments of Mobimo Finance Ltd. and O4Real AG were transferred to LO Holding Lausanne-Ouchy AG at their carrying amount.

4.4 PROPOSED APPROPRIATION OF PROFIT

in TCHF	2011	2010
Balance brought forward	128,042	111,706
Profit for the year	21,711	16,336
Reversal of capital contribution reserves	55,610	46,204
Total available to the General Meeting	205,363	174,246
The Board of Directors proposes the following appropriation of profit to the General Meeting:		
Payment of a dividend in the form of a distribution of paid-in capital of	55,610	46,204
Brought forward to new account	149,753	128,042
Total appropriation of profit proposed	205,363	174,246
Total distribution	55,610	46,204
./. Less share from capital contribution reserves	-55,610	-46,204
Share from other reserves	0	0

The final figure for the reversal/distribution of capital contribution reserves depends on the number of options exercised and the consequent number of shares with dividend entitlement issued by the date of the dividend payment. If not all exercisable options are exercised by this date, the reversal or distribution from capital contribution reserves will be correspondingly lower.

The 1,747 treasury shares held on the reporting date are not eligible for the dividend payment. The number of shares eligible for a dividend on the date of the dividend payment may vary due to buybacks of further treasury shares.

The Board of Directors will propose to the General Meeting the payment of a dividend of CHF 9 per share from capital contribution reserves.

As statutory auditor, we have audited the financial statements of Mobimo Holding AG, which comprise the balance sheet, income statement and notes (pages 112 to 118), for the year ended 31 December 2011.

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 2011 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

Root/Lucerne, 20 February 2012



The image is a full-page architectural rendering of a modern residential complex. The main part of the image shows a multi-story building with a light-colored facade, large windows, and balconies. A central courtyard features a paved area, a young tree with pink blossoms, and a small garden bed. Two people are walking in the courtyard. A large, semi-transparent teal rectangle is overlaid on the right side of the image, containing white text. At the bottom right, there is a smaller inset image showing the interior of a modern apartment with a dining area, a kitchen island, and large windows.

CORPORATE GOVERNANCE

Planned investment property
Rental apartments

Regensdorf, "Sonnenhof"
Schulstrasse/Riedhofstrasse/Feldblumenstrasse

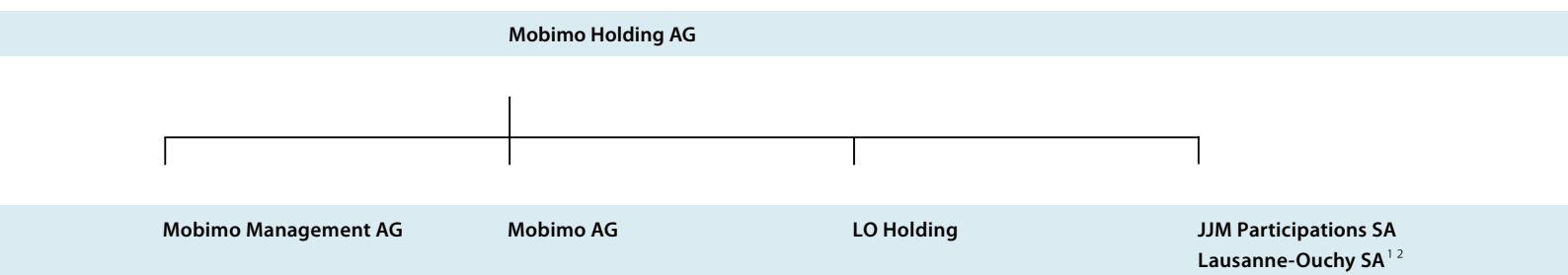


The Corporate Governance report is based on the structure of the SIX guideline concerning corporate governance information (RLCG). Cross-references are made to other sections of the Annual Report in order to avoid repetitions. The complete, current Articles of Association of Mobimo Holding AG are available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

1 GROUP STRUCTURE AND SHAREHOLDERS

1.1 Group structure

The Mobimo Group has the following legal structure and wholly owned subsidiaries:



¹ Subholding; see Note 42 to the consolidated annual financial statements for an overview of all Group companies

² 64.3% of this holding is held directly, and 35.7% via JJM Participations SA.

The majority ownership interests in unlisted companies are shown below:

Company	Domicile	Share capital in TCHF	Ownership interest in %
Mobimo Management AG	Küsnacht	100	100.00
Mobimo AG	Küsnacht	72,000	100.00
LO Holding Lausanne-Ouchy SA	Lausanne	12,000	100.00
LO Immeubles SA	Lausanne	2,000	100.00
LO Gestion SA	Lausanne	250	100.00
FLON Events Sàrl	Lausanne	20	100.00
JJM Participations SA	Lausanne	6,001	100.00
O4Real AG	Lausanne	1,000	100.00

Mobimo AG and LO Immeubles SA are real estate companies that buy and sell real estate, construct new buildings, conduct or arrange renovations and assess all related activities on an independent basis. They define strategies with the assistance of Mobimo Management AG, appoint the architects, engineers and consultants, develop the basic concepts, oversee the building sites and manage the services furnished by external providers.

O4Real AG is a real estate company with a property in Lausanne.

Mobimo Management AG performs general services for the other Group companies.

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

The Group's operational structure is divided into two divisions: Portfolio Management and Development (see also consolidated annual financial statements 1.5.3 Segment reporting).

Portfolio Management focuses on the long-term holding and managing of the commercial and residential properties in Mobimo's own portfolio.

Development is responsible for planning and realising residential and commercial property for Mobimo's own portfolio or third parties. It also manages the first-time letting of completed residential and commercial property and the sale of condominiums.

1.2 Significant shareholders

The following shareholders hold a significant proportion of the shares and options in Mobimo Holding AG as at 31 December 2011.

Pensionskasse des Kantons Zug	3.40 %
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The following reports based on Article 20 of the Swiss Federal Act on Stock Exchanges and Securities Trading (SESTA) were received during the year under review:

- Dr. Alfred Meili reported on 6 January 2011 that the Dr. Alfred Meili and family shareholder group had fallen below the 3% threshold as a result of a sale of shares and held 148,332 registered shares after this transaction. The overall shareholding remained above 3% (3.09%) as a result of a further 10,361 option rights.
- Dr. Alfred Meili reported on 1 February 2011 that the Dr. Alfred Meili and family shareholder group now held 144,921 shares as a result of a sale of shares. As a result, the group had fallen below the 3% threshold, with a holding of 134,560 registered shares and 10,361 option rights.
- Mobimo Holding AG reported on 6 December 2011 in connection with the capital increase that the company held 1,747 treasury shares and there were also 841,386 outstanding conversion rights and 17,610 outstanding call options.

Of the total of 6,170,098 shares issued, 67% (4,111,104 shares) were also effectively recorded in the share register as at 31 December 2011. The proportion of shares pending registration of transfer is thus around 33%. Of the registered shares, 92% are owned by Swiss investors; some 75% of these are held by legal entities. In terms of the overall registered equity holding, pension funds and foundations hold a share of approximately 33%.

1.3 Cross-shareholdings

There are no cross-shareholdings.

2 CAPITAL STRUCTURE

2.1 Capital

The following events had an impact on capital in 2011:

- a) Distribution of CHF 9.00 per share from capital contribution reserves;
- b) Capital increase of CHF 29.8 million in December via the issue of 1,028,350 new shares at a nominal value of CHF 29.00 per share. Further capital increases via the exercise of outstanding option rights at a nominal value of CHF 29.00 per share as follows:
 CHF 37,671 in March via the issue of 1,299 new shares
 CHF 58,000 in April via the issue of 2,000 new shares
 CHF 182,091 in July via the issue of 6,279 new shares
 CHF 29,000 in November via the issue of 1,000 new shares

Capital as at 31 December 2011	Total (TCHF)	Number of registered shares	Nominal value per share (CHF)
Share capital	178,933	6,170,098	29.00
Authorised capital	max. 33,978	1,171,650	29.00
Conditional capital	max. 36,252	1,250,056	29.00

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

2.2 Authorised and conditional capital

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 1,171,650 fully paid-up registered shares until 6 April 2013. Increases may take place all in one go or in stages. 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 shall be determined by the Board of Directors. The Board of Directors decides on unexercised subscription rights in the best interests of the company. Once acquired, the new registered shares are subject to the restrictions on transfer set out in Article 6 of the Articles of Association. Shareholders' subscription rights are disappplied; the shares issued can be used only as payment for the acquisition or financing of the acquisition of property or as payment for the takeover or financing of the takeover of companies, parts of companies or participations. If and to the extent that the Board of Directors, exercising its powers pursuant to Article 3b of the Articles of Association (see below), issues convertible bonds, warrant bonds or similar bonds, then the Board of Directors is no longer entitled, in the applicable amount, to create new share capital through the use of authorised capital (Article 3a para. 4 of the Articles of Association).

At the current conversion price, a maximum of 841,386 registered shares will be created from conditional capital in connection with the convertible bond.

Pursuant to Article 3b of the Articles of Association, conditional capital may be increased through the issue of up to 1,259,335 fully paid-up registered shares, subject to the exclusion of subscription rights. Use thereof is restricted as follows: a) up to 26,889 fully paid-up registered shares can be issued through the exercise of option rights which have been granted to members of the company's Board of Directors, related parties and employees of Group companies; b) up to 32,446 fully paid-up registered shares can be issued through the exercise of option rights in connection with subscription rights for employees created after 5 May 2010; and c) up to 1,200,000 fully paid-up registered shares can be created through the exercise of conversion rights in connection with the convertible bond issued by the company (see Note 12). 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 set out in Article 6 of the Articles of Association. After the last registration of shares issued from conditional share capital in the Commercial Register on 30 March 2011, a further 9,279 registered shares have been created through the exercise of option rights. As a result, on the reporting date there remain 17,610 options to create registered shares from conditional capital in accordance with Article 3b (a) of the Articles of Association. The option plan effective up to 31 December 2009 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 31.12.2005	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
Share capital as at 31.12.2010	148,804	5,131,170	29.00
Share capital as at 31.12.2011	178,933	6,170,098	29.00
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
Authorised capital as at 31.12.2010	34,800	1,200,000	29.00
Authorised capital as at 31.12.2011	33,978	1,171,650	29.00
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
Conditional capital as at 31.12.2010	36,558	1,260,634	29.00
Conditional capital as at 31.12.2011	36,252	1,250,056	29.00

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

2.4 Shares and participation certificates

The share capital stood at CHF 178,932,842 as at 31 December 2011 and comprised 6,170,098 fully paid-up registered shares with a nominal value of CHF 29.00, 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. Insofar 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 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 amendments 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 for the purposes of these conditions.
4. As soon as and insofar 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 to 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, prior to being 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 of restricted persons without voting rights, as long as the threshold of one-third of all shareholders is not exceeded and provided there is no other risk that the entry of the non-Swiss shareholder will result in the company no longer being able to furnish evidence of Swiss control.

As at 31 December 2011, 8.7% of the shares were held by shareholders with voting rights who are classified in the share register as “Non-Swiss” according to the above definition.

The Articles of Association do not contain any provisions pertaining to the registration of nominees. The Board of Directors has laid down the following principles in the regulations governing the administration of the share register and the recognition and registration of shareholders of Mobimo AG: Nominees are registered subject to the following conditions: a) without disclosure of the name, head office/address and shareholding of those shareholders for whose account the nominee holds the shares, the nominee shall be entered in the share register as a shareholder with voting rights up to a maximum recognition threshold of 2% of the registered shares entered in the Commercial Register; b) without disclosure of the name, head office/address and shareholding, no more than 0.25% of the share capital which is entered in the Commercial Register may be registered by the relevant nominee in the share register as shares with voting rights for one and the same purchaser; and c) the nominee must conclude an agreement with the company which precisely defines the applicable rights and obligations. The restrictions mentioned above also apply (5% clause and maximum proportion of non-Swiss shares without voting right restrictions). 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 (and none have been granted) or the revocation of restrictions on transferability. As a result, the provisions of the Swiss Code of Obligations apply.

2.7 Convertible bond and options Convertible bond

The company issued a convertible bond with the following key features on 30 June 2010:

Volume: CHF 175 million

Coupon: 2.125% p. a., payable annually on 30 June, with the first payment due on 30 June 2011.

Term: 4 years (30 June 2010–30 June 2014).

Conversion price CHF 207.99 (the conversion price was adjusted after the capital increase; the conversion price before the capital increase was CHF 210.37)

The convertible bonds are traded on the SIX Swiss Exchange in Zurich in accordance with the Standard for Bonds (security symbol: MOB10/Swiss security number: 11299133/ISIN code: CH0112991333, Bloomberg: MOBIMO Corp.). Each convertible bond has a nominal value of CHF 5,000 and can be converted up to seven trading days before the end of the term into registered shares at the conversion price of CHF 207.99 per registered share (subject to any amendments in accordance with the published conditions, particularly with respect to the prevention of dilution). A maximum of 841,386 registered shares may be issued at this conversion price under the convertible bond. The company has created conditional capital for the creation of the registered shares.

The prospective exercise of conversion rights would dilute earnings per share. The convertible bond can be redeemed early at any time if more than 85% of the original bond volume is converted and/or redeemed or, from 21 July 2013, if the closing price of Mobimo Holding AG registered shares on the SIX Swiss Exchange (SIX) is 130% or more of the conversion price over a period of 20 consecutive trading days (see Note 12).

Options

In terms of options on Mobimo shares, as at 31 December 2011 only the 17,610 options assigned to members of the Board of Directors, related parties 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 to 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 and
the Remuneration Committee**

Entrepreneur, Swiss,
resides in Zollikon ZH

Urs Ledermann was born in Brugg on 14 July 1955. After completing a commercial apprenticeship at an import/export company in 1974, he 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 was divided between 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. Gallen, Lugano and Lucerne.

This was followed in 1993 by the founding of Urs Ledermann & Partner AG, a management and HR consultancy in Zurich. 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 in Zurich, which was founded in 1983 and has now been merged into Ledermann Immobilien AG. A further focus is the family-owned Cleaning Store Company AG, Zurich (a leading textile cleaning group founded in 1957), together with research, analysis, planning, buying, selling and management for his own portfolio of apartment buildings and commercial 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 and on the investment committee of Gaydoul Group. He is also employed as a real estate consultant by a number of pension funds. Mr Ledermann has been a member of the Board of Directors of Mobimo Holding AG since 2003 and Chairman of the Board of Directors of LO Holding Lausanne-Ouchy SA since 17 December 2009.

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

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

Georges Theiler was born in Lucerne on 20 May 1949. He graduated from high school in Lucerne and studied at the Swiss Federal Institute of Technology Zurich until 1976. After two years 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, general contracting, real estate development and real estate management sectors, was sold to Batigroup 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 was elected to the Swiss Council of States as a representative of the canton of Lucerne in 2011. He has been a member of the Board of Directors of Mobimo Holding AG since 2000.

**Daniel Crausaz
also Member of the Audit & Risk Committee
and the Remuneration Committee**

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

Daniel Crausaz was born in Aarau on 28 May 1957. 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.

Daniel Crausaz is also a member of the boards of Cadar SA, Zimal SA, LN Industries SA and CIEL. He has been a member of the Board of Directors of LO Holding Lausanne-Ouchy SA since 1999 and a member of the Board of Directors of Mobimo Holding AG 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 been Head of External Asset Managers within Bank Vontobel AG's Investment Banking unit. He has been a member of the Board of Directors since 2008 and sits on the Board of Directors of Mobimo Holding AG in an independent capacity.

Bernard Guillelmon

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

Bernard Guillelmon was born in Zurich on 5 November 1966. After high school he studied engineering at the Swiss Federal Institute of Technology Lausanne, where his special focus was micro-technology, 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. Bernard Guillelmon has been CEO of BLS AG since 1 July 2008. He has been a member of the Board of Directors of LO Holding Lausanne-Ouchy SA since 2005. Bernard Guillelmon is a member of the Board of Directors of JJM Holding in Lausanne and has been a member of the Board of Directors of Mobimo Holding AG since 17 December 2009.

**Wilhelm Hansen,
also Member of the Audit & Risk Committee
and the Remuneration Committee**

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

Wilhelm Hansen was born in Mönchengladbach, Germany, on 30 August 1953. After high school, he studied economics at the University of St. Gallen HSG and the University of Basel, where he was awarded the degree rer. pol.

After spending 25 years working in the area of capital investments (as an investment advisor at the former Union Bank of Switzerland, as head of the securities division at Basler Versicherungen and as co-owner of the private bank Baumann & Cie), in 2002 he specialised as an independent management consultant in the area of organisational and strategic development and corporate governance. He also holds a number of directorships, including as a member of the Governing Board of Basellandschaftliche Kantonalbank, Vice Chairman of the Board of Directors of Scobag Privatbank AG and a member of the boards of directors of Tareno AG and Tarimo AG. He has been a member of the Board of Directors of Mobimo Holding AG since 2008.

**Paul Rambert,
also Member of the Real Estate Committee**

Certified Architect, ETH Zurich, Swiss,
resides in Lausanne

Paul Rambert was born in Zurich on 5 January 1945. 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 and 2009. He operates as a real estate consultant in his companies Immopoly Sàrl in Lausanne and Immopoly GmbH in Zurich.

He also holds various board mandates, including as chairman of the boards of Parking du Centre SA and Flonplex SA Lausanne and as a board member of LO Holding Lausanne-Ouchy SA, Securitas AG Berne, Fürstenhof SA,, Pully, and Solvalor Fund Management SA, Lausanne. He also sits on the Foundation Board of the Fondation Métropol, Lausanne, and has been a member of the Board of Directors of Mobimo Holding AG 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 in Zurich on 4 December 1960. 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. Between 1990 and 1993 he worked as a tax commissioner for the canton of Zurich, and since 1994 he has been a partner in the tax and law firm Weber Schaub & Partner in Zurich.

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

Alfred Meili is the Honorary Chairman of Mobimo Holding AG. He was the driving force behind the creation of the Mobimo Group and was Chairman of the Board of Directors until 2008. Laurent Rivier is the Honorary Chairman of LO Holding Lausanne-Ouchy SA, where he was Chairman of the Board of Directors from 2000 to 2009. Alfred Meili and Laurent Rivier were appointed Honorary Chairmen in recognition of their services to their respective companies. This office confers neither the right to sit on the Board of Directors, nor any other rights and obligations of a member of the Board of Directors, nor any entitlement to directors' compensation or other remuneration.

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:

- not to take up any directorship mandates with other real estate companies without the approval of the Board of Directors of Mobimo Holding AG
- to keep the company informed about any offers to acquire land and property and grant the company a priority claim
- not to accept any additional remuneration such as arrangement commissions.

Urs Ledermann owns his own real estate portfolio focused primarily on the City of Zurich, both privately and through his company Ledermann Immobilien AG. He also has an advisory role on the Real Estate Committee of Gaydoul Group. Appropriate organisational and contractual arrangements are in place to avoid any conflict of interests.

Georges Theiler works for Implenia AG in an advisory capacity.

Wilhelm Hansen is a member 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 is Chairman of the Board of Directors of CPH Chemie + Papier Holding AG and a member of the Board of Directors of UBV Uetikon Betriebs- und Verwaltungs AG. These companies own operating and development properties (CPH) and investment properties (UBV).

Daniel Crausaz is a member of the Board of Directors of Cadar SA and Zimal SA.

Bernard Guillelmon is Chairman of the Board of Directors of CLS Cargo SA and a member of the Board of Directors of RALpin AG.

Paul Rambert is active as a real estate consultant through his companies Immopoly Sàrl in Lausanne and Immopoly GmbH in Zurich.

The other members of the Board of Directors of Mobimo Holding AG do not occupy any positions in the management and supervisory bodies of major Swiss and foreign entities or in institutions and foundations under public or 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 and is elected for a period of one year at the General Meeting. In the year under review, the Board of Directors had eight members after the departure of Paul Schnetzer. The aim is to reduce the number of members to six over the next few years. 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 if the majority of its members are present and passes resolutions by a majority of the votes cast.

A total of six ordinary and two extraordinary meetings were held in 2011. The ordinary meetings generally lasted one day (one lasted two days), the extraordinary meetings for between 30 minutes and one hour. The Board of Directors was present in full at every meeting apart from four.

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 meets first 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. In the year under review the Chairman made particular use of this facility in connection with the capital increase.

The Board of Directors has three committees: the Real Estate Committee, the Audit & Risk Committee and the Remuneration Committee. The purpose, tasks, duties and competences of the committees are laid down in a supplement to the organisation regulations. The Audit & Risk Committee met five times in 2011. The Real Estate Committee met seven times, and the Remuneration Committee three times.

The Board of Directors established the Real Estate Committee to ensure that the investment and divestment targets it sets 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 and summarised below. The Real Estate Committee aims to provide the Board of Directors with as broad-based real estate know-how as possible by:

- conducting ongoing market observations
- developing the network to investors, etc.
- cooperating closely with management
- providing 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 transactions which have a volume of over CHF 30 million and therefore lie within its competence
- supervising investment and development business as well as the external appraisals to be carried out periodically

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 supervisory function. It may request 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 as follows:

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

The Remuneration Committee oversees all matters relating to remuneration policy and the remuneration system. This comprises preparing the remuneration report to shareholders and drawing up budgets for the remuneration of all staff as well as the individual remuneration paid to members of the Board of Directors and Executive Board.

The Remuneration Committee does not have the power to make decisions. Instead it carries out reviews and reports the results of its reviews to the Board of Directors and can submit requests to the full Board of Directors for consideration.

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 its non-transferable 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 of the 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 participation 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

The Chairman of the Board of Directors holds coordination and information meetings with the Chairman of the Board of Directors every two weeks. The Real Estate Committee met seven times during the financial year. The Chairman of the Real Estate Committee 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 Board of Directors is also kept up to date with the latest business developments by means of monthly reports.

The Remuneration Committee met three times in 2011.

The Audit & Risk Committee met five times in the past financial year. Topics discussed at Audit & Risk Committee meetings include the annual and semi-annual results, 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. The AC liaises with management to prepare an annual risk inventory setting out significant risks 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. If necessary, the Audit & Risk Committee may invite members of the Executive Board, other employees, external advisors or auditors to its meetings, or request that they meet with members of or advisors to 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 quarterly management report informing them about the following areas: financial situation/budget achievement, risk situation, progress and planned activities of the operating and administrative areas, and personnel situation. The information relates to developments and events since the last management report, together with expected developments and planned activities. 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 regulatory and accounting changes is worked out at an early stage in cooperation with the external auditors. The external auditors and property appraisers are also consulted on a regular basis to help assess 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 Chur 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, he was appointed Head of Real Estate at Swiss Federal Railways in Lucerne in 1986. In 1995, he joined the 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 the 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. He has also been a member of the Board of Directors of LO Holding Lausanne-Ouchy SA since 17 December 2009.

Manuel Itten

CFO, Business Administration FH, Swiss, resides in Zurich

Manuel Itten was born in Zurich on 3 October 1965. 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 spent several years as Head of Controlling at Livit AG.

Manuel Itten joined Mobimo in 2004. He was Head of Controlling until February 2009 and has been the company's CFO since March 2009. He has also been a member of the Board of Directors of LO Holding Lausanne-Ouchy SA since 17 December 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 held a number of senior positions in the construction and real estate sector.

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 condominium properties 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 in the Canton of Berne 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 and 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.

Thomas Stauber

Head of Third-Party Investments, Certified Civil Engineer, Federal Institute of Technology/Swiss Society of Engineers and Architects, Swiss, resides in Meilen ZH.

Thomas Stauber was born in Zurich on 30 October 1964. After graduating from high school in Zurich, he obtained a degree in civil engineering

from the Swiss Federal Institute of Technology Zurich (ETH Zurich) in 1989. He subsequently completed postgraduate studies in industrial management and manufacturing at the BWI Center for Industrial Management at ETH Zurich, and attended the SKU Advanced Management Program in 2002.

After working for a number of years as a project managing civil engineer, Thomas Stauber spent five years at Sony Berlin GmbH, where he took on project owner responsibility for the technical planning and realisation of the Sony Center in Berlin's Potsdamer Platz.

He returned to Switzerland in 2000 as Head of Project Development and member of the Executive Board at the general planning firm tk3 AG. Thereafter he took on various development and management tasks as Managing Director of the general contractor Bauengineering AG Zurich. In 2004, he joined the listed company Allreal Generalunternehmung AG, where he was latterly a member of the Executive Board with responsibility for acquisition and project development.

He has been head of the newly created Investment for Third Parties business area since 1 November 2011, where he is responsible for the development, realisation and sale of investment properties to third-party investors. This business area is part of the Development division.

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 Management AG.

5 REMUNERATION AND PROFIT-SHARING

The Remuneration Report sets out the mechanisms used to determine remuneration and profit-sharing plans. It also provides information on the remuneration of the Board of Directors and the Executive Board for 2011, which is also set out in the consolidated annual financial statements (Note 37 and Note 41) and the annual financial statements of Mobimo Holding AG (Note 7).

5.1 Content of and procedure for determining remuneration 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 remuneration 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. It is made up of basic remuneration of CHF 70,000 per year plus fixed supplements for involvement in a Board Committee (CHF 70,000 for the IC and CHF 50,000 for the AC) and fixed supplements for the Chairman of the Board of Directors (CHF 340,000) and the Chairmen of the Board Committees (CHF 30,000 each). 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 new remuneration structure was introduced by the Board of Directors in the form of remuneration regulations established for an indefinite period. The Board of Directors made no changes to the regulations in 2011. The members of the Board of Directors also participate in the long-term success of the company, as all or part of their remuneration may take the form of shares in Mobimo Holding AG. The proportion of the total remuneration that may take the form of shares is set by the Board of Directors on an annual basis.

Shares are valued at the average price over a period of 20 days preceding 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 (see Note 41 to the consolidated annual financial statements and Note 7 to the annual financial statements of Mobimo Holding). A total of 1,708 shares were granted to the Board of Directors in the 2011 financial year as part of their fixed remuneration.

Executive Board remuneration is broken down into a fixed element and a variable performance-related element based on the company's consolidated profit for the year after deduction of a hurdle (see below). Remuneration is geared to the actual area of responsibility, the professional requirements and the expertise of each member of the Executive Board and the amount of work involved. It is set by the entire Board of Directors in line with market conditions, with particular focus on salary levels in the real estate market. These competitive remuneration systems should enable Mobimo to recruit the senior managers it wants from the relatively small pool of suitable executives and tie them to the company for the long term. The company did not employ any external remuneration consultants in the year under review.

The variable remuneration element forms part of a company rule whereby 7% of Mobimo Holding AG's consolidated profit, after deduction of a hurdle of 5% of the intrinsic value (net asset value, share capital, shareholder loans, open and hidden reserves), is allocated to the Executive Board.

The maximum variable remuneration element for each individual member of the Executive Board is limited to 150% of fixed gross annual salary.

Executive Board members must draw at least 50% of the variable performance-related remuneration element in the form of shares in Mobimo Holding AG. The corresponding shares are generally subject to a vesting period of five years that remains in effect even after the employment relationship is terminated. This should ensure that even at Executive Board level the sustainable, long-term success of the company becomes established as a key criterion for Executive Board remuneration. The Board of Directors sets the reference date for the shares on an annual basis. The market value of shares is calculated as the volume-weighted average price of the last 20 trading days before the reference date. The shares issued are all entitled to dividends. The number of shares assigned is calculated on the basis of the taxable value of the share (performance-related remuneration to be drawn in the form of shares in CHF divided by the taxable value of the shares in CHF = number of shares).

These regulations for the variable remuneration payable to members of the Executive Board are valid up to and including the 2012 financial year and replace the previous profit-sharing regulations.

The share of variable remuneration earmarked for other Mobimo employees is divided between them on the basis of individual performance and paid out solely in the form of cash.

Of the remuneration paid to members of the Executive Board in the year under review, 48% took the form of fixed remuneration and 52% was paid as variable remuneration in the form of cash and shares.

No agreements on severance compensation have been concluded with either the Board of Directors or the Executive Board.

Further information on remuneration, profit-sharing and loans can be found in Note 41 to the consolidated annual financial statements and Note 7 to the annual financial of Mobimo Holding.

5.2 Remuneration in 2011

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

Name, function	Fees, salary	Shares	Profit-sharing		Social security contributions	Payments for additional services	Total 2011	Total 2010
			in cash	in shares				
BoD	1,143	264	0	0	69	0	1,476	1,906
Urs Ledermann, Chairman BoD	480	0	0	0	0	0	480	566
Brian Fischer, BoD	8	112	0	0	9	0	129	159
Wilhelm Hansen, BoD	8	112	0	0	9	0	129	159
Peter Schaub, BoD	150	0	0	0	12	0	162	191
Paul Schnetzer, BoD ¹	45	0	0	0	3	0	48	209
Georges Theiler, BoD ²	162	0	0	0	13	0	175	180
Daniel Crausaz, BoD	80	40	0	0	9	0	129	159
Bernard Guillelmon, BoD	70	0	0	0	6	0	76	105
Paul Rambert, BoD	140	0	0	0	8	0	148	178
Executive Board	1,815	0	776	1,165	479	0	4,235	3,318
Christoph Caviezel, CEO	703	0	305	458	189	0	1,654	1,421

Amounts equal the expense recognised in the consolidated annual financial statements of the reporting year (accrual accounting), with the exception of share-based remuneration, which is disclosed at taxable value. Share-based remuneration for the Executive Board was based on the assumption that a ratio of 60% as stipulated in the remuneration regulations applies.

As at 31 December 2011, 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).

Name, function	No. of shares		No. of options	Total 2011	Total 2010
	issued	approved			
BoD	50,236	0	2,540	52,776	34,430
Urs Ledermann, Chairman BoD	30,370	0	690	31,060	12,274
Brian Fischer, BoD	870	0	201	1,071	201
Wilhelm Hansen, BoD	2,451	0	201	2,652	1,927
Peter Schaub, BoD	720	0	201	921	401
Paul Schnetzer, BoD ¹	n/a	n/a	n/a	n/a	6,138
Georges Theiler, BoD	4,577	0	980	5,557	4,652
Daniel Crausaz, BoD	1,194	0	89	1,283	884
Bernard Guillelmon, BoD	5,622	0	89	5,711	3,300
Paul Rambert, BoD	4,432	0	89	4,521	4,653
Executive Board	14,426	7,392	1,783	23,601	11,880
Christoph Caviezel, CEO	8,033	2,904	1,065	12,002	6,850
Manuel Itten, CFO	2,137	1,848	191	4,176	1,509
Peter Grossenbacher, Head of Portfolio Management	3,424	1,320	275	5,019	2,434
Andreas Hämmerli, Head of Development	832	1,320	252	2,404	1,087
Thomas Stauber, Head of Investments for Third Parties ³	0	0	0	0	n/a

¹ until April 2011

² Chairman of the Real Estate Committee from April 2011

³ from November 2011

Based on fair value measured in accordance with IFRS, the following remuneration was reported in the consolidated annual financial statements for the Board of Directors and the Executive Board in the year under review (in TCHF):

	2011	2010
Members of the Board of Directors/Executive Board	6,173	5,505
broken down as follows		
Members of the Board of Directors		
– Fees and remuneration	1,143	1,600
– Social security contributions	69	96
– Share-based payments (at fair value)	364	285
Members of the Executive Board		
– Salaries and profit-sharing (in cash)	2,591	2,298
– Social security contributions	479	407
– Share-based payments (at fair value)	1,527	819

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, insofar 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 Swiss federal law pertaining to the purchase of property by persons resident abroad, BewG). The Board of Directors did not reject any entries in the share register in the year under review, insofar as shareholders provided the information required for entry (see above). Under Article 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 (Articles 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 Articles 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 Annual General Meeting. The availability of these reports and the right of share-

holders 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 Article 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 or the day after the General Meeting. The cut-off date for the Annual General Meeting of 18 April 2012 is 30 March 2012. The 2012 General Meeting takes place in Lausanne on 18 April 2012.

6.6 Remuneration report

The Board of Directors has decided to provide the shareholders with a remuneration report each year as part of the annual report and to hold a consultative vote in the event of significant changes to the remuneration policy. This was held for the first time at the Annual General Meeting on 6 April 2011.

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 % of the voting rights of a listed company, whether exercisable or not, must make an offer to acquire all listed shares of said company (Article 32 of the Swiss Federal Act on Stock Exchanges and Securities Trading (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 its Articles of Association. The legal provisions under Article 32 of 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, Root, Lucerne. The external and Group auditor are appointed annually by the General Meeting. In accordance with the seven-year rotation cycle, Reto Benz, Partner, has been lead auditor since the 2007 financial year.

8.2 Audit fee

KPMG received total fees of CHF 0.4 million for services relating to the audit of the interim results and 2011 annual results (including the LO Group).

8.3 Additional fees

KPMG was paid CHF 0.2 million for transaction-related services (primarily tax advice and due diligence) in connection with the capital increase and other projects. Fees totalling CHF 0.4 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 2011 financial results takes place on 6 March 2012.

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 on the website www.mobimo.ch.

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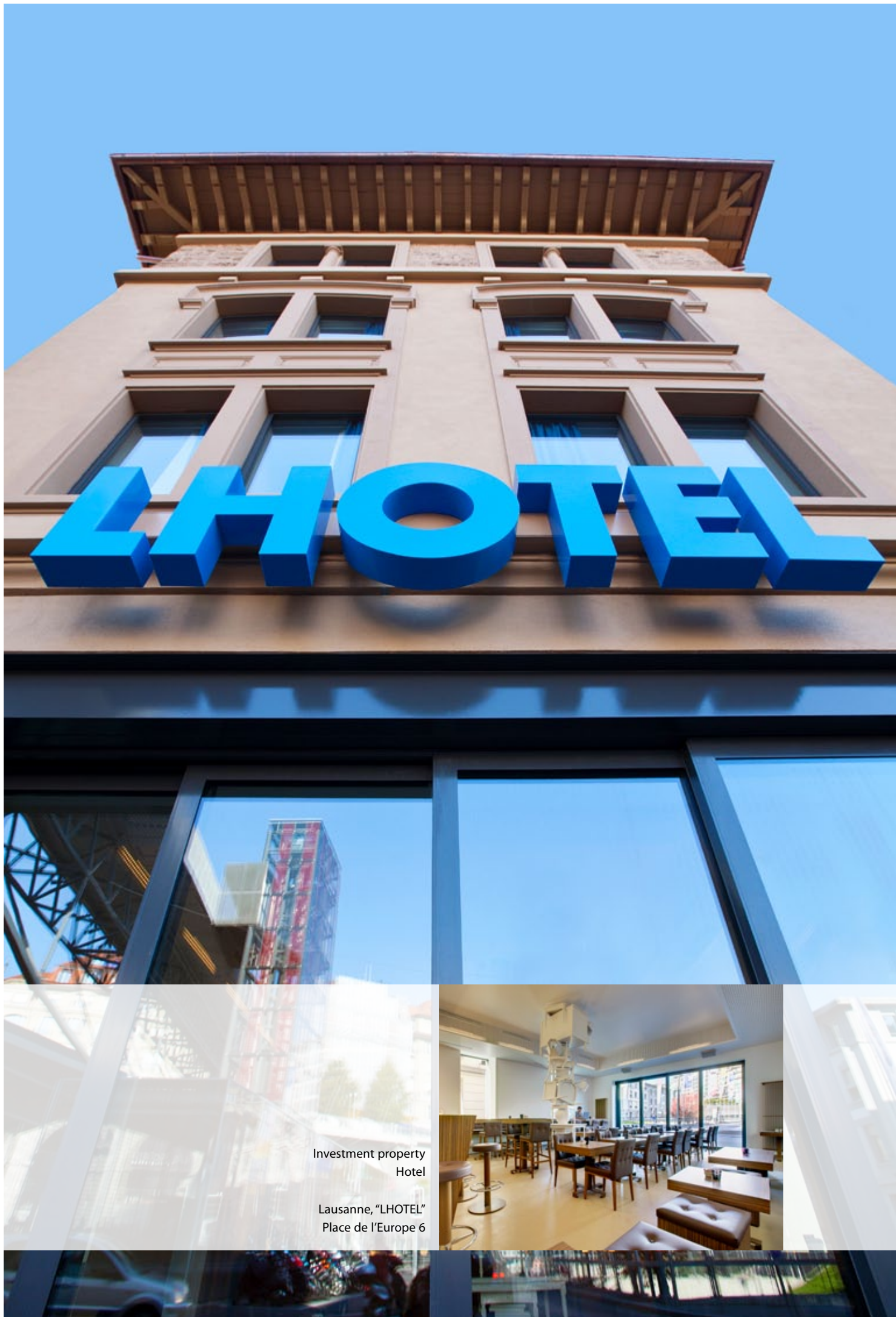
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