ANNUAL REPORT 2015

MOBIMO HOLDING

CONTENTS

SELECTED KEY FIGURES 2015

Mobimo can look back on a successful year. Rising rental income, sales of individual investment properties and net income from revaluation contri-buted to the good performance of the business.

Total return on shares

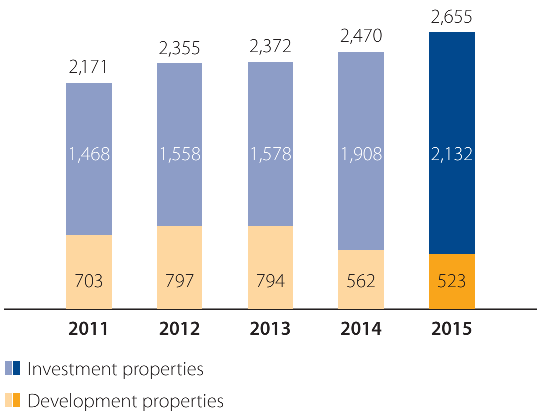
%

16.6

2014: 12.1

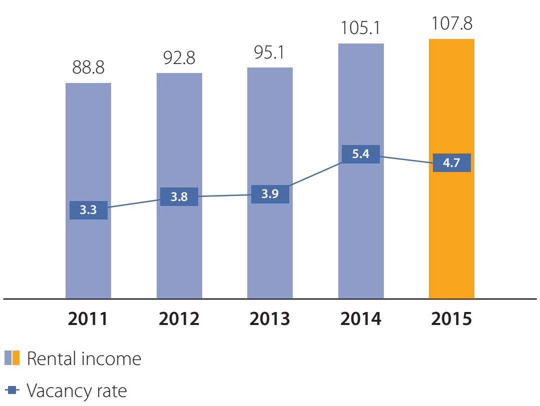
Total portfolio value

CHF million



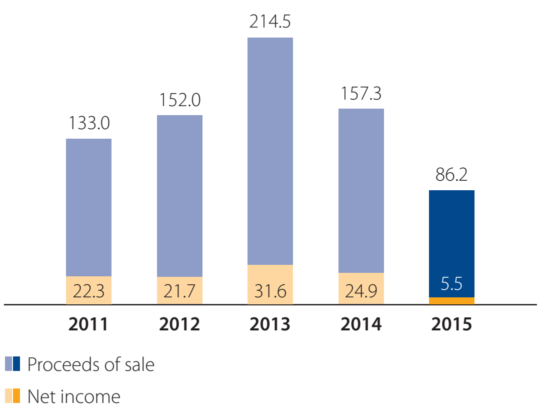
Rental income and vacancy rate

CHF million / %



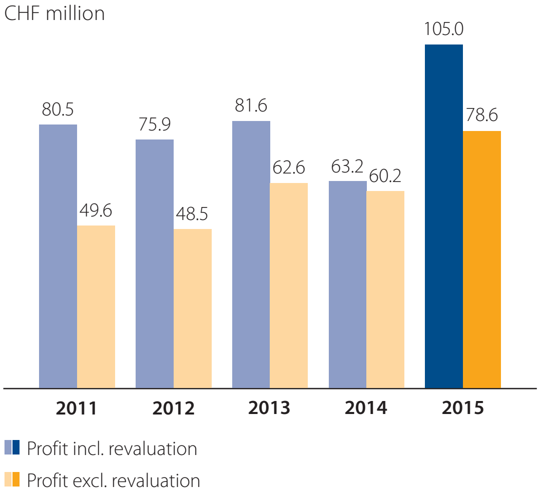
Income and net income from sale of trading properties and services

CHF million



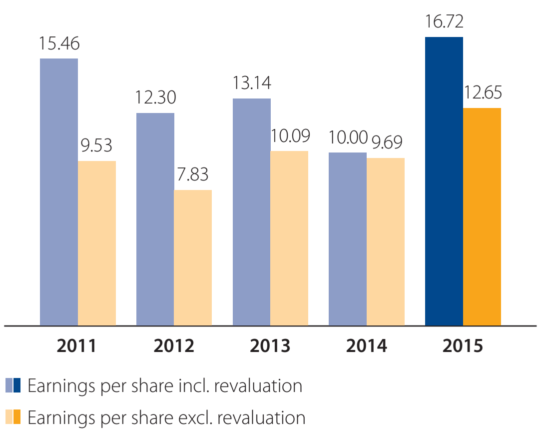
Profit including and excluding revaluation

CHF million



Earnings per share including and excluding revaluation

CHF



Result	Unit	2015	2014	Annual change in %
Net rental income	CHF million	94.1	87.6	7.4
Profit on sale of trading properties and services	CHF million	5.5	24.9	–77.9
Profit on disposal of investment properties	CHF million	63.8	4.9	1,202.0
Net income from revaluation	CHF million	34.7	3.8	813.2
Operating result (EBIT)	CHF million	170.4	97.6	74.6
Operating result (EBIT) not including revaluation	CHF million	135.7	93.8	44.7
Profit	CHF million	105.0	63.2	66.1
Profit attributable to the shareholders of MOH	CHF million	103.9	62.2	67.0
Profit attributable to the shareholders of MOH excluding revaluation	CHF million	78.6	60.2	30.6

Balance Sheet	Unit	2015	2014	Annual change in %
Assets	CHF million	2,952.9	2,767.8	6.7
Equity at 31 December	CHF million	1,264.7	1,222.5	3.5
Equity ratio	%	42.8	44.2	–3.2
Return on equity	%	8.9	5.2	71.2
Return on equity excluding revaluation	%	6.7	5.1	31.4
Interest bearing liabilities	CHF million	1,366.7	1,292.7	5.7
Ø Rate of interest on financial liabilities	%	2.46	2.51	–2.0
Ø Residual maturity of financial liabilities	years	7.7	8.6	–10.5
Net Gearing	%	90.4	87.1	3.8

Portfolio	Unit	2015	2014	Annual change in %
Overall portfolio	CHF million	2,655	2,470	7.5
Investment properties	CHF million	2,132	1,908	11.7
Development properties	CHF million	523	562	–6.9
Gross yield from investment properties	%	5.4	5.6	–3.6
Net yield from investment properties	%	4.3	4.5	–4.4
Investment property vacancy rate	%	4.7	5.4	–13.0
Ø Discount rate for revaluation	%	4.08	4.39	–7.1

EPRA	Unit	2015	2014	Annual change in %
EPRA profit	CHF million	50.8	50.5	0.6
EPRA NAV per share	CHF	244.06	229.05	6.6
EPRA rental increase, like for like	%	0.8	0.6	33.3
EPRA vacancy rate	%	4.7	5.4	–13.0

Headcount	Unit	2015	2014	Annual change in %
Ø Headcount (full-time basis for the period)	Number	107.4	101.6	5.7
Headcount as at 31 December (full-time basis)	Number	107.8	102.9	4.8

Share	Unit	2015	2014	Annual change in %
Shares outstanding	Number	6,216,923	6,214,983	0.0
Nominal value per share	CHF	29.00	29.00	0.0
NAV per share diluted	CHF	202.45	195.93	3.3
Earnings per share	CHF	16.72	10.00	67.2
Earnings per share excluding revaluation	CHF	12.65	9.69	30.5
Distribution per share[1]	CHF	10.00	9.50	5.3
Dividend yield	%	4.5	4.8	–6.3
Share price as at 31 December	CHF	222.70	199.20	11.8

[1] Distribution of paid-in capital for the 2015 financial year of CHF 10.00 per share in accordance with the proposal to the General Meeting of 29 March 2016. Some CHF 151 million was available for distribution of paid-in capital as at 31 December 2015.

Details on the long-term trends of Mobimo's key figures can be found on page 144 of the Annual Report at www.mobimo.ch (five-year overview).

OUR PROFILE

Mobimo Holding AG was established in Lucerne in 1999. With a real estate portfolio with a total value of more than CHF 2.6 billion, the Group is one of the leading real estate companies in Switzerland. The first-class portfolio is characterised by its exceptional locations, sustainability and diversified usage. We focus on the long-term holding, management and value-generating development of properties as well as the development and expansion of entire sites. With our site developments, we secure first-class locations in Switzerland with outstanding investment opportunities.

OUR VISION

Mobimo continually builds on its position in Switzerland, thus enabling it to generate added value for shareholders, customers and partners over the long term. Potential for capital appreciation and gains is realised through attractive and sustainable developments for the Group's own portfolio and for third parties. The clear strategy and solid business model ensure stable, regular returns and steady growth. Highly motivated staff and an environment characterised by reliability, fairness and professionalism also contribute to our success.

HIGHLIGHTS 2015

1

Completion of Petit Mont-Riond

Mobimo completed the construction of an attractive and modern residential development in the quiet and much sought-after "Sous-Gare" residential district of Lausanne. After the existing residential buildings were demolished, a new residential development was constructed in a contemporary architectural style featuring 98 rental apartments and 106 parking spaces in a two-storey underground garage.

Net living space 8,450 m²

Thanks to the wide range of rental apartments spread over net living space of 8,450 m², the buildings attract tenants from all age groups. The residential development was built to Minergie standards and was already fully let upon its completion.

2

Completion of the Sonnenhof project

The Sonnenhof project was developed in the town of Regensdorf, one of the biggest municipalities in the greater Zurich area. The architectural concept is based on the addition of three buildings. These are arranged to form a communal courtyard in the middle, ensuring that the apartments enjoy the maximum amount of sunshine. A timeless and minimalist style was consciously chosen for the overall appearance of the scheme.

45 condominiums and 96 rental apartments

The apartment buildings comprise 45 condominiums and 96 rental apartments. They offer 12,365 m² of net living space and are certified to Minergie standards. Numerous recreational areas and extensive green areas contribute to a high quality of life.

3

Foundation stone laid in Aeschbach Quartier Aarau

An important step forward was taken in the development of the new urban district, with the foundation stone for Site 4 (Torfeld Süd) in the future Aeschbach Quartier laid amid a festive atmosphere. The construction work has begun and will last until the beginning of 2017. From spacious apartments overlooking the park via maisonette apartments through to townhouses with their own gardens, future owners are offered the full range of homes "in the green". The homes are a mere five minutes' walk from Aarau railway station and are more than just a new residential area: they are part of a new and mixed section of the city.

Alongside the 92 condominiums the planned Site 2 will offer 185 rental apartments, novel shops, restaurants, offices, a traditional high-tech industrial company, a big park and an event hall will create a thoroughly mixed lively microcosm in the new urban district. It is the first district in Switzerland that is striving to be awarded the German Sustainable Building Council (DGNB) certificate.

First district in Switzerland seeking to be awarded the German Sustainable Building Council certificate

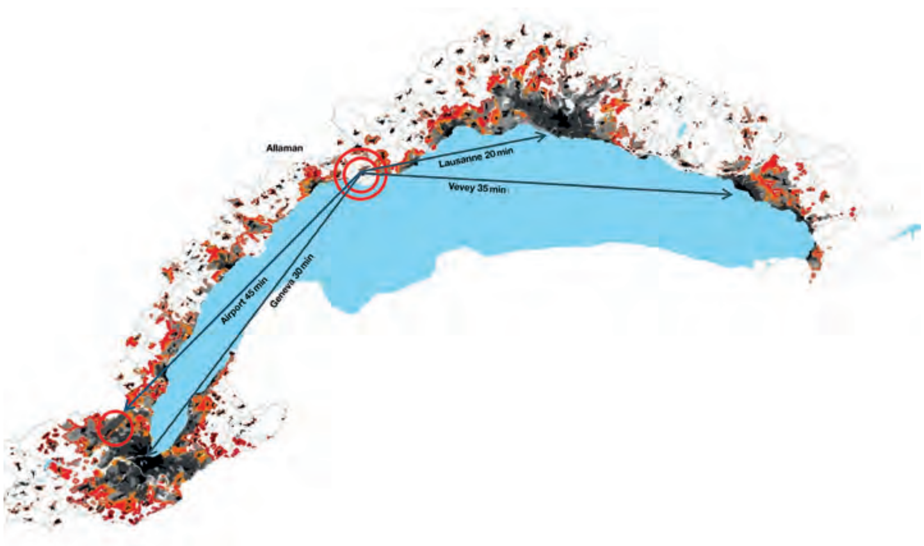
4

Expansion of activities in French-speaking Switzerland

Mobimo further expanded its position in Western Switzerland through its acquisition of the majority interest in Dual Real Estate Investment AG (Dual). Dual invests successfully in residential properties and in mixed-use properties in the low and medium rental brackets in the Canton of Geneva. 82 % of its rental income comes from residential use, and its 27 properties had a fair value of CHF 241.7 million as at 31 December 2015.

Entry into the Geneva real estate market

Mobimo also purchased a plot of 23,213 m² in the wine-growing municipality of Allaman (around 400 inhabitants). The plot is right next to the railway station on a slight slope facing Lake Geneva. The industrial building that is currently on the site is leased by a shipping company.



MOST SUCCESSFUL YEAR IN THE HISTORY OF MOBIMO

Rental income
CHF million

107.8

2014: 105.1

Profit
CHF million

105.0

2014: 63.2

Return on equity
%

8.9

2014: 5.2

Dear shareholders

2015 was the most profitable year in the history of Mobimo. With profit including revaluation of CHF 105.0 million, and profit excluding revaluation of CHF 78.6, the company has set a new record. All business activities are progressing well. Rental income increased as planned, and the sale of condominiums and the services provided in third-party business are on track. The renewed fall in interest rates at the start of the year triggered a number of revaluations, particularly in residential property. This led to the sale of some investment properties developed by Mobimo, which made a bigger contribution to the extraordinarily high annual results, with the main aim of again reinvesting the proceeds in realising potentially high-yielding properties in our development pipeline.

The business model is proving its worth

Our flexible business model enables us to take advantage of the opportunities arising from the challenging market environment. Due to the persistently high demand for residential investment properties, we will continue to review whether to sell selected properties in the future. At the same time, we will harness opportunities, such as the acquisition of Dual Real Estate Investment SA, which broadens our established presence in French-speaking Switzerland with quite a large residential portfolio in Geneva.

Realising projects on schedule and expanding the pipeline

In the first half of 2015, two residential complexes – Petit Mont-Riond in Lausanne and Sonnenhof in Regensdorf (Zurich) – with a total of 194 apartments were handed over to tenants. The development of 72 rental apartments in Letzihof in Zurich is also close to completion. Construction is under way on around 280 rental apartments in Labitzke-Areal, Zurich. 92 condominiums are being built in the new Aeschbach district in Aarau, with close to 200 more rental apartments, businesses and restaurants creating a lively new urban district. In Lucerne, work is continuing on the development of the Mattenhof district; in Lausanne, plans are taking shape for the former Postbahnhof (Rasude). The acquisition of Dual Real Estate AG adds 25 residential properties and two commercial properties with considerable development potential to our portfolio. Furthermore, the purchase of an approximately 25,000 m^2 site in Allaman on Lake Geneva opens up new development opportunities.

Increasing rental income and a lower vacancy rate

Rental income rose to CHF 107.8 million despite divestment amounting to CHF 105.1 million. As planned, the vacancy rate fell from 5.4 % to 4.7 %. The loss of the residential investment properties sold in Horgen and Zurich is offset by the completion of the properties mentioned at the start of this letter as well as the acquisitions in Geneva. On the strength of good experiences with a first test property, Mobimo has started offering a range of facility management services for commercial properties in Zurich. This will enable Mobimo to identify the needs of tenants at an even earlier stage and improve customer retention.

Trading properties and investments for third parties well on course

The trading property business is performing particularly well in the mid-price segment, although this business is significantly less important to Mobimo than before. In the year under review, there were only a few project-related transfers of condominiums recognised in net income. This generated income of CHF 5.5 million, significantly below the previous year's level (CHF 24.9 million). Property sales progressed soundly, with our projects in Regensdorf and Aarau – involving 137 condominiums – enjoying a high level of demand, in particular. This was despite the constant tightening of capital and affordability requirements, which is making it more difficult for people, particularly young families and older people, to buy property. The increasingly important Investments for Third Parties area carried out on work on a number of promising projects in 2015, which will generate income in 2016. In this respect, an event after the reporting period worth mentioning is the sale of a plot in Kriens Mattenhof.

Finances remain solid

The Group continues to have extremely solid foundations. The equity ratio as at the end of the year was a comfortable 42.8 %; financing costs at 2.46 % are once again below the already low rate of the previous year (2.51 %). Closing 2015 at CHF 222.70, and adjusted for the payment of a dividend of CHF 9.50, the Mobimo share price gained 16.6 % – vastly outperforming the SPI and SXI Swiss Real Estate indices.

Stronger Board of Directors and Executive Board

At the General Meeting at the end of March, Peter Barandun, CEO and Chairman of the Board of Directors of Electrolux AG, was elected as the successor on the Board of Directors to Paul Rambert, who has now reached retirement age. On 1 April 2015, Marc Pointet was appointed to the Executive Board in his role as Head of Mobimo Suisse Romande. His appointment to the Management Board underlines the importance of French-speaking Switzerland to the Mobimo Group.

Proposals to the General Meeting

The Board of Directors will propose to the General Meeting the re-election of the current Board. The dividend will be increased to CHF 10.00, which will be paid out from the company's capital contribution reserves and is therefore free of withholding tax for private individuals. Based on the closing price, this offers an attractive return of 4.5 % in the current zero-interest environment.

Thank you for the trust you have placed in us.

Georges Theiler
Chairman of the Board of Directors

Christoph Caviezel
CEO

MOBIMO ON THE CAPITAL MARKET

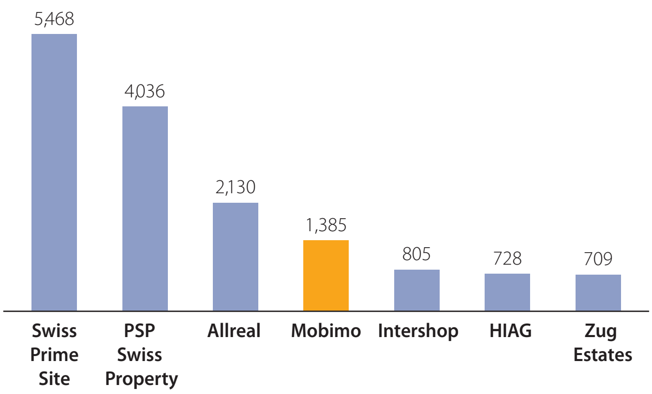
The registered shares of Mobimo Holding AG are traded on the SIX Swiss Exchange in Zurich and are listed in accordance with the Standard for Real Estate Companies.

Code	MOBN
Swiss security no.	11 10 887
ISIN code	CH001 110 8872
Bloomberg	MOBN SW Equity
Reuters	MOBN.S

Outstanding performance of the Mobimo share

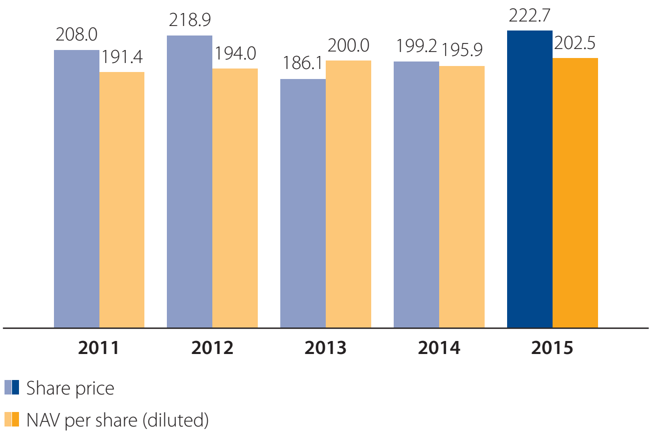
Since its initial public offering in June 2005, the Mobimo share – with an average annual performance (total return) of 5.9 % – has been characterised by steady value growth and a regular, attractive dividend distribution. Due to this active growth, Mobimo's market capitalisation has increased from CHF 490 million (31 December 2005) to CHF 1,385 million (31 December 2015) during the same period.

Market capitalisation in a sector comparison as at 31 December 2015
CHF million



Measured in terms of its market capitalisation as at 31 December 2015 and the total value of its portfolio, Mobimo is the fourth-largest real estate company listed on the SIX Swiss Exchange. The market capitalisation of Mobimo Holding AG increased by some 11.9 % during 2015 and stood at CHF 1,385 million at the end of the year (prior year: CHF 1,238 million).

Share price compared to NAV/share
CHF

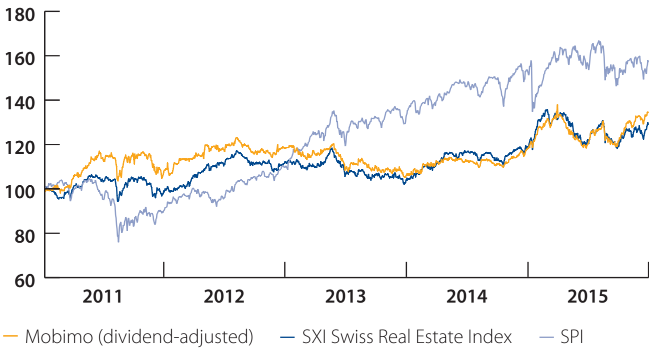


As at 31 December 2015, net asset value (NAV) per share amounted to CHF 202.45 (prior year: CHF 195.97), while diluted NAV per share stood at CHF 202.45 (prior year: CHF 195.93). The difference compared to the prior year can be particularly attributed to the capital repayment, the profit for the year and the changes recognised in the other comprehensive income (remeasurement pension liability and hedge accounting applied for financail instruments).

As at 31 December 2015, Mobimo's share price of CHF 222.70 was 10.0 % above the diluted NAV of CHF 202.45. The liquidity of the Mobimo share and its trading volume were both higher than in the prior year. An average of 11,638 (prior year: 8,672) shares were traded each day, generating an average daily turnover of around CHF 2.4 million (prior year: CHF 1.6 million). Overall, the trading volume of the Mobimo share in 2015 stood at CHF 613.8 million (prior year: CHF 410.0 million).

Share price (indexed) over five years compared to SXI and SPI

%



Source: SIX Swiss Exchange

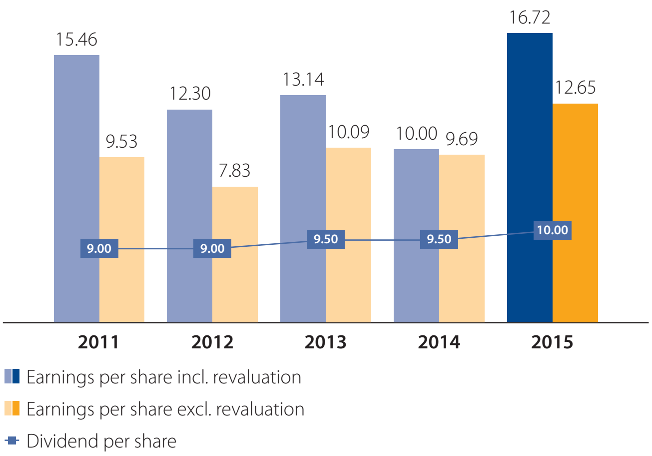
Mobimo's outstanding performance was also reflected in its share price performance. Starting the year with a share price of CHF 199.20, the price of the Mobimo share increased to CHF 222.70, thus rising by 11.8 %. Viewed over a five-year period, the dividend-adjusted share price has risen by around 35 %. During the same period, the SPI Swiss Performance Index and the SXI Real Estate Index have gained 57 % and 29 %, respectively.

Attractive dividend policy continued

Since the initial public offering, Mobimo has consistently paid out high dividends and will in future also pursue a long-term and shareholder-friendly dividend distribution policy. A minimum of CHF 9.00 per share has been paid out to Mobimo shareholders each year in the form of a withholding tax-exempt and tax-free nominal value repayment or capital repayment since the Group was listed in 2005. Over the past five years, around CHF 276.0 million has been repaid to shareholders in the form of dividend distributions. During this period, the average annual dividend yield (nominal value repayment or capital repayment) has been around 4.6 %, calculated on the basis of the respective year-end price of the share. The total return per share (incl. price changes) totalled 34.6 % during the same period.
The attractive dividend distribution policy is also being continued for the 2015 financial year: subject to the approval of the General Meeting, the dividend per share for the 2015 financial year should amount to CHF 10.00 (prior year: CHF 9.50). Based on the 2015 year-end price, the dividend yield for our share thus stands at an attractive 4.5 %.

Earnings per share and dividend per share

CHF



In 2015, earnings per share excluding revaluation amounted to a solid CHF 12.65 (prior year: CHF 9.69); the amount including revaluation was CHF 16.72 (prior year: CHF 10.00).

Broad shareholder base

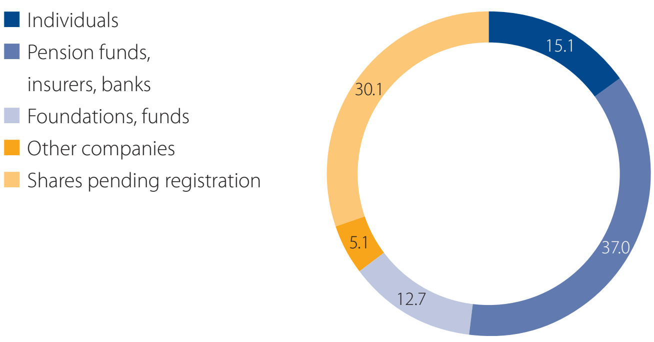
As at 31 December 2015, the following shareholders held 3 % or more of the share capital:

- BlackRock, Inc., 5.02 %
- Zuger Pensionskasse, 3.38 %

According to the SIX Swiss Exchange definition, the free float stood at 100 % as at 31 December 2015.

Composition of shareholders

%



Mobimo share data

	Unit	2011	2012	2013	2014	2015
Share ratios as at 31.12.						
Share capital	CHF millions	178.9	180.1	180.2	180.3	180.3
No. of registered shares issued	Number	6,170,098	6,208,913	6,214,478	6,216,606	6,218,170
Of which treasury shares	Number	1,747	8,744	2,148	1,623	1,247
No. of registered shares outstanding	Number	6,168,351	6,200,169	6,212,330	6,214,983	6,216,923
Nominal value per registered share	CHF	29.00	29.00	29.00	29.00	29.00
Share data as at 31.12.						
Earnings per share	CHF	15.46	12.30	13.14	10.00	16.72
Earnings per share excluding revaluation	CHF	9.53	7.83	10.09	9.69	12.65
NAV per outstanding share after options and convertible bond	CHF	191.41	193.99	200.01	195.93	202.45
Gross dividend[1]	CHF	9.00	9.00	9.50	9.50	10.00
Dividend yield (distribution yield)	%	4.3	4.1	5.1	4.8	4.5
Payout ratio	%	58.2	73.2	72.3	95.0	59.8
Share price as at 31.12.						
Share price – high	CHF	223.54	228.00	221.10	200.70	229.40
Share price – low	CHF	187.16	202.60	182.80	182.00	190.50
Year-end price	CHF	208.00	218.90	186.10	199.20	222.70
Average no. of shares traded per day	Number	10,878	9,309	11,132	8,672	11,638
Market capitalization at year-end	CHF millions	1,283.4	1,359.1	1,156.5	1,238.3	1,384.8

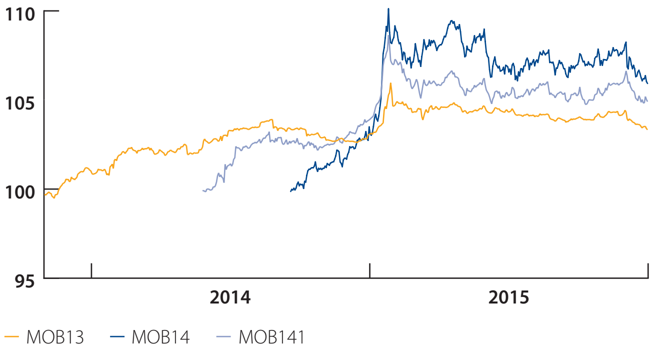
[1] Intended distribution of paid-in capital for 2015 financial year of CHF 10.00 per share in accordance with the proposal to General Meeting of 29 March 2016.

Mobimo bonds

For the long-term funding of the real estate portfolio, Mobimo has issued three bonds in order to make use of the attractive interest rates and further diversify its financing. The three bonds are traded on the SIX Swiss Exchange in Zurich. The total financing volume amounts to CHF 515 million.

Performance of bonds

CHF



Key Mobimo bond data

Issue date	29.10.2013	19.05.2014	16.09.2014
Code	MOB13	MOB14	MOB141
Swiss security no.	22 492 349	24 298 406	25 237 980
ISIN code	CH0224923497	CH0242984067	CH0252379802
Issue volume	CHF 165 million	CHF 200 million	CHF 150 million
Bloomberg	MOBN SW	MOBN SW	MOBN SW
Reuters	785VD6	792ZMZ	–
Interest rate	1.5 %	1.625 %	1.875 %
Term	5 years	7 years	10 years

Major capital market transactions and acquisitions

2015
Majority shareholding in Dual Real Estate Investment SA is acquired

2014
Bond issued in May: CHF 200 million
Bond issued in September: CHF 150 million

2013
Bond with a volume of CHF 165 million is issued

2011
Capital increase of CHF 193 million
New registered shares are issued

2010
Convertible bond with a volume of CHF 175 million is placed

2009
LO Holding Lausanne-Ouchy SA is acquired
Share capital is increased by CHF 27 million

2007
Capital increase of CHF 149 million

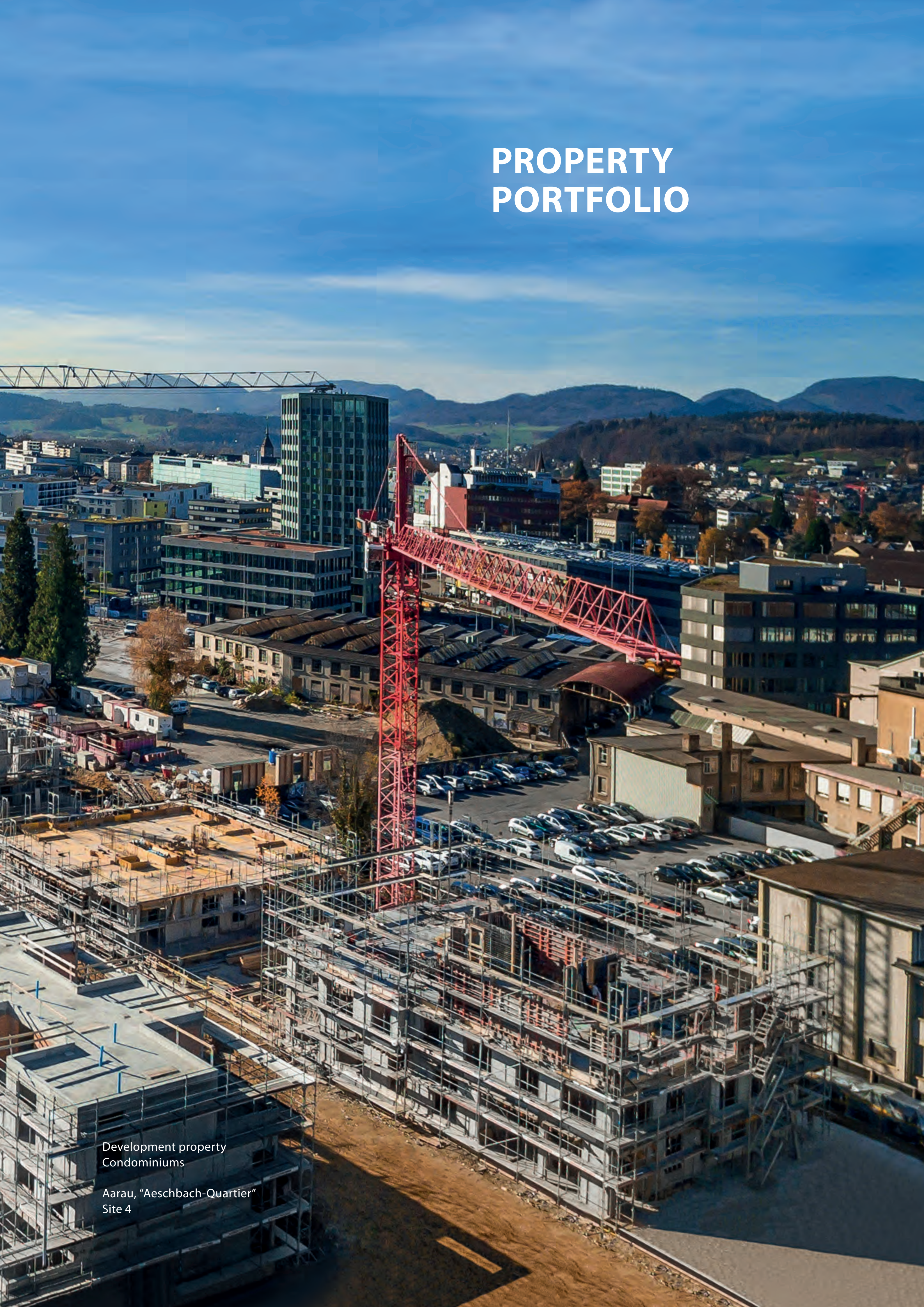
2006
Capital increase of CHF 143 million

2005
Mobimo Holding AG is floated on the stock exchange
Issue volume: CHF 112 million

2000
Private placement
Share capital of CHF 181 million

1999
Mobimo Holding AG is established
Share capital of CHF 73 million

PROPERTY PORTFOLIO



Development property
Condominiums

Aarau, “Aeschbach-Quartier”
Site 4

Gaétan Kameni
Head of Portfolio Management

"We develop an individual strategy for each of our 139 properties".

4.3%

was the net yield on our overall portfolio in the 2015 financial year.

For us, active portfolio management means acting instead of reacting. We assess each of our 139 properties in accordance with our own sustainability rating, which comprises 36 indicators. On the basis of the analysis, we develop a strategy – always with a view to the overall context – and optimise our portfolio on an ongoing basis. We plan investments, generate rental income, purchase properties and sell these where appropriate, guaranteeing a steady cash flow and ensuring a continual dividend distribution.

"We apply a long-term and holistic perspective to a project from the outset."

As a portfolio manager, I am the link between project development and real estate management for each construction project. As a representative of the owners' interests, it is my job to ensure that the views of project managers, architects and facility management can be incorporated in an optimum manner and to keep future operating costs as low as possible.

By scrutinising real estate projects with view to their future management, we are able to represent the interests of all involved parties: we make the caretaker's job easier, save on operating costs and reduce ancillary costs, which is beneficial for tenants and owners alike. Instead of focusing on a short-term gross yield, we strive for an attractive long-term net yield. We give preference to high-quality parquet flooring that lasts 30 years over the cheap alternative that involves lower investment costs but has to be replaced after ten years.

Ensuring cooperation between the project planning and Portfolio Management areas is something that lies close to my heart. It is important to apply a long-term perspective to the project at an early stage. This is a particular challenge for site developments due to their complexity, but at the same time also represents an opportunity. Starting with the first building block in the planning process, we can work together to develop something that works well for everybody over the long term and is thus environmentally, economically and socially sustainable.

Mobimo takes two months

to ensure that a realised project is handed over to its future users in as flawless a condition as possible.

Vinzenz Manser
Head of Project Management

Sites and individual projects are realised in the Project Management division. Our colleagues from real estate development set out the urban development, economic and legal conditions at the beginning of the process. In a next step, the project manager implements the business plan guidelines and draws up precise specifications which, among other things, flesh out the tasks of our partners such as general planners and total contractors, define the future users or determine sustainability and materialisation requirements. Here, we work closely with the development team and Portfolio Management.

We manage our projects in a very streamlined manner and intervene immediately should there be deviations from the original planning. High quality requirements are placed on all Mobimo building projects. For us as project managers, this is expressed in the fact that we call on external quality assurers to provide us with support, oversee the construction process and thus guarantee careful implementation. Shortly after the completion of the structural work, we already have a show home set up. This allows us to discover any construction and planning errors and to examine the workmanship.

Just before the conclusion of the project, we take another very close look: our approval process lasts around two months – I know of no other investor who takes so much time. Only when we are satisfied do we bring in the future condominium owners or, in the case of rental agreements, our managers for a preliminary acceptance inspection. This takes places about one month before the actual handover and allows for any final deficiencies to be repaired.

"The consistency with which we enforce our quality focus explains our high level of customer satisfaction."

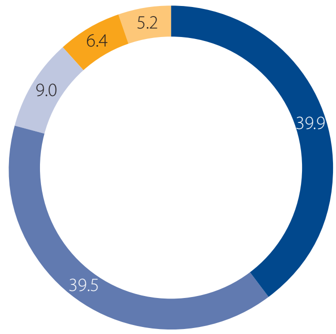
The consistency with which we enforce our quality focus likely explains our high level of customer satisfaction, cost precision and reliability in meeting deadlines. In selecting our partners, we also ensure that they know and share our quality requirements. Of course we also make mistakes sometimes – but we learn from them! The work of a project manager thus does not finish, for example, with handing over a property to its users. He or she remains responsible for the building for a period of five years and thus finds out immediately if problems arise during the usage phase or improvements are required. Experience that the next project already benefits from.

REAL ESTATE PORTFOLIO

As at 31 December 2015, the overall real estate portfolio comprised 139 properties with a value of approximately CHF 2,655 million, which breaks down into CHF 2,132 million for investment properties and CHF 523 million for development properties. The portfolio mix has reached its strategic target of a residential usage of 30 %.

Breakdown of portfolio by economic area
%

- Western Switzerland
- Zurich
- North-western Switzerland
- Eastern Switzerland
- Central Switzerland



Total portfolio value
CHF million

2,655

2014: 2,470

Properties
No.

139

2014: 115

Investment properties
%

80

2014: 77

Portfolio figures

CHF millions	2015	%	2014	%
Investment properties	**2,132**	**80**	**1,908**	**77**
Commercial investment properties	1,372	52	1,381	56
Residential investment properties	760	28	527	21
Development properties	**523**	**20**	**562**	**23**
Commercial properties (investment)	171	6	180	7
Commercial properties (trading)	29	1	17	1
Residential properties (investment)	125	5	177	7
Residential properties (trading)	198	8	188	8

By considering economic, sociocultural and environmental aspects, we generate added value for our shareholders and the users of our properties.

THE 15 BIGGEST PROPERTIES

Mobimo Tower, Zurich
Market value: TCHF 129,140
Usable area: 22,429 m²
Use: Hotel

Horizon, Lausanne
Market value: TCHF 126,030
Usable area: 26,916 m²
Use: Commercial property

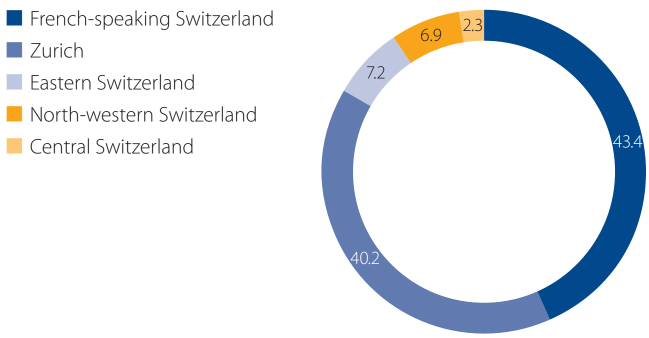
OVA site, Affoltern
Market value: TCHF 103,300
Usable area: 15,331 m²
Use: Retirement home, retirement and rental apartments

Investment properties

As at the end of 2015, the investment portfolio boasted an excellent level of diversification across the main economic areas of Switzerland. 80 % of the real estate portfolio is invested in investment properties, which are broadly diversified in terms of both location and use. The rentable area of 480,000m^2 generated potential rental income of some CHF 114 million p.a. as at 31 December 2015. This means that a high proportion of revenues is stable and predictable. The company's own portfolio management team ensures close proximity to the market, and this allows Mobimo to react swiftly and flexibly to any changes in the market.

Breakdown of investment properties by economic area

%



French-speaking Switzerland

Fair value TCHF	926,130
Target rental income TCHF	48,386
Vacancy rate	2.7 %
Rentable area m^2	176,523

Zurich area

Fair value TCHF	856,319
Target rental income TCHF	44,308
Vacancy rate	5.8 %
Rentable area m^2	170,847

Eastern Switzerland

Fair value TCHF	153,327
Target rental income TCHF	8,976
Vacancy rate	2.0 %
Rentable area m^2	42,637

North-western Switzerland

Fair value TCHF	147,860
Target rental income TCHF	8,988
Vacancy rate	13.7 %
Rentable area m^2	59,282

Central Switzerland

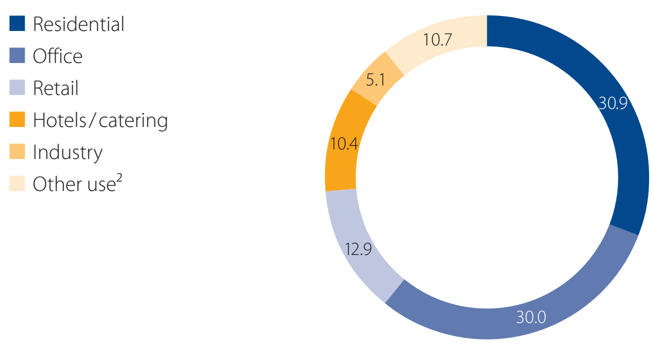
Fair value TCHF	48,760
Target rental income TCHF	3,642
Vacancy rate	3.7 %
Rentable area m^2	27,364

The growing number of investment properties in good, central locations is providing stable growth in rental income. The increase in new properties took the share of rental income from residential property to 30.9 % (2014: 23.8 %). Value is rigorously maintained and increased by cultivating relationships with tenants, ensuring a high level of occupancy, optimising costs and implementing effective marketing strategies.

The five biggest tenants generate 19.8 % of rental income. The existing fixed-term rental agreements primarily have a medium to long-term maturity profile. The average residual term is 6.8 years.

Rental income by type of use[1]

%



[1] Breakdown of target rental income by type of use (overall portfolio without trading properties).

[2] Other use mainly comprises car parks and ancillary uses.

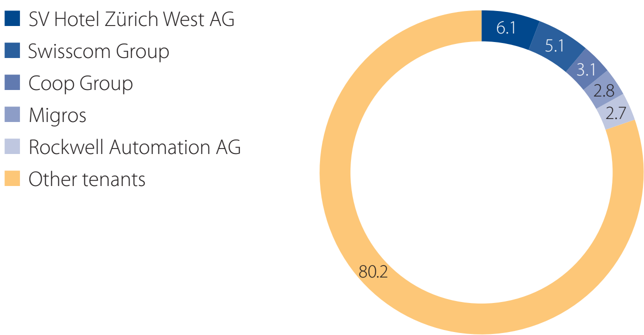
Friesenbergstrasse, Zurich
Market value: TCHF 90,730
Usable area: 22,568 m^2
Use: Commercial property

Rue Beau-Séjour, Lausanne
Market value: TCHF 88,790
Usable area: 10,271 m^2
Use: Rental apartments

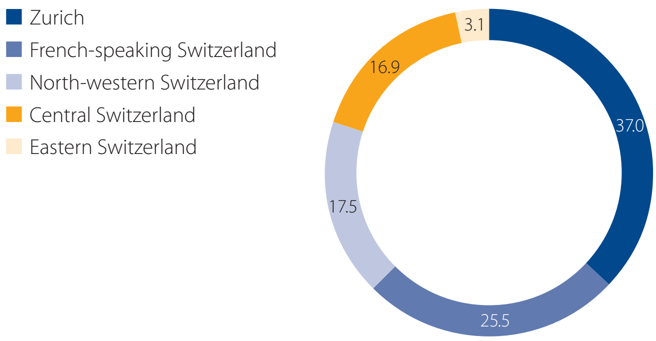
Petit Mont-Riond, Lausanne
Market value: TCHF 64,060
Usable area: 8,450 m^2
Use: Rental apartments

Les Merciers, Lausanne
Market value: TCHF 63,610
Usable area: 10,366 m^2
Use: Commercial property

Shares of the five biggest tenants
%

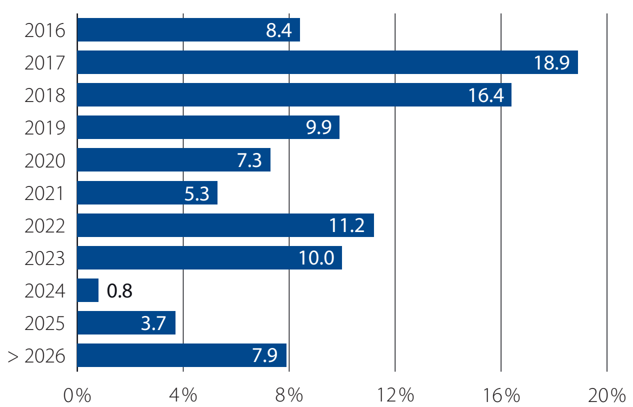


Breakdown of development properties by economic area[3]
%



[3] Breakdown of fair values/carrying amounts of properties by economic area (overall portfolio).

Length of existing fixed rental agreements
as at each year-end



Development properties

The targeted development of residential and commercial properties for the company's own portfolio continually drives the growth of Mobimo's investment portfolio, and the quality of the portfolio is further raised with the newly completed investment properties.

Mobimo is currently planning and realising real estate properties with a total investment volume of around CHF 940 million, which breaks down into CHF 740 million for investment properties and CHF 200 million for trading properties.

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 turned into reality 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.

French-speaking Switzerland	
Own-portfolio development	24%
Trading properties development	0%
Planned investment volume	CHF 230 million

Zurich area	
Own-portfolio development	23%
Trading properties development	0%
Planned investment volume	CHF 220 million

North-western Switzerland	
Own-portfolio development	11%
Trading properties development	8%
Planned investment volume	CHF 170 million

Central Switzerland	
Own-portfolio development	20%
Trading properties development	13%
Planned investment volume	CHF 320 million

Secret Garden, Zurich
Market value: TCHF 63,160
Usable area: 6,583 m²
Use: Rental apartments

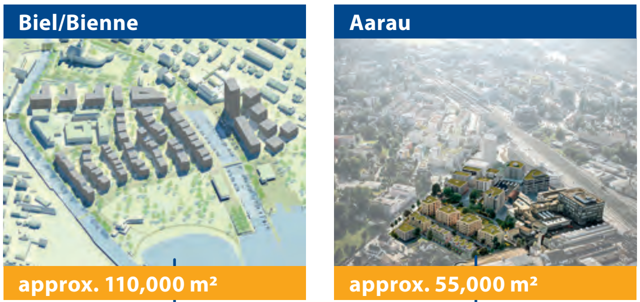
Ziil Center, Kreuzlingen
Market value: TCHF 62,038
Usable area: 17,821 m²
Use: Commercial property

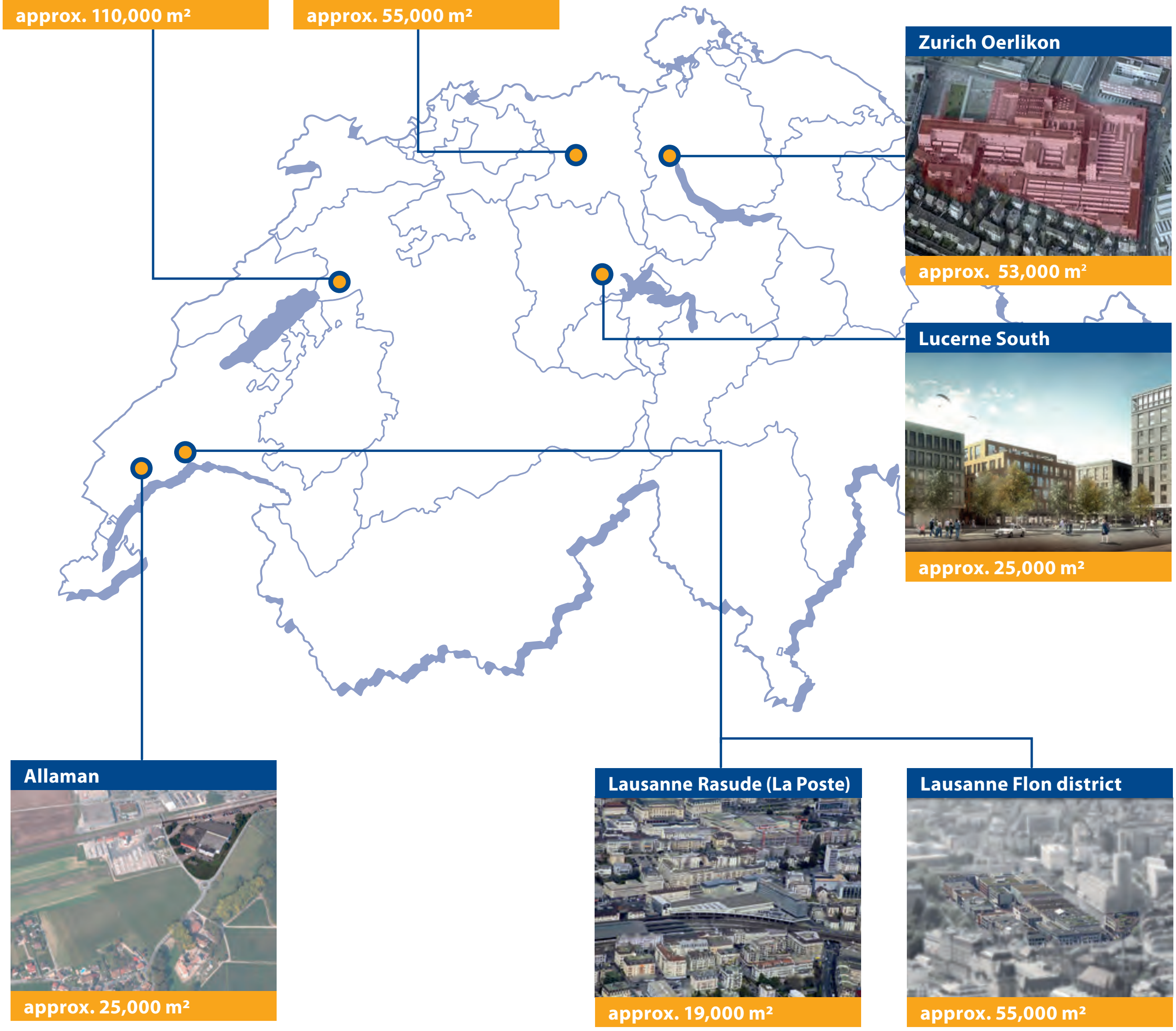
Hochhaus, Zurich
Market value: TCHF 59,850
Usable area: 8,226 m²
Use: Commercial property

Sonnenhof, Regensdorf
Market value: TCHF 55,400
Usable area: 8,716 m²
Use: Rental apartments

Selected site developments

The identification of opportunities, development of strategies and realisation of projects that meet the needs of users are crucial for successful and varied site development. The map below shows the areas of selected sites.





Oh!mega, Zurich
Market value: TCHF 55,400
Usable area: 7,948 m^2
Use: Rental apartments

Apollo, Zurich
Market value: TCHF 49,350
Usable area: 6,755 m^2
Use: Commercial property

Les Pépinières, Lausanne
Market value: TCHF 41,160
Usable area: 7,370 m^2
Use: Commercial property

Grandes-Communes, Onex
Market value: TCHF 36,520
Usable area: 6,570 m^2
Use: apartments

Investment property
Rental apartments

Lausanne,
"Petit Mont-Riond"
"Grand Mont-Riond"

GROUP MANAGEMENT REPORT

STRATEGY AND BUSINESS MODEL

The clear, long-term strategy and proven, solid business model ensure that we can achieve our vision and long-term objectives.

Mobimo plans, builds and maintains high-yield investment properties and realises development properties offering attractive potential for capital appreciation and gains. The company has solid financing and a high equity ratio of at least 40%.

In addition to the company's long-term guaranteed financing, the management and expansion of the high-value investment portfolio is based on Mobimo's core competences: buying/selling, development and portfolio management. The investment portfolio comprises commercial, industrial and residential properties with broad-based rental income and correspondingly steady returns.

Developments enable the company to realise upside potential and capital gains. Furthermore, Investments for Third Parties offers development services for third parties up to and including turn-key real estate investments for institutional and private investors. Owner-occupied properties are also developed as condominium apartments and sold to the new owners.

Long-term strategy

Qualitative growth

Mobimo strives to gradually grow its real estate portfolio. 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 and 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.

Balanced portfolio mix

Over the medium term, residential use, office use and other commercial uses each account for approximately 30% of the investment portfolio.

Active portfolio management

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

Added value through development

Real estate development focuses on the following areas:

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

Added value for both shareholders and the users of Mobimo properties

Sustainability

For Mobimo, sustainability means striking a balance between generating profits today and preserving and enhancing value over the long term. Quality of life is reflected in the design of our living, leisure and working spaces. In addition to economic considerations, Mobimo also incorporates environmental and socio-cultural factors into its activities. This results in added value for both shareholders and the users of Mobimo properties.

Solid financing

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

Profitable investment

Mobimo shares are characterised by steady value growth and regular, attractive payouts.

Business model and value creation process

Capital gains	Appreciation in value	Rental income
• Profit on trading properties and services • Profit on sale of investment properties	• Increasing total value of the portfolio • Quality optimisation of the portfolio • High level of customer satisfaction • Net income from revaluation	• Stable and growing rental income • Net rental income • Return on equity incl./excl. remeasurement • Gross yield from investment properties • Net yield from investment properties • Vacancy rate

Investments for Third Parties	Development properties	Investment properties	
Buying/ selling	**Development**	**Portfolio management**	**Solid financing**
• Successful acquisitions • Good regional and user-specific diversification	• Many aspects to site development • Planning and realising residential and commercial properties • Planning and realising condominiums for third parties • Considering the needs of the environment	• Strategic development • Portfolio optimisation • Considering environmental, economic and social aspects • Reacting quickly and flexibly to changes in the market	• Appropriate equity ratio for further qualitative growth • Long-term guaranteed financing at excellent conditions

ENVIRONMENT

The discontinuation of the CHF/EUR floor was one of the dominant themes of 2015. Immigration, internal migration towards urban centres and demographic developments continue to influence the real estate sector. Demand for rental apartments and condominiums in urban areas continues unabated.

The discontinuation of the CHF/EUR exchange rate floor in January 2015 put the brakes on economic development in Switzerland. Job reductions in industry, people crossing the border to do their shopping and political measures to render the purchase of residential property more difficult did not leave the real estate sector unscathed. Despite all this, the influx of immigrants continues unabated. As a result, there is a constant demand for new staff in the fields of public and private healthcare, while Swiss and foreign graduates of Switzerland's top universities are still founding innovative new companies in highly promising fields of business. This in turn is attracting international companies that are looking for talented staff or aim to bring them to Switzerland from abroad. Alongside immigration, internal migration towards urban centres and demographic developments also merit mention: the number of small households is on the increase, and rising life expectancy is making it possible for pensioners to live independently for longer in their own homes.

For Mobimo, all these factors ensure a continued high demand for rental apartments in major agglomerations, which has a positive impact on residential investment properties. In the area of commercial and industrial rental income, a measure of restraint is evident among market participants when taking up new rentals and re-lettings. Although the Swiss retail sector is being hit by a huge decline in sales, some distinctions have to be made in the market: Mobimo has in the Flon district in Lausanne, for example, some 90,000 m² of rentable floor space at its disposal, which, thanks to an attractive mix of retail, residential and gastronomy use, has a vacancy rate of 1 %. Interest in condominium ownership remains intact, particularly in properties in the mid-price segment.

On the transaction market, institutional investors are intensively seeking investment properties. The prices generated, particularly in the residential property area, are often substantially higher than current appraisers' valuations. Demand for services in Investments for Third Parties is correspondingly sound. In this market environment, Mobimo will continue to explore the sale of selected properties it has developed itself wherever there is an opportunity of reinvesting the proceeds in new higher-yielding projects.

GROUP BUSINESS PERFORMANCE

Mobimo was highly successful in the 2015 financial year. The year was shaped by the growth in rental income, net income from revaluation and the successful sales of individual investment properties.

Financial performance

- Substantial rise in profit from CHF 63.2 million (2014) to CHF 105.0 million
- Marked 74.6 % rise in EBIT to CHF 170.4 million (prior year: CHF 97.6 million). EBIT not including revaluation up by 44.7 % to CHF 135.7 million (prior year: CHF 93.8 million)
- Increase in rental income to CHF 107.8 million (prior year: CHF 105.1 million).

Income from rentals increased by 2.6 % to CHF 107.8 million in the 2015 financial year (prior year: CHF 105.1 million). The increase in income and lower cost/income ratio arising from direct expenses for rented properties of 13 % (prior year 17 %) resulted in an 7.4 % increase in net rental income of CHF 94.1 million (prior year: CHF 87.6 million).

During the course of the year, the following investment properties were transferred to the portfolio following completion:

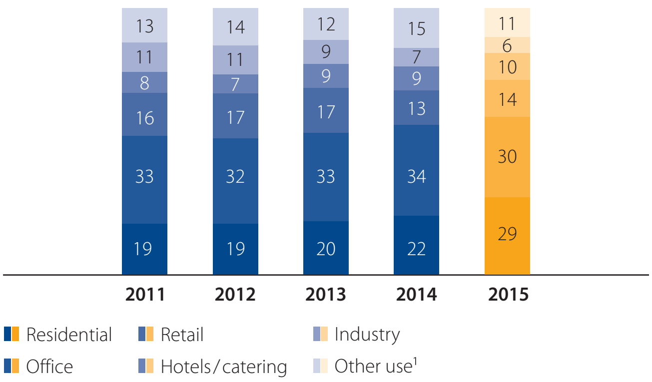
- Lausanne, Rue Voltaire 2 – 12
- Regensdorf, Schulstrasse 95/97/99/101/103/105

The two properties harbour potential rental income (target rental revenues) in excess of CHF 5 million per year. The acquisition of the majority interest in a Geneva real estate company with 26 properties in the Geneva area and a property in Basel raised annual potential rental income by a further CHF 14 million. The sale of four investment properties, in contrast, resulted in a CHF 7 million reduction in potential rental income. These changes pushed up the share of rental income from residential usage to 29 % as at 31 December 2015 (prior year: 22 %).

The usage mix is very balanced through targeted portfolio diversification. Over the medium term, residential usage, office usage and other commercial usage are each set to account for approximately 30 % of the investment portfolio. The residential component is gradually being increased in particular through the planning and construction of investment properties for the company's own property portfolio.

Key financial performance figures CHF million	2015	2014	Change year-on-year in %
Net income from rentals	94.1	87.6	7.4
Net income from the sale of trading properties and services	5.5	24.9	–77.9
Profit on disposal of investment properties	63.8	4.9	1,202.0
EBIT incl. revaluation	170.4	97.6	74.6
EBITDA excl. revaluation	135.7	93.8	44.7
Financial result	–33.6	–31.4	7.0
Tax expense	–34.1	–4.8	610.4
Profit	105.0	63.2	66.1
Profit attr. to the shareholders of MOH excluding revaluation	78.6	60.2	30.6

Rental income by type of use (portfolio without promotion)
%



[1] Other use mainly comprises car parks and ancillary uses.

The net yield generated on the investment properties in the 2015 financial year was 4.3 % (prior year: 4.5 %). As at 31 December 2015, the vacancy rate was 4.7 % (prior year: 5.4 %) and consequently once again below the prior year's level. The reduction in the vacancy rate was attributable to good rental income and active portfolio management.

The CHF 86.2 million (prior year: CHF 157.4 million) generated from income from the sale of trading properties and services gave rise to profit on the sale of trading properties and services of CHF 5.5 million (prior year: CHF 24.9 million). 62 condominiums and two plots of land were transferred to new owners.

The transferred residential properties are primarily related to the following projects:

- Meilen, Feldgüetliweg 143/145 (Gusto)
- Regensdorf, Im Pfand 2 (Sonnenhof)
- Zurich, Badenerstrasse 595 (Station 595)

The following plots of land were transferred:

- Killwangen, Zürcherstrasse
- Uetikon am See, Tramstrasse 12

Demand in the transaction market was used to sell five investment properties, realising attractive gains. The sales generated proceeds of CHF 236.8 million (prior year: CHF 69.0 million) and net income of CHF 63.8 million (prior year: CHF 4.9 million).

The average discount rate for revaluation as at 31 December 2015 declined as a result of market conditions to 4.08 % (prior year: 4.39 %), which had a particularly positive impact on residential property valuations. The revaluation of investment properties and of investment properties under construction resulted in net income from revaluation of CHF 34.7 million (prior year: CHF 3.8 million).

Mobimo generated profit of CHF 105.0 million in the 2015 financial year, which was 66.1 % above the prior-year period (prior year: CHF 63.2 million). Before revaluations, profit was CHF 78.6 million (prior year: CHF 60.2 million), representing a 30.6 % increase over the prior-year period. The main reasons for this pleasing development are the increase in net rental income, net income from revaluation and excellent net income generated from the sale of investment properties.

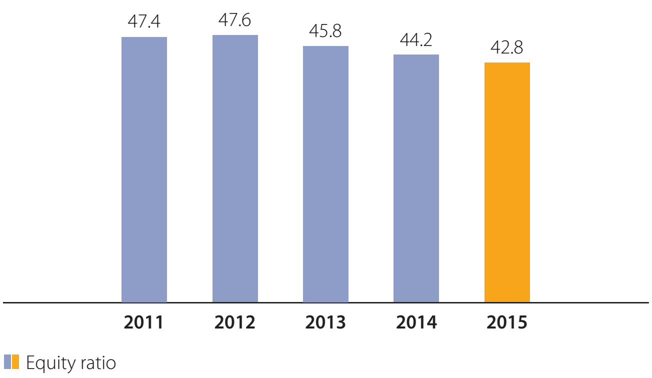
Financial position

- At CHF 2,952.9 million, total assets are above the prior-year level (prior year: CHF 2,767.8 million)
- Solid equity ratio of 42.8 % (prior year: 44.2 %) the basis for further qualitative growth
- Return on equity of 8.9 % (prior year: 5.2 %).

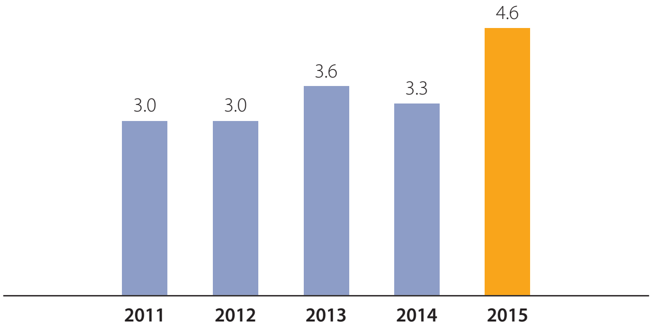
Key financial position figures	Unit	2015	2014	Change year-on-year in %
Non-current assets	CHF m.	2,467.7	2,301.3	7.2
Current assets	CHF m.	485.2	466.4	4.0
Equity	CHF m.	1,264.7	1,222.5	3.5
Return on equity including revaluation	%	8.9	5.2	71.2
Return on equity not including revaluation	%	6.7	5.1	31.4
Liabilities	CHF m.	1,688.2	1,545.2	9.3
• Current liabilities	CHF m.	138.3	114.2	21.1
• Non-current liabilities	CHF m.	1,549.9	1,431.1	8.3
Equity ratio	%	42.8	44.2	–3.2

As at the end of the 2015 financial year, total assets increased by 6.7 % over the prior-year period to CHF 2,952.9 million. This was due to the growth of the real estate portfolio, which pushed up non-current assets. The share of non-current assets in total assets was up slightly as at the end of the financial year to 83.6 % (prior year: 83.1 %).

Equity ratio
%



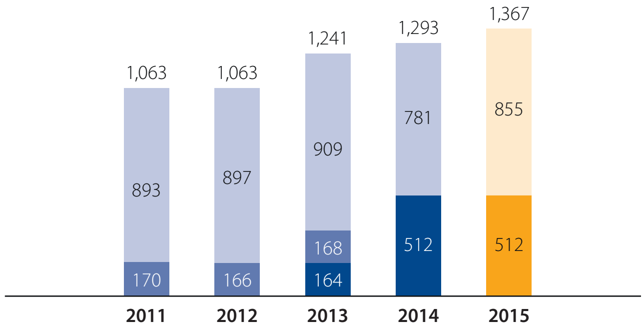
Interest coverage factor



Interest coverage factor

Financial liabilities

CHF million



Bonds Convertible bonds Mortgages

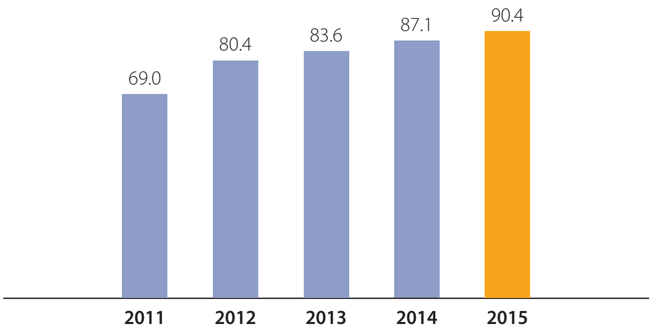
With an equity ratio of 42.8 % as at 31 December 2015 (prior year: 44.2 %), Mobimo continues to have a very solid capital base. This is a sound foundation for further qualitative growth. According to the Mobimo strategy, the equity ratio should not fall below 40 %.

At 4.6, the interest coverage factor is clearly above the targeted 2.0. This means that Mobimo is readily able to finance its financial obligations from its operational activities.

Financial liabilities currently consist of listed bonds and mortgage-secured bank loans. The average interest rate for financial liabilities was 2.46 % during the 2015 financial year, compared with 2.51 % in the previous year. As at the reporting date of 31 December 2015, the average interest rate had fallen further and stood at 2.33 % (prior year: 2.42 %). Mobimo will continue to use the attractive interest rate environment to keep interest rates low in the long term.

Net gearing

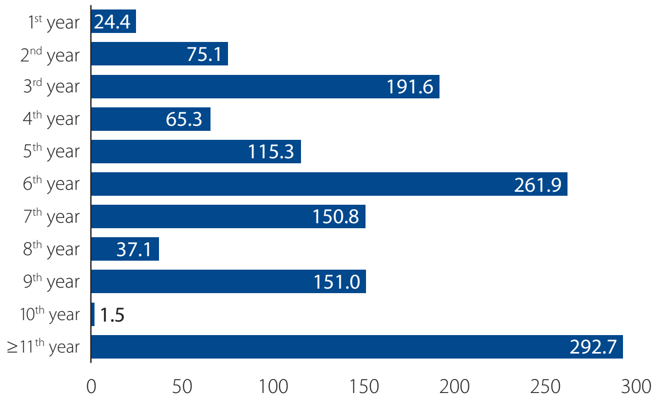
%



Net gearing

Residual maturity of financial liabilities

CHF million



Mobimo seeks to ensure a solid capital base. With regard to its capital structure, Mobimo aims to achieve long-term net gearing of a maximum of 150 %. On 31 December 2015, Mobimo had net gearing of 90.4 % (prior year: 87.1 %).

The average residual maturity of financial liabilities as at the reporting date was 7.7 years (prior year: 8.6 years), and therefore still in the targeted long-term range.

SUSTAINABILITY AND CORPORATE RESPONSIBILITY

Mobimo is rendering an account of its sustainability strategy for the fifth time. The company has defined specific objectives for the three dimensions of the environment, society and the economy. The Real Estate Committee of the Board of Directors regularly reviews their implementation status.

The company's business model and solid financing form the foundation for the future success of Mobimo – a success that will be measured not only according to financial figures such as returns but also increasingly according to compliance with sustainability criteria. The topic of sustainability is of major importance at Mobimo. With its sustainability report, Mobimo is fulfilling the needs of investors, the public and its partners for information in this regard. Mobimo applies the Global Reporting Initiative (GRI) guidelines in preparing the report, which is deemed to meet the highest level ("Comprehensive") of this globally leading standard.

The Executive Board is responsible for the operational implementation of the sustainability strategy and is supported by a specially established sustainability team comprising members of middle management from all departments and external management figures. The Real Estate Committee of the Board of Directors regularly reviews the progress that has been made.

Internal sustainability rating

In 2015 Mobimo developed a sustainability rating to be used for the primarily internal assessment of investment properties. The individual properties are analysed, assessed and compared in accordance with the three dimensions of the economy, the environment and society. This sustainability rating involves collecting and evaluating a large amount of data and information for each property.

The following table provides an overview of the indicators used for the assessment of the individual properties.

Dimensions	Description
Environment	Building materials
	Operating power and emissions
	Soil, landscape
	Infrastructure
Society	Context and target groups
	Design
	Basic utilities and development
	Well-being, health
Economy	Costs
	Marketability
	Income-generating capacity
	Regional economic potential

Using the results, the individual property can be compared with other properties in the portfolio or with the average investment (residential or commercial properties). The rating enables Mobimo to identify areas where action needs to be taken and define and implement measures, which in turn have to meet the rating criteria. Using this process, sustainability aspects of the investment properties can be continuously improved.

High significance of external and internal sustainability ratings

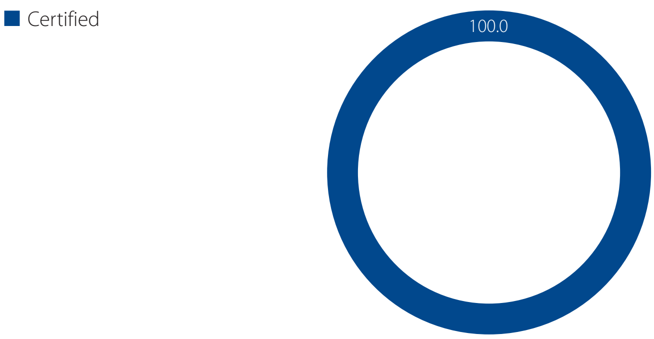
External certifications and ratings

The introduction of the internal rating changes nothing as regards the significance of external and independent certifications and ratings that record sustainability performance in terms of both quality and quantity. Mobimo systematically applies internationally leading cross-sector and sector-specific standards. In the Global Real Estate Sustainability Benchmark (GRESB), which assesses the sustainability performance of real estate portfolios worldwide, the company advanced 5 % in 2015 ("Green Star" rating) and thus outperformed its peer group on the whole. With a score of 96B (maximum: 100A), Mobimo also excelled with an outstanding rating in the Carbon Disclosure Project (CDP).

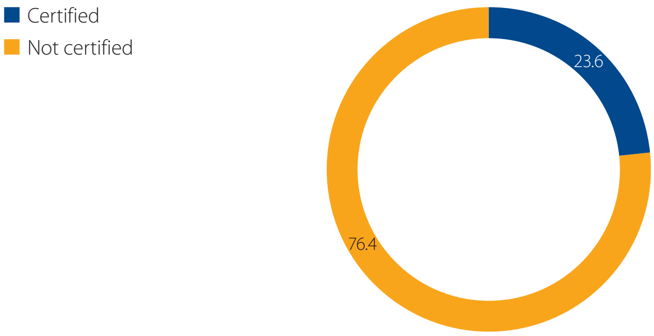
Environment

All new Mobimo projects meet the minimum energy efficiency requirements with the Minergie certificate. The proportion of certified investment properties in the existing portfolio is increasing continuously – by 1.4 % in 2015. With the «Aeschbach Quartier» in Aarau, Mobimo is developing the first district in Switzerland that is striving to be awarded the German Sustainable Building Council (DGNB) certificate.

Development properties
%



Investment properties
%



Key portfolio figures for energy and emissions

	2011 (base year)	2015 (ACTUAL)	2016 (TARGET)
Energy-consuming space (m^2)	401,392	574,329	454,517
Energy consumption – electricity, heating (MWh)	85,947	89,737	82,208
Energy intensity (kWh/m^2)	214	156	181
Emissions	13,931	14,984	12,816
Emissions intensity ($kgCO_2eq/m^2$)	35	26	28

Verification: Independent Assurance Report, available at www.mobimo.ch

Using the investment portfolio in 2010/2011 as a base, a validated modelling tool was used in 2011 to project consumption as at 2016 and define a target for this date. As a result of major changes in the investment portfolio (energy-consuming space: plus 43 %), adjustments were made to the calculations in 2015.

The transition to the real case approach in 2015 means that the energy-consuming space for each property is now calculated on the basis of the plans in accordance with Swiss Society of Engineers and Architects (SIA) guidelines. This measurement makes an essential contribution to accuracy. Energy consumption for heating now corresponds with the energy consumption per investment property measured and billed for the accounting period. The basis used for the calculation of CO_2 emissions is the heating system, type of energy and consumption in kWh. Projections are currently only necessary for electricity consumption, due to the unavailability or lack of complete information for some buildings (e.g. single tenants in a building or even on a site). Random samples and long-term empirical values can be used for the projections, however. The energy intensity of the investment portfolio in 2015 was 156 (kWh/m^2) and the emissions intensity was 26 (kg CO_2eq/m^2).

Society

In performing its core competence – the planning and realisation of high-quality living and working spaces at attractive locations – Mobimo makes an important contribution to society as a whole. Mobimo regularly has the satisfaction of its customers surveyed by an external specialist. The criteria of real estate quality, service quality and customer care are incorporated into the survey. Just how satisfied customers are can be seen in the high recommendation rate. Some 96 % of private and commercial tenants of investment properties would recommend Mobimo. Among the buyers of condominiums, this figure stands at 86 %.

Employees

Highly qualified employees make Mobimo's business success possible, which is why Mobimo promotes their training and further development. Wage equality between men and women is an important principle of the Mobimo wage policy. A high level of commitment and individual success are rewarded with compensation models that are in line with the market. This is a prerequisite if Mobimo's employees are to fully express their passion for real estate.

The headcount increased by just under 4.5 % to 116 in 2015. The company has a balanced gender ratio; the proportion of women up to middle management level stands at approximately 56 %. The needs of employees for part-time work are met: one-third of employees – and more men than women – have a reduced-hours contract.

Employees by location	2015	%	2014	%
Küsnacht	**92**	**79.3**	**89**	**80.2**
• Men	39	33.6	39	35.1
• Women	53	45.7	50	54.1
Lausanne	**24**	**20.7**	**22**	**19.8**
• Men	11	9.5	9	8.1
• Women	13	11.2	13	11.7
TOTAL	**116**	**100.0**	**111**	**100.0**
• Men	50	43.1	48	43.2
• Women	66	56.9	63	56.8
Full-time TOTAL	**78**	**67.2**	**80**	**72.1**
• Men	39	33.6	40	36.0
• Women	39	33.6	40	36.0
Part-time TOTAL	**38**	**32.8**	**31**	**27.9**
• Men	11	9.5	8	7.2
• Women	27	23.3	23	20.7

Economy

As a listed company, business success is of central importance to Mobimo. The company focuses on striking a balance between generating profits and safeguarding its future. Its objective is to create added value for stakeholders and shareholders over the medium and long term. At Mobimo, performance and value preservation are closely entwined with sustainability principles.

With an attractive annual dividend yield, shareholders are also likely to be satisfied with the corporate performance. Further information on the share price performance and dividend policy can be found in the section "Mobimo on the capital market".

The full sustainability report is published at www.mobimo.ch.

Sustainability criteria for selected projects

Sonnenhof residential complex, Regensdorf	
Green areas	Total of around 9,525 m^2 of unobstructed green areas (more than 50 % of the site area) and a green flat roof
Biodiversity	Planting of a large green area with domestic plants (flowers, trees) in the general-use natural meadows and flower meadows and in the private flower lawn areas
Public transport links	Regensdorf-Watt railway station only 350 metres away
Parking spaces	Site: 129 in underground parking garage, visitors 24 Condominiums: 82 in underground parking garage, visitors 11
Heat generation	Air/water heat pump
Environmentally friendly operation	Minergie, controlled domestic ventilation, large window areas for natural lighting and sunshine
Artwork on buildings	Competition with five artists, the winner was "Curry & Paprika" by Christian Gonzenbach
Certificate	MINERGIE®

"Sous-Gare" residential complex, Lausanne	
Green areas and open spaces	Shared inner courtyards as a meeting point with access to the building entrances and the green roof areas
Public transport links	Two minutes to the metro station and a seven-minute walk to the railway station
Heat generation	Connection to the district heating network of the City of Lausanne
Indoor air quality	Controlled domestic ventilation, windows can be opened everywhere, balconies
Artwork on buildings	Large sculptures with animal heads by Lausanne-based artist Zaric
Certificate	MINERGIE®

3M EMEA headquarters, Langenthal	
Public transport links	One-minute walk to Langenthal railway station
Heat generation	Groundwater heat pump, supplemented by gas (only for peak load requirements with max. 10 %)
Comfort	Workplaces with daylight, inner courtyard, canteen for employees on the ground floor
Regional economic significance	The Langenthal railway station site is one of the canton's development priorities. Voters approved a planning loan for the redevelopment at the end of 2014.
Certificate	MINERGIE®

RISK REPORT

Mobimo's risk management must identify risks as soon as possible, evaluate them and achieve a sensible balance between risks and returns using appropriate measures.

The overarching risks are based on the corporate strategy. We define risk as any event that could negatively impact the achievement of our objectives and existing business.

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 optimal management processes to maintain a disciplined and constructive control environment in which all staff can fulfil their function and exercise their duties in the best way possible. Risk management is part of the processes of the integral management system.

Risk management process

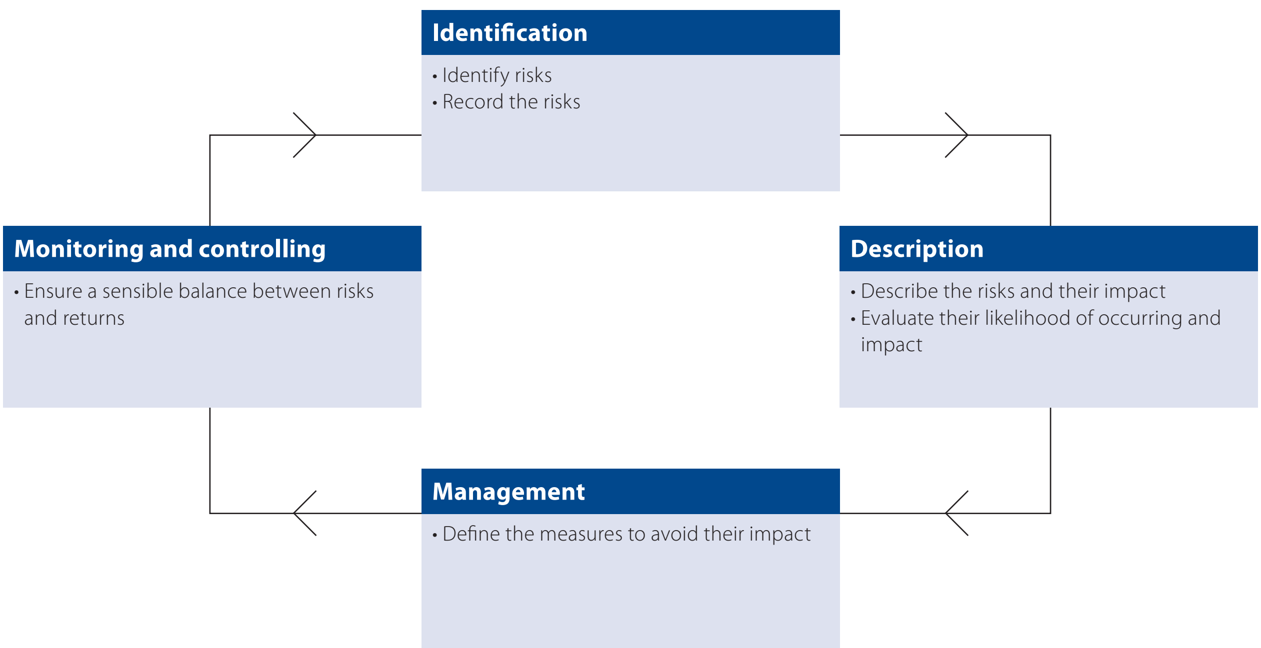
The risk management process covers all activities for handling risks in the company on an ongoing and systematic basis. The following graphic illustrates the key steps of this process: identification, description, management, monitoring and controlling various risk types.

Further information on the risks to which Mobimo is exposed can be found in the Notes to the Consolidated Financial Statements.

Organisation

Internal control and risk management are performed by Finance. As the most senior management body, the Board of Directors is responsible for risk management. The Audit & Risk Committee (AC) supports the Board of Directors by means of preparatory work, audits and clarification in respect of risk assessment.

Mobimo's risk management process



OUTLOOK

The AC also monitors Internal Controlling, which operates in accordance with the principles of Mobimo's risk management concept. The Executive Board is responsible for implementing risk management, particularly the transparent, timely and active management of risks. A formal internal audit is not appropriate due to the size of the company.

The Audit & Risk Committee liaises with management to prepare an annual risk inventory, setting out significant risks by risk category. Risk owners are assigned to each risk. The impact and measures implemented are analysed and then evaluated on the basis of their likelihood of occurring and impact (financial and reputational damage). Where necessary, measures are defined for the ongoing management of the identified risks. Further information on responsibilities and the organisation of risk management can be found in the Corporate Governance report.

A proven business model and established expertise permit Mobimo to look to the future with confidence. The company's dividend policy remains attractive.

Mobimo operates in a challenging environment. The macroeconomic conditions require not only a high degree of specialist know-how but also flexibility in the allocation of funds and resources. The proven business model is testimony to this flexibility and enables Mobimo to optimally navigate the market and to seize any opportunities that arise. This gives the Board of Directors and Executive Board cause to continue to assess the outlook for the Group's future as being positive. They strive to meet the expectations of shareholders over the short, medium and long term. This includes the continuation of the attractive and stable dividend policy.

Focus in 2016

Own-portfolio developments:

- Certain realisation of construction projects
- Ongoing quality optimisation of the portfolio

Portfolio management:

- Increase in rental income
- Reduction in the vacancy rate
- Strict cost management

Developments and Investments for Third Parties:

- Accelerated further expansion of Investments for Third Parties
- Selective production of condominium projects

CORPORATE GOVERNANCE AND COMPENSATION REPORT

Investment property and trading property
Rental apartments and condominiums

Regensdorf, "Sonnenhof"
Im Pfand

CORPORATE GOVERNANCE REPORT

Mobimo values corporate governance as a key component of corporate management. For us, it means managing and monitoring the company in a responsible way while creating long-term added value.

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.

Group structure and shareholders

Group structure

An overview of all Group companies and shareholdings can be found in Notes 33 and 26 to the consolidated annual financial statements.

The Group's operational structure is divided into two divisions: the Real Estate segment and the Development segment. As part of its portfolio strategy, Real Estate focuses on the management of the commercial and residential properties in Mobimo's own portfolio and on planning and realising commercial and residential properties for third parties. The Development segment is responsible for planning and realising commercial and residential properties for Mobimo's own portfolio and condominiums for third parties. It also manages the first-time letting of completed commercial and residential properties and the sale of condominiums. Further information on segment reporting can be found in Note 3 to the consolidated annual financial statements.

Significant shareholders

An overview of significant shareholders and other shareholder details can be found in the Mobimo on the capital market section on page 6.

One report based on Art. 20 SESTA was received during the year under review:

- BlackRock, Inc. reported on 30 November 2015 that the group had exceeded the 5 % threshold (5.02 %), with a holding of 254,546 registered shares and 57,547 shares via CFDs (contracts for difference) or a total of 312,093.

Cross-shareholdings

There are no cross-shareholdings.

Capital structure

Capital

The following events had an impact on capital in 2015:

- Distribution of CHF 9.50 per share from capital contribution reserves
- Capital increases via the exercise of outstanding option rights at a nominal value of CHF 29.00 per share as follows:
  – CHF 45,356 in February via the issue of 1,564 new shares

Capital as at December 31, 2015	Total (TCHF)	Number of registered shares	Nominal value per share (CHF)
Share capital	180,327	6,218,170	29.00
Authorised capital	max. 33,093	1,141,150	29.00
Conditional capital	max. 34,035	1,173,634	29.00

Further information on changes in capital can be found in Note 14 to the consolidated annual financial statements.

Authorised and conditional capital

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

Authorised capital

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 1,141,150 fully paid-up registered shares within a period of no more than two years. 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 excluded; 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, bonds with warrants 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 paragraph 4 of the Articles of Association).

Conditional capital

Pursuant to Article 3b of the Articles of Association, conditional capital may be increased through the issue of up to 1,173,634 fully paid-up registered shares, subject to the exclusion of subscription rights. Use thereof is restricted as follows:

- up to 38 fully paid-up registered shares can be issued through the exercise of option rights that have been granted to members of the company's Board of Directors, related parties and employees of Group companies;
- 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
- up to 1,141,150 fully paid-up registered shares can be issued through the exercise of conversion and/or option rights relating to convertible bonds, bonds with warrants, similar bonds or other financial market instruments.

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 15 April 2015, no further registered shares were created through the exercise of option rights. As at the reporting date, there were no 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 18 to the consolidated financial statements.

Shares and participation certificates

Share capital stood at CHF 180,326,930 as at 31 December 2015 and comprised 6,218,170 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.

Dividend-right certificates

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

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:

- Insofar as recognising a transferee as a 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.
- 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.
- 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.
- 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, such as tighter practices on the part of the licensing authority, that the entry of the non-Swiss shareholder will result in the company no longer being able to furnish evidence of Swiss control.

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
Share capital as at 31.12.2012	180,058	6,208,913	29.00
Share capital as at 31.12.2013	180,220	6,214,478	29.00
Share capital as at 31.12.2014	180,282	6,216,606	29.00
Share capital as at 31.12.2015	180,327	6,218,170	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
Authorised capital as at 31.12.2012	33,093	1,141,150	29.00
Authorised capital as at 31.12.2013	33,093	1,141,150	29.00
Authorised capital as at 31.12.2014	33,093	1,141,150	29.00
Authorised capital as at 31.12.2015	33,093	1,141,150	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
Conditional capital as at 31.12.2012	34,304	1,182,891	29.00
Conditional capital as at 31.12.2013	34,142	1,177,326	29.00
Conditional capital as at 31.12.2014	34,081	1,175,198	29.00
Conditional capital as at 31.12.2015	34,035	1,173,634	29.00

As at 31 December 2015, 11.1 % of the shares were held by shareholders who are classified in the share register as "Non-Swiss" according to the above definition (of which 7.4 % have voting rights). 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:

- without disclosure of the name, headoffice/addressand 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;
- 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;
- the nominee must conclude an agreement with the company which precisely defines the applicable rights and obligations. Nominee registrations may not in total exceed 10 % of the shares entered in the Commercial Register. Once this 10 % threshold is reached, the company may not register any further nominees. As at the reporting date, nominee registrations accounted for 3.89 % of registered shares (3.89 % with voting rights). 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.

Convertible bonds and options

As at 31 December 2015, Mobimo had no outstanding convertible bonds or options.

Board of Directors

Members of the Board of Directors and its committees

Board of Directors

Chairman: Georges Theiler
Vice Chairman: Peter Schaub

Daniel Crausaz; Brian Fischer; Bernard Guillelmon; Wilhelm Hansen; Peter Barandun

Real Estate Committee	Audit & Risk Committee	Nomination & Compensation Committee
Brian Fischer (Vorsitzender) Peter Barandun Georges Theiler	Peter Schaub (Vorsitzender) Daniel Crausaz Wilhelm Hansen	Bernard Guillelmon (Vorsitzender) Wilhelm Hansen Peter Schaub

Georges Theiler, Chairman

Certified Operating Engineer, Federal Institute of Technology, Entrepreneur
Nationality: Swiss
Place of residence: 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. The company, active in the areas of building construction, tunnel construction, general contracting, real estate development and real estate management, was sold to Batigroup AG in 1997. Since 1997, Georges Theiler has been the owner of GT-Consulting in Lucerne, which specialises in consulting and directorship mandates. He is Chairman of the Board of Directors of Auto AG in Rothenburg and member of the Board of Directors of Riva AG in Buochs and Wascosa Holding AG in Lucerne. He was a member of the National Council from 1995 to 2011 and was elected to the Swiss Council of States from 2011 to 2015. He has been a member of the Board of Directors since 2000 and Chairman of the Board of Directors of Mobimo Holding AG since September 2013.

Peter Schaub, Vice Chairman

Lawyer
Nationality: Swiss
Place of residence: 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 master's degree in 1987. In 1987 and 1988 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. Peter Schaub has been member of the Board of Directors of CPH Chemie + Papier Holding AG in Perlen since 1999 (Chairman since 2010) and Vice Chairman of the Board of Directors of UBV Uetikon Betriebs- und Verwaltungs AG in Uetikon am See since the same year. Both these companies own operating and development properties and investment properties. He has been Vice Chairman of Zindel Immo Holding AG in Chur since 2015. He has also been a member of the Board of Directors of Rüegg Cheminée Holding AG in Zumikon since 2007 and Chairman of the Foundation Board of the Swiss Foundation for the Deafblind (Schweizerische Stiftung für Taubblinde) in Langnau am Albis since 2008. He has been a member of the Board of Directors of Mobimo Holding AG since 2008.

Daniel Crausaz

Engineer, Master of Business Administration,
Nationality: Swiss
Place of residence: Pully, VD

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 Lausanne in 1990 and was appointed Managing Director in 1997. Daniel Crausaz has been a member of the Boards of Directors of Cadar SA in Fleurier since 2008, Zimal SA in Sion since 2006, Cormela SA in Meyrin since 2011, C.I.E.L. société coopérative in Lausanne since and EP Electricité SA in Geneva since 2012 and Plexus Cotton Ltd. in the UK since 2013. He has been Deputy Director of Agrifert SA, an international commodities trading firm with its registered office in Pully, since 2006. Since 2003, Daniel Crausaz has worked as an independent consultant on a number of mandates in French-speaking Switzerland. He was a member of the Board of Directors of LO Holding Lausanne-Ouchy SA from 1999 to 2014 and has been a member of the Board of Directors of Mobimo Holding AG since 17 December 2009.

Brian Fischer

Attorney at law and Swiss-certified tax expert
Nationality: Swiss
Place of residence: 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 the beginning of 2001, he has been Head of External Asset Managers within Bank Vontobel AG's Investment Banking unit in Zurich. 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, MBA
Nationalities: Swiss and French
Place of residence: Berne, BE

Bernard Guillelmon was born in Zurich on 5 November 1966. After high school, he studied engineering at the Swiss Federal Institute of Technology Lausanne, specialising in microtechnology, and went on to complete a master's degree in energy. He also completed the MBA programme at INSEAD in Fontainebleau with distinction. From 1990 to 1998, Bernard Guillelmon worked as an engineer and department head for BKW AG in Berne, heading up a number 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. He has been CEO of BLS AG in Berne since 1 July 2008. He has also been a member of the Executive Board and Committee of the Swiss Association of Public Transport (Verband öffentlicher Verkehr, VöV) in Berne since 2011, serving as Chairman of its Finance Commission and a member of its Direct Service Strategy Committee (Strategische Ausschuss Direkter Verkehr, StAD). From 2005 to 2009, he was a member of the Board of Directors of LO Holding Lausanne-Ouchy SA. Bernard Guillelmon has been Chairman of the Board of Directors of BLS Cargo AG in Berne since 2008 and a member of the Board of Directors of RAlpin AG in Olten since the same year. He has also been a member of the Supervisory Board of Ermewa Holding in Paris since 2015. In addition, he 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

lic. rer. pol., Management Consultant,
Nationality: Swiss
Place of residence: Basel, BS

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 25 years working in capital investments (as an investment advisor at the former Union Bank of Switzerland, Head of the Securities division at Basler Versicherungen and co-owner of the private bank Baumann & Cie in Basel), in 2002 he specialised as an independent management consultant in the areas of organisational and strategic development and corporate governance. He also holds a number of directorships, including as Vice Chairman of the Board of Directors of Scobag Privatbank AG, Basel, and a member of the Board of Directors of Psychiatrie Baselland in Liestal. He has been a member of the Board of Directors of Mobimo Holding AG since 2008.

Peter Barandun

Executive MBA HSG
Nationality: Swiss
Place of residence: Einsiedeln, SZ

Peter Barandun, born on 26 June 1964, hails from Präz in the canton of Grisons. He successfully completed his business administration degree (Executive MBA HSG) at the University of St. Gallen in 2008. He began his professional career at Grossenbacher in St. Gallen, where he was deputy head of sales for five years. He then held a management position in a large corporation for six years before moving to Electrolux AG in 1996. After heading the Electrolux and Zanussi divisions for six years, he was appointed CEO and Chairman of the Board of Directors of Electrolux Switzerland in 2002. In this function, he has overall responsibility for around 500 staff. Since 25 March 2014, he has been a member of the Board of Directors and Vice Chairman of the Nomination and Compensation Committee of AFG Arbonia-Forster-Holding AG. He also sits on Swiss-Ski's Executive Committee and is Vice Chairman of the Swiss Association for Household and Business Appliances (FEA). Peter Barandun was elected to the Board of Directors of Mobimo Holding AG on 26 March 2015.

Members departing in the year under review

Paul Rambert stepped down from the Board of Directors in 2015 after reaching an internal age limit.

Honorary Chairmen

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, having previously served as 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 compensation.

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, provided such offers are not confidential;
- Not to accept any additional compensation such as arrangement commissions

The members of the Board of Directors of Mobimo Holding AG do not occupy any further positions in the management and supervisory bodies of major Swiss and foreign entities or in institutions and foundations under public or private law, and also do not carry out any further long-term management or advisory functions for key Swiss or foreign interest groups.

Number of authorised activities in accordance with Article 12 paragraph 1 item 1 OaEC

The members of the Board of Directors may exercise the following additional activities in senior executive or administrative bodies of legal entities that are required to be entered in the Commercial Register or a corresponding foreign register and are neither controlled by the company nor in control of the company:

- Up to three mandates for companies (in Switzerland or abroad) that meet the conditions for a public limited company in accordance with Article 727 paragraph 1 item 1 of the Swiss Code of Obligations; and
- Up to 15 mandates for companies that are not considered as public limited companies in accordance with Article 727 paragraph 1 item 1 of the Swiss Code of Obligations

There are no restrictions on mandates for legal entities that are not required to be entered in the Commercial Register or a corresponding foreign register, or on honorary directorships at organisations recognised for tax purposes as not-for-profit.

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. The term of office of the members ends at the end of the next Annual General Meeting. The members of the Board of Directors may be immediately re-elected upon expiry of their term of office.
The General Meeting elects the Chairman of the Board of Directors. Re-election is permitted. The term of office of the Chairman ends at the end of the next Annual General Meeting. If the office of Chairman becomes vacant, the Board of Directors appoints a Chairman for the remaining term of office.
The Board of Directors currently has seven members.
The General Meeting also elects the independent proxy. Natural persons and legal entities or partnerships are eligible for election. The term of office of the independent proxy ends at the end of the next Annual General Meeting. Re-election is permitted.
If Mobimo does not have an independent proxy or the independent proxy is withdrawn due to a lack of independence or for any other reasons, an independent proxy is appointed by the Board of Directors for the current General Meeting or the next. Authorisations and instructions that have already been issued will remain valid for the new independent proxy, unless other authorisations and instructions have been explicitly issued by shareholders.

Internal organisation

In 2015, the General Meeting confirmed Georges Theiler as the Chairman of the Board of Directors. The Board of Directors appointed Peter Schaub as Vice Chairman of the Board of Directors.

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 five ordinary meetings and one teleconference meeting were held in 2015. The ordinary meetings generally lasted one day. The Board of Directors was present in full at every meeting apart from two. An innovation day, a strategy conference and a project inspection day also took place.

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.

The Board of Directors has three committees: the Real Estate Committee, the Audit & Risk Committee and the Nomination & Compensation Committee.
The purpose, tasks, duties and competences of the committees are set out in a supplement to the organisation regulations.

Real Estate Committee

The Real Estate Committee ensures that the strategic 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 real estate expertise that is as comprehensive as possible by:

- Conducting ongoing market observations;
- Developing the network for real estate 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 million and CHF 30 million;
- Submitting requests to the Board of Directors for property 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 property 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.

Audit & Risk Committee

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 this Committee is to support the Board of Directors by means of preparatory work, audits and clarification.

The four areas in which 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 Board of Directors addresses its risk management responsibilities via the Audit & Risk Committee. The Audit & Risk Committee 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 likelihood, financial impact and damage to reputation and image. Where necessary, further measures are defined for the ongoing management of the assessed risks.

Nomination & Compensation Committee

The Nomination & Compensation Committee is a preparatory committee for the Board of Directors and, unless explicitly stipulated otherwise in the Articles of Association or in other regulations, has no decision-making powers. It has the following duties and responsibilities with regard to compensation:

- Drawing up and reviewing the compensation policy, monitoring the implementation of the compensation policy and submitting proposals and recommendations on the compensation policy to the Board of Directors;
- Drawing up and reviewing specific compensation models, monitoring the implementation of compensation models and submitting proposals and recommendations on specific compensation models to the Board of Directors;
- Preparing all relevant decisions of the Board of Directors with regard to the compensation of the members of the Board of Directors and Executive Board and submitting proposals to the Board of Directors regarding the type and amount of the annual compensation of the members of the Board of Directors and Executive Board, including preparing the proposal for the maximum total amount to be submitted to the General Meeting for approval;
- Reviewing the company's annual salary budget and the principles governing the payment of variable compensation to employees outside of the Executive Board;
- Submitting proposals to the Board of Directors for approval of the awarding of mandates by the company or its subsidiaries to members of the Board of Directors or the Executive Board and to related legal entities and natural persons

The General Meeting elects the members of the Nomination & Compensation Committee on an individual basis. The Nomination & Compensation Committee comprises at least three members. Only members of the Board of Directors may be elected to the committee. The term of office of members of the Nomination & Compensation Committee ends at the end of the next Annual General Meeting. Re-election is permitted. If the Nomination & Compensation Committee is no longer complete or falls below the minimum number of three members, the Board of Directors appoints the necessary members for the remaining term of office. The Nomination & Compensation Committee currently has three members.

The Board of Directors may assign additional tasks to the Nomination & Compensation Committee with regard to compensation, human resources and related areas. The Board of Directors issues regulations governing the organisation, working methods and reporting of the Nomination & Compensation Committee. The Chairman of the Nomination & Compensation Committee is proposed by the Board of Directors.

The Nomination & Compensation Committee may also request the assistance of independent third parties in performing its tasks and compensate them accordingly.

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 externally and makes decisions on all matters that 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:

- 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);
- Defining and monitoring the financial and investment budgets of the Group companies;
- Making fundamental decisions with regard to electing and dismissing members of the Board of Directors, Group company auditors and valuation experts;
- Passing resolutions on founding, acquiring and disposing of Group and affiliated companies;
- Initiating business relations between the Mobimo Group and important third parties;
- Overseeing the measures that need to be undertaken with regard to stock exchange listings;
- Defining the corporate identity;
- Defining the accounting principles, including the consolidation of all financial statements;
- 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 million 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.

Information and control instruments with regard to the Executive Board

The Chairman of the Board of Directors holds regular coordination and information meetings with the CEO.
The Real Estate Committee met seven times during the financial year. The Chairman may convene additional meetings at any time. The CEO normally takes part in the meetings. Minutes must 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 Nomination & Compensation Committee met six times in 2015. The Chairman may convene additional meetings at any time. The CEO normally takes part in the meetings. Minutes are taken at every meeting and subsequently distributed to all members of the Board of Directors.

The Audit & Risk Committee met four times in the last financial year. Topics discussed at Audit & Risk Committee meetings include the annual and semi-annual results, the reports of the statutory auditors and external appraisers, important technical accounting, legal, tax and regulatory issues, the financing and management of liabilities, other necessary reports and risk management/ICS.

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 taken at every meeting and subsequently distributed to all members of the Board of Directors.

The entire Board of Directors receives a monthly report on current business performance and a quarterly 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 are performed by Finance.

The implementation of regulatory and accounting changes is worked out at an early stage in cooperation with the statutory auditors. The statutory auditors and property values are also consulted on a regular basis to help assess larger-scale transactions.

Executive Board

Members of the Executive Board

Christoph Caviezel, CEO
CEO, Dr. iur., Attorney-at-Law,
Nationality: Swiss
Place of residence: Horgen, ZH

Christoph Caviezel, from Laax, Canton of Grisons, 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 in Zurich, and in 1999 was appointed to the Board of Management 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 is also a member of the Boards of Directors of the following Mobimo Group companies: He has been Chairman of the Boards of Directors of Mobimo AG and Mobimo Management AG since 25 March 2009. Since 17 December 2009, he has been a member of the Boards of Directors of LO Holding Lausanne-Ouchy SA and LO Immeubles SA, and Chairman of the Board of Directors of JJM Participations SA. He has also been a member of the Board of Directors of O4Real SA since 4 May 2010 (and its Chairman since 2014) and Chairman of the Boards of Directors of Immobilien Invest Holding AG and Petit Mont-Riond SA since 24 August 2012 and 29 August 2012 respectively. He has been Chairman of the Boards of Directors of LO Holding Lausanne-Ouchy SA and LO Immeubles SA since 3 October 2013. In 2015, he became Chairman of the Board of Directors of the following companies: Flonplex SA (on 19 February 2015), Parking du Centre SA (on 26 February 2015), Promisa SA (on 30 September 2015), ProviHold SA (on 30 September 2015) and CC Management SA (on 13 November 2015). On 9 December 2015, he also became Chairman of the Board of Directors of Dual Real Estate Investment AG.

He sits on the Investment Committee of the Investment Foundation for Overseas Real Estate (Anlagestiftung für Immobilienanlagen im Ausland, AFIAA) in Zurich. At the end of 2014, the government of the canton of Grisons appointed Christoph Caviezel to the Bank Council of Graubündner Kantonalbank as of 1 April 2015.

Manuel Itten, CFO
Business Administration FH
Nationality: Swiss
Place of residence: Freienbach, SZ

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

Manuel Itten joined Mobimo in 2004, working as Head of Controlling until February 2009 and CFO since March 2009. In addition, he is a member of the Board of Directors of following Mobimo Group companies: Mobimo AG and Mobimo Management AG since 25 March 2009, LO Holding Lausanne-Ouchy SA, LO Immeubles SA and JJM Participations SA since 17 December 2009 and O4Real SA since 4 May 2010. He has also been a member of the Board of Directors of Parking du Centre SA since 2 March 2010, of Flonplex SA since 17 March 2010 and of FM Service & Dienstleistungs AG since 27 March 2014. He has been a member of the Board of Directors of Promisa SA and ProviHold SA since 4 September 2015, of CC Management SA since 13 November 2015 and of Dual Real Estate Investment AG since 9 December 2015.

Andreas Hämmerli, Head of Development
Certified architect HTL
Nationality: Swiss
Place of residence: 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 firm). He was Head of Real Estate Trading at Göhner Merkur AG in Zurich, where he was responsible for real estate divestment and the management and restructuring of part of the general contractor. At Livit AG in Zurich, he was a member of the Executive 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 Real Estate
Certified civil engineer
Nationality: Swiss
Place of residence: 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 in Berlin, 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 in Basel. Thereafter, he took on various development and management tasks as Managing Director of the general contractor Bauengineering AG in Zurich.
In 2004 he joined the listed company Allreal Generalunternehmung AG in Zurich, where he was latterly a member of the Executive Board with responsibility for acquisition and project development.
Thomas Stauber joined Mobimo in November 2011 and set up the Investments for Third Parties business area (then part of the Development division, now part of the Real Estate segment) for Mobimo. He has headed the newly formed Real Estate division since 1 July 2014. He is responsible for the strategic development, management and marketing of Mobimo's investment properties and the development, realisation and sale of investment properties to third-party investors.
Thomas Stauber is a member of the Board of Directors of the following Mobimo Group company: FM Service & Dienstleistungs AG since 30 July 2014.

Marc Pointet, Head of Mobimo Suisse romande
Msc in architecture from the Swiss Federal Institute of Technology, Executive MBA HSG
Nationality: Swiss
Place of residence: Lausanne, VD

Marc Pointet was born in Zurich-Hirslanden on 3 January 1974 and grew up in Zurich. After graduating from high school in Zurich, he obtained a Master of Science in Architecture from the Swiss Federal Institute of Technology Zurich (ETH Zurich) in 2001. While working in 2012, he completed his Executive Master of Business Administration (MBA HSG). Living in Zurich in a French-speaking household, he grew up bilingual.
After several years at general contractors Karl Steiner AG, where he rose to become branch head in St. Moritz, he moved to Mobimo in Küsnacht in 2002, when the company was in its early days. He held various leading roles including overall project head for the Mobimo Tower in Zurich-West.
On 1 March 2013, as Head of Mobimo Suisse Romande, he took over operational responsibility for all Mobimo activities in French-speak-

ing Switzerland. This includes project development and realisation, the management of the Western Switzerland portfolio and in particular the active marketing and managing of the lively Flon district. He was appointed to the Executive Board on 1 April 2015.

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. In accordance with Article 12 paragraph 1 item 1 OaEC, the members of the Executive Board may exercise the following additional activities in senior executive or administrative bodies of legal entities that are required to be entered in the Commercial Register or a corresponding foreign register and are neither controlled by the company nor in control of the company:

- A maximum of one mandate for companies (in Switzerland or abroad) that meet the conditions for public limited companies in accordance with Article 727 paragraph 1 item 1 of the Swiss Code of Obligations;
- Up to five mandates for companies that are not considered as public limited companies in accordance with Article 727 paragraph 1 item 1 of the Swiss Code of Obligations

There are no restrictions on mandates for legal entities that are not required to be entered in the Commercial Register or a corresponding foreign register, or on honorary directorships at organisations recognised for tax purposes as not-for-profit.
The prior approval of the Board of Directors is required for such mandates and appointments.

Management agreements

There are no management agreements with third parties. There are service agreements between the Group companies and Mobimo Management AG.

Remuneration and profit-sharing

All information on the compensation of Mobimo's Board of Directors and Executive Board is provided in the separate compensation report.

Shareholders' rights of participation

Restrictions on voting rights and proxies (Articles 6, 12 and 15 of the Articles of Association).

Only those persons entered in the share register are entitled to exercise their voting rights at General Meetings.
The Board of Directors may refuse to approve the transfer of registered shares, insofar as recognising a transferee as a 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). In accordance with Article 12 of the Articles of Association, any shareholder may be represented at the General Meeting by their legal representative, by a third party who has been granted written authorisation (and who does not need to be a shareholder), or by the independent proxy. The Board of Directors specifies the process and conditions for issuing authorisations and instructions to the independent proxy. Shareholders may issue general instructions both for proposals relating to agenda items set out in the invitation to the General Meeting and for undisclosed or new proposals. In particular, general instructions to vote in favour of the Board of Directors on proposals that are set out in the invitation or have not yet been disclosed are considered to be valid instructions on the exercise of voting rights. Shareholders have the option to receive their documents for the General Meeting or issue proxies and instructions to the independent proxy representative electronically via the "Sherpany" online shareholder platform.

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).

Convocation of General Meetings

The convocation of General Meetings, 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 external 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 shareholders to request that copies be sent to them must be indicated in the notice of convocation of the Annual General Meeting.

Agenda (Article 9 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 5 % 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.

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 the provision of evidence that the transfer meets formal requirements and is subject to the approval of the Board of Directors. The Board of Directors has defined this approval authority in regulations governing the administration of the share register and transferred responsibility for recognising and entering shareholders of Mobimo Holding AG to the Audit & Risk Committee. The Audit & Risk Committee has subsequently delegated all decisions that have no impact on stock exchange reporting thresholds or concern members of the Board of Directors or Executive Board to the CFO. No entries shall be made in the share register during a period ranging from a maximum of 20 days before the General Meeting up to the day after the General Meeting. Prior to the Annual General Meeting on 29 March 2016, the share register will be closed for entries from 21 March 2016 onwards. The 2016 General Meeting takes place in Lucerne on 29 March 2016.

Compensation report

The Board of Directors has decided to provide the shareholders with a compensation report each year and hold an annual consultative vote on it irrespective of whether or not there have been significant changes compared with the previous year.

Contributions to social and political organisations

Following a consultative vote, the 2015 General Meeting approved the contributions made to social and political organisations in 2014 and authorised a budget of up to CHF 50,000 for contributions to social and political organisations in 2015.

Change of control and defensive measures

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.

Change of control clauses

There are no change of control clauses.

Auditor

Duration of mandate and term of office of lead auditor

Since Mobimo Holding AG was established in December 1999, the company's statutory and Group auditor has been KPMG AG, Lucerne. The statutory and Group auditor are appointed annually by the Annual General Meeting.

Audit fee and additional fees

The following compensation was paid for services relating to the audit of the interim financial statements and 2015 annual financial statements, in addition to fees to the auditor for tax consulting and to the real estate valuers.

CHF million	2015	2014
Audit fee KPMG	**0.4**	**0.3**
Tax consultancy KPMG	0.2	0.1
Property valuation W&P	0.4	0.4
Property valuation JLL	0.1	0.0
Additional fees	**0.7**	**0.5**
Total fees	**1.0**	**0.8**

Information policy

Mobimo Holding AG provides its shareholders and the capital market with information that is forthright, up-to-date and as transparent as possible. The Media and Analysts' Conference on the 2015 financial results takes place on 11 February 2016.

Financial reporting takes the form of semi-annual and annual reports. The consolidated annual financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the consolidated interim financial statements in accordance with International Accounting Standard 34 (IAS 34) on interim financial reporting. They 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 about the company can be found on the website www.mobimo.ch.

Contact

Christoph Caviezel
CEO
Tel. +41 44 397 11 86

COMPENSATION REPORT

The aim of Mobimo's compensation plan is to recruit, motivate and retain the loyalty of qualified management.

This compensation report sets out the mechanisms used to determine the compensation and profit-sharing plans of the Board of Directors and Executive Board, along with the key provisions of the Articles of Association. It also compares the compensation approved by the General Meeting with the actual compensation paid.
The compensation report meets the provisions of the Ordinance Against Excessive Compensation in Listed Companies and is put to a consultative vote at the General Meeting.
Article 22 of the Articles of Association governs the compensation of the Board of Directors, while Articles 28 and 29 govern the compensation of the Executive Board.

Compensation of the Board of Directors

In accordance with Article 22 of the Articles of Association, the members of the Board of Directors are entitled to compensation commensurate with their activities and to reimbursement of their expenses incurred in performing their duties in the interest of the company or one of its subsidiaries. The compensation payable to members of the Board of Directors consists of an annual basic amount and other non-performance-related elements (such as supplements for involvement in committees or boards of directors of subsidiaries or the assumption of special functions or mandates), plus social insurance contributions and pension contributions. To place the emphasis on the governance and supervisory function and focus the Board of Director's attention on long-term corporate governance, the members of the Board of Directors do not receive performance-related compensation. Compensation may be paid by the company or one of its subsidiaries, provided it is covered by the approved total compensation.

Part of the compensation may be paid in shares in order to harmonise the interests of the shareholders with those of the Board of Directors. The number of shares allocated and the dates of allocation and transfer of ownership are determined by the Board of Directors at the request of the Nomination & Compensation Committee. The value of the shares is calculated based on the share price applicable on the date of allocation. The Board of Directors sets a vesting period, which is usually five years. From the date of allocation, the shares have both voting and dividend rights.
The maximum total amount of compensation payable to the Board of Directors must be approved annually in advance by the General Meeting for the period until the end of the next Annual General Meeting.

If the total amount of compensation payable to the Board of Directors is not approved, the Board of Directors may either submit a new proposal to the same General Meeting or convene an Extraordinary General Meeting at which it will submit a new proposal for the total amount.

Fixed compensation of the Board of Directors

In accordance with the current compensation regulations of Mobimo Holding AG, the compensation payable to the Board of Directors consists of a fixed amount structured on a modular basis depending on the specific activities of each member. It is made up of basic compensation of CHF 70,000 per year plus the following fixed supplements for involvement in a Board Committee:

- Real Estate Committee CHF 70,000
- Audit & Risk Committee CHF 50,000
- Nomination & Compensation Committee CHF 20,000

The following fixed supplements are also paid:

- Chairman of the Board of Directors (CHF 200,000) and
- Chairman of a Board Committee (CHF 30,000)

This ensures that the compensation paid to the Board of Directors is in line with the time required for their activities and the level of responsibility involved.

Compensation of the Executive Board

Principles

The compensation system must ensure the Executive Board receives compensation in line with their success in implementing the strategy and their contribution to corporate performance. It is based on the three principles described below.

Performance-related

- Variable compensation is paid in line with quantitative and qualitative criteria
- The compensation system is linked to the implementation of the corporate strategy

Competitive, in line with the market and transparent

- Takes account of salary levels in the Swiss real estate market
- Attracts and retains highly qualified management
- Compensation is fair and reasonable in both an internal and external comparison

Aligned with the interests of the shareholders

- Part of the compensation is paid in the form of restricted shares
- Promotes outstanding performance and the generation of added value in the interests of the shareholders

In accordance with Article 28f. of the Articles of Association, the members of the Executive Board receive compensation for their activities for the company and its subsidiaries. This may be paid by the company or one of its subsidiaries, provided it is covered by the approved total compensation.
The total compensation payable to each member of the Executive Board consists of a basic salary (incl. expenses allowance), any other non-performance-related elements (such as supplements for involvement in committees or the boards of directors of subsidiaries or the assumption of special functions or mandates) and a performance-related element, plus social insurance contributions, ancillary pay and pension contributions. Total compensation takes into account the level of responsibility, area of responsibility, expertise and function of the Executive Board member in question, their achievement of objectives and market conditions.

It is set by the entire Board of Directors at the request of the Nomination & Compensation Committee in line with market conditions, with a particular focus on salary levels in the real estate market. This competitive compensation system 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.

Fixed compensation of the Executive Board

Like total compensation, the fixed salary is geared to the actual area of responsibility, professional requirements and expertise of each member of the Executive Board and the amount of work involved, and is paid in cash. The maximum total amount of non-performance-related compensation payable to the Executive Board must be approved annually by the General Meeting for the financial year following the General Meeting in question.

Performance-related compensation of the Executive Board

The performance-related compensation payable to members of the Executive Board is based on the quantitative and qualitative objectives and parameters set by the Board of Directors. The Board of Directors issues regulations governing the details of performance-related compensation. The maximum performance-related compensation payable to each individual member of the Executive Board is limited to 100 % of their non-performance-related gross salary, however. Total compensation takes into account the level of responsibility, area of responsibility, expertise and function of the Executive Board member in question, their achievement of objectives and market conditions.
The maximum total amount of performance-related compensation payable to the Executive Board must be approved annually by the General Meeting for the financial year in which the General Meeting in question takes place. No performance-related compensation may be paid for the period in question before approval is given.

If the total amount of compensation payable to the Executive Board is not approved, the Board of Directors may either submit a new proposal to the same General Meeting or convene an Extraordinary General Meeting at which it will submit a new proposal for the total amount of non-performance-related/performance-related compensation.

Profit-sharing model

Under the new compensation regulations (valid from 1 January 2015), 65 % of variable compensation will be based on quantitative criteria and 35 % on qualitative criteria that are themselves based on Mobimo's strategy. The Board of Directors has defined the key performance figure for calculating the quantitative target as the return on equity before revaluation income. However, entitlement to compensation is conditional on the company achieving a minimum return on equity before revaluation income of 4.5 %. Once this minimum return on equity has been achieved, the entitlement of the Executive Board members rises on a straight line basis within a range defined by the Board of Directors.

Variable compensation is limited to a maximum of 100% of the fixed salary. As such, the regulations allow the Board of Directors to reduce variable compensation if a dividend/capital repayment at least equivalent to that of the prior year cannot be distributed to shareholders.

At least 50% of the variable compensation is paid in shares in the company. The shares issued are subject to a vesting period, generally five years.

The compensation regulations include a clause stating that variable compensation can be clawed back if it was paid on the basis of annual financial statements that were manipulated.

It goes without saying that the rules of the Ordinance Against Excessive Compensation in Listed Companies (OaEC) must also be complied with, meaning that no variable compensation may be paid unless it has been approved by the shareholders.

Payment of performance-related compensation

Performance-related compensation is always paid in the following year, at the latest prior to the date of the General Meeting.

At the request of the Nomination & Compensation Committee, the Board of Directors determines the dates of allocation and transfer of ownership, and the vesting periods. From the date of allocation, the shares have both voting and dividend rights. The Board of Directors may decide to shorten or waive vesting periods, make compensation conditional on the achievement of objectives or not pay compensation at all due to the occurrence of predefined events such as a change of control or termination of an employment relationship.

In particular, members of the Executive Board who are released from their contracts generally still receive a pro rata portion of the contractually agreed compensation until the end of their employment contract unless the employer terminated the employment relationship for good cause attributable to the employee. Performance-related compensation is generally also paid unless the member in question provided good cause for termination. In each individual case, the Board of Directors decides whether or not the compensation is to be paid and whether vesting periods are to be waived on the basis of the employment contract and the specific circumstances.

The company is entitled to the repayment of all variable compensation paid out on the basis of annual financial statements that do not reflect the company's actual results due to criminal activities or other forms of manipulation. The amount of the repayment entitlement corresponds to the extent of the falsification.

Additional amount for compensation payable to members appointed after the General Meeting

In accordance with Article 29 of the Articles of Association, an additional amount of 30% of the total amount of compensation payable to the Executive Board that was approved in advance for the relevant periods is available for each member of the Executive Board that was appointed after the General Meeting that voted on the total amount of compensation. This amount also covers the period between appointment and the start of the period approved in advance. The additional amount that is actually used does not need to be approved by the General Meeting.

Within the limits of the total amount or additional amount already approved, the company may pay a new member of the Executive Board a joining bonus to offset any losses incurred due to the change of position.

Comparison of the compensation paid with the compensation approved by the General Meeting

The table below shows the approved compensation elements payable to the Board of Directors and Executive Board and compares the figures with the actual amounts recorded in 2015. In accordance with the Articles of Association, compensation payable to the Board of Directors is approved in advance for the period until the next Annual General Meeting. As a result, the approved compensation amount is reduced to the nine-month figure on a straight-line basis and compared with the payments recognised in the income statement for the period from April to December 2015.

Board of Directors TCHF	Approved 27.3.2015 – 29.3.2016	Approved 27.3.2015 – 31.12.2015 (9 months/pro rata)	Paid 27.3.2015 – 31.12.2015	Approved 25.3.2014 – 26.3.2015	Paid 25.3.2014 – 26.3.2015
Fixed compensation including shares	1,300	975	943	1,300	1,272
Compensation to related parties	200	150	100	400	258

Executive Board TCHF	Approved 1.1.2015 – 31.12.2015	Paid 1.1.2015 – 31.12.2015	Approved 1.1.2014 – 31.12.2014	Paid 1.1.2014 – 31.12.2014
Fixed compensation	2,800	2,667	Consultative approval	2,626
Performance-related compensation	2,800	2,387	3,900	192

Compensation report for the 2015 financial year in accordance with the Ordinance Against Excessive Compensation in Listed Companies

Compensation payable to the Board of Directors and Executive Board and related parties

In the year under review, the members of the Board of Directors, related parties and the Executive Board received compensation as set out below

Ordinary compensation payable to the Board of Directors

Name, function	Fees, salary	Shares	Social security contributions	Total 2015	Fees, salary	Shares	Social security contributions	Total 2014
BoD	**959**	**239**	**60**	**1,258**	**838**	**362**	**59**	**1,259**
Georges Theiler, BoD Chairman	340	0	21	361	260	70	22	352
Brian Fischer, BoD	48	115	10	173	8	132	8	148
Wilhelm Hansen, BoD	47	93	8	148	8	132	8	148
Peter Schaub, BoD	170	0	0	170	170	0	0	170
Daniel Crausaz, BoD	120	0	8	128	92	28	6	126
Bernard Guillelmon, BoD	118	0	8	126	110	0	6	116
Peter Barandun, BoD[1]	74	31	3	108	n/a	n/a	n/a	n/a
Paul Rambert, BoD[2]	42	0	2	44	170	0	9	179
Urs Ledermann, Chairman BoD[3]	n/a	n/a	n/a	n/a	20	0	0	20

[1] Since the General Meeting of 26 March 2015.
[2] Up to the General Meeting of 26 March 2015.
[3] Up to the General Meeting of 25 March 2014.

At 25 March 2014 the Articles of Association were amended since then the value of shares has been calculated on the basis of the share price applicable on the date of allocation. The prior-year compensation paid in the form of shares for the period from 1 January 2014 up to the annual general meeting at 25 March 2014 was recognized at the taxable value, representing a tax discount of 25.274 % to the average price of the share over 20 days due to the five-year vesting period. The compensation paid in the forms of shares, measured at the market price would have been CHF 45,000 higher for the prior year.

Additional compensation payable to members of the Board of Directors and related parties or companies

Name, function	2015 Total	2014 Total
Peter Schaub, BoD	117	128
Paul Rambert, BoD (period until AGM 2015)	51	109

In the case of Peter Schaub, the payments listed for additional work are payments to the consulting firm weber schaub & partner ag, which is co-owned by Peter Schaub. The expenses invoiced relate to tax consulting services provided by employees of the firm weber schaub & partner. Payments for consulting services provided directly by Peter Schaub are covered by his director's compensation.
In the case of Paul Rambert, the payments listed for additional work are payments to Immopoly Sàrl, which is owned by Paul Rambert. The expenses invoiced relate to construction advisory services.

Ordinary compensation payable to the Executive Board

Name, function	2015 Total	2014 Total	2015 Christoph Caviezel, CEO	2014 Christoph Caviezel, CEO
Fees, salary	2,157	2,155	743	743
Profit-sharing in cash	1,112	89	370	34
Profit-sharing in shares	1,113	89	370	34
Other contributions[1]	672	471	240	169
Total	**5,054**	**2,804**	**1,723**	**980**

[1] The other payments relate to pension contributions, any service anniversary gifts, private usage of vehicles and employer's social security contributions.

Amounts for the 2015 financial year reflect the expense reported in the consolidated financial statements for the year under review (accrual accounting).
Under the Articles of Association, the value of the shares is calculated on the basis of the share price applicable on the date of allocation. This means that in 2015 and 2014 the amounts were reported without the tax discount.

The General Meeting of 25 March 2014 approved fixed compensation of CHF 2.8 million for the Executive Board for the 2015 financial year.

Share-based compensation for the Executive Board was based on the assumption that a ratio of 50 % (prior year: 50 %) as stipulated in the compensation regulations applies.

Loans and credit facilities granted to the Board of Directors, Executive Board and related parties

No loans or credit facilities were granted to members of the Board of Directors, Executive Board or related parties in the 2015 financial year, and there were no such receivables outstanding as at 31 December 2015.

REPORT OF THE STATUTORY AUDITOR TO THE GENERAL MEETING OF MOBIMO HOLDING AG, LUCERNE

We have audited the accompanying remuneration report „compensation report for the 2015 financial year in accordance with the Ordinance Against Excessive Compensation in Listed Companies" (pages 50 to 51) dated 31 December 2015 of Mobimo Holding AG for the year ended 31 December 2015.

Responsibility of the Board of Directors
The Board of Directors is responsible for the preparation and overall fair presentation of the remuneration report in accordance with Swiss law and the Ordinance against Excessive compensation in Stock Exchange Listed Companies (Ordinance). The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor's Responsibility
Our responsibility is to express an opinion on the accompanying remuneration report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report complies with Swiss law and articles 14 – 16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the remuneration report with regard to compensation, loans and credits in accordance with articles 14 – 16 of the Ordinance. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the remuneration report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of remuneration, as well as assessing the overall presentation of the remuneration report.

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

Opinion
In our opinion, the remuneration report for the year ended 31 December 2015 of Mobimo Holding AG complies with Swiss law and articles 14 – 16 of the Ordinance.

KPMG AG

Kurt Stocker
Licensed Audit Expert
Auditor in Charge

Reto Kaufmann
Licensed Audit Expert

Lucerne, 8 February 2016

FINANCIAL REPORT

CONSOLIDATED INCOME STATEMENT

TCHF	Note	2015	2014
Income from rental of properties	4	107,841	105,133
Income from sale of trading properties and services	7	86,204	157,383
Other income		1,212	744
Revenue		**195,257**	**263,260**
Gains from revaluation of investment properties	5	91,184	28,802
Losses on revaluation of investment properties	5	–56,442	–25,000
Net income from revaluation		**34,742**	**3,802**
Profit on disposal of investment properties	6	**63,751**	**4,919**
Direct expenses for rented properties	4	–13,761	–17,577
Direct expenses from sale of trading properties and services	7	–80,661	–132,436
Direct operating expenses		**–94,422**	**–150,012**
Capitalised own account services		6,214	7,854
Personnel expenses	16	–23,418	–20,356
Operating expenses	20	–7,162	–7,699
Administrative expenses	21	–2,395	–2,241
Earnings before interest, tax, depreciation and amortisation (EBITDA)		**172,567**	**99,527**
Depreciation	24	–1,599	–1,514
Amortisation	25	–541	–408
Earnings before interest and tax (EBIT)		**170,427**	**97,605**
Share of profit of equity-accounted investees		2,293	1,831
Financial income		559	277
Financial expense		–34,203	–31,718
Financial result	10	**–33,644**	**–31,440**
Earnings before tax (EBT)		**139,076**	**67,996**
Tax expense	19	–34,095	–4,755
Profit		**104,981**	**63,241**
Of which attributable to the shareholders of Mobimo Holding AG		103,937	62,151
Of which attributable to non-controlling interests		1,044	1,090
EBITDA not including revaluation		137,825	95,726
Operating result (EBIT) not including revaluation		135,685	93,803
Earnings before tax (EBT) not including revaluation		104,334	64,194
Earnings per share in CHF	32	16.72	10.00
Diluted earnings per share in CHF	32	16.72	9.82

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

TCHF	Note	2015	2014
Profit		**104,981**	**63,241**
Items that may be reclassified subsequently to income statement		**–4,750**	**–18,932**
• Loss on financial instruments for hedge accounting	11	–6,035	–24,254
• Reclassification adjustments for amounts recognised in income statement		–59	–57
• Tax effects	19	1,343	5,379
Items that will not be reclassified to income statement		**–575**	**–2,908**
• Remeasurement in staff pension schemes	17	–714	–3,612
• Tax effects	19	139	704
Total other comprehensive income		**–5,325**	**–21,839**
Of which attributable to the shareholders of Mobimo Holding AG		–5,325	–21,839
Of which attributable to non-controlling interests		0	0
Total comprehensive income		**99,656**	**41,402**
Of which attributable to the shareholders of Mobimo Holding AG		98,611	40,311
Of which attributable to non-controlling interests		1,044	1,090

CONSOLIDATED BALANCE SHEET

TCHF	Note	31.12.2015	31.12.2014
Assets			
Current assets			
Cash	13	222,897	227,380
Trade receivables	22	3,839	3,832
Income tax receivables		4,005	3,193
Other receivables	23	24,391	23,117
Trading properties	8	226,564	205,243
Accrued income and prepaid expenses		3,523	3,662
Total current assets		**485,218**	**466,427**
Non-current assets			
Investment properties			
• Commercial properties	5	1,357,011	1,364,484
• Residential properties	5	760,117	526,891
• Development properties	5	142,470	214,799
• Investment properties under construction	5	153,170	142,260
Property, plant and equipment			
• Owner-occupied properties	24	15,269	16,066
• Other property, plant and equipment	24	3,117	2,287
Intangible assets	25	6,892	5,588
Investments in associates and joint ventures	26	25,639	24,426
Financial assets	27	1,849	1,850
Deferred tax assets	19	2,126	2,674
Total non-current assets		**2,467,660**	**2,301,324**
Total assets		**2,952,878**	**2,767,751**

TCHF	Note	31.12.2015	31.12.2014
Equity and liabilities			
Liabilities			
Current liabilities			
Current financial liabilities	11	24,403	22,446
Trade payables		16,963	21,355
Current tax liabilities		57,798	39,688
Other payables	28	5,425	1,402
Advance payments from buyers	9	12,354	9,972
Accrued expenses and deferred income	29	21,363	19,318
Total current liabilities		**138,306**	**114,180**
Non-current liabilities			
Non-current financial liabilities	11	1,342,254	1,270,232
Employee benefit obligation	17	5,840	5,466
Derivative financial instruments	11/15	38,998	32,385
Deferred tax liabilities	19	162,789	122,969
Total non-current liabilities		**1,549,880**	**1,431,051**
Total liabilities		**1,688,187**	**1,545,231**
Equity	14		
Share capital		180,327	180,282
Treasury shares		–262	–315
Capital reserves		269,577	328,615
Retained earnings		808,975	709,357
Total equity attributable to the shareholders of Mobimo Holding AG		**1,258,617**	**1,217,938**
Attributable to non-controlling interests		**6,074**	**4,582**
Total equity		**1,264,691**	**1,222,520**
Total equity and liabilities		**2,952,878**	**2,767,751**

CONSOLIDATED CASH FLOW STATEMENT

TCHF	Note	2015	2014
Earnings before tax		139,076	67,996
Net gains from revaluation of investment properties	5	–34,742	–3,802
Share-based payments	18	1,354	759
Depreciation on property, plant and equipment and amortisation of lease incentives		2,572	2,398
Amortisation of intangible assets	25	541	408
Profit on disposal of investment properties	6	–63,751	–4,919
Loss on disposal/derecognition of property, plant and equipment		0	16
Share of profit of associates		–2,293	–1,831
Financial result	10	33,644	31,440
Changes			
• Trade receivables		111	19
• Trading properties		–1,187	49,360
• Other receivables and accrued income and prepaid expenses		1,163	71,237
• Employee benefit obligation		–340	177
• Trade payables		–3,381	7,137
• Advance payments from buyers		2,382	–6,496
• Other liabilities and accrued expenses and deferred income		1,068	6,849
Income tax paid		–16,208	–15,188
Net cash from operating activities		**60,008**	**205,559**
Investment in joint venture		0	–50
Acquisition of investment properties	5/33	–139,264	–206,104
Acquisition of property, plant and equipment	24	–1,165	–1,665
Acquisition of intangible assets	25	–1,846	–1,112
Disposal of financial assets	27	3	46
Disposal of investment properties less selling costs	5/6	236,596	68,329
Dividends received	26	1,150	670
Interest received		67	131
Net cash used in investing activities		**95,540**	**–139,755**
Proceeds from financial liabilities		7,560	348,419
Repayment of financial liabilities		–74,124	–297,704
Net cash from capital increases	14	45	62
Distribution of capital contribution reserves	14	–59,061	–59,029
Acquisition of non-controlling interests		–841	0
Acquisition of treasury shares	14	–253	–1,742
Interest paid		–33,358	–31,887
Net cash used in/from financing activities		**–160,032**	**–41,881**
Decrease in cash		**–4,484**	**23,923**
Cash at beginning of reporting period		227,380	203,458
Cash at end of reporting period		**222,897**	**227,380**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

TCHF	Note	Share capital	Treasury shares	Capital reserves	Hedging reserve	Other retained earnings	Total retained earnings	Equity attributable to the shareholders of Mobimo Holding AG	Non-controlling interests	Total equity
As at 1 January 2014		**180,220**	**–470**	**387,754**	**2,496**	**667,578**	**670,074**	**1,237,577**	**3,492**	**1,241,069**
Profit 2014						62,151	62,151	62,151	1,090	63,241
Cash flow hedges:	11									
• Change in fair value					–24,254		–24,254	–24,254		–24,254
• Transfer to income statement					–57		–57	–57		–57
Tax effects					5,379		5,379	5,379		5,379
Staff pension schemes:	17									
• Remeasurement						–3,612	–3,612	–3,612		–3,612
• Tax effects						704	704	704		704
Other comprehensive income		**0**	**0**	**0**	**–18,932**	**–2,908**	**–21,839**	**–21,839**	**0**	**–21,839**
Total comprehensive income		**0**	**0**	**0**	**–18,932**	**59,243**	**40,311**	**40,311**	**1,090**	**41,402**
Distribution of capital contribution reserves	14			–59,029				–59,029		–59,029
Capital increase		62						62		62
Share-based payments:	18									
• Board of Directors and management			1,897	–110		–1,028	–1,028	759		759
Acquisition of treasury shares	14		–1,742					–1,742		–1,742
As at 31 December 2014/1 January 2015		**180,282**	**–315**	**328,615**	**–16,436**	**725,793**	**709,357**	**1,217,938**	**4,582**	**1,222,520**
Profit 2015						103,937	103,937	103,937	1,044	104,981
Cash flow hedges:	11									
• Change in fair value					–6,035		–6,035	–6,035		–6,035
• Transfer to income statement					–59		–59	–59		–59
• Tax effects					1,343		1,343	1,343		1,343
Staff pension schemes:	17									
• Remeasurement						–714	–714	–714		–714
• Tax effects						139	139	139		139
Other comprehensive income		**0**	**0**	**0**	**–4,750**	**–575**	**–5,325**	**–5,325**	**0**	**–5,325**
Total comprehensive income		**0**	**0**	**0**	**–4,750**	**103,362**	**98,611**	**98,611**	**1,044**	**99,656**
Distribution of capital contribution reserves	14			–59,061				–59,061		–59,061
Capital increase	14	45						45		45
Share-based payments:	18									
• Board of Directors and management			306	23		1,024	1,024	1,354		1,354
Acquisition of treasury shares			–253					–253		–253
Non-controlling interests arising from acquisition									1,271	1,271
Purchase of non-controlling interests						–18	–18	–18	–823	–841
As at 31 December 2015		**180,327**	**–262**	**269,577**	**–21,187**	**830,162**	**808,975**	**1,258,617**	**6,074**	**1,264,691**

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

GENERAL INFORMATION

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 management of commercial, industrial and residential properties, the construction and selling of owner-occupied residential properties and the development of commercial and residential properties for its own portfolio and third-party investors.

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

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 reporting 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 sums and totals of the individual positions may be larger or smaller than 100% due to rounding.
The consolidated annual financial statements have been prepared at amortised cost, with the exception of investment properties, investment properties under construction and derivatives, which are recognised at fair value, and investments in associates and joint ventures, which are initially valued at cost and subsequently according to Mobimo's share of equity.

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 valuation of assets and liabilities are described in the following Notes:

- Fair value of investment properties, page 69
- Estimates of construction costs of trading properties, page 76
- Income tax, page 92

Changes in accounting policies

With effect from 1 January 2015, Mobimo now uses the following newly applicable or amended standards and interpretations:
Amendments to IAS 19 – Employee Benefits
Amendments to IFRS – Annual Improvements to IFRS 2010 – 2012
Amendments to IFRS – Annual Improvements to IFRS 2011 – 2013
These amendments had no impact on the consolidated annual financial statements for 2015.

Early application of the amendments to IAS 1

In an effort to display the information in a more comprehensible and structured way, Mobimo has decided to apply the amendments to IAS 1 – Presentation of Financial Statements early. Mobimo then divided the notes into what Mobimo considers relevant sections to facilitate an understanding of the company's income and financial situation. Similarly, for the purpose of facilitating comprehension, the accounting principles applied and material uncertainties regarding estimations are expounded at the beginning of each relevant note.

Standards/interpretations published but not yet applied

The following new and amended standards and interpretations were approved, but did not or will not take effect until a later date. They have not been adopted in advance in these consolidated annual financial statements. The impact on Mobimo's consolidated annual financial statements has not yet been systematically analysed. Consequently, their anticipated impact as disclosed in the footnotes to the table represents merely an initial estimate by the Executive Board.

Standard/Interpretation			Entry into force	Planned application by Mobimo (financial year)
Amendments to IFRSs 2012 – 2014	Annual Improvements to IFRSs 2012 – 2014 Cycle	*	01.01.2016	2016 financial year
Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations	*	01.01.2016	2016 financial year
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation	*	01.01.2016	2016 financial year
IFRS 15	Revenue from Contracts with Customers	**	01.01.2018	2018 financial year
IFRS 9	Financial Instruments	*	01.01.2018	2018 financial year
Amendments to IFRS 10 and IAS 28	Sales or contributions of assets between an investor and its associate/joint venture	*	to be decided	not defined

* No impact or no significant impact expected on Mobimo's consolidated annual financial statements.
** The potential impact is explained below.

IFRS 15 – Revenue recognition

IFRS 15 introduces a new approach to revenue recognition according to which revenue is recognised when control of a product or service passes to the customer (instead of the previous approach based on the time of the transfer of the risks and rewards of ownership).

This consequently also redefines the scope for the application of the percentage of completion (POC) method. Instead of the previous practice under IAS 11, the application of the POC method under IFRS 15 no longer depends on whether the contract in question is a specific construction contract negotiated with the customer but instead on whether the control has already been transferred. IFRS 15 makes a distinction between revenue recognition on a specific date and over time, with the latter corresponding to the POC method. While the provisions of IAS 17 (Leases) continue to apply to the rental of investment properties, which are consequently excluded from the new standard, IFRS 15 is to be applied to the sale of residential property and to development services for third-party investors.

Although Mobimo expects the changes to have no material impact on its development services for third-party investors, they could affect revenue recognition on the sale of condominiums. The current guidelines under IFRIC 15 specify that revenue is to be recognised on the transfer of material risks and rewards of ownership at the handover of the keys. According to the new standard, the definition criteria could be fulfilled based on the recognition of revenue for a particular period of time. Such recognition is to be applied in accordance with IFRS 15.35c, when performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed. Following notarisation of a purchase contract with the buyer, Mobimo is no longer able to place an alternative apartment at the buyer's disposal without breaching the contract, on which basis the criterion as regards alternative use can be deemed to be fulfilled. What is decisive therefore is whether the legal foundation in the Swiss Code of Obligations on which purchase contracts are based fulfil the criterion of an enforceable right to payment for work already performed to date. This point is currently being clarified. If this should be the case, revenue would have to be recognised as at the date of notarisation of the purchase contract for each individual apartment over the period in question. This would result in Mobimo's recognition of revenue and estimated share of profit for notarised apartments taking place during the progress of construction.

SEGMENT REPORTING

3. Segment reporting

The management structure of the Mobimo Group and thus the internal reporting to the Group's key decision-maker are based on the individual divisions.

The business activities of these two divisions can be described as follows:

Real Estate

The Real Estate division comprises the business areas Portfolio Management and Investments for Third Parties. Portfolio Management is responsible for the long-term, strategic development and the management of investment properties. It analyses the optimum use of residential, commercial and office properties on an ongoing basis, implements changes and processes buying and selling transactions. It also draws up the requirements for new properties within the context of portfolio management. Portfolio Management is also entrusted with managing and marketing investment properties and with tenant management.

The business area Investments for Third Parties offers development services for third parties up to and including turn-key real estate investments for institutional and private investors.

The Real Estate division consequently includes investment properties as well as properties and projects designated for development and sale to third-party investors.

Development

The Development division is responsible for developing and constructing new investment property for the company's own portfolio and for the construction and sale of condominiums (newbuilds and conversions). Its activities include preparing projects for sites and land to the point where they are ready for building permission to be granted, supervising building activity (typically in collaboration with a general contractor) and selling, including buyer management, in relation to condominium development. The Development division consequently includes properties under construction, properties designated for sale as residential property and development properties. The latter are properties with construction shortcomings or substantial vacancy rates, where vacancy is unlikely to be brought below 10 % on a long-term basis without significant refurbishment measures. Renovation or conversion plans are developed for these properties. On the basis of these plans, the properties are either reclassified as investment properties under construction or as trading properties or revert to commercial or residential properties. Land held for undetermined future use is likewise classified as development property.

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. Expenses in connection with the Board of Directors are not attributed to the segments, but are reported under Reconciliation.

Segment assets include trading properties, investment properties, owner-occupied properties and investment properties under construction. 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.

A further breakdown of income by property type (commercial, residential and trading properties) can be found in Note 4.

Segment information 2015

TCHF	Real Estate	Development	Total segments	Reconciliation	Total
Income from rental of properties	98,643	9,198	107,841		107,841
Net income from revaluation	24,989	9,753	34,742		34,742
Income from sale of trading properties and services	9,209	76,995	86,204		86,204
Profit on disposal of investment properties	63,751	0	63,751		63,751
Other income	1,212	0	1,212		1,212
Total segment income	**197,803**	**95,947**	**293,750**		**293,750**
Segment result EBIT[1]	**165,578**	**6,102**	**171,680**	**–1,253**	**170,427**
Share of profit of equity-accounted investees					2,293
Financial result					–33,644
Earnings before tax (EBT)					**139,076**
Tax					–34,095
Profit					**104,981**
Trading properties	62,531	164,033	226,564		226,564
Investment properties	2,117,128	142,470	2,259,598		2,259,598
Owner-occupied properties	15,269		15,269		15,269
Investment properties under construction		153,170	153,170		153,170
Total segment assets	**2,194,928**	**459,673**	**2,654,601**		**2,654,601**
Non-attributed assets				298,277	298,277
Total assets					**2,952,878**
Depreciation and amortisation	–1,003	–1,138	–2,140		–2,140
Investments in non-current assets	257,648	52,066	309,714	3,011	312,725

[1] Reconciliation EBIT is the compensation for the Board of Directors

Segment information 2014

TCHF	Real Estate	Development	Total segments	Reconciliation	Total
Income from rental of properties	97,841	7,292	105,133		105,133
Net income from revaluation	3,722	80	3,802		3,802
Income from sale of trading properties and services	55,431	101,952	157,383		157,383
Profit on disposal of investment properties	4,669	250	4,919		4,919
Other income	744	0	744		744
Total segment income	**162,407**	**109,574**	**271,981**		**271,981**
Segment result EBIT[1]	**90,706**	**8,199**	**98,905**	**–1,300**	**97,605**
Share of profit of equity-accounted investees					1,831
Financial result					–31,440
Earnings before tax (EBT)					**67,996**
Tax					–4,755
Profit					**63,241**
Trading properties	8,367	196,876	205,243		205,243
Investment properties	1,891,375	214,799	2,106,174		2,106,174
Owner-occupied properties	16,066		16,066		16,066
Investment properties under construction		142,260	142,260		142,260
Total segment assets	**1,915,808**	**553,935**	**2,469,743**		**2,469,743**
Non-attributed assets				298,008	298,008
Total assets					**2,767,751**
Depreciation and amortisation	–972	–951	–1,923		–1,923
Investments in non-current assets	133,769	72,543	206,312	2,777	209,089

[1] Reconciliation EBIT is the compensation for the Board of Directors.

INVESTMENT PORTFOLIO

4. Net rental income

Accounting principles

Income from the rental of investment properties includes net rental income, i.e. target rental income less rents lost due to vacancy rates. In the case of rental agreements classed as operating leases, rents are recognised on an accrual basis over the term of the lease. If the tenants are provided with significant incentives (e.g. tenant-specific finishings or rent-free periods), the cost of such incentives is recognised over the lease term on a straight-line basis as an adjustment of the rental income.

At present, Mobimo has no rental agreements classed as finance leases.

Direct expenses contains all costs relating to maintenance and administration (including building superintendent remuneration, marketing and property taxes) that cannot be passed on to tenants.

Rental income can be broken down as follows:

TCHF	2015	2014
Commercial properties	80,667	81,520
Residential properties	26,217	22,951
Income from rental of investment properties	**106,884**	**104,471**
Trading properties[1]	957	661
Total income from rental of properties	**107,841**	**105,133**
Commercial properties	–10,716	–14,241
Losses on receivables commercial properties	–45	–147
Residential properties	–2,840	–2,864
Losses on receivables residential properties	18	–31
Investment property expense	**–13,582**	**–17,282**
Rented trading properties[1]	–175	–257
Losses on receivables from trading properties[1]	–3	–37
Total expense for rented properties	**–13,761**	**–17,577**
Net rental income	**94,081**	**87,556**

[1] Rental income or expenses from development property.

The year-on-year increase in income from rented properties in 2015 is mainly attributable to first-time letting in the properties completed over the course of the current year in Lausanne, Rue Voltaire 2–12, and Regensdorf, Schul-/Riedthof-/Feldblumenstrasse, as well as to rental income recognised since the date of acquisition of the properties acquired through the acquisition of Dual Real Estate Investment SA.

Mobimo as landlord

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

TCHF	Commercial properties	Residential properties	2015 Total
Rental income within 1 year	72,402	2,483	74,884
Rental income within 2 to 5 years	184,121	5,734	189,855
Rental income in over 5 years	175,990	3,741	179,731
Total future rental income from non-cancellable rental agreements	**432,512**	**11,958**	**444,470**

TCHF	Commercial properties	Residential properties	2014 Total
Rental income within 1 year	72,356	1,520	73,876
Rental income within 2 to 5 years	201,488	3,321	204,809
Rental income in over 5 years	183,951	2,135	186,086
Total future rental income from non-cancellable rental agreements	**457,795**	**6,976**	**464,771**

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 factors including the mortgage interest rate (reference interest rate). As at 31 December 2015, 76.2 % (CHF 79.4 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 shares of rental income:

%	31.12.2015	31.12.2014
SV (Schweiz) AG	6.1	6.3
Swisscom Group	5.1	5.8
Coop	3.1	3.3
MIGROS	2.8	3.0
Rockwell Automation AG	2.7	3.0
Total	**19.8**	**21.4**

5. Investment properties

Critical estimates and assumptions

The properties are measured at fair value, determined in accordance with the provisions of IFRS 13. The valuations are based on various estimates and assumptions, which are explained in the Valuation details section of this Note. The sensitivity of the fair values of investment properties to a change in input factors and a quantitative analysis of the sensitivity of fair values to a change in the discount rate are also shown.

Accounting principles

The investment properties are classified as investment properties under IAS 40. Mobimo differentiates between the following categories of investment property:

Commercial properties

These are properties that have been either acquired or built by the company and that are held and managed over a substantial period of time and are not rented out by Mobimo to private individuals as living space. Rental agreements for commercial properties generally contain an index clause stating that rents may be increased on the basis of the consumer price index.

Residential properties

These are properties that have been either acquired or built by the company and that will be held and managed over a substantial period of time and rented out to private individuals as living space. Rent increases for residential properties are generally linked to factors including the mortgage interest rate (reference interest rate).

In the case of mixed use, properties in the case of which more than 50% of rental income is generated from the rental of apartments are reported as residential properties and properties in the case of which more than 50% of rental income results from the rental of commercial premises are recognised as commercial properties.

Development properties

These include properties with construction shortcomings or substantial vacancy rates, where vacancy is unlikely to be brought below 10% on a long-term basis without significant refurbishment measures. Renovation or conversion plans are developed for these properties. On the basis of these plans, the properties are either reclassified as investment properties under construction or as trading properties or revert to commercial or residential properties. Land held for undetermined future use is likewise classified as development property.

Investment properties under construction

Properties are classified as investment properties under construction as soon as building permission has been granted and construction is to start in the near future. Following completion, the property is reclassified as either residential or commercial property.

Investment properties are initially valued at cost at the time of initial recognition including directly attributable transaction costs. After initial recognition, they are recognised at fair value and the changes in value are recognised in the income statement. To this end, an independent property expert conducts a valuation as at the reporting date. Fair value is determined on the basis of IFRS 13 (see Valuation details section).

Investment properties developed as follows:

TCHF	Commercial properties	Residential properties	Development properties	Investment properties under construction	2015 Total
Market value as at 1 January	**1,364,484**	**526,891**	**214,799**	**142,260**	**2,248,434**
Acquisition costs					
As at 1 January	1,197,116	436,451	226,883	137,163	1,997,612
Increases from purchases	12,140	234,022	0	0	246,162
Increases from investments	9,081	1,656	18,039	32,019	60,795
Capitalisation of borrowing costs	0	0	1,110	898	2,008
Capitalisation/amortisation of lease incentives	–107	–117	0	0	–224
Disposals	–28,845	–132,601	0	0	–161,446
Transfers to trading properties	0	0	–6,953	0	–6,953
Transfers to property, plant and equipment	0	0	–467	0	–467
Transfers between categories	455	92,768	–77,012	–16,212	0
Cumulative acquisition costs as at 31 December	**1,189,840**	**632,180**	**161,599**	**153,867**	**2,137,486**
Revaluation					
Total as at 1 January	167,368	90,440	–12,084	5,097	250,822
Gains on valuations[1]	33,245	33,300	393	24,246	91,184
Losses on valuations[1]	–36,218	–5,338	–7,737	–7,150	–56,442
Disposals[2]	3,242	–12,527	0	0	–9,285
Transfers to trading properties	0	0	–997	0	–997
Transfers between categories	–466	22,062	1,295	–22,891	0
Cumulative revaluation as at 31 December	**167,171**	**127,937**	**–19,129**	**–697**	**275,282**
Market value as at 31 December	**1,357,011**	**760,117**	**142,470**	**153,170**	**2,412,768**

1 Corresponds to the sum of "Gains from revaluation of investment properties" and "Losses on revaluation of investment properties" in the income statement and represents the unrealised gains on properties that were in the investment portfolio as at the end of the year under review.
2 Included as a realised gain in "Profit on disposal of investment properties" in the income statement.

TCHF	Commercial properties	Residential properties	Development properties	Investment properties under construction	2014 Total
Market value as at 1 January	**1,150,158**	**410,747**	**214,130**	**327,500**	**2,102,535**
Acquisition costs					
As at 1 January	979,141	330,855	222,322	313,476	1,845,793
Increases from purchases	107,960	0	3,365	0	111,324
Increases from investments	17,253	7,953	17,766	49,092	92,063
Capitalisation of borrowing costs	0	0	859	1,162	2,021
Capitalisation/amortisation of lease incentives	–797	519	0	298	21
Disposals	–49,017	–4,593	0	0	–53,610
Transfers between categories	142,577	101,717	–17,428	–226,865	0
Cumulative acquisition costs as at 31 December	**1,197,116**	**436,451**	**226,883**	**137,163**	**1,997,612**
Revaluation					
Total as at 1 January	171,017	79,892	–8,191	14,024	256,742
Gains on valuations[1]	8,304	11,123	2,027	7,348	28,802
Losses on valuations[1]	–15,124	–581	–5,366	–3,930	–25,000
Disposals[2]	–5,635	–4,087	0	0	–9,722
Transfers between categories	8,806	4,093	–555	–12,345	0
Cumulative revaluation as at 31 December	**167,368**	**90,440**	**–12,084**	**5,097**	**250,822**
Market value as at 31 December	**1,364,484**	**526,891**	**214,799**	**142,260**	**2,248,434**

1 Corresponds to the sum of "Gains from revaluation of investment properties" and "Losses on revaluation of investment properties" in the income statement and represents the unrealised gains on properties that were in the investment portfolio as at the end of the year under review.
2 Included as a realised gain in "Profit on disposal of investment properties" in the income statement.

Changes in the year under review

The increases from purchases in the year under review were recorded in relation to the acquisition of Dual Real Estate Investment SA. In total, Mobimo acquired 27 investment properties: 2 commercial and 25 residential. Further details can be found in Note 33.

Further details of the properties sold can be found in Note 6.

The following properties are shown under transfers:

from	to
Kriens, Mattenhof II	
Development properties	Trading properties
Kriens, Mattenhof I (Project costs)	
Development properties	Property, plant and equipment
Kriens, Sternmatt 6 – Trakt C (car park; prior year part of Kriens, Sternmatt 6)	
Commercial properties	Investment properties under construction
Aarau, Baufeld 2 (Torfeld Süd)	
Development properties	Investment properties under construction
Lausanne, Rue Voltaire 2 – 12	
Investment properties under construction	Residential properties
Regensdorf, Schulstrasse	
Investment properties under construction	Residential properties
Zurich, Albula-/Hohlstrasse	
Development properties	Investment properties under construction

Valuation details

The valuation of investment properties is carried out in accordance with the provisions of IFRS 13, under which fair value is defined as the price that would be received when selling an asset or that would be paid when transferring a liability in an orderly transaction between market participants on the measurement date. For non-financial assets, management has to assume the “highest and best use” by a market participant, which may differ from its current use. Under IFRS 13, valuation techniques are categorised into three levels in a fair value hierarchy depending on the extent to which fair value is based on observable input factors.

Level 1: inputs that result from unadjusted, quoted prices
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 not based on observable market data

The valuation of investment properties is carried out using the discounted cash flow method (DCF), according to which a property’s fair value is determined by calculating the sum of income (rental income less operating and maintenance costs), discounted to the reporting date, that is expected to be generated in the future. In the case of development properties and properties under construction, the construction costs still to be incurred until completion must be taken into account. The discount rate applied to each property is market-derived and risk-adjusted and is dependent on individual opportunities and risks. The fair value estimates as at 31 December 2015, excluding the properties acquired through the acquisition of Dual Real Estate Investment SA, were produced by Wüest & Partner (W&P). The fair value estimates as at 31 December 2015 as regards the properties acquired through the acquisition of Dual Real Estate Investment SA were produced by Jones Lang LaSalle AG (JLL). Both valuers are external, independent and certified real estate appraisers. Based on the real estate values as at 31 December 2015, 90 % of the value was calculated by Wüest & Partner AG (prior year: 100 %) and 10 % by Jones Lang LaSalle AG (prior year: 0 %).
As input factors with a material impact, such as discount rates, market rents/net sale proceeds and structural vacancy rates, generally have to be derived from information from less active markets, the valuations of all properties were categorised as Level 3.

The following information on rental income, operating and maintenance costs, construction costs and discounting relate to the valuations by Wüest & Partner AG, which are very similar to those applied by Jones Lang LaSalle AG. Further details on the valuation methods can be found in the reports of the real estate valuers on pages 123 to 127 for Wüest & Partner AG and pages 128 to 131 for Jones Lang LaSalle AG.

Rental income

Rents are factored into valuations on the basis of contractually agreed conditions. For rental agreements of limited duration, the potential rental income attainable over the long term, from the current perspective, is applied in the valuation on expiry of the contractually agreed rental period. Potential rental income that is in line with the market is determined on the basis of the most recent rental agreements concluded either for the property concerned or for comparable properties in its immediate vicinity, and of the comprehensive real estate market research carried out by Wüest & Partner AG. The plausibility of potential rental income from retail space is checked using calculations of market-standard turnover figures. For those existing leases, which include several different uses, the potential rents are calculated separately for each individual use. Genuine tenants’ options to extend a lease are taken into account when actual rents are less than the market rents determined. Non-genuine options where provisions are in place for rents to be adjusted in line with market rents prevailing at a specific time are incorporated into the valuations as fixed-term rental agreements, as described above. For rental agreements of unlimited duration, as is common with residential use, adjustments in line with the potential rental income calculated take account of general conditions under rental law and property-specific fluctuations.

Operating and maintenance costs

In the case of operating costs it was assumed that separate ancillary cost statements are issued and that the ancillary costs are consequently passed on in full to tenants.
Maintenance costs (servicing and repairs) were calculated using a building analysis tool that determines the residual life of the individual construction components on the basis of an analysis of the building's current condition, models periodic renovations and calculates the associated annuities. The values arrived at are plausibility-tested using the cost benchmarks compiled by Wüest & Partner AG.

Construction costs (development properties and investment properties under construction)

The construction cost estimates are based on the financial forecasts for the individual projects (where available) and are independently evaluated. Where the construction costs are already secured by means of service contracts with general and full-service contractors, these are used in the measurement.

Discounting

Discounting is undertaken 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 discount rates applied are verified empirically on the basis of known changes of ownership and transaction data.

Non-observable input factors

Non-observable input factors with a material impact have been identified as market rents, vacancy rates and discount rates. In the case of properties valued on the basis of their being sold as condominiums in accordance with the assumption of the highest and best use, condominium sale prices and not market rents are the most important input factor. The applied input factor values are summarised in the table below. The applied discount rates are shown separately for each valuer.

Asset class/level/ valuation method	Fair value in CHF million	Non observable input factors	Ranges (weighted average) 2015	Ranges (weighted average) 2014
Commercial investment properties Level 3 DCF	2015: 1,357 2014: 1,364	Discount rates W&P	3.50% to 5.40% (4.32%)	3.60% to 5.40% (4.51%)
		Discount rates JLL	4.00% to 5.80% (4.13%)	n/a
		Achievable long-term market rents	CHF 110 to CHF 1.145 (CHF 245)	CHF 108 to CHF 1.145 (CHF 237)
		Structural vacancy rates	0,0% to 11.0% (4.4%)	2.0% to 12.0% (4.2%)
Residential investment properties Level 3 DCF	2015: 760 2014: 527	Discount rates W&P	2.90% to 4.30% (3.48%)	3.80% to 4.60% (4.03%)
		Discount rates JLL	3.70% to 4.10% (3.85%)	n/a
		Achievable long-term market rents	CHF 166 to CHF 412 (CHF 310)	CHF 167 to CHF 406 (CHF 309)
		Structural vacancy rates	0.3% to 5.9% (2.1%)	1.0% to 5.5% (2.6%)
Commercial development properties Level 3 DCF	2015: 142 2014: 215	Discount rates W&P	4.30% to 5.60% (4.80%)	4.20% to 5.60% (4.62%)
		Achievable long-term market rents	CHF 138 to CHF 757 (CHF 231)	CHF 138 to CHF 356 (CHF 242)
		Structural vacancy rates	3.3% to 12.3% (5.6%)	1.6% to 11.8% (3.5%)
Commercial investment properties under construction Level 3 DCF	2015: 153 2014: 142	Discount rates W&P	3.30% to 5.00% (3.78%)	4.00% to 4.80% (4.22%)
		Achievable long-term market rents	CHF 180 to CHF 323 (CHF 283)	CHF 173 to CHF 374 (CHF 264)
		Structural vacancy rates	2.0% to 10.0% (3.1%)	1.2% to 4.0% (2.2%)

In the case of properties valued on the basis of their being sold as condominiums in accordance with the assumption of the highest and best use (two residential properties), sale proceeds of CHF 6,600 to CHF 7,800 per m^2 of living space (prior year: CHF 6,600 to CHF 12,400) were used, after taking corresponding investments into account. An average discount rate of 4.08% (prior year: 4.39%) within a range of 2.90% to 5.60% (prior year: 3.60% to 5.60%) was applied to all DCF valuations across all investment categories as at 31 December 2015.
The current use of two (prior year: five) residential investment properties as rental properties does not correspond to highest and best use. Their valuation was based on their development into owner-occupied residential property. This results in a gain of CHF 4.4 million (prior year: CHF 20.4 million) based on a fair value for these properties of CHF 53.9 million (prior year: CHF 250.1 million). Compared with the previous year, two fewer properties were measured as conversions to residential property and one property was sold in the year under review. Mobimo's strategy includes holding residential investment properties to generate stable, sustainable income from rent. However, Mobimo constantly reviews the current use of these and all other properties in the portfolio and develops strategies for their optimum use.

Sensitivity of input factors

Fair value increases with lower discount rates and structural vacancy rates and with higher market rents and sale prices. The economic environment can be considered as exerting the greatest influence on input factors, with the factors outlined above influenced to varying degrees by market developments. Any intensification of pressure on market rents by negative economic sentiment is usually accompanied by a rise in property vacancy rates. At the same time, low interest rates usually prevail in such market circumstances, which have a positive impact on discount rates. To an extent, therefore, changes to input factors offset each other.

Ongoing optimisation measures made to Mobimo's property portfolio (e.g. conclusion/extension of long-term rental agreements, investments in the development of rental space, etc.) provide a cushion against such short-term market shocks, which impact mainly on market rents and vacancy rates. The individual risk-adjusted discount rate of each property is, as already mentioned, in line with the return expectations of the investors or market participants in question and can only be influenced by Mobimo to a limited extent.

It is observable on the real estate market at present that, owing to the current negative interest rate environment, institutional investors are in some cases buying properties at good locations offering very low yields, their hands forced by the dearth of other investment options. This unforeseeable investor behaviour could result in some properties fetching higher sales prices than their most recent estimates of market value.

A sensitivity analysis checked the impact of an increase or decrease in the discount rates used in the DCF valuation. A general reduction of 0.25 percentage points in the discount rate would increase the current fair value of the investment properties as at 31 December 2015 by 6.7 % or CHF 163 million. A general increase of 0.25 percentage points in the discount rate would reduce the current fair value of the investment properties as at 31 December 2015 by 6.1 % or CHF 146 million.

Further sensitivity analysis findings can be found in the table below.

Change in discount rate in basis points	Change in fair value in % at 31.12.2015	Change in fair value in CHF million at 31.12.2015	Change in fair value in % at 31.12.2014	Change in fair value in CHF million at 31.12.2014
–0.40	11.2 %	270	9.4 %	233
–0.30	8.2 %	198	7.1 %	171
–0.25	**6.7 %**	**163**	**5.9 %**	**141**
–0.20	5.3 %	129	4.7 %	112
–0.10	2.6 %	63	2.4 %	55
Average discount rate as at 31 December	**0.0 %**	**–**	**0.0 %**	**–**
0.10	–2.5 %	–60	–2.4 %	–53
0.20	–4.9 %	–118	–4.8 %	–103
0.25	**–6.1 %**	**–146**	**–6.0 %**	**–128**
0.30	–7.2 %	–174	–7.2 %	–152
0.40	–9.4 %	–227	–9.7 %	–198

Capital commitments

As at 31 December 2015, capital commitments for future construction investments in investment properties totalled CHF 116.1 million (prior year: CHF 35.6 million). These commitments relate to the agreements concluded in relation to the construction and development of investment properties under construction in Aarau, Site 2 (Torfeld Süd); Kriens, Sternmatt 6–Block C (multi-storey parking); Zurich, Albulastrasse; Hohlstrasse and Zurich, Letzigraben 134 – 136 and the development property Kriens, Mattenhof I.

6. Profit on disposal of investment properties

Accounting principles

Gains from the disposal of investment properties correspond to the difference between the net proceeds and the fair value recognised as well as attributable sales costs (e.g. notary and land registry fees). Disposals are recognised on the date when control and risks are transferred, which usually corresponds to the date of entry in the land register.

Income from disposals can be broken down as follows:

TCHF	2015	2014
Sales proceeds investment properties	236,750	69,030
Carrying amount	–170,731	–63,529
Sales costs	–2,268	–582
Profit on disposal of investment properties	**63,751**	**4,919**

In the year under review, the following properties were sold:

Investment property	Category of investment property
Aesch, Pfeffingerring 201	Commercial property
Bülach, Bahnhofstrasse 39	Commercial property
Horgen, Seestrasse 43 – 49	Residential property
Horgen, Seestrasse 63 – 69	Residential property
Zurich, Turbinenstrasse 22 – 32	Residential property

TRADING PROPERTIES & SERVICES

7. Profit on sale of trading properties and services

Accounting principles

In accordance with the provisions of IFRIC 15, sales proceeds from the sale of condominiums are recognised after construction is completed, at the point when control and the significant risks and rewards of ownership are transferred.
The recognition of the proceeds generated in Investments for Third Parties is dependent on the contractually agreed services and conditions, whereby revenue from pure service contracts is recognised pursuant to the percentage of completion on the reporting date.

Profit on the sale of trading properties and services comprises the following:

TCHF	2015	2014
Proceeds from sale of trading properties and services	**86,204**	**157,383**
Construction costs of trading properties sold and expenses from services	–79,081	–133,736
Changes in valuation allowances	–1,580	1,300
Total expenses from sale of trading properties and services	**–80,661**	**–132,436**
Profit on sale of trading properties and services	**5,543**	**24,947**

A total of 62 apartments (prior year: 68) were sold during the year under review. This profit also includes the sale of land at Uetikon am See, Tramstrasse 12 (classified as a development property in the prior year), as well as the sale of land at Killwangen, Zürichstrasse, for Investments for Third Parties. No revenue was recorded from service contracts (POC) for the year under review or the prior year. Prior-year figures, however, include the sale of the developed building project including the land Dübendorf, Sonnentalstrasse 10 under Investments for Third Parties.

8. Trading properties

Critical estimates and assumptions

A financial forecast is drawn up for each construction project, in which overall costs and sales proceeds are budgeted for. Budgeted overall costs and planned sales prices are determined on the basis of various factors and assumptions. These include past experience, project specifications for the properties, benchmark values for construction costs and other relevant factors such as the planned construction period. Financial forecasts are reviewed on an ongoing basis and adjusted where necessary.

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

Accounting principles

Trading properties are development properties and new-builds where Mobimo assumes the production of residential property and subsequently sells them. Trading properties also include properties that Mobimo has acquired as part of projects for Investment for Third Parties and that it intends or has contractually agreed to sell to third-party investors in the future or other properties held for resale.
Trading properties are valued at the lower of cost or market. With loss-making properties, provisions are created immediately for the final loss.
Plots that are already owned by Mobimo and advance payments for notarised land purchases, as well as the development costs incurred, are classified as land/development projects if the project is expected to be realised but construction work has not yet begun.
Projects that are currently under way and the construction of which is not yet complete are recognised as properties under construction.
Properties that are structurally complete or completed properties that have been acquired for immediate resale are classified as completed real estate. Condominiums for sale are classified as completed real estate at the latest upon their first transfer of ownership, with any costs still outstanding being recognised at this point in time. Development properties are properties that have been acquired with the intention of developing them and selling them on to third parties but are still being let at the reporting date. A property is reclassified if it is demolished or converted.

The recognised portfolio of properties comprises the following:

TCHF	2015	2014
Land/development projects	42,181	25,028
Properties under construction	88,101	95,154
Completed real estate and development properties	96,281	85,061
Total trading properties	**226,564**	**205,243**

The development property Kriens, Mattenhof II was reclassified in the year under review from investment property to land/development projects under trading properties, as there are plans to sell this property together with the construction project to a third-party investor (see the information under Events after the reporting date in Note 35). Furthermore, notarised purchase agreements for the Zurich, Allmendstrasse 92 – 96 and Langenthal, Kühlhausstrasse 8 sites have been concluded for Investments for Third Parties. A construction project is being developed for each of the two sites. The transfers of ownership and payment of the residual or full purchase price will proceed at a later stage.

The projects Regensdorf, Im Pfand 2 and Meilen, Feldgüetliweg 143/145 were completed during the course of the year. A total of 59 apartments were completed for sale within the scope of these two projects. Ownership of 46 of these 59 apartments had been transferred as at 31 December 2015.

From projects completed in previous years, 12 apartments were sold from the Zurich, Badenerstrasse 595 project and three apartments from the Zurich, Turbinenstrasse (Mobimo Tower) project, as well as the final apartment in the Zurich, Im Brächli 5/7/9 project. The Uetikon am See, Tramstrasse 12 property was also sold in the year under review. The Allaman, Chemin de Grangettes 2 property was acquired as a development property. A project is currently being developed for this property, part of which is let to a logistic company.

On trading properties, valuation allowances for properties that have not yet been sold totalled CHF 2.6 million (prior year: CHF 1.0 million). The carrying amount for these units measured at their estimated net selling price is CHF 8.4 million (prior year: CHF 8.4 million).

9. Advance payments from buyers

Accounting principles

Advance payments from buyers are recognised at the nominal amount and are reclassified as income from the sale of trading properties and services in the event of a transfer of ownership.

Advance payments from buyers of CHF 12.4 million (prior year: CHF 10.0 million) include CHF 9.8 million (prior year: CHF 10.0 million) of reservation payments from purchasers of condominiums and CHF 2.6 million (prior year: CHF 0) of advance payments from third-party investors in Investments for Third Parties prior to transfer of ownership.

FINANCING & RISK MANAGEMENT

10. Financial result

Accounting principles

Interest on loans taken out to finance construction projects (trading properties and investment properties under construction) is capitalised over the construction period.

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

The financial result in the year under review can be broken down as follows:

TCHF	2015	2014
Financial income		
Interest on bank and other deposits	77	144
Interest on loans and debt instruments	0	1
Total interest income	**77**	**145**
Dividend income from financial assets	107	107
Income from financial instruments (derivatives)	374	0
Gains from sale of financial assets	1	25
Total financial income	**559**	**277**
Financial expense		
Interest expense	–29,904	–29,202
Cost of financial instruments (derivatives)	–952	–2,257
Other financial charges	–3,347	–259
Total financial expense	**–34,203**	**–31,718**
Total financial result	**–33,644**	**–31,440**

In the 2015 financial year, a total of CHF 3.4 million (prior year: CHF 4.1 million) in borrowing costs was capitalised under trading properties, development properties and investment properties under construction. The average rate of interest for the capitalised interest was 2.47 % (prior year: 2.51 %).

11. Financial liabilities and derivative financial instruments

Accounting principles

Financial liabilities

Financial liabilities consist of outstanding bonds and mortgage-secured bank loans. A long-term financial liability is one on which the agreed residual maturity is longer than 12 months. All other agreements are classified as short term, including amortisation payments that are due within 12 months of the reporting date.

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

Derivative financial instruments

Mobimo uses derivative financial instruments (e.g. interest rate swaps and forward rate agreements) to hedge the interest rate risks of financial liabilities.

Derivative financial instruments are measured at fair value at initial recognition and thereafter. Gains and losses from adjustments to fair values are treated as follows:
The 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 the fair values of derivatives is recognised in other comprehensive income (equity) and not recognised in profit or loss. The ineffective portion is recognised directly in the income statement. As soon as the hedged transactions (interest payments) take place, accumulated unrealised gains and losses are transferred to the income statement and recognised in the financial result.
Changes in fair values of all other derivatives are recognised in profit or loss in the financial result.

The financial liabilities can be broken down as follows:

TCHF	31.12.2015	31.12.2014
Fixed-rate mortgage amortisation due within 12 months	10,313	3,675
Mortgages due for extension or repayment within 12 months	14,090	18,771
Total current financial liabilities	**24,403**	**22,446**
Mortgages	829,801	758,279
Bonds	512,453	511,954
Total non-current financial liabilities	**1,342,254**	**1,270,232**
Total financial liabilities	**1,366,657**	**1,292,678**
Interest rate swaps applying hedge accounting	29,000	22,115
Interest rate swaps through P&L	9,997	10,270
Total non-current derivative financial instruments	**38,998**	**32,385**

The following bonds are included under non-current financial liabilities:

TCHF	1.5 % bond (2013 – 2018)	1.625 % bond (2014 – 2021)	1.875 % bond (2014 – 2024)	Total
Net proceeds from issuance	164,158	197,967	149,452	511,577
Cumulative amortisation of issuance costs	191	171	15	377
Carrying amount 1 January 2015	164,349	198,138	149,467	511,954
Amortisation of issuance costs	166	281	52	499
Carrying amount 31 December 2015	164,515	198,419	149,519	512,453

Features	1.5 % bond (2013 – 2018)	1.625 % bond (2014 – 2021)	1.875 % bond (2014 – 2024)
Volume:	CHF 165 million	CHF 200 million	CHF 150 million
Term:	5 years (29 October 2013 – 29 October 2018)	7 years (19 May 2014 – 19 May 2021)	10 years (16 September 2014 – 16 September 2024)
Interest rate:	1.5 % p.a., payable annually on 29 October, with the first payment on 29 October 2014	1.625 % p.a., payable annually on 19 May, with the first payment on 19 May 2015	1.875 % p.a., payable annually on 16 September, with the first payment on 16 September 2015
Effective rate of interest:	1.6070 %	1.7921 %	1.9264 %
Listing:	SIX Swiss Exchange	SIX Swiss Exchange	SIX Swiss Exchange
Swiss security no.:	22492349	24298406	25237980

Mobimo has also concluded separate interest rate hedges (interest rate swaps) totalling CHF 195.2 million (prior year: CHF 195.5 million). These are used to hedge loans in the form of fixed advances (terms of three to six months) against rising interest rates. Of these, CHF 128.9 million (prior year: CHF 129.2 million) are classified as cash flow hedges. The fair value of these instruments with a negative replacement value was CHF 29.0 million (prior year: CHF 22.1 million). The change in value is divided into an effective and an ineffective portion. The effective portion of the fair value adjustments of CHF 6.0 million (prior year: CHF 24.3 million) was recognised under other comprehensive income in equity. The ineffective portion of CHF 0.9 million (prior year: CHF 0.7 million) was recognised in the income statement. There are also a further CHF 66.3 million (prior year: CHF 66.3 million) of interest rate hedges not classified as cash flow hedges. The fair value of interest rate swaps with a negative replacement value not held for hedge accounting purposes is CHF 10.0 million (prior year: CHF 10.3 million). Fair value adjustments of CHF –0.3 million (net) were thus recognised in profit or loss. As at 31 December 2015, the fair value of all derivatives thus stood at CHF 39.0 million (prior year: CHF 32.4 million).

Financial liabilities as at the reporting date comprised the following maturities, taking into account interest rate hedging, i.e. the maturities of designated swaps are taken into account instead of the maturities of fixed advances:

TCHF	31.12.2015	31.12.2014
Due within 1st year	24,403	22,446
Due within 2nd year	75,064	15,383
Due within 3rd year	191,600	73,624
Due within 4th year	65,317	201,056
Due within 5th year	115,278	74,377
Due within 6th year	261,869	134,713
Due within 7th year	150,799	260,323
Due within 8th year	37,117	54,172
Due within 9th year	151,021	13,665
Due within 10th year	1,502	151,232
Due within 11th year and longer	292,687	291,688
Total financial liabilities	**1,366,657**	**1,292,678**

The average residual term of overall financial liabilities is 7.7 years (prior year: 8.6 years).

Interest rate periods are as follows (composition until next interest rate adjustment/taking into account interest rate hedging):

TCHF	31.12.2015	31.12.2014
Up to 1 year	24,403	22,446
Up to 2 years	75,064	15,383
Up to 3 years	191,600	73,624
Up to 4 years	65,317	201,056
Up to 5 years	115,278	74,377
Over 5 years	894,995	905,792
Total financial liabilities	**1,366,657**	**1,292,678**

Certain mortgage interest rates were formerly partially 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 fair value in accordance with IAS 39. Some of these forward rate agreements were classified as cash flow hedges pursuant to IAS 39, and fair value adjustments relating to the effective portion of the hedge were recognised directly in equity via a separate item (hedging reserve). When the hedged interest cash flows occur, accumulated unrealised gains or losses are transferred to the income statement. This applies until 2022. TCHF 59 was reposted to the income statement in the year under review (prior year: TCHF 57). As at 31 December 2015 and 2014, 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.

As at 31 December 2015, taking current interest rate swaps into account, all financial liabilities were subject to fixed interest rates (as in the prior year), with none of them bearing variable rates. In addition to variable-rate mortgages and rollover mortgages, loans with a total maturity of less than one year (fixed advances) count as variable; property financing for construction projects is included under building loans. This does not include property financing for properties which were not yet classified as investment properties under construction at the time the financing was concluded and were reclassified as investment properties under construction during the term of the existing financing.

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

%	2015	2014
Financial liabilities excluding building loans:		
• fixed rate of interest	2.46	2.60
• variable rate of interest	–	0.54
Building loans:		
• variable rate of interest	–	0.77
Total average rate of interest	**2.46**	**2.51**

12. Pledged assets/assets not freely disposable

The carrying amount of pledged assets is as follows:

TCHF	2015	2014
Trade receivables	170	148
Investment properties and investment properties under construction	2,076,910	1,815,273
Owner-occupied properties	15,269	16,066
Carrying amount of pledged assets	**2,092,350**	**1,831,488**

This is the carrying amount of those assets that are pledged either in full or in part for the purpose of securing bank mortgage loans and free limits. These assets were encumbered with mortgages totalling CHF 854.2 million (prior year: CHF 780.7 million) (see Note 11).

13. Cash

Accounting principles

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.

Cash comprises cash holdings and current account deposits of CHF 172.9 million (prior year: CHF 177.4 million) and money market account deposits of CHF 50 million (prior year: CHF 50 million) held at Swiss banks. The maximum notice period for withdrawals from money market accounts is 35 days.
The average rate of interest applicable to cash was 0.00 % (prior year: 0.01 %).

14. Equity

Accounting principles

Share capital

Share capital is reported as equity since there is no repayment obligation and no dividend guarantee. Transaction costs incurred during a capital increase that can be attributable directly to the issuing of new shares are deducted from the amount of the capital increase less associated income tax.
Dividends are reported as liabilities as soon as they are approved by the General Meeting and are thus due.

Treasury shares

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

Equity holding

Changes in shares outstanding can be summarised as follows:

No. of shares	Shares issued	Treasury shares	Shares outstanding
As at 1 January 2014	**6,214,478**	**–2,148**	**6,212,330**
Issue of shares from conditional capital for options exercised	2,128		2,128
Share-based payments to Board of Directors and management		9,525	9,525
Acquisition of treasury shares		–9,000	–9,000
As at 31 December 2014/ 1 January 2015	**6,216,606**	**–1,623**	**6,214,983**
Issue of shares from conditional capital for options exercised	1,564		1,564
Share-based payments to Board of Directors and management		1,576	1,576
Acquisition of treasury shares		–1,200	–1,200
As at 31 December 2015	**6,218,170**	**–1,247**	**6,216,923**

Capital structure

Capital as at 31 December 2015	TCHF	Number of registered shares	Nominal value per share (CHF)
Share capital	180,327	6,218,170	29.00
Authorised capital (until 26 March 2017)	max. 33,093	1,141,150	29.00
Conditional capital	max. 34,035	1,173,634	29.00

Capital as at 31 December 2014	TCHF	Number of registered shares	Nominal value per share (CHF)
Share capital	180,282	6,216,606	29.00
Authorised capital (until 9 April 2015)	max. 33,093	1,141,150	29.00
Conditional capital	max. 34,142	1,175,198	29.00

1,564 option rights (prior year: 2,128) were exercised in the year under review, leading to a CHF 0.05 million increase (prior year: CHF 0.06 million) in share capital.

There is also conditional share capital of a maximum of CHF 34.0 million for the issue of up to 1,173,634 fully paid-up registered shares with a nominal value of CHF 29.00 each, of which

- up to CHF 0.001 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 33.1 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 33.1 million within two years at most (up to March 2017) via the issue of a maximum of 1,141,150 registered shares, to be fully paid up, with a nominal value of CHF 29.00 per share.

The CHF 33.1 million of conditional and authorised capital are linked together in that upon using this authorised capital, conditional capital will no longer be available in the same amount to the Board of Directors. The same applies in the reverse scenario; if this conditional capital is used, the same amount of the authorised capital will no longer be available.

Dividend

The Annual General Meeting of 26 March 2015 approved a distribution from the capital contribution reserves of CHF 9.50 per share for the 2014 financial year, which was paid on 7 April 2015. The nominal value of Mobimo shares remains at CHF 29.00.

The Board of Directors will propose to the upcoming General Meeting of 29 March 2016 a distribution of CHF 62.2 million in the form of a distribution of paid-in capital of CHF 10.00 per share.

Over the past five years, the dividend yield (capital contribution or nominal value repayment), taking account of the planned distribution for the financial year, has averaged about 4.6 % (prior year: 4.6 %).

15. Financial risk management

Through its activities, Mobimo is exposed to various financial risks. These can be summarised as credit risks, liquidity risks and market risks. Of the various market risks, interest rate risk is particularly significant.

Risk management is assured by Internal Controlling. Internal Controlling operates in accordance with the principles of Mobimo's risk management concept, which are monitored by the Audit and Risk Committee.

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 that make up the integrated management system.

The following paragraphs provide an overview of the exposure to each of the individual financial risks together with information on the objectives, policies and processes for measuring, monitoring and hedging risks as well as on capital management within the Group. Further information on financial risks can be found elsewhere in the Notes.

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. Trade receivables are receivables from property sales and from rental agreements. Property sales are exposed to only limited credit risk, since these sales are based on a publicly certified purchase agreement that is regularly secured via an irrevocable promise to pay. With rental agreements, credit risk is reduced via creditworthiness checks and by monitoring 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 that 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:

TCHF	Carrying amounts 2015	Carrying amounts 2014
Cash (bank deposits)	222,897	227,380
Trade receivables	3,839	3,832
Other receivables[1]	1,068	2,944
Accrued income[2]	3,116	3,280
Total	**230,919**	**237,437**

[1] Not including tax receivables, receivables in connection with social security and advance payments.
[2] Not including prepaid expenses.

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 refinanced where necessary via medium to long-term loans, and residential development properties via short-term loans. If required, Mobimo can also obtain financing by issuing bonds. Liquidity is managed via a liquidity planning tool, in combination with a mortgage database.

The table below sets out the contractual maturities (including interest) of the financial liabilities held by Mobimo. Future variable rates of interest have been estimated using the yield curve as at the reporting date.

TCHF	Carrying amount 2015	Contractual cash flows	1 month or less	1 – 3 months	3 – 12 months	1 – 5 years	Over 5 years
Non-derivative financial liabilities							
Trade payables¹	6,724	6,724		6,724			
Other payables²	4,887	4,887		4,887			
Accrued expenses and deferred income³	17,772	17,772		17,772			
Financial liabilities	1,366,657	1,616,612	178	13,211	43,056	552,985	1,007,182
Derivative financial liabilities							
Interest rate swaps	38,998	39,811	181	1,283	4,527	19,671	14,148
Total	**1,435,038**	**1,685,805**	**359**	**43,877**	**47,583**	**572,656**	**1,021,330**

TCHF	Carrying amount 2014	Contractual cash flows	1 month or less	1 – 3 months	3 – 12 months	1 – 5 years	Over 5 years
Non-derivative financial liabilities							
Trade payables¹	12,366	12,366		12,366			
Other payables²	1,147	1,147		1,147			
Accrued expenses and deferred income³	14,943	14,943		14,943			
Financial liabilities	1,292,678	1,568,943	218	4,787	48,277	473,299	1,042,360
Derivative financial liabilities							
Interest rate swaps	32,385	32,915	138	921	3,444	19,314	9,098
Total	**1,353,518**	**1,630,313**	**356**	**34,164**	**51,721**	**492,613**	**1,051,458**

¹ Not including rents and ancillary costs paid in advance.
² Not including tax payables and payables in relation to social security.
³ Not including deferred income and unused annual leave.

Market risks

Market risk is the risk that changes in market prices such as exchange rates, interest rates and the fair value of financial instruments 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 exceed certain levels.

Currency risk

The Group is only active in Switzerland, and almost all business is transacted in Swiss francs.

Interest rate risk

Interest rate risk can be broken down into the interest-related risk of a change in market value, i.e. the risk that the market value of a financial instrument will change as a result of fluctuations in market interest rates, and an interest-related cash flow risk, i.e. the risk that future interest payments will change as a result of fluctuations in market interest rates.

A description of the interest-bearing financial instruments and sensitivity analyses of the two components of interest rate risk are provided below.
The Group's cash is used to reduce variable-rate mortgages or is invested on a short-term basis.

The interest on financial liabilities relates to bonds, loans for the financing of investment properties and 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 was no construction financing for investment properties (also none in the prior year).

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, long-term bonds or derivative financial instruments.
Further information on the interest rate profile of financial liabilities, bonds, forward rate agreements and interest rate swaps can be found in Note 11.

Fair value sensitivity analysis for fixed-rate financial instruments

Mobimo has no fixed-rate financial assets or liabilities that are classified at fair 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 the fair value of 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 the fair value of financial instruments used for hedge accounting purposes are recognised directly under other comprehensive income.

An increase of 100 basis points in the interest rate would have increased the Group result by CHF 3.0 million (prior year: CHF 3.6 million) as a result of changes in fair value for swaps not held for hedge accounting purposes. Changes in the fair value of swaps held for hedge accounting purposes would have increased other comprehensive income (equity), or the income statement to the extent of the ineffectiveness, by CHF 23.0 million (prior year: CHF 22.6 million). An equivalent reduction in the interest rate would have reduced the Group result and other income by a similar amount. This analysis is based on the assumption that all other variables remain unchanged.

Cash flow sensitivity analysis for variable-rate financial instruments

Mobimo's variable-rate financial liabilities are exposed to interest-rate-related cash flow risk. These liabilities generally bear interest at three-month Libor plus a margin. The variable-rate financial liabilities outstanding as at the reporting date were all hedged by interest rate swaps. A change in the interest rate therefore results in a change in the fair value of the interest rate swaps (see Note 11). As there were no unhedged variable-rate financial liabilities outstanding as at the reporting date, an increase of 100 basis points in the interest rate would have had no impact on the Group result or had only an insignificant impact due to cash. This analysis is based on the assumption that all other variables remain unchanged.

Fair values

The carrying amounts in the annual financial statements for cash, trade receivables, other current receivables and current liabilities are very close to the fair values given the short terms involved.
Interest rate swaps and forward rate agreements are recognised at fair value in the balance sheet as at the reporting date. Fair value corresponds to 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. 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 of 0.80 % (prior year: 0.55 %). The discount rates used as at 31 December 2015 were between 0.10 % and 1.70 % (as at 2014: between 0.41 % and 1.73 %). The fair value of the bond corresponds to the closing price on the stock exchange as at the reporting date.

	Carrying amount 31.12.2015	Fair value 31.12.2015	Carrying amount 31.12.2014	Fair value 31.12.2014
Mortgages (Level 2)	854,204	932,321	780,724	862,720
Bonds (Level 1)	512,453	540,313	511,954	531,235
Total	**1,366,657**	**1,472,633**	**1,292,678**	**1,393,955**

The table below analyses financial instruments carried at fair value by valuation method as at 31 December 2015. For an explanation of the individual levels, see Note 5 "Investment properties".

31 December 2015	Level 1	Level 2	Level 3
Derivative financial instruments	0	38,998	0

31 December 2014	Level 1	Level 2	Level 3
Derivative financial instruments	0	32,385	0

Mobimo does not hold any financial instruments carried at fair value that would be classified as Level 1 or 3.

Categories of financial instruments

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

TCHF	Carrying amount 2015	Carrying amount 2014
Loans and receivables		
Cash	222,897	227,380
Trade receivables	3,839	3,832
Other receivables[1]	1,068	2,944
Accrued income and prepaid expenses[2]	3,116	3,280
Total loans and receivables	**230,919**	**237,437**
Financial assets available for sale		
Financial assets	1,849	1,850
Financial liabilities measured at amortised cost		
Trade payables[3]	6,724	12,366
Other payables[4]	4,887	1,147
Accrued expenses and deferred income[5]	17,772	14,943
Financial liabilities	1,366,657	1,292,678
Total liabilities measured at amortised cost	**1,396,040**	**1,321,133**
Financial liabilities held for trading purposes		
Derivative financial instruments	9,997	10,270
Financial liabilities held for hedging purposes		
Derivative financial instruments	29,000	22,115

[1] Not including tax receivables and receivables in connection with social security 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 security.
[5] Not including deferred income taxes and unused annual leave.

Impairments totalling CHF 2.5 million (prior year: CHF 0.2 million) were recognised under the category loans and receivables in the year under review.

Capital management

The Board of Directors seeks to ensure a solid capital base. In accordance with the investment guidelines, the equity ratio must be greater than 40 % on the reporting date. 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 %.
The two key figures as at the reporting date are as follows:

TCHF	31.12.2015	31.12.2014
Equity	1,264,691	1,222,520
Equity and liabilities	2,952,878	2,767,751
Equity ratio	**42.8 %**	**44.2 %**
Current financial liabilities	24,403	22,446
Non-current financial liabilities	1,342,254	1,270,232
Cash	–222,897	–227,380
Net financial debt	**1,143,760**	**1,065,297**
Equity	1,264,691	1,222,520
Net gearing	**90.4 %**	**87.1 %**

Some of the contracts concluded with lenders contain clauses concerning minimum capitalisation (financial covenants). The key figures used are equity ratio, net gearing and interest coverage factor. They were complied with without exception during the reporting period.

PERSONNEL

16. Personnel expense

Personnel expense can be broken down as follows:

TCHF	2015	2014
Salaries	–14,667	–13,847
Profit-sharing (management/employees)	–3,529	–745
Social security contributions	–1,496	–1,154
Defined contribution plans	–206	–198
Defined benefit plans	–565	–1,039
Compensation for Board of Directors	–1,166	–1,185
External training and education costs	–232	–270
Other personnel expenses	–1,557	–1,918
Total personnel expenses	**–23,418**	**–20,356**
Headcount as at 31 December (full-time basis)	107.8	102.9
Average headcount (full-time basis)	107.4	101.6

In the year under review, the Board of Directors and Executive Board were paid the following compensation, reported in personnel expense:

TCHF	2015	2014
Members of the Board of Directors/ Executive Board	**6,312**	**4,104**
Broken down as follows		
• salaries	4,228	3,094
• social security contributions	1,424	540
• share-based payments	660	471

Further details of Board of Directors and Executive Board remuneration can be found in Note 18.

17. Employee benefit obligation

Accounting principles

Liabilities from defined benefit plans are determined annually for each plan by setting the present value of the defined benefit obligation 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 maturities to the liabilities. The fair value of the plan assets is subsequently deducted. Pension costs, which are recognised in the income statement, comprise current service cost, past service cost, gains and losses on settlement and net interest expense. Gains and losses on plan curtailments are a component of past service costs. Net interest expense corresponds to the discount rate multiplied by the net benefit obligation as at the beginning of the financial year. Any revaluations, comprising actuarial gains and losses resulting from changes in assumptions and experience adjustments as well as investment income less contributions, that are included in net interest expense are recognised in other comprehensive income.

All Mobimo employees work in Switzerland. Pension institutions in Switzerland are regulated by the Swiss Federal Act on Occupational Retirement, Survivors' and Disability Pension Plans (BVG). Consequently, Mobimo is affiliated with group administration plans ("Sammelstiftungen") for the purposes of mandatory (legal minimum) and non-mandatory employee benefit insurance that are organised as independent legal entities in accordance with the BVG. Participants in the plan are insured against the economic consequences of old age, disability and death. The various benefits are stipulated in regulations; the BVG lays down minimum benefits. Contributions to the pension institution are paid by the employer and employees. In the case of a deficit, various measures (such as adjusting pension benefits by changing the conversion rates or by raising the amount of current contributions) may be approved.

The BVG regulates how any deficit reduction measures are to be borne jointly by the employees and the employer. As Mobimo may be consequently obliged to finance deficit reduction measures, mandatory employee benefit insurance and the savings process involved in non-mandatory employee benefit insurance qualify as defined benefit plans under IAS 19.

With regard to non-mandatory employee benefit insurance, the risks of death and disability are fully reinsured. Risk insurance for non-mandatory employee benefit insurance qualifies as a defined-contribution plan under IAS 19. Employer contributions are charged to the income statement.

Benefit obligations developed as follows in the year under review:

TCHF	2015	2014
Present value of benefit obligations at the beginning of the period	28,970	23,425
Employer's current service cost	1,394	1,017
Interest expenses	359	568
Employee contributions	802	761
Amounts paid	–621	–1,309
Actuarial (gains) losses		
• Effect of changes in financial assumptions	1,201	4,474
• Effect of experience adjustments	–680	33
Past service cost	–887	0
Present value of benefit obligations at the end of the period	**30,537**	**28,970**

The effect of changes in financial assumptions (increase of CHF 1.2 million) in the 2015 financial year is mainly attributable to the reduction in the discount rate from 1.3 % to 0.9 %. The prior year's increase of CHF 4.5 million was mainly based on the reduction of the discount rate that year from 2.5 % to 1.3 %.

Plan assets developed as follows in the year under review:

TCHF	2015	2014
Plan assets at market values at the beginning of the period	23,504	21,748
Interest income	301	546
Employer contributions	905	862
Employee contributions	802	761
Amounts paid	–621	–1,309
Return on plan assets (excluding interest income)	–194	896
Plan assets at market values at the end of the period	**24,697**	**23,504**

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

TCHF	2015	2014
Present value of benefit obligations	30,537	28,970
Market value of plan assets	–24,697	–23,504
Net liability	**5,840**	**5,466**

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

TCHF	2015	2014
Current service cost	–1,394	–1,017
Interest expense	–359	–568
Interest income on plan assets	301	546
Recognition of past service cost	887	0
Net benefit expense	**–565**	**–1,039**

The positive amount recognised in past service cost is attributable to the reduction in the conversion rate decided by the foundation board.

The expected employer contributions for the 2016 financial year are CHF 0.9 million.

The following amounts are recognised in other comprehensive income under total comprehensive income:

TCHF	2015	2014
Actuarial gains (losses)		
• Effect of changes in financial assumptions	–1,201	–4,474
• Effect of experience adjustments	680	–33
Return on plan assets (excluding interest income)	–194	896
Total remeasurements included in other comprehensive income	**–714**	**–3,612**

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

TCHF	2015	2014
As at 1 January	5,466	1,677
Company's net benefit expense	565	1,039
Employer contributions	–905	–862
Remeasurements included in other comprehensive income	714	3,612
As at 31 December	**5,840**	**5,466**

Plan assets can be broken down into the following categories:

Asset classes	Plan assets 2015 in %	Market Values 2015 in TCHF	Plan assets 2014 in %	Market Values 2014 in TCHF
Shares (listed)	30 %	7,313	31 %	7,178
Bonds and notes (listed)	44 %	10,766	44 %	10,419
Real estate	16 %	3,855	16 %	3,660
Alternative investments	5 %	1,313	5 %	1,222
Other	6 %	1,451	4 %	1,025
Total	**100 %**	**24,697**	**100 %**	**23,504**

As at 31 December 2015, 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 and benefit obligations reported in the balance sheet:

	2015	2014
Assumptions for the expenses in the income statement:		
Discount rate	1.3 %	2.5 %
Expected future salary increases	1.3 %	1.3 %
Expected future pension benefit increases	0.1 %	0.1 %
Longevity at age 65 for current members aged 45		
• Males	23.3	23.2
• Females	25.7	25.7
Longevity at age 65		
• Males	21.6	21.5
• Females	24.1	24.0
Assumptions for the pension liability in the balance sheet		
Discount rate	0.9 %	1.3 %
Expected future salary increases	1.3 %	1.3 %
Expected future pension benefit increases	0.1 %	0.1 %

A change in the assumptions of +/- 25 basis points would have the following percentage impact on the present value of the benefit obligations:

Impact on present value of benefit obligations due to the following changes:	2015 Discount rate	2015 Salary increases	2015 Pension increases
Increase of 25 basis points	–3.1 %	0.2 %	1.0 %
Decrease of 25 basis points	3.4 %	–0.2 %	–1.0 %

Impact on present value of benefit obligations due to the following changes:	2014 Discount rate	2014 Salary increases	2014 Pension increases
Increase of 25 basis points	–3.7 %	0.3 %	1.0 %
Decrease of 25 basis points	4.1 %	–0.3 %	–1.0 %

The following future cash flows are expected for benefit obligations:

TCHF	2015	2014
Up to 1 year	413	441
Up to 5 years	2,504	2,601
Over 5 years	27,620	25,928
Total	**30,537**	**28,970**

Based on a DBO cash-flow calculation, the duration of the benefit obligation as at the reporting date was 18.6 years (prior year: 19.2 years).

18. Share-based payments

Accounting principles

Share-based payments are transactions whereby the Mobimo Group 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 the income statement 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 shares or options granted is earned. The valuation is based on the fair 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.

Board of Directors

In accordance with the regulations that came into effect in the 2009 financial year, the Board of Directors receives fixed compensation structured on a modular basis. The modules used reflect members' individual activities on the Board of Directors, thus ensuring that compensation is in line with the level of responsibility involved and the time required. Each member of the Board of Directors may receive the compensation in cash or partly or fully in shares in accordance with the allocation resolution. In total, compensation of CHF 1.0 million was paid in cash (prior year: CHF 0.7 million) and CHF 0.2 million in the form of shares (1,170 shares) in 2015 (prior year: CHF 0.5 million, 2,347 shares).

Executive Board

Under the new compensation regulations (valid from 1 January 2015), 65 % of variable compensation will be based on quantitative criteria and 35 % on qualitative criteria that are themselves based on Mobimo's strategy. The Board of Directors has defined the key performance figure for calculating the quantitative target as the return on equity before accumulated revaluation income. However, entitlement to compensation is conditional on the company achieving a minimum return on equity before revaluation income of 4.5 %. Once this minimum return on equity has been achieved, the entitlement of the Executive Board members rises on a straight line basis within a range defined by the Board of Directors.

Variable compensation is capped at 100 % of the fixed salary. The regulations then allow the Board of Directors to reduce variable compensation if a dividend/capital repayment at least equivalent to that of the prior year cannot be distributed to shareholders.
At least 50 % of the variable compensation is paid in shares in the company. The shares issued are subject to a vesting period, generally five years.

Under the rules applicable in the previous year, 7 % of the share of consolidated profit for the year that exceeds a hurdle of 5 % of return on equity was allocated to the Executive Board as variable remuneration. At least 50 % of the variable performance-related remuneration element had to be drawn in the form of shares. The hurdle (high water mark) principle stipulated that if figures dropped below the 5 % hurdle, profit-sharing would only become possible again once the difference had been made good. The annual share of profits for the individual members of the Executive Board is limited to a maximum of 150 % of their fixed gross annual salary. All the shares issued under profit-sharing arrangements are also subject to a vesting period, generally of five years.

For the 2015 financial year, a total of 4,996 shares (prior year: 449) were granted to the Executive Board as a share of profits. The cost of the approved share allocation was recognised as CHF 1.1 million (prior year: CHF 0.09 million), measured at the share price on 31 December 2015 of CHF 222.70 per share (prior year: CHF 199.20). Share-based compensation for the Executive Board was based on the assumption that 50 % would be taken in the form of shares (prior year: 50 %).

Expired option plan

The final 1,564 outstanding options were exercised in the year under review.
Profit-sharing regulations applied to the Executive Board and employees until 31 December 2009 (for the Board of Directors: until 31 December 2008) under which options (with dilution protection) were granted on shares. From 1 January 2006, the number of options was determined on the basis of the fair value of the option using the Black Scholes model. This option plan had been running since 1 July 2000. 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 corresponded to the nominal value at the time of exercise. There was no nominal value reduction in the 2015 financial year, so the strike price remained unchanged at CHF 29.00.

All options issued were subject to individual vesting periods of at least three years from the issue date. The first possible date for exercising options was 21 November 2004. The regulations in force from 1 January 2006 governing the granting of options from the 2006 financial year onwards specified an exercise period of between the third and tenth years.

The options issued can be broken down as follows:

	Grant date	2015	2014
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		–117,516	–115,952
Expired options		0	0
Not allocated options		–38	–38
Total options outstanding 31 December		**0**	**1,564**
Exercisable options		**0**	**0**

INCOME TAX

19. Income tax

Critical estimates and assumptions

Mobimo has deferred tax liabilities of CHF 162.8 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 that reflects Mobimo's strategy. The tax payable on these properties is calculated on the basis of a holding period of up to 20 years. 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.

Applying the property gains tax rates that would be payable in the event of a theoretical sale of all properties on 1 January 2016, the deferred tax liabilities would be CHF 9.6 million higher than the reported deferred tax liabilities.

Various property gains tax amounts due on property sales in the current and previous periods are not yet definitive as at the 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.

Accounting principles

Income taxes include current and deferred income taxes. They are recognised in the income statement, 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 comprehensive 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 in the tax balance sheet and the consolidated balance sheet, in accordance with the balance sheet liability method. 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.

Tax expense

Tax expense can be broken down as follows:

TCHF	2015	2014
Total current tax expense	**–26,239**	**–9,808**
Deferred tax		
Change in deferred tax	–9,674	1,510
Capitalisation of deferred tax on tax loss carryforwards	1,500	2,923
Changes in tax rate on deferred tax items recognised	317	620
Total deferred tax income/expense	**–7,856**	**5,053**
Total income tax expense	**–34,095**	**–4,755**

Current tax expense contains expenses of CHF 0.6 million (prior year expense reduction: CHF 0.3 million) in tax on profits from prior periods.
Property gains tax is also contained in current tax expense and is incurred in those cantons that tax property gains on the disposal of properties and is thus cyclical in nature.
Unresolved questions with regard to the ruling issued by the Swiss Federal Supreme Court on 4 April 2011 and its implementation, which put an end to a legal dispute between Mobimo and the City of Zurich with respect to property gains tax, were clarified in 2014. This allowed for the conclusion in the 2014 and 2015 financial years of property gains tax cases that had long been pending.

Current tax expense and other comprehensive income (equity) include current tax expenditure of CHF 1.3 million (prior year: CHF 5.4 million) from recognising the losses on financial instruments classified as cash flow hedges (interest rate swaps).

Tax expense can be broken down as follows:

	Unit	2015	2014
Group profit before tax	TCHF	139,076	67,996
Applicable tax rate	%	25	25
Tax expense at applicable tax rate	TCHF	–34,769	–16,999
Non-deductible expenses	TCHF	–32	–265
Reversal/creation for prior-year current tax	TCHF	1,843	4,620
Capitalisation of deferred tax assets	TCHF	1,500	2,923
Expense/income which is taxed at a lower/higher tax rate	TCHF	–2,359	4,879
Impact of changes in tax rate on deferred tax items recognised	TCHF	–317	36
Other effects	TCHF	40	50
Total taxes	TCHF	**–34,095**	**–4,755**

The applicable tax rate in the year under review is a mixed rate. It takes account of the fact that gains subject to cantonal and municipal taxes 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 %.

Deferred tax

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

TCHF	2015 Assets	2015 Liabilities	2014 Assets	2014 Liabilities
Investment properties		166,483		125,335
Employee benefit obligation	1,139		1,066	
Other items	2,184	2,181	1,907	1,351
Deferred taxes on temporary differences	**3,322**	**168,664**	**2,973**	**126,686**
Tax benefit of offsettable loss carryforwards	4,678		3,419	
Total deferred taxes	**8,000**	**168,664**	**6,391**	**126,686**
Offset of deferred tax assets and liabilities	–5,875	–5,875	–3,717	–3,717
Deferred tax assets/liabilities	**2,126**	**162,789**	**2,674**	**122,969**

Deferred tax assets for loss carryforwards are recognised to the extent that it is probable that future taxable profits will be available against which the loss carryforwards can be utilised.
According to the current practice of the Zurich Cantonal Tax Office, cantonal losses for the purposes of income tax cannot be completely offset against gains in the same year. However, these losses are carried forward and may be offset against future gains. The tax benefit that Mobimo recognised in income on these prior-period losses in the year under review increased by CHF 1.5 million to CHF 4.4 million (prior year: first-time recognition in income of a CHF 2.9 million tax benefit), as the company believes it will be able to offset these losses against gains from future periods subject to the income tax levied by the Canton of Zurich.

Other assets of CHF 0.3 million in the year under review (prior year: CHF 0.5 million) relate to offsettable loss carryforwards for direct federal, cantonal and communal taxes of CHF 1.0 million (prior year: CHF 2.2 million). There were otherwise no unrecognised loss carryforwards, as in the prior year.

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 increase in deferred tax liabilities of CHF 40.4 million (from CHF 120.3 million to CHF 160.7 million), CHF 31.5 million resulted from the acquisition of Dual Real Estate Investment AG and CHF 1.2 million from the acquisition of ProviHold SA. In addition, CHF 7.9 million was recognised in profit or loss; CHF –0.2 million was recognised in small part in financial instruments and in large part directly in other comprehensive income under employee benefit obligations (prior year: net decrease of CHF 5.8 million from CHF 126.1 million to CHF 120.3 million, of which CHF 5.1 million was recognised in profit or loss and CHF 0.7 million directly in other comprehensive income).

OTHER NOTES

20. Operating expenses

Operating expenses include expenditure on IT, communication, general marketing, general office expenses and non-reclaimable input tax.
Also included in operating expense are capital taxes of CHF 0.5 million (prior year: CHF 0.6 million) and planning costs of CHF 1.1 million (prior year: CHF 1.4 million). Planning costs relate to expenditure on the development and compilation of feasibility studies for projects subject to external influences that Mobimo cannot influence and for which there is uncertainty as to whether they can be at all realised. For this reason, these costs have been charged to operating expenses until there is certainty about the realisation of the projects in question. Once this is the case, these costs will be capitalised.

21. Administrative expenses

Administrative expenses can be broken down as follows:

TCHF	2015	2014
Consulting expense	–1,989	–1,703
Consulting expense in respect of related parties	–120	–141
Other administrative expenses	–287	–396
Total administrative expenses	**–2,395**	**–2,241**

For further details of expense in respect of related parties, see Note 30.

22. Trade receivables

Trade receivables can be broken down as follows:

TCHF	2015	2014
Outstanding purchase prices real estate due from third parties	57	78
Outstanding rents and ancillary costs due from third parties	4,685	4,499
Outstanding rents and ancillary costs due from third parties	256	138
Less doubtful debt allowance for outstanding rent and ancillary costs	–1,159	–883
Total trade receivables	**3,839**	**3,832**

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

TCHF	2015	2014
Not past due	3,609	3,362
Up to 30 days	98	34
Up to 90 days	108	434
Over 90 days	24	3
Total	**3,839**	**3,832**

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

TCHF	2015	2014
Specific valuation allowance		
As at 1 January	883	1,079
Change in valuation allowance	277	–196
As at 31 December	**1,159**	**883**

There were no general valuation allowances as at the reporting date. Based on past experience, Mobimo does not expect any additional defaults.

23. Other receivables

Other receivables can be broken down as follows:

TCHF	2015	2014
Tax receivables (withholding tax and VAT)	47	1,209
Receivables WIR	323	320
Advance payments for land purchases	224	101
Escrow property tax payments	22,989	18,862
Other receivables from third parties	808	2,625
Total other receivables	**24,391**	**23,117**

24. Property, plant and equipment

Accounting principles

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

Property, plant and equipment is depreciated using the straight-line method over its estimated useful life.

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	5 years
Hardware	3 – 4 years

The carrying amount of property, plant and equipment is assessed at least once a year. If there are indications that an asset may be impaired, an impairment test an impairment test is carried out.

TCHF	Owner-occupied properties	Other P, P & E in use	Other P, P & E under construction	2015 Total
Acquisition values				
As at 1 January	21,534	4,560	0	26,094
Increases	115	554	496	1,165
Transfers from commercial property	0	0	467	467
Cumulative acquisition values as at 31 December	**21,649**	**5,113**	**964**	**27,726**
Depreciation				
As at 1 January	–5,468	–2,273	0	–7,741
Increases	–912	–687	0	–1,599
Cumulative depreciation as at 31 December	**–6,380**	**–2,960**	**0**	**–9,340**
Net carrying amount as at 31 December	**15,269**	**2,153**	**964**	**18,386**
Total other P, P & E as at 31 December		3,117		

TCHF	Owner-occupied properties	Other P, P & E	2014 Total
Acquisition values			
As at 1 January	21,367	3,366	24,733
Increases	167	1,497	1,665
Disposals	0	–304	–304
Cumulative acquisition values as at 31 December	**21,534**	**4,560**	**26,094**
Depreciation			
As at 1 January	–4,570	–1,945	–6,515
Increases	–898	–616	–1,514
Disposals	0	288	288
Cumulative depreciation as at 31 December	**–5,468**	**–2,273**	**–7,741**
Net carrying amount as at 31 December	**16,066**	**2,287**	**18,353**

Owner-occupied properties include the property at Küsnacht, Seestrasse 59, and part of the property at Lausanne, Rue de Genève 7, which are used by Mobimo Management AG as its administrative premises. Also included is a room for cultural activities at the property in Lausanne, Rue des Côtes-de-Montbenon 16. The property in Aarau, Buchserstrasse 27, is used as a project office and showroom for the "AQA" construction projects in Aarau.
Other existing property, plant and equipment comprises computer hardware, movables and vehicles. Property, plant and equipment does not include any items under financial leasing arrangements.
Other property, plant and equipment currently under construction comprises a power plant in Kriens. Once completed, the plant will provide residents and third parties in Quartier Kriens, Mattenhof, with heating and cooling.

25. Intangible assets

Accounting principles

Mobimo classifies the purchase rights/construction projects and software categories as intangible assets. Mobimo acquires purchase rights when it makes payments for the right to purchase a plot of land. Development services carried out for third parties and own work carried out on projects using non-current assets where a contractual basis for the acquisition of land exists but the title to the land has not yet been transferred are reported under construction projects. The software category comprises software that has been purchased for operational purposes. Intangible assets are measured at cost. Software is amortised individually over an estimated useful life of generally three to five years.

The carrying amount of intangible of intangible assets is assessed at least once a year. If there are indications that an asset may be impaired, an impairment test, an impairment test is carried out.

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

TCHF	Purchase options / construction projects	Software	2015 Total
Cost			
As at 1 January	3,706	2,923	6,629
Additions	373	1,473	1,846
As at 31 December	**4,079**	**4,395**	**8,475**
Amortisation			
As at 1 January	0	–1,041	–1,041
Additions	0	–541	–541
Cumulative amortisation as at 31 December	**0**	**–1,582**	**–1,582**
Net carrying amount as at 31 December	**4,079**	**2,813**	**6,892**

Purchase options/construction projects consist of a notarised purchase option for a plot in Merlischachen, Canton of Schwyz, and capitalised development costs for a construction project in Zurich Oerlikon in which Mobimo is not yet the owner of the property in question but has concluded a purchase contract.

TCHF	Purchase options/ construction projects	Software	2014 Total
Cost			
As at 1 January	3,459	2,058	5,517
Additions	247	866	1,112
As at 31 December	**3,706**	**2,923**	**6,629**
Amortisation			
As at 1 January	0	–633	–633
Additions	0	–408	–408
Cumulative amortisation as at 31 December	**0**	**–1,041**	**–1,041**
Net carrying amount as at 31 December	**3,706**	**1,882**	**5,588**

26. Investments in associates and joint ventures

Accounting principles

Ownership interests of between 20% and 50% in companies over which Mobimo exerts a significant influence 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.

TCHF	2015	2014
FM Service & Dienstleistungs AG (50% stake)	161	106
Flonplex SA, Lausanne (40% stake)	7,850	7,285
Parking du Centre SA, Lausanne (50% stake)	17,628	17,035
Total	**25,639**	**24,426**

Investments in joint ventures

FM Service & Dienstleistungs AG

The company FM Service & Dienstleistungs AG was established in the first half of 2014. The purpose of the company is to provide services in the real estate area, in particular in facility management and the related facility management services. It is held as a joint venture by Mobimo and a partner company, an industrial holding company in the building technology area. Each partner holds a 50% interest. The company commenced operations on 1 June 2014, providing facility management and central services for the tenants of the property in Zurich, Friesenbergstrasse 75; Im Tiergarten 7. The company is a public limited company under Swiss law, and Mobimo therefore has a claim on a share of the company's net assets.

The following is a summary of the key financial data of the joint venture that has been adjusted to the principles of the consolidated annual financial statements of Mobimo.

	Unit	2015	2014
Current assets	TCHF	944	604
Non-current assets	TCHF	29	23
Current liabilities	TCHF	651	416
The assets and liabilities above include the following details:			
Cash and cash equivalents	TCHF	709	242
Revenue	TCHF	2,865	1,775
Depreciation and amortisation	TCHF	–5	–0
Tax expense	TCHF	–28	–26
Profit	TCHF	111	111
Net assets	TCHF	322	211
Proportion of the ownership interest	%	50	50
Carrying amount of the interest	**TCHF**	**161**	**106**

Parking du Centre SA

Mobimo has a 50% investment in Parking du Centre SA, a car park operator in Lausanne held as a joint venture with Indigo Infra S.A. (formerly Vinci Park SA), a company active in the areas of urban mobility and parking solutions. The company is a public limited company under Swiss law, and Mobimo therefore has a claim on a share of the company's net assets. Mobimo accounts for its investment in Parking du Centre SA using the equity method.
The following is a summary of the key financial data of the joint venture that has been adjusted to the principles of the consolidated annual financial statements of Mobimo.

	Unit	2015	2014
Current assets	TCHF	2,832	3,426
Non-current assets	TCHF	53,575	54,550
Current liabilities	TCHF	4,625	4,460
Non-current liabilities	TCHF	16,525	19,446
The assets and liabilities above include the following details:			
Cash and cash equivalents	TCHF	2,431	3,339
Financial liabilities	TCHF	11,080	13,580
Revenue	TCHF	6,925	6,417
Depreciation and amortisation	TCHF	–975	–975
Financial expense	TCHF	–473	–484
Tax expense	TCHF	–373	–679
Profit	TCHF	2,387	1,811
Net assets	TCHF	35,257	34,070
Proportion of the ownership interest	%	50	50
Carrying amount of the interest	**TCHF**	**17,628**	**17,035**
Dividends received from joint venture	TCHF	600	400

Investments in associates

Flonplex SA

Flonplex SA is a cinema operator in Lausanne whose majority shareholder is fellow cinema operator Pathé Schweiz AG; Mobimo holds an investment of 40 %. The company is a public limited company under Swiss law, and Mobimo therefore has a claim on a share of the company's net assets. Mobimo accounts for its investment in Flonplex SA using the equity method. The following is a summary of the key financial data of Flonplex SA, adjusted to the principles of the consolidated annual financial statements of Mobimo.

	Unit	2015	2014
Current assets	TCHF	2,575	2,743
Non-current assets	TCHF	23,875	24,066
Current liabilities	TCHF	2,545	6,352
Non-current liabilities	TCHF	4,281	2,243
Revenue	TCHF	12,077	11,348
Profit	TCHF	2,611	2,176
Net assets	TCHF	19,624	18,213
Proportion of the ownership interest	%	40	40
Carrying amount of the interest	**TCHF**	**7,850**	**7,285**
Dividends received from the associate	TCHF	480	200

27. Financial assets

Accounting principles

Financial assets comprise long-term loans to third parties and non-consolidated equity investments. Non-consolidated equity investments are those investments that give Mobimo less than 20 % of the voting rights. Loans are recognised at amortised cost less any valuation allowance. Non-consolidated equity investments are classified as "available for sale" and measured at fair value; with the exception of impairments, changes in fair value are recognised in equity, not through the income statement. If a fair value cannot be reliably defined, the non-consolidated equity investment is measured at cost.

Financial assets can be broken down as follows:

TCHF	2015	2014
Non-consolidated equity investments (available for sale)	1,849	1,850
Total	**1,849**	**1,850**

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

Financial assets changed as follows:

TCHF	2015	2014
Acquisition values		
As at 1 January	1,850	1,910
Disposals	–1	–61
Cumulative acquisition values as at 31 December	**1,849**	**1,850**
Net carrying amount as at 31 December	**1,849**	**1,850**

28. Other payables

Accounting principles

Trade and other short-term payables are measured at amortised cost, which generally corresponds to the nominal value of the payables.

Other payables totalling CHF 5.4 million (prior year: CHF 1.4 million) in the year under review as well as the prior year are for the most part deferred purchase price payments for the already completed acquisition of companies. The remaining amount comprises payables in connection with social security, payables in connection with value added tax and other payables.

29. Accrued expenses and deferred income

TCHF	2015	2014
Accruals for construction work	3,917	6,945
Accruals from property accounts	3,308	3,790
Accruals for interest	3,649	3,643
Accruals resulting from property accounts relating to associates	0	29
Accruals for services for related parties	1,112	89
Other items	9,377	4,820
Total accrued expenses and deferred income	**21,363**	**19,318**

OTHER FINANCIAL INFORMATION

30. Related parties

Accounting principles
Related parties include shareholders who could exert a significant influence over Mobimo, the Board of Directors and management, associated companies controlled by members of the Board of Directors of the Mobimo Group and the Mobimo pension plan.

Note 16 gives details on the compensation paid to the members of the Board of Directors and Executive Board for their activities.

Among the companies controlled by members of the Boards of Directors are the consultancy firm weber schaub & partner ag, which is co-owned by Peter Schaub. The income statement includes expenses of TCHF 117 (prior year: TCHF 128) for tax consulting by weber schaub & partner ag. The expenses invoiced relate to tax consulting services provided by employees of the firm. Consulting services provided directly by Peter Schaub are covered by his director's compensation.
Immopoly Sàrl, owned by Paul Rambert, was classified as a related party until he stepped down from the Board of Directors at the 2015 General Meeting. The company Oloom Sàrl, whose managing director was Paul Rambert's son, was also classified as a related party in the period up to the 2015 General Meeting. The company provides interior design services.
In the period up to the 2015 General Meeting (prior year: full year), Immopoly Sàrl invoiced TCHF 3 (prior year: TCHF 13) in fees for advisory services and TCHF 48 (prior year: TCHF 96) in consultancy fees for the property Lausanne, Rue Voltaire 2–12 (Petit Mont-Riond), which were capitalised as construction costs.
Oloom Sàrl invoiced TCHF 11 (prior year: TCHF 75) in fees for design advisory services.

The Mobimo income statement contains the following positions with joint ventures (see Note 26):
income from rental of properties of TCHF 529 (prior year: TCHF 460), other income of TCHF 388 (prior year only St. Erhard, Längmatt). (prior year: TCHF 258) for services rendered, direct expenses for rented properties of TCHF –131 (prior year: TCHF –111) and operating expenses (rental expenses) of TCHF –21 (prior year: TCHF –15). TCHF 64 was recognised as refurbishment costs in property acquisition costs.

In addition, services in the amount of TCHF 355 (prior year: TCHF 196) that come under property ancillary costs were performed through joint ventures. These can be passed on to tenants via ancillary cost charging.

The Mobimo income statement contains the following positions with associates (see Note 26):
income from rental of properties of TCHF 210 (prior year: TCHF 210), other income of TCHF 22 (prior year: TCHF 21) for services rendered.

31. Operating leases (lessee)

Accounting principles
Mobimo does not possess any leasing agreements classed as finance leases. Payments for operating leases are recognised in profit or loss over the term of the lease.

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

TCHF	2015	2014
Rental and leasing obligations up to 1 year	156	40
Rental and leasing obligations 1 – 5 year	554	159
Rental and leasing obligations over 5 years	8,344	1,068
Total future rental and leasing obligations	**9,054**	**1,266**

The obligations relate primarily to building right interest for the properties St. Erhard, Längmatt, and Basel, Lyonstrasse 40. The remaining obligations relate to third-party leases for premises and car park facilities. The rental and leasing expenses charged to the income statement were CHF 0.1 million (prior year: CHF 0.1 million).

32. Earnings per share

Accounting principles

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

	2015	2014
Calculation of earnings per share		
Number of outstanding shares as at 1 January	6,214,983	6,212,330
+ Effect of capital increase (average)	1,304	1,725
+ Effect of change in holdings of treasury shares	–8	–64
= Average number of outstanding shares	6,216,279	6,213,991
Effect of outstanding options:		
+ Average number of potential shares	298	1,877
./. Average number of shares which would be issued at average market value	–41	–287
+ Average number of potential shares from convertible bond	0	375,449
= Effective number of shares as basis for calculation of diluted earnings per share	6,216,536	6,591,030
Profit in TCHF (attributable to the shareholders of Mobimo Holding AG)	103,937	62,151
./. Net income from revaluation in TCHF (attributable to the shareholders of Mobimo Holding AG)	–33,772	–2,549
+ Attributable deferred tax in TCHF	8,443	637
= Profit not including revaluation (and attributable deferred tax) in TCHF	78,608	60,239
Profit in TCHF (attributable to the shareholders of Mobimo Holding AG)	103,937	62,151
+ Effect of coupon payment on convertible bond in TCHF	0	2,781
./. Attributable income tax in TCHF	0	–217
= Profit after eliminations from convertible bond in TCHF	103,937	64,715
Profit not including revaluation or effects from convertible bond in TCHF	78,608	62,803
Earnings per share in CHF	16.72	10.00
Diluted earnings per share in CHF	16.72	9.82
Earnings per share not including revaluation (and attributable deferred tax) in CHF	12.65	9.69
Diluted earnings per share not including revaluation (and attributable deferred tax) in CHF	12.64	9.53
Calculation of net asset value (NAV) per share		
Number of outstanding shares as at 31 December	6,216,923	6,214,983
Number of outstanding options	0	1,602
Number of shares as basis for calculation of diluted NAV	6,216,923	6,216,585
Equity as at 31 December in TCHF (attributable to the shareholders of Mobimo Holding AG)	1,258,617	1,217,938
+ Option exercise (outstanding options x nominal value) in TCHF	0	46
= Shareholders' equity after conversion and option exercise in TCHF (attributable to the shareholders of Mobimo Holding AG)	1,258,617	1,217,984
NAV per share in CHF	202.45	195.97
NAV per share, diluted, in CHF	202.45	195.93

33. Changes in the scope of consolidation (Group companies)

Accounting principles

The consolidated annual financial statements encompass all companies over which Mobimo Holding AG has either direct or indirect control. Control is deemed to exist where Mobimo is exposed to fluctuating income as a result of its holdings in a company and has rights over such income. Mobimo must also have the ability to influence this income through its power of disposal over the company. 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 and profit on intragroup transactions and balances are eliminated.
Ownership interests of between 20% and 50% in companies over which Mobimo exerts a significant influence, as well as shares in joint ventures, are accounted for using the equity method. See Note 26. Other interests are managed as financial investments. See Note 27.

Capital is consolidated at the time of acquisition using the purchase method. Companies holding real estate frequently do not, however, meet the definition of a business under IFRS 3. Upon such an acquisition, Mobimo allocates the costs of acquisition to the individually identifiable assets and liabilities at the time of acquisition on the basis of fair value. The acquisition of such a company does not result in goodwill. Non-controlling interests are shown separately from the Group's equity. Changes in the amount of proportionate interest that do not lead to loss of control are treated as transactions with equity owners. Any difference between the purchase price paid or the consideration received and the amount by which the non-controlling interests are being adjusted is recognised directly in equity.

The scope of consolidation comprises the following companies:

Company	Domicile	Share capital in TCHF	Ownership interest in %	Consolidation method
Mobimo Holding AG	Lucerne	180,327		F
CC Management SA	Geneva	4,700	99.51	F
Dual Real Estate Investment SA	Fribourg	36,660	99.51	F
Immobilien Invest Holding AG	Glarus	150	75.33	F
LO Holding Lausanne-Ouchy SA	Lausanne	12,000	100.00	F
LO Immeubles SA	Lausanne	2,000	100.00	F
Mobimo AG	Küsnacht	72,000	100.00	F
Mobimo Management AG	Küsnacht	100	100.00	F
O4Real AG	Lausanne	1,000	100.00	F
Petit Mont-Riond SA	Lausanne	50	75.33	F
Promisa SA	Lausanne	100	100.00	F
ProviHold SA	Lausanne	100	100.00	F
Flonplex SA	Lausanne	2,000	40.00	E
FM Service & Dienstleistungs AG	Küsnacht	100	50.00	E
Parking du Centre SA	Lausanne	6,000	50.00	E
Parking Saint-François SA	Lausanne	1,150	26.52[1]	not cons.

[1] The share of voting rights is 5%

F = fully consolidated.
E = equity valuation. For more information, see Note 26.
not cons. = not consolidated. For more information, see Note 27.

Acquired companies

On 4 September 2015, 100 % of the shares in ProviHold SA were acquired. This company holds 100 % of the shares in Promisa SA, which owns the property Allaman, Chemin des Grangettes 2. As the purchased companies did not qualify as a business within the meaning of IFRS 3, the acquisition likewise did not qualify as a business combination, but rather represented a purchase of assets.

In November 2015, the majority of the shares in Dual Real Investment SA (Dual Group) were acquired. The company is a real estate company listed on the Berne stock exchange (Berne eXchange) and holds 25 residential investment properties in the greater Geneva area, one commercial property in Geneva and another in Basel via its subsidiary CC Management SA. The properties are managed and companies administered by companies that are not controlled by the acquired company, and as such the acquired companies have no staff, with the exception of one part-time employee. As the acquired companies do not meet the criteria of a business under IFRS 3, the acquisition is not a business combination, but rather a purchase of assets. The assets and liabilities were revalued at the time of acquisition. This related largely to the investment properties which were revalued at the time of acquisition by valuers Jones Lang LaSalle AG, and to the financial liabilities. The costs of acquisition were then allocated to the positions.

Two additional small share packages were acquired in December, which took the interest held to 99.5 % as at 31 December 2015. The acquisition was recognised as a purchase of non-controlling interests in equity.

For the properties taken over from Dual Group, the amount invested in the net assets of Dual Group was treated as cash flow from acquisition of investment properties (see consolidated cash flow statement); in the movements in investment properties, the properties are recognised as increases from purchases (see Note 5).

The company FM Service & Dienstleistungs AG was established in the prior year as a joint venture with a partner. Further details can be found in Note 26.

Restructuring

To simplify the Group structure, the company JJM Participations SA, Lausanne was merged into Mobimo Holding AG, Lucerne.

34. Significant shareholders

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

%	2015	2014
BlackRock, Inc.	5.02	3.00
Pensionskasse des Kantons Zug	3.38	3.38

35. Events after the reporting date

The Board of Directors approved the consolidated annual financial statements for publication on 4 February 2016. These statements are also subject to approval by the General Meeting of Mobimo Holding AG on 29 March 2016.

On 22 January 2016, Mobimo transferred the Kriens, Mattenhof II plot to a third-party investor. Under a closed project development agreement, the Investments for Third Parties business area will head the project until formal planning approval is received and the total contractor agreement is ready to be signed.

No other events occurred between 31 December 2015 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 2015 or would require disclosure in this section.

PROPERTY DETAILS

Trading property details

Location	Address	Site area in m²	Register of polluted sites	Built	Acquired
Land / development projects					
Kriens	Mattenhof II[3]	6,725	no		Feb 2004
Langenthal	Kühlhausstrasse 8	13,080	yes (insignificant)		Sep 2015
Merlischachen	Chappelmatt Strasse (Burgmatt)	15,507	no		2014/2015
Weggis	Hertensteinstrasse 105	3,043	no		May 2010
Zurich	Allmendstrasse 92 – 96 (Manegg)[3]	11,247	yes (insignificant)		Mar 2015
		49,602			
Properties under construction					
Aarau	Site 4 (Torfeld Süd)	11,105	yes (insignificant)		Jun 2001
Langenthal	Kühlhausstrasse[3]	2,284	no		Mar 2014
Lucerne	Büttenenhalde	7,115	no		Dec 2011
		20,504			
Completed real estate and development properties					
Aarau	Buchserstrasse 8	241	no	1907	Mar 2011
Allaman	Chemin des Grangettes 2[2]	23,213	no	1991	Sep 2015
Meilen	Feldgüetliweg 143/145 (Gusto)	2,687	no		Nov 2011
Regensdorf	Im Pfand 2 (Sonnenhof)	6,106	no		Jun 2007
St. Erhard	Längmatt	5,801	no	1979	Oct 2012
St. Moritz	Via Maistra 29[2]	557	no	1930	Jul 2010
Zurich	Badenerstrasse 595 (Station 595)	2,389	no	1954	May 2012
Zurich	Turbinenstrasse trading property (Mobimo Tower)	1,936	no		May 2008
		42,930			

[1] Status: certified purchase agreement.
[2] Development properties.
[3] Sale as project.

Description	Sales volumes in TCHF	Project status 31.12.2015	Realisation period	Carrying amount 31.12.2015 in TCHF	Sales status 31.12.2015[1]
open	open	in planning	open	11,571	1/1
open	open	in planning	open	311	open
78 condominiums	open	in planning	open	15,791	open
open	open	in planning	open	10,461	0/1
open	open	in planning	open	4,048	open
				42,181	
92 condominiums	84,640	construction project	2014/2017	44,754	40/92
n/a	open	construction project	2014/2016	22,104	1/1
24 condominiums	30,345	construction project	2014/2016	21,243	14/24
	114,985			**88,101**	
residential property	open	for sale	open	470	0/1
open	open	in planning	open	24,497	open
14 condominiums	29,560	for sale	2013/2015	13,289	6/14
45 condominiums	34,285	for sale	2013/2015	4,353	41/45
commercial building	open	for sale	open	7,071	0/1
open	open	in planning	open	16,370	open
60 condominiums	52,624	for sale	2013/2014	3,201	58/60
53 condominiums	169,948	for sale	2008/2011	27,031	45/53
	286,417			**96,281**	

Commercial property details

Location	Address	Acquired	Built	Year renovated
Aarau	Bahnhofstrasse 102 (Mediapark)	Mar 2004	1975	1998
Aarau	Industriestrasse 28; Torfeldstrasse car park	Jun 2001/Oct 2006	1905/1916/1929/1943/1954/1974	
Aarau	Industriestrasse 20 (Polygon)	Jun 2001	2012	
Affoltern am Albis	Obstgartenstrasse 9, Alte Oberfeldstrasse 27/29	Aug 2011	2013	
Basle[10]	Lyon Strasse 40	Nov 2015	1940	
Brugg	Bahnhofstrasse 11	Jun 2006	2005	
Dierikon	Pilatusstrasse 2	May 2009	1990	2007
Dübendorf	Sonnentalstrasse 5	Mar/Dec 1999	1975	2000
Dübendorf	Zürichstrasse 98	Jan 2000	1965	1983
Geneva[10]	Rue des Etuves 16-18	Nov 2015	1910	
Horgen	Seestrasse 80	Nov 2005	1960	2000/2008
Horgen	Seestrasse 82	Nov 2005	2010/2011	
Kreuzlingen	Lengwilerstrasse 2	Apr 2007	2007	
Kreuzlingen	Leubernstrasse 3; Bottighoferstrasse 1	Nov 2006	1983/2003	2003
Kreuzlingen	Romanshornerstrasse 126	Nov 2006	n/a	
Kriens	Sternmatt 6	Feb 2004	1986	2008
Lausanne	Avenue d'Ouchy 4 – 6 (Horizon)	May 2010	2013	2013
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	2012
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	1992/2011
Lausanne	Rue de Genève 17	Nov 2009	1884	2002
Lausanne	Rue de Genève 23	Nov 2009	1915	2005
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 8/10	Nov 2009	1946	1998
Lausanne	Rue des Côtes-de-Montbenon 12	Nov 2009	1918	2004
Lausanne	Rue des Côtes-de-Montbenon 16	Nov 2009	1912	2007
Lausanne	Rue des Côtes-de-Montbenon 20 – 24	Nov 2009	2013	
Lausanne	Rue des Côtes-de-Montbenon 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	Nov 2009	2008	
Lausanne	Rue du Port-Franc 17	Nov 2009	2002	
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	

[1] Target rental income as at reporting date 31 December 2015 as % of market value.
[2] Vacancy rate as % of target rental income.
[10] Acquisition of Dual portfolio.

Fair value in TCHF	Acquisition costs in TCHF	Gross yield in %[1]	Target rental revenues in TCHF	Vacancy rate as at 31. 12. 2015 in %[2]	Vacant area as at 31. 12. 2015 in %
24,320		9.0	2,177	44.8	39.9
28,758		6.4	1,846	0.0	0.0
24,470		5.2	1,263	0.0	0.0
73,000		3.6	2,643	0.0	0.0
860		7.9	68	0.0	0.0
27,110		5.7	1,550	4.5	3.2
10,170		7.3	737	0.6	0.0
25,610		6.9	1,759	26.1	24.1
20,910		6.8	1,432	8.8	6.1
11,280		5.3	603	48.3	28.2
7,650		6.8	517	0.2	0.0
6,009		4.4	266	9.2	0.0
6,363		5.1	322	0.0	0.0
62,038		5.9	3,660	0.9	1.3
1,886		4.3	80	0.0	0.0
26,040		9.0	2,336	5.6	5.8
65,420		5.0	3,242	0.0	0.0
4,710		4.5	210	0.0	0.0
7,820		5.5	432	0.0	0.0
27,690		5.4	1,494	0.0	0.3
12,550		5.4	676	0.0	0.0
5,750		5.3	303	0.0	0.0
8,098		5.6	454	0.0	0.0
8,273		4.6	377	26.8	22.9
23,090		5.4	1,253	0.0	0.0
21,920		6.0	1,308	0.0	0.0
32,170		5.1	1,628	0.0	0.0
20,850		6.7	1,397	3.6	2.6
3,384		5.4	182	0.0	0.0
6,874		6.7	459	9.6	13.9
13,050		6.6	860	0.0	0.0
7,864		4.6	359	0.0	0.0
8,481		6.3	531	0.0	0.0
3,820		8.2	314	0.0	0.0
5,588		5.4	304	0.0	0.0
41,160		5.2	2,148	0.0	0.0
1,850		4.3	79	0.0	0.0
2,169		3.4	74	0.0	0.0
6,885		5.0	342	0.0	0.0
12,460		5.9	734	20.7	24.6
12,200		6.0	730	0.0	0.0
19,210		6.5	1,247	14.1	15.8
15,410		5.6	863	0.0	0.0
30,230		6.2	1,863	0.0	0.0
33,380		5.0	1,685	0.0	0.0

Commercial property details

Location	Address	Acquired	Built	Year renovated
Lucerne	Alpenstrasse 9	Jun 2007	1890	2001/2010
Neuhausen	Victor von Bruns-Strasse 19	Mar 2007	2007	
Regensdorf	Althardstrasse 10	Dec 2001	1982	
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	Friedaustrasse 17	Oct 1998	1968	2013
Zurich	Friesenbergstrasse 75; Im Tiergarten 7	Feb 2014	1976/1992	1999
Zurich	Hardturmstrasse 3/3a/3b (Mobimo-Hochhaus)	Nov 1999	1974	2001/2008
Zurich	Rautistrasse 12	Nov 1999	1972	2011
Zurich	Stauffacherstrasse 41	Jun 2000	1990	2011
Zurich	Thurgauerstrasse 23; Siewerdtstrasse 25	Mar 2002	1963/1968/1985	1998
Zurich	Treichlerstrasse 10; Dolderstrasse 16	May 2014	1963	2007
Zurich	Turbinenstrasse 18 (Mobimo Tower Hotel)	May 2008	2011	
63	**Commercial investment properties**			
Kriens	Mattenhof I	Mar 2005/Feb 2013	n/a	
Lausanne	Avenue d'Ouchy 4–6	May 2010	1962	
Lausanne	Rue de Genève 19	Nov 2009	1893	2,002
Lausanne	Rue de Genève 21	Nov 2009	1902	
Lausanne	Rue des Côtes-de-Montbenon 1/3/5	Nov 2009	1930	
Lausanne	Rue des Côtes-de-Montbenon 14	Nov 2009	1963	
Lausanne	Rue du Port-Franc 20; Rue de Genève 33	Nov 2009	2007	
Regensdorf	Althardstrasse 30	Dec 2001	1976	
8	**Development properties (commercial properties)**			

[1] Target rental income as at reporting date 31 December 2015 as % of market value.
[2] Vacancy rate as % of target rental income.

Fair value in TCHF	Acquisition costs in TCHF	Gross yield in %[1]	Target rental revenues in TCHF	Vacancy rate as at 31. 12. 2015 in %[2]	Vacant area as at 31. 12. 2015 in %
12,550		4.5	569	0.0	0.0
11,360		6.4	725	0.0	0.0
18,690		9.9	1,858	24.0	19.1
11,860		7.3	865	6.9	5.2
17,480		6.4	1,111	0.0	0.0
5,071		5.3	267	0.0	0.0
15,110		6.5	985	6.7	8.4
13,300		6.2	829	0.0	0.0
19,380		7.7	1,497	14.3	11.4
21,330		4.3	918	0.0	0.0
12,850		5.4	693	6.3	3.3
90,730		6.5	5,920	10.6	11.7
59,850		5.4	3,225	0.0	0.0
20,370		6.8	1,382	7.3	7.7
49,350		4.9	2,395	0.0	0.0
14,460		6.7	973	0.9	0.7
15,300		5.9	897	4.0	11.4
129,140		5.4	6,950	0.0	0.0
1,357,011	**1,189,840**	**5.8**	**78,865**	**5.3**	**5.8**
20,150		0.1	12	0.0	0.0
60,610		5.7	3,431	28.0	23.4
3,541		11.4	403	15.1	17.1
3,420		9.4	321	6.4	5.7
976		10.5	102	0.0	0.0
1,393		2.6	36	0.0	0.0
38,680		7.2	2,791	29.8	37.1
13,700		11.3	1,542	73.0	74.2
142,470	**161,599**	**6.1**	**8,638**	**34.7**	**36.7**

Commercial property details

Location	Address	Ownership	Site area in m²	Register of polluted sites
Aarau	Bahnhofstrasse 102 (Mediapark)	sole ownership	5,675	no
Aarau	Industriestrasse 28; Torfeldstrasse car park	sole ownership	13,727	yes (insignificant)
Aarau	Industriestrasse 20 (Polygon)	sole ownership	3,840	yes (Code D)[3]
Affoltern am Albis	Obstgartenstrasse 9, Alte Oberfeldstrasse 27/29	sole ownership	6,455	no
Basle[10]	Lyon Strasse 40	sole ownership	1,910	no
Brugg	Bahnhofstrasse 11	condo (773/1000)	2,726	no
Dierikon	Pilatusstrasse 2	sole ownership	4,397	no
Dübendorf	Sonnentalstrasse 5	condo (930/1000)	4,368	yes (code D)[3]
Dübendorf	Zürichstrasse 98	sole ownership	9,809	yes (petrol station)
Geneva[10]	Rue des Etuves 16 – 18	sole ownership	484	no
Horgen	Seestrasse 80	sole ownership	3,483	no
Horgen	Seestrasse 82	sole ownership	0	no
Kreuzlingen	Lengwilerstrasse 2	sole ownership	6,993	no
Kreuzlingen	Leubernstrasse 3; Bottighoferstrasse 1	sole ownership	25,530	no
Kreuzlingen	Romanshornerstrasse 126	sole ownership	2,214	no
Kriens	Sternmatt 6	sole ownership	14,323	no
Lausanne	Avenue d'Ouchy 4 – 6 (Horizon)	sole ownership	12,609	yes[7]
Lausanne	Flonplex	sole ownership	1,953	yes[8]
Lausanne	Parking du Centre	sole ownership	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 Genève 23	sole ownership	636	yes[6]
Lausanne	Rue de la Vigie 3	sole ownership	972	yes[7]
Lausanne	Rue de la Vigie 5	sole ownership	852	yes[7]
Lausanne	Rue des Côtes-de-Montbenon 6	sole ownership	533	yes[7]
Lausanne	Rue des Côtes-de-Montbenon 8/10	sole ownership	587	yes[4]
Lausanne	Rue des Côtes-de-Montbenon 12	sole ownership	499	yes[7]
Lausanne	Rue des Côtes-de-Montbenon 16	sole ownership	850	yes[4]
Lausanne	Rue des Côtes-de-Montbenon 20 – 24	sole ownership	2,602	yes
Lausanne	Rue des Côtes-de-Montbenon 26	sole ownership	867	yes[8]
Lausanne	Rue des Côtes-de-Montbenon 28/30	sole ownership	1,068	yes[7]
Lausanne	Rue du Port-Franc 9	sole ownership	2,733	yes[6]
Lausanne	Rue du Port-Franc 11	sole ownership	612	yes[5]
Lausanne	Rue du Port-Franc 17	sole ownership	776	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]

[3] Code D: clarification necessary in the context of building projects.
[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.
[6] Site pollution suspected but no measures expected – the property must be maintained in accordance with the design plan ("Gestaltungsplan").

Property description[9]	Total rentable area in m²	Office space in %	Sales space in %	Commercial space in %	Residential space in %	Other in %
com	13,483	64.0	0.0	8.6	1.4	26.0
com	24,267	0.0	0.0	100.0	0.0	0.0
com	4,465	91.4	0.0	0.0	0.0	8.6
com	10,625	0.0	0.0	0.0	93.0	7.0
com	2,230	0.0	0.0	59.2	0.0	40.8
com	4,023	33.4	33.8	21.1	0.0	11.7
com	4,386	60.4	15.8	15.1	0.0	8.7
com	8,792	18.0	0.0	71.0	0.0	11.0
com	9,846	29.7	17.4	26.1	1.1	25.7
com + res	1,920	15.9	17.8	0.0	66.3	0.0
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	1,348	0.0	66.5	0.0	0.0	33.5
com	17,821	8.8	89.4	0.0	0.0	1.8
building right	0	0.0	0.0	0.0	0.0	0.0
com	20,992	32.0	4.7	42.3	1.2	19.8
com	8,072	96.6	0.0	0.0	0.0	3.4
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	4,769	68.5	0.0	0.0	0.0	31.5
com – hotel	3,437	0.0	0.0	0.0	0.0	100.0
com – hotel	902	0.0	0.0	0.0	0.0	100.0
com	1,441	66.8	7.9	0.0	0.0	25.3
com	1,679	78.1	21.9	0.0	0.0	0.0
com	3,512	49.5	36.2	0.0	0.0	14.3
com	4,679	8.6	87.4	0.0	0.0	4.0
com – share investment prop.	5,296	12.3	26.3	0.0	20.8	40.6
com	7,118	47.9	21.5	3.0	0.0	27.6
com	2,322	0.0	100.0	0.0	0.0	0.0
com	3,172	60.7	0.0	2.0	0.0	37.3
com	3,361	64.4	0.0	5.6	0.0	30.0
com	2,193	62.5	19.7	0.0	0.0	17.8
com	2,126	76.3	0.0	0.0	0.0	23.7
com	935	46.0	22.1	21.4	0.0	10.5
com	943	61.8	0.0	0.0	29.8	8.4
com	7,370	0.8	39.4	0.0	0.0	59.8
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	1,728	20.9	21.7	0.0	0.0	57.4
com	2,001	41.2	8.2	0.0	0.0	50.6
com	2,132	57.8	0.0	0.0	25.0	17.2
com	3,806	68.4	0.0	0.0	0.0	31.6
com	2,278	73.4	17.3	0.0	0.0	9.3
com	5,452	32.3	64.9	0.0	0.0	2.8
com	4,914	55.3	15.6	0.0	15.7	13.4

[7] Site pollution suspected – measures required in new-build projects.
[8] Building-right plots on which new-build projects have been completed in recent years.
[9] Com = commercial; Res = residential.
[10] Acquisition of Dual portfolio.

Commercial property details

Location	Address	Ownership	Site area in m²	Register of polluted sites
Lucerne	Alpenstrasse 9	sole ownership	569	no
Neuhausen	Victor von Bruns-Strasse 19	sole ownership	1,596	no
Regensdorf	Althardstrasse 10	sole ownership	7,714	no
Renens	Chemin de la Rueyre 116/118	sole ownership	4,503	no
St. Gallen	Schochengasse 6	sole ownership	1,316	no
St. Gallen	St. Leonhardstrasse 22	sole ownership	219	no
St. Gallen	Wassergasse 42/44	condo (867/1000)	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	Friedaustrasse 17	sole ownership	869	no
Zurich	Friesenbergstrasse 75; Im Tiergarten 7	sole ownership	11,532	no
Zurich	Hardturmstrasse 3/3a/3b (Mobimo-Hochhaus)	sole ownership	1,975	yes
Zurich	Rautistrasse 12	sole ownership	1,894	yes (petrol station)
Zurich	Stauffacherstrasse 41	sole ownership	1,405	no
Zurich	Thurgauerstrasse 23; Siewerdtstrasse 25	sole ownership	2,657	no
Zurich	Treichlerstrasse 10; Dolderstrasse 16	sole ownership	1,139	no
Zurich	Turbinenstrasse 18 (Mobimo Tower Hotel)	sole ownership	5,808	no
63	**Commercial investment properties**		**207,292**	
Kriens	Mattenhof I	sole ownership	15,792	no
Lausanne	Avenue d'Ouchy 4–6	sole ownership	0	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 des Côtes-de-Montbenon 1/3/5	sole ownership	1,835	yes[7]
Lausanne	Rue des Côtes-de-Montbenon 14	sole ownership	647	yes[7]
Lausanne	Rue du Port-Franc 20; Rue de Genève 33	sole ownership	2,000	yes[5]
Regensdorf	Althardstrasse 30	sole ownership	9,355	no
8	**Development properties (commercial properties)**		**34,886**	

[3] Code D: clarification necessary in the context of building projects.
[5] Site pollution eliminated – property rebuilt in recent years.
[6] Site pollution suspected but no measures expected – the property must be maintained in accordance with the design plan ("Gestaltungsplan").
[7] Site pollution suspected – measures required in new-build projects.
[9] Com = commercial; Res = residential.

Property description[9]	Total rentable area in m²	Office space in %	Sales space in %	Commercial space in %	Residential space in %	Other in %
com + res	1986	12.6	13.1	0.0	64.6	9.7
com	2,806	93.8	0.0	0.0	0.0	6.2
com	13,534	39.2	28.6	7.5	0.0	24.7
com	4,341	68.8	0.0	0.0	0.0	31.2
com	4,460	95.4	0.0	0.0	0.0	4.6
com	1,092	79.1	12.7	0.0	0.0	8.2
com	3,958	80.4	0.0	0.0	9.4	10.2
com	3,554	72.3	0.0	0.0	0.0	27.7
com	11,294	64.5	0.8	20.4	0.0	14.3
com	758	63.5	27.8	0.0	0.0	8.7
com	2,595	56.7	0.0	11.9	10.1	21.3
com	22,568	75.2	0.0	0.0	0.0	24.8
com	8,226	94.4	0.0	0.0	0.0	5.6
com	6,090	73.4	15.2	1.8	1.3	8.3
com	6,755	60.6	1.0	0.0	0.0	38.4
com	3,901	59.1	6.8	6.9	0.0	27.2
com	2,682	34.1	0.0	33.3	7.1	25.5
com – hotel	22,429	0.0	0.0	0.0	0.0	100.0
	345,494	**40.0**	**13.8**	**15.0**	**4.8**	**26.4**
land	0	0.0	0.0	0.0	0.0	0.0
com	18,844	24.5	20.8	41.7	0.0	13.0
com	3,548	39.4	17.2	0.0	0.0	43.4
com	3,575	40.0	16.9	0.0	0.0	43.1
com	586	0.0	0.0	70.5	0.0	29.5
com	640	0.0	0.0	0.0	0.0	100.0
com	9,964	32.9	63.4	0.0	0.0	3.7
com	12,537	53.6	0.0	14.7	2.3	29.4
	49,694	**35.0**	**23.0**	**20.4**	**0.6**	**21.0**

Residential property details

Location	Address	Acquired	Built	Year renovated
Affoltern am Albis	Alte Obfelderstrasse 31 – 35	Aug 2011	2013	
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
Carouge[10]	Place d'Armes 8	Nov 2015	1932	2014
Carouge[10]	Rue de la Fontenette 13	Nov 2015	1973	2014
Geneva[10]	Boulevard Carl-Vogt 6	Nov 2015	1948	
Geneva[10]	Boulevard de la Cluse 18	Nov 2015	1951	
Geneva[10]	Rue Chandieu 5	Nov 2015	1976	2005
Geneva[10]	Rue Daubin 35	Nov 2015	1952	2012
Geneva[10]	Rue de Cordiers 5	Nov 2015	1965	2008
Geneva[10]	Rue de la Cannonière 11	Nov 2015	1951	2005/2010/2011 / 2013
Geneva[10]	Rue de la Ferme 6	Nov 2015	1900	2008/2010/2012 /2014
Geneva[10]	Rue de la Poterie 34	Nov 2015	1895	2012
Geneva[10]	Rue de l'Ecole-de-Médecine 3	Nov 2015	1900	2014
Geneva[10]	Rue de Malatrex 30	Nov 2015	1951	2012
Geneva[10]	Rue de Vermont 9	Nov 2015	1969	2014
Geneva[10]	Rue des Confessions 9	Nov 2015	1923	2013
Geneva[10]	Rue des Peupliers 13	Nov 2015	1920	2010
Geneva[10]	Rue des Photographes 12	Nov 2015	1905	2013
Geneva[10]	Rue Dr-Alfred-Vincent 23	Nov 2015	1950	2010
Geneva[10]	Rue du 31 Décembre 35	Nov 2015	1956	2014
Geneva[10]	Rue du Village Suisse 4	Nov 2015	1900	2005
Geneva[10]	Rue Henri-Blanvalet 14	Nov 2015	1915	2012
Geneva[10]	Rue Schaub 3	Nov 2015	1960	2010
Geneva[10]	Rue Zurlinden 6	Nov 2015	1985	2012
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	Avenue Edouard Dapples 9/13/15/15a	Apr 2013	1925/1926	
Lausanne	Place de la Navigation 2	Nov 2009	1895	2004
Lausanne	Rue Beau-Séjour 8	Nov 2009	2011	
Lausanne	Rue des Fontenailles 1	Nov 2009/Apr 2013	1910/1963	1993
Lausanne	Rue Voltaire 2 – 12	Oct 2012	2015	
Meyrin[10]	Rue de Livron 17 – 19	Nov 2015	1967	2010
Münchwilen	Buchenacker 22/24/26/28; Unterer Buchenacker 7	Jun 2007	1994/1995	
Onex[10]	Avenue des Grandes-Communes 21 – 23 – 25	Nov 2015	1964	2012/2014
Opfikon-Glattbrugg	Farmanstrasse 47/49	Dec 2010	2009	
Regensdorf	Schulstrasse 95/97/99/101/103/105	Jun 2007	2015	
Rheinfelden	Rütteliweg 8; Spitalhalde 40	Sep 2006	1972	2004
St. Gallen	Teufenerstrasse 15	Dec 2006	1900	2005
Versoix[10]	Chemin de l'Ancien Péage 2 – 4	Nov 2015	1963	2014
Wängi	Brühlwiesenstrasse 11a/11b/15a/15b/19a/19b	Jun 2007	1984/1988	
Zurich	Katzenbachstrasse 221 – 231	Oct 2004/Feb 2005	2009	
Zurich	Katzenbachstrasse 239	Mar 2008	1969	
Zurich	Manessestrasse 190/192; Staffelstrasse 1/3/5	Dec 2005	2012	
45	**Residential investment properties**			

[1] Target rental income as at reporting date 31 December 2015 as % of market value.
[2] Vacancy rate as % of target rental income.

Fair value in TCHF	Acquisition costs in TCHF	Gross yield in %[1]	Target rental revenues in TCHF	Vacancy rate as at 31. 12. 2015 in %[2]	Vacant area as at 31. 12. 2015 in %
30,300		4.0	1,212	10.1	9.8
23,608		4.2	997	6.3	8.1
12,240		4.1	499	1.8	0.8
8,790		5.5	482	8.0	6.9
6,840		5.2	353	3.7	2.1
8,220		4.9	400	0.0	0.0
5,940		4.8	285	7.8	9.2
11,620		4.7	548	1.2	0.0
7,010		5.1	358	0.5	0.0
17,050		4.9	841	10.0	13.9
7,700		5.4	412	0.0	0.0
6,270		5.2	325	0.0	0.0
3,360		5.4	181	0.0	0.0
3,900		5.2	204	0.0	0.0
8,230		5.8	481	0.0	0.0
7,380		5.6	417	2.0	0.0
7,360		4.1	300	0.0	0.0
2,760		6.0	166	0.0	0.0
4,090		4.9	202	14.9	17.2
4,010		4.7	187	0.0	0.0
7,510		4.8	361	0.0	0.0
2,890		5.8	166	0.0	0.0
5,640		5.0	280	0.8	3.1
9,180		4.8	438	0.0	0.0
10,590		5.3	559	13.5	11.2
5,417		5.2	281	0.0	0.0
2,932		5.0	146	0.0	0.0
15,120		4.4	661	0.0	0.0
20,470		4.7	961	0.2	1.8
6,382		4.6	296	0.0	0.0
88,790		4.7	4,147	0.2	2.2
3,983		4.8	192	9.6	9.8
64,060		4.5	2,856	1.6	0.3
17,070		5.2	896	0.8	0.0
14,739		5.3	778	3.2	2.6
36,520		5.0	1,840	4.0	2.7
26,790		4.0	1,068	3.7	2.7
55,400		4.3	2,371	2.0	0.0
18,030		6.0	1,087	9.4	5.9
4,107		5.3	217	12.1	13.1
19,650		5.9	1,150	0.1	0.0
13,233		5.5	727	3.9	3.4
55,400		4.2	2,307	9.3	7.8
6,376		4.7	297	3.7	0.0
63,160		4.0	2,502	2.4	1.9
760,117	**632,180**	**4.7**	**35,435**	**3.3**	**5.0**

[10] Acquisition of Dual portfolio.

Residential property details

Location	Address	Ownership	Site area in m²	Register of polluted sites
Affoltern am Albis	Alte Obfelderstrasse 31 – 35	sole ownership	5174	no
Bergdietikon	Baltenschwilerstrasse 3/5/7/9/11/13/15/17	sole ownership	11,330	no
Binz	Zürichstrasse 244/246	sole ownership	4,025	no
Carouge[10]	Place d'Armes 8	sole ownership	250	no
Carouge[10]	Rue de la Fontenette 13	sole ownership	230	no
Geneva[10]	Boulevard Carl-Vogt 6	sole ownership	436	no
Geneva[10]	Boulevard de la Cluse 18	sole ownership	228	no
Geneva[10]	Rue Chandieu 5	sole ownership	315	no
Geneva[10]	Rue Daubin 35	sole ownership	624	no
Geneva[10]	Rue de Cordiers 5	sole ownership	1157	no
Geneva[10]	Rue de la Cannonière 11	sole ownership	248	no
Geneva[10]	Rue de la Ferme 6	sole ownership	272	no
Geneva[10]	Rue de la Poterie 34	sole ownership	242	no
Geneva[10]	Rue de l'Ecole-de-Médecine 3	sole ownership	492	no
Geneva[10]	Rue de Malatrex 30	sole ownership	241	no
Geneva[10]	Rue de Vermont 9	sole ownership	426	no
Geneva[10]	Rue des Confessions 9	sole ownership	351	no
Geneva[10]	Rue des Peupliers 13	sole ownership	147	no
Geneva[10]	Rue des Photographes 12	sole ownership	188	no
Geneva[10]	Rue Dr-Alfred-Vincent 23	sole ownership	234	no
Geneva[10]	Rue du 31 Décembre 35	sole ownership	290	no
Geneva[10]	Rue du Village Suisse 4	sole ownership	145	no
Geneva[10]	Rue Henri-Blanvalet 14	sole ownership	260	no
Geneva[10]	Rue Schaub 3	sole ownership	439	no
Geneva[10]	Rue Zurlinden 6	sole ownership	437	no
Lausanne	Avenue d'Ouchy 70	sole ownership	478	yes[4]
Lausanne	Avenue d'Ouchy 72/74	easement	n/a	yes[4]
Lausanne	Avenue d'Ouchy 76	sole ownership	738	yes[4]
Lausanne	Avenue Edouard Dapples 9/13/15/15a	sole ownership	5,246	no
Lausanne	Place de la Navigation 2	sole ownership	254	yes[4]
Lausanne	Rue Beau-Séjour 8	sole ownership	3,827	yes[5]
Lausanne	Rue des Fontenailles 1	sole ownership	853	no
Lausanne	Rue Voltaire 2 – 12	sole ownership	4,743	no
Meyrin[10]	Rue de Livron 17 – 19	sole ownership	670	no
Münchwilen	Buchenacker 22/24/26/28; Unterer Buchenacker 7	sole ownership	5,740	no
Onex[10]	Avenue des Grandes-Communes 21 – 23 – 25	sole ownership	930	no
Opfikon-Glattbrugg	Farmanstrasse 47/49	sole ownership	3,840	no
Regensdorf	Schulstrasse 95/97/99/101/103/105	sole ownership	16,656	no
Rheinfelden	Rütteliweg 8; Spitalhalde 40	sole ownership	14,817	no
St. Gallen	Teufenerstrasse 15	sole ownership	658	no
Versoix[10]	Chemin de l'Ancien Péage 2 – 4	sole ownership	722	no
Wängi	Brühlwiesenstrasse 11a/11b/15a/15b/19a/19b	sole ownership	7,413	no
Zurich	Katzenbachstrasse 221 – 231	sole ownership	6,137	no
Zurich	Katzenbachstrasse 239	sole ownership	1,987	no
Zurich	Manessestrasse 190/192; Staffelstrasse 1/3/5	sole ownership	2,345	no
45	**Residential investment properties**		**108,146**	

[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 m²	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 %
res	4,706	0	1	15	26	0	42	0.8
3 res	5,226	0	8	18	28	0	54	6.0
res	2,580	0	6	12	12	0	30	4.5
res	1,308	0	19	8	0	0	27	8.4
res	1,188	1	6	7	3	6	23	0.0
res	2,068	0	0	6	6	6	18	46.3
res	855	0	14	5	2	0	21	0.0
res	2,010	0	0	12	12	2	26	11.7
res	1,043	1	20	0	7	0	28	0.0
res	2,786	0	0	2	22	3	27	35.7
res	1,145	1	14	12	1	0	28	0.0
res	857	21	4	0	0	0	25	3.2
res	701	2	7	4	2	0	15	0.0
res	800	0	0	6	4	0	10	31.3
res	1,289	20	10	0	0	0	30	32.1
res	1,153	9	0	0	5	4	18	28.6
res	1,316	0	3	15	5	0	23	3.0
res	513	0	2	3	4	1	10	0.0
res	685	0	3	4	1	1	9	21.1
res	707	0	0	8	6	1	15	0.0
res	1,395	0	18	0	6	0	24	14.3
res	511	0	3	5	2	1	11	0.0
res	841	0	0	6	4	4	14	23.9
res	1,857	0	0	14	12	1	27	11.7
res	1,609	0	3	4	8	0	15	43.6
res + com	1,122	0	0	5	1	4	10	6.9
res	996	0	6	3	3	0	12	0.0
res + com	2,536	0	0	0	1	9	10	27.6
res	6,854	0	1	2	28	17	48	29.1
res + com	1,313	0	2	0	2	4	8	11.3
res	10,271	0	19	55	16	11	101	3.2
res	1,051	1	0	0	4	4	9	9.8
3 res	8,393	1	21	41	21	8	92	0.6
res	3,972	0	0	12	24	12	48	11.7
3 res	4,367	0	4	20	20	0	44	4.9
res	6,570	0	0	54	53	0	107	1.0
7 res	3,609	1	13	16	9	0	39	0.4
	8,716	0	16	50	30	0	96	0.0
res	5,588	8	30	0	46	0	84	0.5
res + com	1,598	1	2	1	7	0	11	30.1
res	4,495	0	20	0	34	16	70	11.7
3 res	4,439	0	6	21	21	0	48	2.1
res	7,948	0	5	32	27	5	69	4.1
res	1,589	0	5	8	5	0	18	0.0
res	6,583	0	11	21	20	0	52	10.0
	131,159	**67**	**302**	**507**	**550**	**120**	**1,546**	**8.8**

9 Com = commercial; Res = residential.
10 Acquisition of Dual portfolio.

Details of investment properties under construction

Location	Address	Ownership	Acquired	Built
Aarau	Baufeld 2 (Torfeld Süd)	sole ownership	Oct 2006	1905/1916/1929/ 1943/1954
Horgen	Seestrasse 93 (Grob-Areal)	sole ownership	Nov 2005	1956/2017
Kriens	Sternmatt 6 – Trakt C (car park)	sole ownership	Feb 2004	1986
Zurich	Albulastrasse; Hohlstrasse	sole ownership	Apr 2010	1896/1928
Zurich	Letzigraben 134 – 136	sole ownership	Sep 2006	1958/1975/2016
5	**Properties under construction**			

All of the above investment properties are in the construction phase. The properties at Zurich, Letzigraben 134 – 136 and Kriens, Sternmatt 6 – Block C (multi-storey parking) will be completed in the first half or by the end of 2016. The properties at Horgen, Seestrasse 93 (Grob site) and Zurich, Hohlstrasse are planned to be completed in 2017, while the realisation phase of the property Aarau, Site 2 (Torfeld Süd) will last until 2018.

Owner-occupied property details

Location	Address	Ownership	Acquired	Built
Aarau	Buchserstrasse 27	sole ownership	Oct 2006	1885
Küsnacht	Seestrasse 59	sole ownership	Sep 2002	2006
Lausanne	Rue de Genève 7	sole ownership	Nov 2009	1932
Lausanne	Rue des Côtes-de-Montbenon 16	sole ownership	Nov 2009	1912
4	**Properties**			

Co-ownership details

Location	Address	Ownership	Acquired	Built
Lausanne	Flonplex	co-ownership 40 %	Nov 2009	2003
Lausanne	Parking du Centre	co-ownership 50 %	Nov 2009	2002
Lausanne	Parking Saint-François	co-ownership 26,5 %	Nov 2009	1959
3	**Properties**			

[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.
[7] Site pollution suspected – measures required in new-build projects.
[9] Com = commercial; Res = residential.

Fair value in TCHF	Site area in m²	Register of polluted sites	Description of property[9]	Total rentable area in m²
23,600	18,526	yes (insignificant)	res + com	19,205
26,170	10,542	yes	com	16,660
1,900	5,028	no	car park	160
54,400	10,266	yes	res + com	21,656
47,100	5,003	yes	res	6,977
153,170	**49,365**			**64,657**

Year renovated	Carrying amount in TCHF	Site area in m²	Register of polluted sites	Description of property[9]	Total rentable area in m²
	704	1,155	yes (insignificant)	own-use	261
	10,664	2,125	no	com	2,046
1992/2011	3,334	3,343	yes[4]	com-share own-use	632
2007	567	850	yes[4]	com-share own-use	170
	15,269	**7,473**			**3,109**

Fair value in TCHF	Site area in m²	Register of polluted sites	Description of property[9]	Total rentable area in m²
9,264	0	yes[5]	multiplex cinema	5,256
28,890	0	yes[5]	car park	0
2,325	0	yes[7]	car park	0
40,479				**5,256**

REPORT OF THE STATUTORY AUDITOR TO THE GENERAL MEETING OF SHAREHOLDERS OF MOBIMO HOLDING AG, LUCERNE

Report of the Statutory Auditor on the Consolidated Financial Statements

As statutory auditor, we have audited the accompanying 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 56 to 121) for the year ended 31 December 2015.

Board of Directors' Responsibility

The board of directors is responsible for the preparation 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 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 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 2015 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

Kurt Stocker
Licensed Audit Expert
Auditor in Charge

Reto Kaufmann
Licensed Audit Expert

Lucerne, 8 February 2016

REPORT OF THE INDEPENDENT VALUATION EXPERTS WÜEST & PARTNER AG

Commission

Wüest & Partner AG (Wüest & Partner) was commissioned by the Executive Board of Mobimo Holding AG (Mobimo) to perform a valuation, for accounting purposes, of the properties and property units held by Mobimo as at 31st of December 2015 (reporting date). The valuation encompasses all investment properties (including development properties and investment properties under construction). Trading properties (development and sale of condominium ownership) are not part of the valuation.

Valuation standards

Wüest & Partner hereby confirms that the valuations were performed in accordance with national and international standards and guidelines in particular with the International Valuation Standards (IVS and RICS/Red Book) and the Swiss Valuation Standards (SVS) and as well as in accordance with the requirements of the SIX Swiss Exchange.

Accounting standards

The market values determined for the investment properties conform to the concept of fair value as defined in the International Financial Reporting Standards (IFRS) on the basis of revised IAS 40 (Investment Property) and IFRS 13 (Fair Value Measurement).

Definition of fair value

Fair value is the price that independent market operators would receive on the valuation date if an asset were sold under normal market conditions or the price that such operators would pay on the valuation date if a liability (debt) were transferred under normal market conditions (exit price).

An exit price is the selling price postulated in the purchase contract upon which the parties have jointly agreed. Transaction costs, which normally consist of estate agents' commission, transaction taxes and land registry and notary fees, are not taken into account when determining fair value. This means that in line with paragraph 25 IFRS 13, fair value is not adjusted by the amount of the transaction costs incurred by the purchaser in the event of a sale (gross fair value). This is in line with Swiss valuation practice.

Valuation at fair value assumes that the hypothetical transaction involving the asset to be valued takes place on the market with the largest volume and the most business activity (main market) and that the frequency and volume of transactions are adequate for there to be sufficient price information available for the market (active market). If no such market can be identified, it will be assumed that the asset is being sold on the main market, which would maximize the assets selling price on disposal.

Implementation of fair value

Fair value is calculated on the basis of the best possible use of a property (highest and best use). The best possible use of a property is that which maximizes its value. This assumption presupposes a use, which is technically and physically possible, legally permitted and financially realizable. As fair value is calculated on the basis of maximization of use, the best possible use may differ from the actual or planned use. In the assessment of fair value, future investment spending for the purpose of improving a property or increasing its value will be taken into account accordingly.

The use of the highest and best use approach is based on the principle of the materiality of the possible difference in value in terms of the ratio of the value of the specific property to the total real estate assets and in terms of the possible absolute difference in value. A property's potential added value within the usual estimating tolerance of a specific valuation is regarded as immaterial in this context and is therefore disregarded.

Fair value is determined according to the quality and reliability of the valuation parameters, in order of diminishing quality/reliability: Level 1 market price, Level 2 modified market price and Level 3 modelbased valuation. At the same time, when a property is valued on the basis of fair value, different parameters may be applied to different hierarchies. In this context, the total valuation is classed according to the lowest level of the fair value hierarchy in which the material valuation parameters are found.

The value of the properties of Mobimo is determined using a modelbased valuation according to Level 3 on the basis of input parameters, which cannot be directly observed on the market. Here too adjusted Level 2 input parameters are used (e.g. market rents, operating/maintenance costs, discounting/capitalization rates, pro-ceeds of sales of residential property). Non-observable input factors are only used where relevant observable input factors are not available.

The valuation procedures used are those that are appropriate under the given circumstances and for which sufficient data are available to determine fair value. At the same time, the use of relevant observable input factors is maximized, while the use of non-observable input factors is minimized. In the case of the present valuation procedure, an income-based approach is applied, using discounted cash flow valuations, which are widespread in Switzerland.

Market rents, vacancy levels and discount rates are defined as significant input factors. For properties that that are valued based on sales in condominium ownership (according to the highest and best use approach) sales prices are defined as a significant input factor.

The above factors are influenced to a varying degree by market developments. If the input factors change, the property's fair value also changes. For each input factor, these changes are simulated on the basis of static sensitivity analyses. Owing to interdependence between the input factors, their effects on fair value may either offset or potentiate each other. For example, the effect of reduced market rents combined with higher vacancies and higher discount rates will have a cumulative negative impact on fair value. However, as the portfolio is diversified geographically and by properties, changes to input factors seldom exert a cumulative effect in the short term.

The economic environment may be regarded as the most important factor influencing the input factors. When negative economic sentiment exerts downward pressure on market rents, real estate vacancies usually increase. But at the same time, such market situations are usually associated with favourable (i.e. low) interest rates, which have a positive effect on discount rates. To an extent, therefore, changes to input factors offset each other. Ongoing measures to optimize the Mobimo portfolio (e.g. the conclusion or renewal of longterm rental contracts, investments in the fit-out of rental areas etc.) counter such short-term market shocks, which primarily impact on market rents and vacancy levels. As already mentioned, the individual, risk-adjusted discount rate for a property reflects the yield expectations of the respective investors/market actors; the property owner can exert only a limited influence.

Valuation method

In valuing Mobimo's real estate holdings, Wüest & Partner applied the discounted cash flow (DCF) method, by which the market value of a property is determined as the total of all projected future (100 years) net earnings discounted to the valuation date. Net income is discounted separately for each property with due allowance for specific opportunities and threats, and adjustment in line with market conditions and risks.

Basis of valuation

Wüest & Partner is familiar with all the properties, having carried out inspections and examined the documentation provided. The properties have been analysed in detail in terms of their quality and risk profiles (attractiveness and lettability of rented premises, construction type and condition, micro- and macro-location etc.). Currently vacant premises are valued with allowance made for a reasonable marketing period.
Wüest & Partner inspects the properties at least once every three years as well as following purchase and upon completion of larger refurbishment and investment projects.
Within the review period from 1st January 2015 to 31st December 2015, Wüest & Partner visited 36 properties belonging to Mobimo.

Results

A total of 94 investment properties (including development properties and investment properties under construction) were valued as at 31st of December 2015 by Wüest & Partner. The fair value of all 94 investment properties is estimated as at 31st of December 2015 at 2,171.0 million Swiss Francs.

Changes during reporting period

Within the review period from 1st January 2015 to 31st December 2015 the properties «Bahnhofstrasse 39, Bülach», «Seestrasse 43 – 49, Horgen», «Seestrasse 63 – 69, Horgen» «Turbinenstrasse 22 – 32, Zürich» and «Pfeffingerring 201, Aesch» were sold.

In the same period the properties «Rue Voltaire 2 – 12, Lausanne» and «Schulstrasse 95/97/99/101/103/105, Regensdorf» were reclassified from the investment properties under construction to the residential investment properties. In addition the property «Sternmatt 6 – Trakt C (Parkhaus), Kriens» was reclassified from the commercial investment properties to the investment properties under construction.
The properties «Baufeld 2 (Torfeld Süd), Aarau» and «Albulastrasse; Hohlstrasse, Zürich» were reclassified from the development properties to the investment properties under construction. The property «Mattenhof II, Kriens» was reclassified from the development properties to the promoted properties.

Independence and confidentiality

Wüest & Partner performed the valuation of Mobimo's real estate holdings independently and neutrally in conformity with its business policies. It was carried out solely for those purposes specified above; Wüest & Partner shall accept no liability in respect of third parties.

Valuation fee

The fee of the valuer's services is independent of the valuation results. The rate is based upon the numbers of the valuations performed and the lettable area of the property.

Wüest & Partner AG
Zurich, 1st of February 2016

Patrik Schmid Partner	Fabio Guerra MRICS Director

Annex: valuation assumptions

With regard to the significant input factors, the following ranges for the discount rates, achievable long-term market rents and structural vacancy rates were applied to the property valuations:

Asset class/Valuation method	Fair value	Input factors		Minimum	Weighted average	Maximum
Commercial investment properties	**1,344,871,000**	**Discount rates (real)**	**%**	**3.50**	**4.32**	**5.40**
Level 3		Achievable long-term market rents	CHF/m² p.y.	110	240	1 145
DCF		Structural vacancy rates	%	2.4	4.5	11.0
Development properties	**142,470,000**	**Discount rates (real)**	**%**	**4.30**	**4.80**	**5.60**
Level 3		Achievable long-term market rents	CHF/m² p.y.	138	231	757
DCF		Structural vacancy rates	%	3.3	5.6	12.3
Residential investment properties	**530,537,000**	**Discount rates (real)**	**%**	**2.90**	**3.48**	**4.30**
Level 3		Achievable long-term market rents	CHF/m² p.y.	166	291	404
DCF		Structural vacancy rates	%	1.0	2.7	5.9
Investment properties under construction	**153,170,000**	**Discount rates (real)**	**%**	**3.30**	**3.78**	**5.00**
Level 3		Achievable long-term market rents	CHF/m² p.y.	180	283	323
DCF		Structural vacancy rates	%	2.0	3.1	10.0

For the two properties that are valued based on sales in condominium ownership (according to the highest and best use approach) sales prices ranging between CHF 6,600 and CHF 7,800 per square meter were applied.

The valuations were based on the following general assumptions:

- The rent rolls from Mobimo used in the valuation are dated 31st of December 2015.
- A one-phase DCF model was adopted. The valuation period extends for 100 years from the valuation date, with an implicit residual value in the 11th period.
- Discounting is based on a risk-adjusted interest rate. Rates are determined individually for each property on the basis of appropriate benchmarks derived from arm's-length transactions. They may be broken down as follows: risk-free interest rate + property risk (immobility of capital) + premium for macro-location + premium for micro-location depending on use + premium for property quality and income risk + any other specific premiums. Real discount rates range between 2.90 % and 5.60 % depending on the property, use and location (see table above).
- Unless otherwise stated, the valuations assume 1.0 % annual inflation for income and all expenditure. Where a nominal discount rate is applied, this is adjusted accordingly.
- Credit risks posed by specific tenants are not explicitly factored into the valuation.
- Specific indexation of existing rental agreements is accounted for on an individual basis. After expiry of the contracts, an indexation factor of 80 % (Swiss average) and an average contract term of 5 years are assumed.
- For existing tenancies, the timing of individual payments is assumed to comply with the terms of the lease. Following lease expiry, cash flows for commercial premises are taken to be quarterly in advance, for housing monthly in advance.
- In terms of running costs, entirely separate service charge accounts are assumed, with no tenancy-related ancillary costs to be borne by the owner.
- The maintenance (repair and upkeep) costs were calculated using a building analysis tool. This tool is used to estimate the remaining lifespan of individual compo-nents based on their present condition, to model periodic refurbishments and to calculate the associated annuity. The calculated values are plausibility tested using cost benchmarks derived from Wüest & Partner surveys.

The following, additional assumptions were applied to the valuations of the development properties and the investment properties under construction:

- The background data provided by Mobimo has been verified and, where appropriate, adjusted (e.g. plot ratio, lettable areas, deadlines/development process, letting/absorption).
- The valuations undergo independent earnings and cost assessment and yield analysis.
- It is assumed that construction cost certainty has been achieved through the agreement of general contracts and design-and-build contracts.
- Allowance is made in the construction costs for enabling works where these are known (e.g. remediation of contaminated sites, demolitions, infrastructure).
- The construction costs include the usual incidental costs, excl. construction financing. This is implicit in the DCF model. Allowance is made for value-relevant services previously provided by third parties or Mobimo, insofar as these are known.
- The posted construction costs of development properties and investment properties under construction are generally calculated inclusive of value-added tax (mainly residential use).
- The Mobimo strategy regarding project development/promotion (e.g. sale vs. rent-ing), where deemed plausible by Wüest & Partner, is adopted in the valuation.
- The valuations contain no latent taxes.

REPORT OF THE VALUATION EXPERTS JONES LANG LASALLE AG

Mandate

The investment properties of Dual Real Estate Investment SA have been valued on behalf of the owner for the purpose of its financial statement by Jones Lang LaSalle AG as at the market value on 31 December 2015. This concerns a total of 27 investment properties.

Valuation standard

Jones Lang LaSalle AG confirms that the valuations were carried out within the framework of common national and international standards and guidelines, in particular in accordance with the International Valuation Standards (IVS, RICS/Red Book), and the Swiss Valuation Standards (SVS).

Accounting standard

The market values determined for the investment properties represent the "Fair Value" as defined in the "International Financial Reporting Standards" (IFRS) on the basis of revised IAS 40 (Investment Property) and IFRS 13 (Fair Value Measurement).

Definition of "Fair Value"

The "Fair Value" is the price that would be received to sell an asset or paid to transfer a liability (debt) in an orderly transaction between market participants at the measurement date.
An exit price is the selling price as stated in the purchase contract on which the parties have agreed.
Transaction costs, typically consisting of brokerage commissions, transaction taxes and land registration and notary fees, are not taken into account in the Fair Value. The Fair Value is therefore in accordance with clause 25 IFRS 13 not corrected by the purchaser transaction costs incurred in a sale (Gross Fair Value). This corresponds to the Swiss evaluation practice.
The Fair Value valuation assumes that the hypothetical transaction for the asset being valued takes place on the market with the greatest volume and the largest business activity (principal market), as well as that transactions of sufficient frequency and volume occur so that sufficient pricing information is available for the market (active market). If such a market cannot be identified, a market for the asset is assumed that maximises the selling price.

Realisation of "Fair Value"

The Fair Value is determined on the basis of the best possible use of a property (highest and best use). The best use is the use that maximises the property's value. This assumption of use must be technically/physically possible, legally permissible and financially feasible. As a maximisation of utility is assumed in the determination of Fair Value, the best use may differ from the actual or planned use. Future capital expenditures that will improve or increase the value of a property are taken into account appro-priately in the Fair Value Measurement.
The application of the highest and best use approach is based on the principle of materiality of the potential difference in value in relation to the value of the individual property and of the total real estate assets, as well as in relation to the possible absolute value difference. Potential increased real estate values that lie within the usual valuation tolerance of a single valuation are considered to be insignificant and neglected as a result.
The determination of Fair Value is dependent on the quality and reliability of measurement parameters, with decreasing quality and reliability: Level 1 market price, level 2 modified market price and level 3 model-based valuation. For a Fair Value appraisal of a property, different levels for different application parameters can be applied simultaneously. The entire valuation is classified according to the lowest level of the Fair Value hierarchy, which contains the main valuation parameters.
The investment properties of the Dual Real Estate Investment SA are valued with a model-based valuation in accordance with level 3, on the basis of input parameters not directly observable on the market. Based on this level, adapted level 2 input parameters are used (e.g. market rents, operational and maintenance costs, discount/capitalisation rates). Not observable inputs are only used when relevant observable inputs are not available.
The methodologies are applied that are appropriate in each circumstance and for which sufficient data to determine the Fair Value is available, whereby the use of relevant observable inputs is maximized and the use of the unobservable inputs is minimized. In the present valuations, an income-based approach with the Discounted Cash Flow method that is common in Switzerland is applied.

Valuation method

Jones Lang LaSalle AG valued the investment properties of Dual Real Estate Investment SA with the Discounted Cash Flow method (DCF method). It determines the yield potential of a property on the basis of future revenues and expenditures. The resulting cash flows correspond to the current as well as the projected net cash flows after deduction of all costs not recoverable from the tenant (before taxes and borrowing costs). The annual cash flows are discounted to the valuation date. The discount rate used is based on the interest rate on long-term, risk-free investments, such as a 10-year federal bond and a specific risk premium. This takes into account market risks and the associated higher illiquidity of a property compared to a federal bond. The discount rates vary according to the macro and micro situation and property segment.
The market value determination of properties that are completely or partially vacant takes place on the assumption that their reletting will take a certain amount of time. Rent losses, rent-free periods and other incentives for new tenants, which correspond to market standards at the date of valuation, are taken into account in the assessment.

Basis of the Valuations

All properties are known to JLL due to the inspections carried out and the documents provided. JLL conducted an analysis in terms of quality and risks (attractiveness and lettability of the rented premises, construction and condition, micro and macro location).

All properties were visited by JLL in January 2015.

Valuation result

Taking into account the above statements, as at 31 December 2015 Jones Lang LaSalle AG assessed the market value of the 27 appraised investment properties, which are owned by Dual Real Estate Investment SA, as follows:

Total investment properties	**CHF 241,720,000**

The valuation result in words:
Two hundred forty-one million seven hundred twenty thousand Swiss francs.

Independence and purpose

In accordance with the business policy of Jones Lang LaSalle AG, the valuation of the properties of Dual Real Estate Investment SA was conducted independently and neutrally. It serves only the purpose previously mentioned. Jones Lang LaSalle AG assumes no liability to third parties.
The remuneration for the valuation services is independent of the valuation result and is based on consistent fee rates per property.

Jones Lang LaSalle AG
Zurich, 1 February 2016

Jan P. Eckert, CEO Switzerland
dipl. Auditor
Property economist (ebs)
MRICS

Lukas Nebehay, Vice President
MBF HSG

Valuation model and assumptions

Valuation model

Jones Lang LaSalle AG's DCF model is two-phased model and determines the market value of the properties based on future cash flows. Based on a forecast of future revenue and expenditure over a detailed analysis period of ten years, the potential annual target rental income is identified and reduced by costs not communicable to the tenant. The resulting cash flows thus correspond to the projected net cash flows after deduction of all costs not recoverable from the tenants, however before financing and taxes. At the end of the detailed analysis period, a residual value (exit value) is determined on the basis of a perpetual annuity from the exit cash flow, as well as taking into account the future repair works incumbent on the owner. The market value is the sum of the net cash flows discounted at the valuation date over the detailed analysis period and the discounted residual value.

Discount and capitalisation rates

The discount rate used for the valuation is based on the interest rate on long-term, risk-free investments, such as of a 10-year federal bond increased by a specific risk premium, which takes into consideration the current situation in the transaction market in addition to usage, location and size of the property. This risk premium thus takes into account market risks and the associated higher illiquidity of a property compared to a federal bond. The yield difference (spread) between a federal bond and a property investment is regularly verified by Jones Lang LaSalle AG on the basis of property transactions.
The nominal discount and capitalisation rates are differentiated according to property with regard to macro and micro situation as well as property segments. The average capital weighted nominal discount rate as at 31 December 2015 for the residential properties is 4.35 %, for the commercial properties 4.63 % and for all properties 4.36 %. The average capital weighted capitalisation rate as at 31 December 2015 is for the residential properties 3.85 %, for the commercial properties 4.13 % and for all properties 3.86 %.

Rental income

The valuations are based on the rental income at the valuation date of 31 December 2015. Starting from the current contractual rent, the annual target rental income as well as the time for its realisation is estimated. This assumption takes into consideration possible temporary rental controls due to the "LDTR" as well as the risk of contestation of higher rental levels by new tenants, without specifically modelling these. In the case of expiring commercial leases, sustainable market rents as assessed from today's point of view are applied. The market rents are based on the rental price databases and the property research of Jones Lang LaSalle AG. Usually the lower of market rent and contract rent is used for tenant-side lease renewal options.

Indexing

Rents for office and commercial spaces are normally linked to the national consumer price index (CPI), while leases for apartments are linked to the change in the reference interest rate calculated quarterly by the National Bank, which still includes an inflation factor. Based on the forecasts of the relevant economic research agencies (KOF, BAK, SECO) for the development of the CPI and mortgage interest rates, estimates are regularly made by Jones Lang LaSalle AG for the future indexing of the contractual rent, whereby for all valuations that are made on the same valuation date, the same assumptions are used respectively.
For the valuations on the valuation date, Jones Lang LaSalle AG assumed an annual increase of 0.50 % in the first 10 years both in the business as well as the apartment rents. The contractually agreed percentage rates are taken into account in the valuations for each rental unit. The future rental income is linked 100 % to the estimated inflation rate in cases of lack of information. The same growth rates are generally used for the future development of the market rents assessed from today's point of view as sustainable.

Vacancy

For expiring leases of retail and office spaces, a property and segment specific vacancy is applied. This absorption time (vacancy in months after contract end) is specifically determined for each property and usually lies between three and nine months. In special cases also longer or shorter re-letting scenarios are applied. The general vacancy risk is taken into consideration with a structural vacancy rate, which is likewise applied specifically to the property.

In the case of residential properties, no specific vacancies are usually applied, since the leases are usually open-ended. The normal tenant fluctuation is taken into account with the help of structural vacancies, which are applied specifically to the property.

Operating costs

The property operating costs are based in principle on the respective property accounts. The non-recoverable costs concern operating and maintenance costs, which cannot be passed on to the tenant due to the contractual conditions or running costs, which are to be borne by the owner due to vacancy. All the future running costs are modelled on the basis of the analysis of the historical figures and benchmarks by Jones Lang LaSalle.

Repair costs

In addition to the rental income, the future repair costs are assessed. The investments considered during the DCF analysis period of 10 years are based in part on the projections of the landlord or the property management.

The capital expenditures necessary on a long-term basis for the determination of the exit value are calculated specifically to the property on the assumption that, depending upon building method and use of the property, various parts of the building exhibit limited life spans and therefore must be renewed cyclically. In the exit year, the amount converted into a capital expenditure fund considers the costs for the ongoing renovations of the property, which secure on a long-term basis the contractual and market rents on which the valuation is based.

BALANCE SHEET

TCHF	Note	2015	2014
Assets			
Current assets			
Cash		51,005	70,679
Other current receivables – third parties		25	1,162
Other current receivables – participations		16,043	13,395
Accrued income and prepaid expenses – third parties		62	398
Total current assets		**67,135**	**85,634**
Non-current assets			
Financial assets			
• Loans – participations		798,280	827,193
Participations	2	339,757	311,335
Total non-current assets		**1,138,037**	**1,138,528**
Total assets		**1,205,171**	**1,224,161**

TCHF	Note	2015	2014
Equity and liabilities			
Liabilities			
Current liabilities			
Trade payables – third parties		60	77
Other current liabilities – third parties		1,465	1,032
Other current liabilities – participations		105	2,018
Accrued expenses and deferred income – third parties		4,838	4,754
Accrued expenses and deferred income – governing bodies		83	81
Total current liabilities		**6,550**	**7,962**
Non-current liabilities			
Bonds	3	515,000	515,000
Total non-current liabilities		**515,000**	**515,000**
Total liabilities		**521,550**	**522,962**
Equity	4		
Share capital		180,327	180,282
Statutory capital reserves			
• Capital contribution reserve		151,843	210,904
Statutory retained earnings			
• General legal reserves		45,795	45,498
Voluntary retained earnings:			
Retained earnings			
• Profit carried forward		264,830	219,548
• Profit for the year		41,089	45,283
Treasury shares		–262	–315
Total equity		**683,622**	**701,199**
Total equity and liabilities		**1,205,171**	**1,224,161**

INCOME STATEMENT

TCHF	Note	2015	2014
Income from participations		31,513	36,728
Income from cost charges – participations		1,934	2,009
Financial income – participations		20,348	20,419
Financial income – third parties		37	82
Total income		**53,832**	**59,238**
Personnel expenses	5	–1,305	–1,369
Administrative expenses – third parties		–1,691	–4,316
Interest expense for bonds		–8,573	–7,091
Other financial expense – third parties		–25	–168
Direct taxes		–1,150	–1,010
Total expenses		**–12,743**	**–13,956**
Profit for the year		**41,089**	**45,283**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

1. General information

The annual financial statements of Mobimo Holding AG, with its registered office in Lucerne, were prepared in accordance with the provisions of Swiss accounting and financial reporting law (title 32 of the Swiss Code of Obligations) for the first time. The main valuation principles used that are not prescribed by law are listed at the beginning of the relevant note.

The prior year figures in the balance sheet and income statement have been adjusted based on the new classification rules to ensure comparability.

The consolidated annual financial statements of Mobimo Holding AG are prepared in accordance with International Financial Reporting Standards (IFRS). These annual financial statements therefore do not contain any additional disclosures, a cash flow statement or management commentary.

2. Equity investments

Name	Registered office	Share capital 2015 in TCHF	Equity interest in %	Share capital 2014 in TCHF	Equity interest in %
Directly held participations					
Mobimo AG	Küsnacht	72,000	100.0	72,000	100.0
Mobimo Management AG	Küsnacht	100	100.0	100	100.0
LO Holding Lausanne-Ouchy SA	Lausanne	12,000	100.0	12,000	100.0
Immobilien Invest Holding AG	Glarus	150	75.33	150	75.33
FM Service & Dienstleistungs AG	Küsnacht	100	50.00	100	50.00
Indirectly held participations					
LO Immeubles SA	Lausanne	2,000	100.0	2,000	100.0
ProviHold SA[1]	Lausanne	100	100.0	100	100.0
Promisa SA[1]	Lausanne	100	100.0	100	100.0
Dual Real Estate Investment SA[1]	Fribourg	36,660	99.51	n/a	n/a
CC Management SA[1]	Geneva	4,700	99.51	n/a	n/a
O4Real SA	Lausanne	1,000	100.0	1,000	100.0
Petit Mont-Riond SA	Lausanne	50	75.33	50	75.33
Parking du Centre SA	Lausanne	6,000	50.0	6,000	50.0
Flonplex SA	Lausanne	2,000	40.0	2,000	40.0
Parking Saint-François SA[2]	Lausanne	1,150	26.52	1,150	26.52
JJM Participations SA[3]	Lausanne	n/a	n/a	6,001	100.0

[1] The following companies were acquired by subsidiaries of Mobimo Holding AG in the year under review: ProviHold SA, Lausanne, and Promisa SA, Lausanne, as well as Dual Real Estate Investment SA, Fribourg, and CC Management SA, Geneva. Further information on the newly acquired companies can be found in Note 33 to the consolidated annual financial statements.

[2] The share of voting rights is 5 %.

[3] As part of a restructuring within the scope of consolidation, the company JJM Participations SA, Lausanne, was merged into Mobimo Holding AG, Lucerne, in the year under review.

3. Bonds

Accounting principles
Bonds are recognised in the balance sheet at nominal value. Issuance costs upon issue are offset against any applicable discounts and the surplus is charged to the income statement.

A CHF 165 million bond maturing on 29 October 2018 was issued on 29 October 2013. The coupon is 1.5 %.
A CHF 200 million bond maturing on 19 May 2021 was issued on 19 May 2014. The coupon is 1.625 %.
A CHF 150 million bond maturing on 16 September 2024 was issued on 16 September 2014. The coupon is 1.875 %.

4. Equity

Accounting principles
Treasury shares
Treasury shares are recognised in the balance sheet at the date of acquisition and at cost as a minus item in equity. The FIFO (first-in, first-out) principle is applied for determining the carrying amount in the event of a later resale.

Share capital
As at 31 December 2015, share capital amounted to CHF 180.3 million, composed of 6,218,170 registered shares with a nominal value of CHF 29.00 each. All outstanding shares are entitled to dividends and confer the right to one vote per share at the company's general meetings.

The Annual General Meeting of 26 March 2015 approved a distribution from the capital contribution reserves of CHF 9.50 per share for the 2014 financial year, which was paid on 7 April 2015. The nominal value of Mobimo shares remains at CHF 29.00. The share capital rose by CHF 0.05 million (prior year: CHF 0.1 million) due to the exercise of options, while general reserves increased by CHF 0.3 million (prior year: CHF 0.4 million).

Treasury shares
As at 31 December 2015, the company held 1,247 treasury shares. Over the course of the financial year, the initial holding as at 1 January of 1,623 shares was increased through the purchase of a total of 1,200 shares at an average price of CHF 210.79. 1,576 shares were granted to the Board of Directors and management as part of their remuneration arrangements.

5. Income from participations for members of the Board of Directors

Accounting principles

Compensation for the Board of Directors may be drawn in the form of shares. The number of shares to which a Board member is entitled is calculated based on the share price applicable on the date of allocation. The value of the allocated shares is charged as a personnel expense to the income statement, while the difference between the share price and the carrying amount is reported in the financial result in accordance with the FIFO principle.

1,170 shares with a value of TCHF 239 were allocated to the Board of Directors as compensation in the year under review.

6. Shareholdings of members of the Board of Directors and Executive Board or related parties

As at 31 December 2015, the shareholdings of the members of the Board of Directors and the Executive Board or related parties were as set out below:

Name, function	No. of shares issued	No. of shares approved	2015 Total	2014 Total
BoD	**23,302**	**0**	**23,302**	**27,337**
Georges Theiler, BoD Chairman	5,845	0	5,845	5,845
Brian Fischer, BoD	3,705	0	3,705	3,138
Wilhelm Hansen, BoD	5,293	0	5,293	4,831
Peter Schaub, BoD	120	0	120	801
Daniel Crausaz, BoD	2,487	0	2,487	2,487
Bernard Guillelmon, BoD	5,711	0	5,711	5,711
Peter Barandun, BoD	141	0	0	n/a
Paul Rambert, BoD	n/a	n/a	n/a	4,521
Executive Board	**23,492**	**4,996**	**28,488**	**26,865**
Christoph Caviezel, CEO	12,119	1,662	13,781	14,538
Manuel Itten, CFO	6,557	932	7,489	7,257
Andreas Hämmerli, Head of Development	3,368	842	4,210	3,621
Thomas Stauber, Head of Real Estate	1,448	932	2,380	1,449
Marc Pointet, Head of Mobimo Suisse romande	0	628	628	n/a

The approved number of shares from the profit-sharing entitlement of the Executive Board was based on the assumption that a ratio of 50 % as stipulated in the compensation regulations applies.

7. Significant shareholders

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

%	31.12.2015	31.12.2014
BlackRock, Inc.	5.02	3.00
Pensionskasse des Kantons Zug	3.38	3.38

8. Headcount

As the holding company, Mobimo Holding AG has no employees.

9. Joint and several guarantees and undertakings

Mobimo Holding AG forms a VAT group together with Immobilien Invest Holding AG, LO Holding Lausanne-Ouchy SA, LO Immeubles SA, Mobimo AG, Mobimo Management AG, O4Real AG, Petit Mont-Riond SA, Promisa SA and ProviHold SA. 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 gave an undertaking in a letter of comfort to ensure that Mobimo AG maintains equity of at least CHF 100 million.

10. Events after the reporting date

No significant events took place after the reporting date that would require adjustments to the carrying amounts of assets and liabilities or would require disclosure in this section.

PROPOSED APPROPRIATION OF PROFIT

TCHF	2015	2014
Balance brought forward	264,830	219,548
Profit for the year	41,089	45,283
Reversal of capital contribution reserves	62,182	59,061
Retained earnings	**368,101**	**323,892**
Treasury shares	–262	–315
Total available to the General Meeting	**367,839**	**323,576**
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	62,182	59,061
Carried forward to new account	305,919	264,830
Total appropriation of profit proposed	**368,101**	**323,892**
Treasury shares	–262	–315
Appropriation of profit proposed less treasury shares	**367,839**	**323,576**
Total distribution	62,182	59,061
./. Less share from capital contribution reserves	–62,182	–59,061

The Board of Directors will propose to the General Meeting the payment of a dividend of CHF 10.00 per share from capital contribution reserves.

Shares that were held as treasury shares at the time of the dividend resolution by the General Meeting are not eligible for the dividend payment.

The final figure for the reversal/distribution of capital contribution reserves depends on the number of treasury shares and the consequent number of shares with dividend entitlement issued by the date of the dividend distribution. If Mobimo Holding AG holds treasury shares on the date of the dividend distribution, the reversal or distribution from capital contribution reserves will be correspondingly lower.

REPORT OF THE STATUTORY AUDITOR TO THE GENERAL MEETING OF SHAREHOLDERS OF MOBIMO HOLDING AG, LUCERNE

Report of the Statutory Auditor on the Financial Statements

As statutory auditor, we have audited the accompanying financial statements of Mobimo Holding AG, which comprise the balance sheet, income statement and notes (pages 132 to 138), for the year ended 31 December 2015.

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 2015 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 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

Kurt Stocker
Licensed Audit Expert
Auditor in Charge

Reto Kaufmann
Licensed Audit Expert

Lucerne, 8 February 2016

EPRA KEY PERFORMANCE MEASURES

The Mobimo Group reports its key performance and cost ratio measures in accordance with the Best Practices Recommendations of the EPRA Reporting and Accounting Committee. 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. Other figures published by Mobimo on NAV, net initial yield and vacancy rates may deviate from the EPRA measures set out below, as Mobimo does not, for example, include the market value of trading properties, which are recognised at cost, and bases its calculations on effective rents. However, when calculating earnings per share Mobimo does take account of gains on the sale of trading and investment properties.

A EPRA Earnings & EPRA Earnings per share		Unit	2015	2014
Earnings as per IFRS income statement		**TCHF**	**103,937**	**62,151**
(i)	Changes in value of investment properties, development properties held for investment and other interests	TCHF	–34,742	–3,802
(ii)	Profits or losses on disposal of investment properties, development properties held for investment and other interests	TCHF	–63,752	–4,944
(iii)	Profit on sale of trading properties and services adjusted	TCHF	11,340	–10,734
(iv)	Tax on profits or losses on disposals	TCHF	23,238	4,304
(v)	Negative goodwill/goodwill impairment	TCHF	n/a	n/a
(vi)	Changes in fair value of financial instruments and asscociated close-out costs	TCHF	3,043	2,257
(vii)	Acquisition costs on share deals and non-controlling joint venture interests	TCHF	n/a	n/a
(viii)	Deferred tax in respect of EPRA adjustments	TCHF	6,974	340
(ix)	Adjustments to positions (i) to (viii) in respect of joint ventures	TCHF	0	0
(x)	Non-controlling interests in respect of the above	TCHF	774	976
EPRA Earnings		**TCHF**	**50,811**	**50,548**
Average number of shares outstanding			6,216,279	6,213,991
EPRA Earnings per share		**CHF**	**8.17**	**8.13**

B EPRA Net Asset Value		Unit	31.12.2015	31.12.2014
NAV as per consolidated financial statements		**TCHF**	**1,258,617**	**1,217,938**
Effect of exercise of options, convertibles and other equity interest		TCHF	0	46
Diluted NAV after the exercise of options, convertibles and other equity interest		**TCHF**	**1,258,617**	**1,217,984**
Include				
(i.a)	Revaluation of investment properties (if IAS 40 cost option is used)	TCHF	n/a	n/a
(i.b)	Revaluation of investment property under construction (IPUC) (if IAS 40 cost option is used)	TCHF	n/a	n/a
(i.c)	Revaluation of other non-current investments (owner-occupied properties and joint ventures)	TCHF	23,372	11,562
(ii)	Revaluation of tenant leases held as finance leases	TCHF	n/a	n/a
(iii)	Revaluation of trading properties	TCHF	26,244	33,375
Exclude				
(iv)	Fair value of financial instruments	TCHF	38,998	32,385
(v.a)	Deferred tax	TCHF	166,480	124,779
(v.b)	Goodwill as a result of deferred tax	TCHF	n/a	n/a
Adjustments to (i) to (v) in respect of joint venture interests		TCHF	3,615	3,830
EPRA NAV		**TCHF**	**1,517,325**	**1,423,916**
Diluted No. of shares outstanding			6,216,923	6,216,585
EPRA NAV per share		**CHF**	**244.06**	**229.05**

C Triple Net Asset Value (NNNAV)		Unit	31.12.2015	31.12.2014
EPRA NAV		**TCHF**	**1,517,325**	**1,423,916**
(i)	Fair value of financial instruments	TCHF	–38,998	–32,385
(ii)	Fair value of debt	TCHF	–105,976	–101,978
(iii)	Deferred tax	TCHF	–166,483	–125,335
EPRA NNNAV		**TCHF**	**1,205,869**	**1,164,218**
Diluted No. of shares outstanding			6,216,923	6,216,585
EPRA NNNAV per share		**CHF**	**193.97**	**187.28**

The definitions of the above key performance measures can be found at www.epra.com.

D EPRA Net Initial Yield	Unit	31.12.2015	31.12.2014
Investment properties – wholly owned	TCHF	2,412,768	2,248,434
Investment properties – share of joint ventures/funds	TCHF	38,154	37,444
Trading property	TCHF	226,564	205,243
Less developments	TCHF	–399,884	–434,612
Completed property portfolio	**TCHF**	**2,277,602**	**2,056,509**
Allowance for estimated purchasers' costs	TCHF	0	0
Gross up completed property portfolio valuation	**TCHF**	**2,277,602**	**2,056,509**
Annualised cash passing rental income	TCHF	120,208	107,380
Property outgoings	TCHF	–17,811	–15,598
Annualised net rents	**TCHF**	**102,397**	**91,782**
Add: notional rent expiration of rent free periods or other lease incentives	TCHF	0	0
Topped-up net annualised rent	**TCHF**	**102,397**	**91,782**
EPRA net initial yield	**%**	**4.5**	**4.5**
EPRA "topped-up" net initial yield	**%**	**4.5**	**4.5**

E EPRA Vacancy Rate	Unit	31.12.2015	31.12.2014
Estimated rental income potential from vacant space	TCHF	5,376	5,660
Estimated rental income from overall portfolio	TCHF	114,301	103,919
EPRA vacancy rate	**%**	**4.7**	**5.4**

F EPRA Cost Ratios	Unit	2015	2014
EPRA Costs			
Administrative operating expense lines per IFRS income statement			
Direct expenses for rented properties	TCHF	10,733	14,775
Personnel expenses	TCHF	7,260	5,806
Operating and administrative expenses	TCHF	1,749	1,732
EPRA Costs (including direct vacancy costs)	**TCHF**	**19,741**	**22,313**
Direct vacancy costs	TCHF	537	2,684
EPRA Costs (excluding direct vacancy costs)	**TCHF**	**19,204**	**19,629**
EPRA Rental income			
Gross Rental Income less ground rent costs	TCHF	97,282	96,951
Gross Rental Income	**TCHF**	**97,282**	**96,951**
EPRA Cost Ratio (including direct vacancy costs)	**%**	**20.3**	**23.0**
EPRA Cost Ratio (excluding direct vacancy costs)	**%**	**19.7**	**20.2**

The definitions of the above key performance measures can be found at www.epra.com.

FIVE-YEAR OVERVIEW

	Unit	2011	2012[2]	2013	2014	2015	Annual change in %
Results of operations							
Net rental income	CHF million	76.0	79.8	78.9	87.6	94.1	7.4
Profit on sale of trading properties and services	CHF million	22.3	21.7	31.6	24.9	5.5	–77.9
Profit on sale of investment properties	CHF million	2.3	–0.1	7.1	4.9	63.8	1,202.0
EBIT including revaluation	CHF million	121.1	117.2	119.4	97.6	170.4	74.6
EBIT not including revaluation	CHF million	79.9	80.3	94.1	93.8	135.7	44.7
Tax expense	CHF million	–11.9	–17.6	–16.7	–4.8	–34.1	610.4
Profit	CHF million	80.5	75.9	81.6	63.2	105.0	66.1
Profit including revaluation[1]	CHF million	80.5	76.2	81.6	62.2	103.9	67.0
Profit not including revaluation[1]	CHF million	49.6	48.5	62.6	60.2	78.6	30.6
Financial position							
Non-current assets	CHF million	1,883.6	2,043.9	2,156.7	2,301.3	2,467.7	7.2
Current assets	CHF million	594.3	475.6	551.7	466.4	485.2	4.0
Equity as at 31 December	CHF million	1,174.2	1,199.2	1,241.1	1,222.5	1,264.7	3.5
Equity ratio	%	47.4	47.6	45.8	44.2	42.8	–3.2
Liabilities	CHF million	1,303.8	1,320.3	1,467.4	1,545.2	1,688.2	9.3
• current	CHF million	163.4	173.2	373.7	114.2	138.3	21.1
• non-current	CHF million	1,140.3	1,144.8	1,093.7	1,431.1	1,549.9	8.3
Share figures							
Earnings per share	CHF	15.46	12.30	13.14	10.00	16.72	67.2
Earnings per share not including revaluation	CHF	9.53	7.83	10.09	9.69	12.65	30.5
NAV per share, after options and convertible bond	CHF	191.41	193.99	200.01	195.93	202.45	3.3
Dividend yield	%	4.3	4.1	5.1	4.8	4.5	–6.3
Payout ratio	%	58.2	73.2	72.3	95.0	59.8	–37.1
Year-end price	CHF	208.00	218.90	186.10	199.20	222.70	11.8
Average no. of shares traded per day	Number	10,878	9,308	11,132	8,672	11,638	34.2
Market capitalisation	CHF million	1,283.4	1,359.1	1,156.5	1,238.3	1,384.8	11.8
Share price – High	CHF	223.54	228.00	221.10	200.70	229.40	14.3
Share price – Low	CHF	187.16	202.60	182.80	182.00	190.50	4.7
Portfolio figures							
Overall portfolio	CHF million	2,171.2	2,355.0	2,371.9	2,469.7	2,654.6	7.5
• Investment properties	CHF million	1,468.6	1,557.6	1,577.7	1,907.4	2,132.4	11.8
• Development properties	CHF million	702.6	797.4	794.2	562.3	522.2	–7.1
Gross yield from investment properties	%	6.0	5.8	5.7	5.6	5.4	–3.6
Net yield from investment properties	%	5.0	4.8	4.6	4.5	4.3	–4.4
Investment property vacancy rate	%	3.3	3.8	3.9	5.4	4.7	–13.0

[1] Attributable to the shareholders of Mobimo Holding AG.
[2] Restated, due to the changes in IAS19.

GLOSSARY

Payout ratio
The payout ratio refers to the ratio of dividend payments (in accordance with the proposal to the General Meeting) to the profit earned by the company.

Number of shares outstanding
The number of shares issued minus the number of treasury shares.

Market capitalisation
Share price on the reporting date multiplied by the number of shares issued.

Carbon Disclosure Project (CDP)
The CDP possesses the world's most comprehensive collection of environmental data from companies, organisations and governments and evaluates this systematically for investors.

German Sustainable Building Council (DGNB)
DGNB is an internationally recognised and comprehensive certification system used to objectively describe and assess the sustainability of buildings and districts. It comprises the six key aspects of sustainable building, namely environmental, economical, sociocultural and functional aspects, technology, processes and site.

Discounted cash flow method (DCF)
The method used for calculating the fair value of real estate. The fair value of a property is calculated from the present values of net cash flows expected in the future (valuation period of 100 years). The net cash flows are discounted at a discount rate on the reporting date.

Dividend yield
The annual dividend income of a share as a percentage of the current share price.

EBIT
Earnings before interest and tax.

EBITDA
Earnings before interest, tax, depreciation and amortisation.

Return on equity
Profit (attributable to the shareholders of Mobimo Holding AG) in relation to average equity (attributable to the shareholders of Mobimo Holding AG; equity at 1 January plus capital increase/reduction).

Return on equity not including revaluation
Profit (attributable to the shareholders of Mobimo Holding AG) not including revaluation (and attributable deferred tax) in relation to average equity (attributable to the shareholders of Mobimo Holding AG; equity at 1 January plus capital increase/reduction).

European Public Real Estate Association (EPRA)
EPRA is an association of leading European property companies and is a partner of the FTSE EPRA/NAREIT index family.

Income from rental of investment properties
Revenues from the rental of investment properties include net rental revenues, i.e. target rental revenues less rents lost due to vacancy rates.

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.

Global Real Estate Sustainability Benchmark (GRESB)
GRESB is the leading industry-oriented organisation for the assessment of the sustainability performance of real estate portfolios worldwide.

Global Reporting Initiative (GRI)
GRI develops the guidelines for the creation of sustainability reports of major companies, small and medium-sized businesses, governments and NGOs.

Vacancy rate
This rate is calculated as the sum of all rent lost due to vacancy, divided by the target rental revenues.

Minergie
A building standard for new and modernised buildings. The focus of this standard is ensuring the comfort of the people working and living in the respective building.

Net Asset Value (NAV)
The value of equity as per the consolidated annual financial statements.

Net gearing
Net financial liabilities in relation to equity.

OR
The Swiss Code of Obligations.

The Swiss Society of Engineers and Architects (SIA)
The Swiss Society of Engineers and Architects is the main professional association for qualified experts from the fields of construction, technology and the environment.

SPI
The Swiss Performance Index (SPI) comprises practically all of the SIX Swiss Exchange-traded equity securities of companies that are domiciled in Switzerland or the Principality of Liechtenstein. It is therefore considered Switzerland's overall stock market index.

STWE
Condominium.

SXI Swiss Real Estate Index
The SXI Swiss Real Estate Indices brings together the five largest and most liquid real estate shares as well as the ten largest and most liquid real estate funds listed on the SIX Swiss Exchange.

VegüV
Ordinance Against Excessive Compensation in Listed Companies.

Interest coverage factor
The interest coverage factor is calculated from the earnings before interest, tax, depreciation and amortisation (EBITDA) excl. revaluation, divided by the interest expense.

ADDITIONAL INFORMATION

Contact adresses and agenda

Mobimo Holding AG
Rütligasse 1
CH-6000 Luzern 7
Tel. +41 41 249 49 80
Fax +41 41 249 49 89
www.mobimo.ch

Mobimo Management AG
Seestrasse 59
CH-8700 Küsnacht
Tel. +41 44 397 11 11
Fax +41 44 397 11 12

Mobimo Management SA
Rue de Genève 7
CH-1001 Lausanne
Tel. +41 21 341 12 12
Fax +41 21 341 12 13

Contact for Investors
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

Annual General Meeting
March 29, 2016, Lucerne, KKL

Half-year report 2016
August 4, 2016

The Annual Report 2015 is also available in French and German. Only the German original is legally binding.

Publishing details

Overall responsibility:
Mobimo Holding AG

Development of content and design concept, consulting and editing:
PETRANIX Corporate and Financial Communications AG, Zurich

Layout and production:
Baldinger & Baldinger AG, Aarau

Photos:
Catherine Leutenegger, www.cleutenegger.com
Mike Kessler, www.profifoto.ch
Ennio Bettinelli, www.cighelio.ch

Cover photo:
Lausanne, Pépinières
Flon district

MIX
Papier aus verantwortungsvollen Quellen
FSC® C016003
FSC
www.fsc.org

Passion for real estate

Mobimo Holding AG · Rütligasse 1 · CH-6000 Lucerne 7 · Tel. +41 41 249 49 80 · Fax +41 41 249 49 89 · www.mobimo.ch