Annual Report
2004

OnVista Group

Added value.

About the Title

Added value.

Purposeful and persistent creation of value requires a strategic approach. This applies in particular to the expansion of a young company like OnVista. Successful diversification demands reflection and concentration on internal competencies. The coordinated interaction of different strengths will, in the end, lead to the desired goal.

OnVista at a Glance

Sales and earnings position	2000	2001	2002	2003	2004
Sales (€ mill.)	8.24	12.60	12.58	10.84	6.95
EBITDA (€ mill.)	1.22	-2.56	1.44	-1.31	0.54
Depreciation on tangible and intangible assets (€ mill.)	1.02	2.77	2.63	3.76	0.52
EBIT (€ mill.)	0.16	-5.68	-1.19	-5.07	0.02
EBT (€ mill.)	0.60	-9.81	0.15	7.50	0.92
Net result for the year (€ mill.)	0.31	-9.25	2.45	5.73	0.42
Return on sales (%)	3.8	-73.4	19.5	52.9	6.1
Financial position					
Group cash flow (€ mill.)	6.70[1]	-5.77	1.16	-1.87	-2.08
Group operating cash flow (€ mill.)	3.18	-1.06	0.37	1.22	2.05
Investments (€ mill.)	13.51	4.58	2.05	3.18[2]	4.88
in tangible assets (€ mill.)	*4.31*	*2.14*	*0.23*	*0.20*	*0.19*
in financial assets (€ mill.)	*6.80*	*0.31*	*0.01*	*1.81*[2]	*1.67*
Net credit balance[3] (€ mill.)	32.78	27.27	27.46	24.99	22.61
Assets and capital structure					
Balance sheet total (€ mill.)	51.29	41.27	43.10	47.62	47.98
Capital to asset ratio[4] (%)	91.7	90.0	93.8	96.3	95.4
Return on equity[5] (%)	0.7	-24.9	6.1	12.5	0.9
Return on assets[6] (%)	0.6	-22.4	5.7	12.0	0.9
Shares					
Group cash flow per share (€)	1.08[2]	-0.86	0.17	-0.28	-0.31
Group operating cash flow per share (€)	0.47	-0.16	0.06	0.18	0.31
Earnings per share (€)	0.05	-1.39	0.37	0.86	0.06
Dividend per share (€)	0.00	0.00	0.00	0.00	0.00
Highest/lowest price[7] (€)	55.00/13.00	17.20/3.11	6.85/3.35	6.51/3.55	7.11/4.90
Market cap as at year end[7] (€ mill.)	93.8	29.5	32.2	35.2	42.5
Employees					
Total as at 31 Dec.[8]	126	161	133	41	52
Personnel expenses (€ mill.)	3.34	8.42	7.45	7.29	2.69
Sales per employee[8] (€ mill.)	0.09	0.07	0.09	0.09	0.15

Consolidated Financial Statements under IFRS since 2003; until 2002 under US-GAAP

[1] Incl. Proceeds from IPO
[2] Excluding the non-monetary acquisition of the at equity interest in IS.Teledata AG in the amount of € 15,51 mill.
[3] Cash and cash equivalents
[4] Shareholders' equity/balance sheet total
[5] Net income for the year/shareholders' equity
[6] Net income for the year/balance sheet total
[7] Until 2002: Frankfurt trading floor, from 2003: Xetra
[8] In permanent employment, full time equivalent; 2000: number of heads

About OnVista

The OnVista Group is a media and IT company and relies on two mainstays.

In the **Media business segment**, the OnVista Group operates and markets high quality special interest portals on the Internet via OnVista Media GmbH, a wholly-owned subsidiary of OnVista AG. The media portfolio is made up of www.onvista.de, the leading bank-independent finance portal in Germany, and – since March 2004 – www.medicine-worldwide.de, one of the most popular health care portals on the German Internet. In the Media segment, OnVista generates sales through online advertising as well as through licensing of medical content for third party Internet services.

The OnVista Group's IT business is organised in the **Technologies business segment**. The Technologies segment consists of an investment of OnVista AG of around one third of the shares in IS.Teledata AG. The company arose from the merger between OnVista Technologies GmbH and IS Innovative Software AG. IS.Teledata AG is Europe's largest provider of Internet based financial market information systems. Its products and services are designed to support professional financial service providers with solutions and market data for both staff and customers. In return for these services, IS.Teledata AG receives one-off project revenues as well as monthly licence fees.

Milestones

2004	March	With the takeover of A Med-World AG, operator of the healthcare portal www.medicine-worldwide.de, OnVista ventures into a new subject area and opens up an additional revenue source for the company. This turns OnVista Media into a general provider of special interest portals beyond the financial sector, financed through advertising.
2003	November	Amalgamation of OnVista Technologies GmbH and IS Innovative Software AG under IS.Teledata AG. The merger creates Europe's biggest provider of internet based financial market information systems.
2002	September	OnVista spins off its two operating business segments, Technologies (formerly: Licences) and Media (formerly: Portal), into newly formed independent limited liability companies. As a result, OnVista AG now acts as a holding company for its wholly-owned subsidiaries OnVista Technologies GmbH and OnVista Media GmbH.
2001	December	In the fourth quarter of 2001, OnVista records its first positive cash flow since going public.
2000	February	OnVista AG goes public. The issue is 80 times oversubscribed.
1999	November	Transformation into OnVista AG paves the way for stock exchange flotation. Burda Beteiligungs-Holding GmbH acquires a 10% stake in the company.
	November	First customer licence for financial information. This lays the foundation for the Technologies business segment.
1998	September	www.onvista.de goes online.
	May	Stephan Schubert, Michael W. Schwetje and Fritz Oidtmann set up OnVista.de Finanzanalyse GmbH & Co.KG.

Corporate value increased

Dear Shareholders,
Dear Business Partners,

Never before have we been able to account for a financial year so unconditionally positive while, at the same time, also being able to look into the future just as confidently.

In a very short period of time, it has become clear that the strategic decisions of the two previous years – the merger in the Technologies business segment and the acquisition in the Media business segment – have fully lived up to the expectations placed in them. In 2004, we reinforced our position in both business segments as well as in the financial market, while also markedly increasing sales and significantly improving our results. After a distinct turnaround in operating income, all key group performance figures are finally in the black again.

Steady rise of share price

Based on a conservative look ahead, we are convinced the turnaround in earnings will be permanent. We see ourselves just at the beginning of a very positive longer term trend. Our optimism in this respect is also based on our competent and committed team. We are proud of our first-rate employees and would like to thank them sincerely for their excellent performance.

After the fierce correction of the general overvaluation on the New Market, the stock market has rewarded our chosen path. From the end of 2001 until the end of 2004, our share price advanced by more than 40%. In the year under review alone, we created additional corporate value of well over € 7 million. We would like to thank our shareholders for the confidence reflected in this rise.

Both business segments with encouraging results

The more favourable market mood and the slowly recovering advertising market both contributed to the encouraging financial year. In the Media business segment, the finance portal was extremely successful. Performance marketing campaigns for the financial products of our customers too played a significant role in the growth in sales and profits. Following the acquisition of the healthcare portal, we concentrated on the conception of the web site as regards content and the expansion of the sales team, which immediately resulted in visible revenue growth. The development of our new portal is scheduled, while the full earnings potential of the site will only gradually become apparent in the next few years.

In the Technologies business segment, our affiliated company IS.Teledata AG managed to achieve an operational turnaround straight after the merger, and recorded a pre-tax result of almost € 2 million. The neutral performance contribution for the OnVista Group is due to deferred taxes at IS.Teledata as well as regular write-downs, which we need to carry out in the OnVista consolidated financial statements on hidden reserves at IS.Teledata. From 2005 onward, the investment performance will be positive.

50% increase in income expected in 2005

We continue to be confident with regard to the current financial year. From purely organic growth, namely without acquisitions, we expect a further double digit increase in sales, which should take us to well over € 8 million. This would correspond to a 15% rise compared to 2004. For the finance portal we again envisage higher revenues – an ambitious goal, considering 2004 was a very good year. The healthcare portal will shortly present its relaunch, and both reach as well as advertising revenues are predicted to advance considerably in 2005. In parallel, we will make further investments in the new portal, but without noticeably burdening the performance of the Media business segment. The profitable direct marketing area will be greatly expanded once again.

The Media segment result is predicted to increase overproportionate to sales and, this time, we expect a distinctly positive profit contribution from the Technologies segment. All in all, we anticipate the pre-tax group result to rise by around 50%.

Profitable growth also in the medium term

For the next few years, we are pursuing an income oriented growth strategy, which should also allow for the distribution of dividends. In the key Media operating area, we intend to utilise our core competence – conception and marketing of online content – for additional portals and therefore press ahead with the diversification of our revenue sources. But first of all, we want to concentrate on the success of our healthcare portal, for which we expect an operating profit by latest 2006. We are also convinced that the internet beyond the portal concept offers opportunities for further lucrative business models. OnVista is in an excellent position to play an active role in the development of innovative services. We hope you will continue to accompany us on this path in the future.

Yours sincerely,

Fritz Oidtmann   Michael W. Schwetje

"Strategy clearly focused on growth"

In 2004, you recorded a leap in sales not anticipated at the start of the year. What are the reasons for this performance?

Fritz Oidtmann: "Indeed, we did not expect revenues to grow by more than 50% to almost 7 million Euro, that's why we were 'forced' to increase our forecast twice. The main reason for this encouraging development is plain – our finance portal had a very good year. Although the acquisition of the healthcare portal also contributed to this growth, it was not the decisive factor for the volume involved.

However, as positive as the increase in sales may be, what's most important is that we were able to improve our performance quite as distinctively and in 2004 had the most profitable year to date by far."

Fritz Oidtmann (45) is Spokesman for the Board and a founder member of OnVista. As a Partner at McKinsey & Company's office in Cologne, he was previously in charge of the company's German trade sector. During his twelve years with the international management consultancy, he also gained experience at McKinsey's offices in Sao Paulo and Paris. Fritz Oidtmann read for a degree in Economics at the Universities of Bonn, Germany and Berkeley, USA.

Why do you talk about an improvement in profit, although the pre-tax result for the previous year has reduced to a good one tenth?

Fritz Oidtmann: "The highly positive pre-tax result for 2003 came about through a special accounting effect. As part of the merger of OnVista Technologies, the company released hidden reserves, which resulted in non-cash earnings totalling 12 million Euro. From an operating perspective – and this is ultimately what's important, 2003 wasn't quite as outstanding. The negative performance in the Technologies segment together with special write-downs resulted in a 5 million Euro deficit in EBIT.

In contrast to 2003, the operating result in 2004 was moderately positive and the pre-tax result of just under 1 million Euro has been calculated entirely without any special effects. We can therefore rightly talk about an operational turnaround in earnings."

After the takeover of www.medicine-worldwide.de there was hardly any news about the healthcare portal. What progress did you make and what is the outlook?

Michael W. Schwetje: "With regard to the healthcare portal, we worked behind closed doors, so to speak. After the acquisition, the further conceptual development of the portal took centre stage initially. Although we were able to already extend our reach in the short term through slight adjustments to the content, the actual results of this work will only shortly become evident to external audiences, once our relaunch goes online. What was and is important, is to create new revenue sources; advertising is to become the most important pillar of sales ahead of content licensing. Our newly formed sales team has started to systematically work the market and to address new customers. This approach already bore fruit in 2004. During the period of just ten months since the takeover, we were able to achieve higher revenues than in the entire previous year.

In 2005, we aim to double the already relatively high reach and markedly advance turnover, while also making further investments in the portal – but without noticeably burdening the performance of OnVista Media GmbH. By latest 2006, we expect the portal to operate in the black as well as a steady rise in returns, and in five years' time, we want to have reached the profit level shown by the finance portal today. Our conclusion after one year is unequivocal – the acquisition has so far fully met our expectations, and we continue to see great opportunities for the future."

With the acquisition of the healthcare portal, you transferred your successful business model from the finance subject area to a new sector for OnVista. Do you plan to acquire additional portals in other sectors in the future, considering also your still sizeable cash funds?

Michael W. Schwetje: "In principle, yes. In this respect, we set an important new strategic course with the acquisition of the healthcare portal. We see our core competence not primarily in dealing with the subject of finance but in our ability to professionally structure online content of any subject matter and to market it with a focus on income. We are confident, we'll be able to also display this ability profitably in the healthcare sector as well as in other subject areas. But we won't rush into anything and intend to first of all proof our success with the healthcare portal, and then we'll see where we go from there. From today's perspective, we therefore do not envisage to acquire any other portal this year. However, all in all, we are pursuing a strategy with a clear focus on growth."

One can increasingly find advertisements on web sites like Spiegel Online and n-tv online entitled 'Vorteilsangebote von OnVista' ('Special Offers promoted by OnVista'). What is this all about? Do you now distribute financial products directly?

Michael W. Schwetje: "No, of course not. We have been running increasingly successful performance marketing campaigns for financial products, like credit cards and tax exemption products, for our customers on our own finance portal for the past three years already. Customers pay for this service per click, per generated address or per concluded contract. For these campaigns, which do not focus on image enhancement, we are happy to agree to a predominantly performance related fee, since we have now gained extensive know-how in this area. We know how special offers for financial products on the internet need to be structured and presented to make them attractive to investors. And we have developed intelligent IT systems that facilitate low-cost execution, optimisation and billing of such campaigns.

Today, we're also using other quality web sites to win new customers for our clients' products. The network currently extends to 25 collaboration partners and their respective web sites. Advertising clients still only need to deal with one contact, a single technology and just one billing model. This minimises handling costs for customers. And the operators of our partner web sites have the advantage of being able to market otherwise unused advertising space, without incurring sales costs, and to increase turnover."

Michael W. Schwetje (38) is Director of Media and Finance. Prior to the formation of OnVista, he gained experience in corporate finance with the Freudenberg Group of Companies as well as in investment banking at Commerzbank. Michael Schwetje studied Business Management at the WHU in Koblenz, Germany, the ULB in Brussels, Belgium and at the Texas A&M University, USA.

The amalgamated IS.Teledata AG has been operational since November 2003. What have you achieved since then?

Fritz Oidtmann: "We are very pleased with the performance of our affiliated company. IS.Teledata increased its sales slightly, but primarily greatly reduced its costs as a result of synergies and also achieved a positive pre-tax result totalling almost 2 million Euro. At OnVista, the Technologies segment result is only neutral, due to high deferred taxes at IS.Teledata and necessary write-downs in our consolidated financial statements. But the most important point is – the Technologies segment has achieved a turnaround, after still recording a sizeable deficit in the previous year! Progress made as a result of the new corporate set-up has contributed to this achievement. The improved market position has resulted in reduced price pressures and stabilised margins, while foreign sales have risen to around 30% of total sales. And we have been able to further advance into the new segment of professional user applications."

Strength.

New key strategic directions successful

Economic Environment

Slight upturn

The general economic situation has improved slightly. After a phase of stagnation lasting almost three years, the real German gross domestic product rose by 1.6% in 2004, according to the figures released by the German Office of Statistics. The upturn was due to the boom in exports resulting from the surprisingly strong global economy. Domestic demand, on the other hand, was still sluggish. Internationally, Germany again brought up the rear. According to estimates by the German Office of Statistics, growth in the European Union is expected to be around 2.4%, and 4.4% in the USA.

The majority of our internet portal customers stem from the financial services sector (OnVista finance portal) and the healthcare industry (Medicine-Worldwide healthcare portal). OnVista's sales opportunities are very heavily shaped by the economic situation in both these market sectors. In addition, the advertising climate in general and the demand for online advertising in particular also affect our business. The sales opportunities of our affiliated company IS.Teledata AG primarily depend on the situation of the financial service providers and developments in the capital market.

Market mood continues to brighten

In a continuation of the previous year, the German equity market advanced in 2004. After a long period of sideways movement, we witnessed a steady upward trend of the DAX from August onward, until closing with a plus of 7%. Trading on the German stock markets also rose by 3%. All other key international financial centres also recorded an upturn as of the second half of the year.

This evolution did not only benefit the stock markets themselves but, for example, also brokerage firms, online brokers, investment managers, fund management companies and in particular issuers of derivative products. In the certificate sector, providers were also able to convince with a broad range of product innovations and to generate corresponding demand among private investors. In contrast, the new issue market enjoyed only a minor revival. With no IPOs in 2003, five companies managed a stock market flotation in 2004 after all, first and foremost Postbank.

However, the market mood and trading volumes not only influence the sales opportunities of our customers but also the general interest in financial information. Our OnVista finance portal was able to benefit from the positive trend to an especially large degree and managed to increase its reach overproportionately.

Structural measures in the banking sector pay off

After the entire sector operated in the red in 2003, with some of the big banks recording record losses in the billions, the restructuring measures paid off in 2004. However, the banks were not satisfied with just being back in the black. They continued undiminished with their economising measures and tried to further increase their feeble earnings, compared to international standards. At the same time, the banks rediscovered the occasionally neglected but comparatively crisis-proof business with retail customers. The general investment restraint by financial service providers, which did have a very adverse effect on our Technologies business segment in the three previous years, eased only slightly in the year under review. Decision processes still take a long time and investment decisions are shaped by a great price sensitivity.

Sea-change in the healthcare sector

For the healthcare sector, last year was shaped by sweeping legal changes. The end of this development is currently not foreseeable. As a result of the first phase of the health reform coming into effect in 2004, patients need to pay a higher share of the cost of their treatments. For example, medicines available without prescription, so-called over the counter (OTC) products, are in principle no longer refundable. According to the market research company IMS Health, this has resulted in a decline in sales of around 13% for manufacturers, as well as stronger concentration within the industry. The association of researching pharmaceutical manufacturers (VFA) also has to note with regret a sales deficit of around 5%, as a result of the reduced additional cash payments from the health insurance institutions. After the freeing of prices for OTC products and licensing of mail order chemists, the chemist scene was shaken up by accelerated competition. Service providers like clinics and doctors are affected by the newly introduced or increased contributions from patients, for example in form of a surgery fee or higher additional payments in respect of hospital treatment. The statutory health insurance companies, on the other hand, benefit from the reduction in spending, and private health insurance providers enjoy increasing popularity as a result of the deterioration in services by the statutories.

Sluggish turnaround in the advertising market

The German advertising market has perked up slightly. This benefits our Media business segment, since advertising represents the most important revenue source for our two portals. In 2004, gross advertising investments in traditional media rose by 5.8% to € 18.2 billion[1], according to the assessments of Nielsen Media Research. The German advertising association (ZAW), which records the net advertising revenues of all media, does, however, expect part of this increase to have been generated through higher discounts. According to estimates published by ZAW, the actual increase was just under 1%.

A sector comparison shows an above average rise in gross advertising expenditure for financial products and services[2] in 2004, which increased by 28% to € 677 million.

Investments in advertising for the general public relating to pharmaceutical products totalled € 526 million, a fall of 3.1% compared to the previous year.[3] Consequently, financial products as well as pharmaceutical products were again among the most advertised product groups.

For the internet, Nielsen Media Research has calculated gross advertising expenditure in the amount of € 308 million, equivalent to a 4.1% increase over the previous year. According to these figures, growth in online advertising would have been slightly weaker than in traditional media. In this respect, it needs to be taken into account that Nielsen captures only part of the online advertising market.[4] According to projections by the federal association of digital business in Germany (BVDW) for the year as a whole, on the basis of these figures, actual gross advertising expenditure on the internet totalled € 555 million. This would amount to a 3% share in total investments. As a result, the internet has

[1] This figure relates solely to traditional media (print, television, radio, posters). Expenditure for online advertising is assessed under a different method and therefore not included in this figure.

[2] Also traditional media alone

[3] The figure does not include image advertising by researching pharmaceutical companies or awareness campaigns for specific diseases and therapy options.

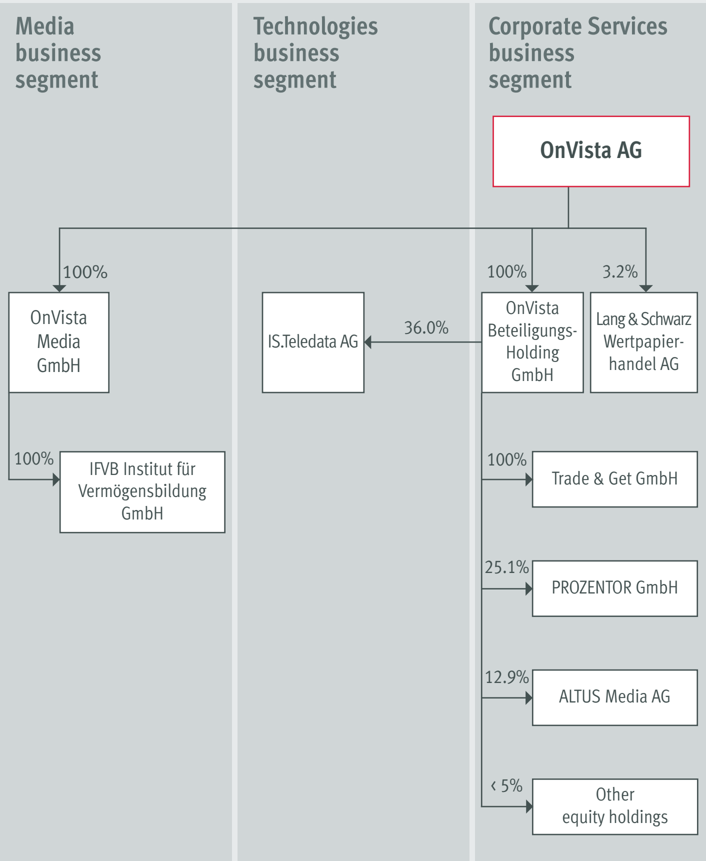
[4] The meaningfulness of the online advertising statistic from Nielsen Media Research is disputed by experts for a number of reasons. In contrast to the statistic for traditional media, values for the online sector are not based on independent measurements but on figures released by the largest web sites or their respective marketers. According to Nielsen, these cover around 75% of the market. Also not included are the greatly increased sales generated via search engine marketing.

overtaken trade magazines as well as poster advertising and has established itself as the fourth most important advertising medium, behind print media, television and radio.

Group Structure
Three segments

The OnVista Group essentially consists of the group holding company OnVista AG, its wholly-owned subsidiary OnVista Media GmbH and the at equity investment IS.Teledata AG (36.0%). All other affiliated companies are smaller businesses and insignificant for the commercial success of the OnVista Group, although some are fully consolidated.

OnVista has combined its group companies in three segments – Media, Technologies and Corporate Services. In the Media business segment, we operate and market special interest portals on the internet financed through advertising through OnVista Media GmbH. The media portfolio currently comprises the finance portal www.onvista.de and the healthcare portal www.medicine-worldwide.de. A Med-World AG, the previous operator of the healthcare portal acquired by OnVista AG in March last year, was amalgamated under OnVista Media GmbH on 30 December 2004. IFVB Institut für Vermögensbildung GmbH (100%), in collaboration with OnVista Media GmbH, prepares a billable electronic stock market report. The company, which records a minor sales volume, was reclassified from the Corporate Services segment to the Media segment in the year under review. The entire group sales are generated in the Media business segment.



Group structure
Status: 31 Dec. 2004

Change in entities included in consolidation impairs comparability

The Technologies business segment is home to the at equity investment IS.Teledata AG, which, since recently, is being held via the wholly-owned subsidiary OnVista Beteiligungs-Holding GmbH. IS.Teledata AG arose from the merger of the former OnVista Technologies GmbH and IS Innovative Software AG. The company is the largest provider of internet based financial market information systems in Europe. The stake in the IT company, originally held directly by OnVista AG, was increased from 31.5% to 36.0% in the year under review. Our share in the voting rights consequently rose to 43.4%. With a book value of around € 17 million, the enterprise represents one of the main assets in OnVista's group balance sheet. IS.Teledata is included in our consolidated financial statements at equity, i.e. its commercial performance flows into the OnVista Group in form of a financial result, which is recorded in the Technologies segment. The company's sales and operating results, on the other hand, are not visible in the accounts of the OnVista Group. Since this change only took effect in December 2003, it is not possible to provide a meaningful comparison between the annual financial statements for 2004 and those for the previous year.

The third segment, Corporate Services, comprises the publicly quoted OnVista AG and a number of affiliated companies, held either directly or indirectly through OnVista Beteiligungs-Holding GmbH, which are reported in the balance sheet either at equity or at cost. OnVista AG acts as group holding company and carries out duties related to the company's market listing while also managing the cash funds of the group. Trade & Get GmbH (100%) is no longer operational. Since the other affiliated companies in this segment are not fully consolidated, revenues generated by these companies are not included in our annual financial statements. Consequently, the Corporate Services segment also does not contribute to group sales. Rather, costs originating in this segment are set off against interest income from the company's cash funds.

Business Performance

Very successful financial year

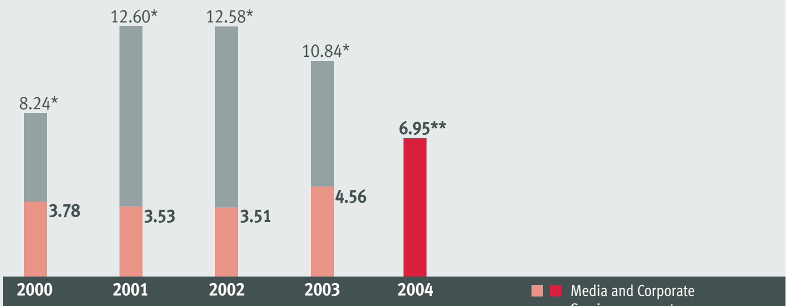
The financial year 2004 was very successful for the OnVista Group. The two most important strategic decisions in the last two years – the merger in the Technologies business segment and the acquisition in the Media business segment – have fully met our expectations. We improved our market position in both business segments, substantially increased the company's sales and also generated considerable profits. In the course of the year under review, we twice increased our sales forecast issued on the occasion of the publication of our annual report for 2003, which we still managed to exceed. And the group income, which showed a profit in the previous year only as a result of non-cash earnings, was distinctly positive in the year under review – excluding special accounting effects. The improvement is especially evident in the operating area. After three years with at times heavy operating losses, we returned to profitability in 2004 also on the EBIT level and even more markedly with our EBITDA.

As at 1 January 2004, the OnVista Group **changed the preparation of its financial statements from US GAAP to IFRS**[5]. Appropriate adjustments have been made to the comparative figures for the financial year 2003.

Group sales rise by 53%

In the financial year 2004, OnVista's **group sales** amounted to € 6.95 million. After the merger related deconsolidation of OnVista Technologies GmbH, our group sales now only include revenues generated in the Media business segment.[6] In comparison to the comparable value for the previous year (sales Media and Corporate Services segments: € 4.56 mill.), group sales rose by 53%. Measured by OnVista's group sales including the Technologies segment shown in the annual report 2003 (€ 10.84 mill.) this equates to a paper decrease of 36%. Since, on the occasion of the annual accounts presentation for 2003, we only expected revenues to increase in the region of lower double digits (after elimination of the merger related deconsolidation effect) and last raised our sales forecast to more than € 6.7 million, we are extremely pleased with the performance. The leap in sales at

2004 with leap in sales



Group sales in € mill. (up to 2002 under US GAAP, from 2003 under IFRS)
* Group sales incl. Technologies segment
** Group sales excl. revenues from the deconsolidated Technologies segment

this unexpected level is attributable mainly to a very good year for our finance portal.

Earnings Position

Costs on the decline after merger

In the financial year 2004, OnVista was able to noticeably reduce its costs. When looking at the operating expenditure in accordance with the cost of sales method customarily adopted under IFRS, the **cost of production** accounts for the largest part. In 2004, the cost of production fell by € 3.44 million to € 2.80 million (prev. year: € 6.24 mill.). This works out at a fall of 55%. We were also able to cut our **marketing and selling expenses** (€ 1.63 mill., -51%) and the **general administration expenses** (€ 2.05 mill., -50%) as well as **research and development expenditure**[7] (€ 0.75 mill., -60%) by at least 50% in each case. However, a fair comparison is possible only if one deducts the costs relating to the by now deconsolidated Technologies segment from the previous year's figures.

If one segregates the deconsolidation effect, the individual cost items show a heterogeneous development. We were able to reduce the general administration expenses due to the reduction in personnel levels at OnVista AG (-7.4%). R&D expenditure also fell (-40%). In the previous year, R&D expenditure was particularly high as a result of special write-downs on inhouse developed software in the amount of € 0.42 million. Production costs, on the other hand, rose markedly after elimination of the deconsolidation effect (+42%). This development reflects our increased involvement in the performance marketing area. To this end, we partly purchase media services from other web sites, which we then resell to our customers.[8] Marketing and selling expenses rose as a result of the increased

[5] For details on the resulting changes please refer to statement no. 1 in the notes.

[6] For details on the reduced scope of consolidation please refer to page 12 of the Management Report (section 'Group structure'). In the previous year, OnVista generated revenues in the amount of '000 € 58 in the Corporate Services segment. As a result of the reclassification of IFVB GmbH under the Media segment, revenues have no longer been accrued in the Corporate Services segment since the start of the year under review.

[7] For details on our R&D activities please refer to page 18 f. of the Management Report (section 'Research and Development')

[8] Please also see page 15 of the Management Report (section 'Segments')

personnel expenditure in this area (+18%). On the one hand, we took over the staff of the healthcare portal Medicine-Worldwide, and on the other hand created new jobs in our inherent business, in order to achieve our ambitious growth targets.

Under the cost of procuction method, **personnel expenditure** still represents the main pool of costs. In the year under review, personnel expenditure fell to € 2.69 million (prev. year: € 7.29 mill., -63%). In addition to the deconsolidation of OnVista Technologies GmbH, this is also due to the net reduction in personnel levels at OnVista AG. If one eliminates the deconsolidation effect, personnel expenditure reduced by 9.8% (personnel expenditure for the Media and Corporate Services segments 2003: € 2.99 mill.).[9]

Depreciation on fixed assets and amortisation of intangible assets fell from € 3.76 million in the previous year to € 0.52 million (-86%). After adjustments, the decrease amounts to 69%. On the one hand, the sharp drop is attributable to special write-downs in 2003 in the total amount of € 1.11 million, in contrast to the year under review. On the other hand, the reduction in depreciation and amortisation also reflects the new cost structure in the OnVista Group. Our media business, which remained within the group, is considerably less investment intensive than the deconsolidated Technologies business.

In accordance with the cost of sales method typically applied under IFRS, personnel expenditure as well as depreciation and amortisation are allocated to different cost items in the profit and loss account.

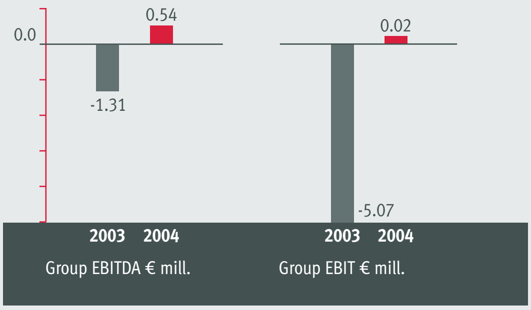
[9] Please also see page 18 of the Management Report (section 'Employees')

All key performance figures positive

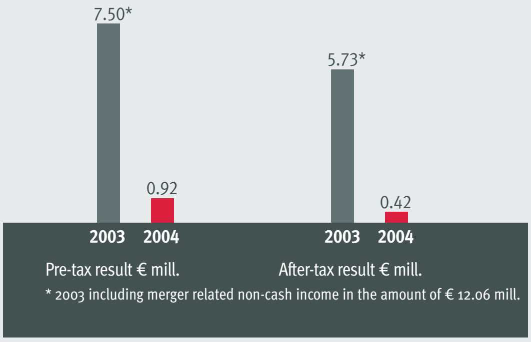
Purely from an optical perspective, the OnVista Group has foregone sales as a result of the deconsolidation of OnVista Technologies GmbH. We were, however, able to cut costs to an even greater extent after the merger. In addition, we strongly increased revenues in the Media business segment. Both facts have resulted in the OnVista Group now also operating at a profit in its operating business, i.e. not taking into account the interest income from the company's cash funds. **EBITDA** (Earnings Before Interest and Taxes + Depreciation and Amortisation) improved from € -1.31 million in the previous year to € 0.54 million in 2004. **EBIT** (Earnings Before Interest and Taxes), which was deeply in the red in 2003 at € -5.07 million, slightly exceeded break-even in the year under review and now totals '000 € 17.

[10] In connection with the merger of OnVista Technologies, we were able to release hidden reserves in the consolidated financial statements for 2003. The market value of OnVista Technologies GmbH, determined in accordance with the valuation appraisal within the framework of the merger, was markedly higher than the capitalised book value in the consolidated financial statements of OnVista AG. These hidden reserves were released as part of the deconsolidation. Details can be found in statement no. 9 in the notes to the consolidated financial statements.

Operating at a profit



Group result positive without accounting effects



As forecast, the company generated a substantial profit below the line. In the year under review, the **group pre-tax income (EBT)** amounted to € 0.92 million compared to € 7.50 million in 2003. The **group after-tax result** totalled € 0.42 million. In 2003, OnVista reported a net income for the year of € 5.73 million in 2003. This had, however, not been generated from the operating business, but as a result of non-cash income[10] in the amount of € 12.06 million. Without this special effect, 2003 would have shown high losses in both the pre-tax and after-tax result.

Segments

Media business segment: Best year to date

For the Media business segment, 2004 was the best year in its history. We were able to improve all key finance and advertising relevant figures and ended the year substantially above plan. Total revenues in the segment climbed from € 4.52 million in the previous year to € 6.96 million, an increase of 54%. The figure includes internal revenues totalling '000 € 16 (prev. year: '000 € 21).

In the course of the year, costs rose in the Media business segment. To achieve our ambitious growth targets in the next few years, we took on additional staff in 2004.

Nevertheless, we were able to significantly increase our profit in the Media business segment once again. The **segment result**[11] rose by 41% to € 0.84 million (prev. year: € 0.60 mill.). The **profit margin**[12] stood at 12%.

Strong growth for finance portal

The growth in revenues of around € 2.5 million was largely achieved through increased advertising proceeds at the finance portal www.onvista.de. Sales generated by the healthcare portal www.medicine-worldwide.de, which have been attributed to the OnVista Group since March 2004, amounted to a revenue contribution in mid region of six digit Euro.[13]

A contributing factor to the decidedly positive performance of the finance portal was the improved market environment – primarily the brighter capital market mood – but also the slowly recovering advertising market. Last but not least, having been the market leader for many years, our finance portal enjoys a special position, which gives it an above-average share in the online advertising market. Because the advertising industry concentrates its spend on the top offerings in each segment. In 2004, OnVista increased its average reach by 21% and further extended its leading position.[14] However, we believe the main reason for the success lies in our earnings oriented marketing approach. We combine online marketing experience with sector and product specific know-how. This enables us to design services that always focus on the advertising and sales success of our customers, while also being profitable for OnVista.

Considerable success with performance marketing campaigns

Performance marketing campaigns also contributed to growth. These relate primarily to sales oriented advertising formats, which we not only deploy on our own web sites but also on the internet pages of our collaboration partners. The aim is to win new customers for products such as credit cards, special funds or online saving accounts. Payments for performance marketing campaigns are performance related, i.e. customers pay per click, per generated address or per contract concluded as a result of a particular advertising campaign.[15] The media performance, which we resell to our customers, are acquired from our collaboration partners for which we incur costs. Consequently, this business model generates relatively high gross sales which do, however, go hand in hand with lower margins compared to traditional marketing activities on our own portals.

New opportunities for growth through healthcare portal

With the acquisition of A Med-World AG we have set an important milestone. As at 1 March 2004, OnVista AG acquired all of the shares of the Berlin-based company, which was amalgamated under OnVista Media GmbH as planned on 30 December 2004. The non-listed company operated the healthcare portal Medicine-Worldwide, which targets patients and their families as well as individuals with a general interest in health related issues, with readily comprehensible content. A Med-World AG primarily generated sales through licensing of inhouse developed medical content maintained on its own database to pharmaceutical companies and health insurance companies. Added to this were insignificant advertising revenues from its own web site. Medicine-Worldwide was already one of the most popular healthcare portals in Germany at the time of acquisition. With sales in the lower region of six digit Euro, A Med-World AG almost covered its cost of operations.

Having previously specialised in the subject area of finance, we have now become a provider of different special interest portals as a result of this takeover. The aim of this new key strategic direction is to open up an additional revenue source for OnVista Media, while at the same time reducing the company's dependence on the highly cyclical financial environment. In view of our competency in the earnings oriented presentation and marketing of content on the internet, we are confident we will be able to convert the high quality and heavily used content of Medicine-Worldwide into appropriate sales achievements and in particular to increase advertising revenues to a considerable extent. During the year of acquisition, we focused on the further conceptual development of the portal and the build up of the sales team. Our initial experiences have reinforced our optimism with regard to the portal's successful, profitable future.[16]

Technologies business segment: Turnaround achieved

After recording a sizeable operating deficit in the previous year, the Technologies segment achieved an impressive turnaround in the period under review, following the

[11] Since taxes for individual segments are not shown in the accounts, the figure represents the pre-tax result.

[12] Based on total revenues for the business segment

[13] Please also refer to section 'Considerable success with performance marketing campaigns' on this page

[14] Please also refer to the chapter on the Media business segment on page 24 ff.

[15] When generating addresses, we naturally observe all data protection rules stipulated by law. – In our view, settlement models like this are inadequate for image campaigns. We offer these options solely for transaction oriented campaigns, where OnVista has influence on the product package as well as the design and placement of the advertising medium. Only on this basis can we guarantee the project achieves an adequate return on investment.

[16] For details on the strategic background to the acquisition and development of the healthcare portal please refer to the chapter on the Media business segment, page 26 f.

merger between OnVista Technologies GmbH and IS Innovative Software AG. IS.Teledata AG is looking back at a very successful financial year. The Frankfurt-based company achieved group sales totalling € 35.74 million. This represents a slight increase compared to the pro forma sales recorded in the previous year in the amount of € 35.32 million.[17] The pre-tax group result was positive at € 1.95 million. The after-tax group result amounted to € 0.93 million.[18]

As a 36% shareholder, OnVista receives an appropriate portion of this after-tax income. This amount is reduced in the OnVista consolidated financial statements by regular write-downs, which we have to carry out periodically. These arose from hidden reserves in the intangible assets of IS.Teledata AG at the time of the merger.[19] In the financial year 2004, these write-downs amounted to € 0.33 million. This resulted in a **segment profit** of ‘000 € -4 in the Technologies business segment. Due to the unexpected high taxation ratio at IS.Teledata, the segment result was only neutral, contrary to projections. However, compared to the previous year, the performance situation did improve very considerably. Operationally, the segment clearly reached break-even. In 2003, the business segment still recorded a deeply red operating result (EBIT) of € -2.64 million. The segment result for 2003 was only positive as a result of a merger related accounting effect in the amount of € 12.06 million[20] (€ 9.47 mill.).

[17] The pro forma sales are calculated by adding sales generated by OnVista Technologies GmbH in the first eleven months of 2003, namely up to the merger (€ 7.26 mill.), to the 2003 group sales of IS.Teledata AG (€ 28.06 mill.).

[18] A comparative value for the previous year can not be determined for the group result. However, both the pre- and after-tax result would most certainly have been negative. – The main reason for the surprisingly high taxation ratio was not actually paid taxes but the change in deferred taxes.

[19] In the annual financial statements of the OnVista Group, the amalgamation of OnVista Technologies GmbH and IS Innovative Software AG under IS.Teledata AG is treated as a purchase. Since we indirectly handed over around two thirds of the shares in OnVista Technologies GmbH to third parties in this non-cash transaction, this asset is valued under IFRS as the purchase price paid by us for the one third investment of OnVista AG in IS.Teledata AG, and therefore also as the transaction value of our investment. This value (= the cost of acquisition) has been capitalised as a financial investment in our group balance sheet. On conclusion of the transaction, the difference between the cost of acquisition reported in the balance sheet and the proportioned equity of IS.Teledata AG must be allocated to hidden reserves in fixed assets and intangible assets on the one hand and to goodwill on the other hand. In contrast to the capitalised goodwill, intangible assets and components of fixed assets need to be regularly depreciated over their respective useful life. This reduces the result

Further advances in new segment

We are very pleased with the operating performance of our affiliated company.[21] In a continued difficult market, IS.Teledata AG was able to win new customers and expand its business with existing customers. Because of the improved market position of the amalgamated company, it was possible to reduce price pressures and to stabilise margins in the core business – end user oriented web site and intranet applications for online brokers, banks and media companies. As a result, IS.Teledata was able to concentrate on making further advances in the segment for professional user applications. In contrast to the company's core business, IS.Teledata is the challenger in this growing market and competes with providers like Reuters. IS.Teledata also managed to win new customers outside Germany. Today, the company generates around 30% of its revenues abroad. In addition to the resulting increase in sales, IS.Teledata AG managed to realise most of the merger related synergies already in the first year of true collaboration. This helped ease the cost burden and the amalgamated company operated at a profit straight off.

Individual segment contributions to the group

	Media	Technologies	Corporate Services	Consolidation	Group
Total sales	**6,963**	**0**	**0**	***-16***	**6,947**
Other operating income	120	0	734	*-345*	509
Operating expenditure	-5,979	0	-1,299	*361*	-6,917
Depreciation and amortisation	-368	0	-153	*0*	-521
Operating result (EBIT)	736	0	-718	*0*	17
Financial result	105	-4	799	*0*	900
Pre-tax result (EBT)	**840**	**-4**	**81**	***0***	**917**

Simplified segment reporting 2005
Figures in ‘000 €

Corporate Services segment: First moderately positive profit contribution

Following the merger and deconsolidation of OnVista Technologies GmbH, OnVista AG was substantially streamlined and since 2004 performs almost exclusively group functions and respectively activities related to the company's market listing.[22] In addition, OnVista AG manages our cash funds, which means the high interest income from fixed-income securities is attributed to the Corporate Services segment.

As a result of the reorganisation, we were able to reduce the holding costs to such an extent that these were covered entirely by the positive financial result from cash investments in the financial year 2004. The **operating result** amounted to € -0.72 million (prev. year: € -2.96 mill.). In the year under review, the operating result included one-time proceeds from the sale of securities. The **financial result** totalled € 0.80 million (prev. year: € 0.40 mill.). After the Corporate Services segment still recorded a negative result of € -2.56 million in the previous year's group accounts, it made its first moderate positive contribution to the group result in the financial year 2004 as signaled, with a **segment result** of ‘000 € 81.

Financial Position

Increase in fixed assets

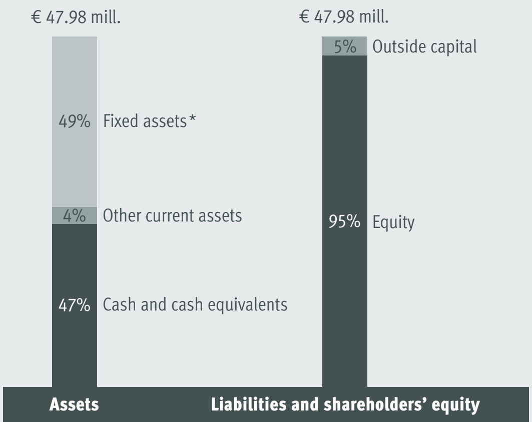
As at 31 December 2004, the **balance sheet total** stood at € 47.98 million, almost unchanged (+0.8%) to the previous year (€ 47.62 mill.).

Fixed assets are now the largest asset item, representing 49% (prev. year: 42%) of the balance sheet total.[23] The increase from € 20.13 million in the previous year to € 23.55 million as at 31 December 2004, is due in particular to the acquisition of A Med-World AG.[24] In this connection, goodwill (**intangible assets**) in the amount of € 2.54 million was capitalised. As a result of the increased shareholding in IS.Teledata AG from 31.5% to 36.0%, **financial assets** rose to € 18.66 million (prev. year: € 17.71 mill.). As at 31 December 2004, the book value of our at equity and at cost investments totalled € 17.58 million (prev. year: € 15.91 mill.) Of this amount, € 17.18 million alone are attributable to the IS.Teledata investment. Capitalisation of our 3.2% stake in Lang & Schwarz Wertpapierhandel AG remains unchanged in the balance sheet at € 0.40 million. All other investments were fully written off in previous years due to impairment. **Tangible fixed assets**, totalling € 0.20 million (prev. year: € 0.23 mill.) remained almost constant.

Comfortable liquidity position

In the year under review, **current assets** decreased by € 3.05 million to € 24.44 million (prev. year: € 27.49 mill.). This is mainly due to the fall in **cash and cash equivalents** of € 2.08 million to € 1.07 million. Our investments in fixed assets were reflected in this balance sheet item. Including the **marketable securities** in the

Sound balance sheet structure



Balance sheet structure 2004
* Including long term deferred taxes

amount of € 21.55 million (prev. year: € 21.85 mill.) **cash funds** totalled € 22.61 million (prev. year: € 24.99 mill.). With a share in the balance sheet of 47% (prev. year: 53%), cash funds represent the second largest asset in our balance sheet. Although the company's cash funds decreased by € 2.38 million or 9.5%, OnVista still enjoys a very comfortable liquidity position.

Capital to asset ratio remains high

The liabilities section of the balance sheet continues to be shaped by the extremely high **capital to asset ratio** of 95% (prev. year: 96%). Shareholders' equity remained almost constant at € 45.78 million (prev. year: € 45.87 mill.). **Short term liabilities** amounted to € 2.20 million (prev. year: € 1.76 mill.). As in the previous year, we did not have any **long term liabilities**.

Positive operating cash flow

Due to the extremely good business performance, the **cash flow from operating activities** was distinctly positive. The cash flow from operating activities totalled € 2.05 million and improved sharply compared to the previous year (€ 1.22 mill.).

In the investment area, on the other hand, we recorded an outflow of funds. The **cash flow from investment activities** amounted to € -3.70 million (prev. year: € -3.11 mill.). Two transactions in particular took effect here, namely the acquisition of A Med-World AG and the purchase of additional preference and ordinary shares of IS.Teledata AG. We recorded an inflow of funds in the investment area as a result of the partial repayment of a loan granted by OnVista to IS.Teledata AG in the previous year.

The **cash flow from financing activities** amounted to € -0.43 million (prev. year: € 0), due to the buyback of treasury stock, which we acquired to service stock options.

In net terms, this results in a negative **consolidated cash flow** totalling € -2.08 million (prev. year: € -1.87 mill.). In the course of the year under review, **cash and cash equivalents** fell to € 1.07 million (prev. year: € 3.15 mill.). The figure does not include the freely disposable mortgage bonds in the amount of € 21.55 million. These represent a highly secure and at the same time liquid investment in which we have invested a substantial proportion of our cash funds. However, freely disposable mortgage bonds are, by definition, not shown as a balance sheet item in the cash flow account.

in our Technologies segment as well as in the group. Please also refer to statement no. 9 in the notes.

[20] Please also refer to page 14 of the Management Report (section 'Earnings Position')

[21] For details on the operating performance of IS.Teledata AG, please also refer to the chapter on the Technologies segment on page 28 f.

[22] Up to the end of 2003, OnVista AG rendered central services for compensation for its two operating subsidiaries OnVista Media GmbH and OnVista Technologies GmbH, such as accounting and human resources. After the merger of OnVista Technologies GmbH, most of these activities were no longer applicable, since IS.Teledata AG has its own structures for administrative tasks. Consequently, a number of jobs were cut at OnVista AG and staff required for OnVista Media GmbH moved to the subsidiary on 1 January 2004. After the shift in functions, only the Corporate Communications department remained at OnVista AG in addition to the Executive Board. Services rendered by OnVista Media GmbH for OnVista AG (for example group accounting) and services rendered by OnVista AG for OnVista Media GmbH (for example PR for the internet portals) are still being settled between the Media and the Corporate Services segments.

[23] Including long term deferred taxes

[24] Please also refer to page 12 of the Management Report (section 'Group structure')

Employees
Growth path creates new jobs

As at 31 December 2004, the OnVista Group employed 52 **staff**, compared to 41 one year earlier.[25] Consequently, staffing levels rose by 11 or 27% in a year-on-year comparison on the balance sheet date. On the one hand, the increase takes into account the jobs at the healthcare portal acquired in March 2004 and, on the other hand, we purposefully created new jobs at OnVista Media as part of our growth path. We expanded in particular the Product Management team of our finance portal and the team looking after the acquisition, management and optimisation of performance marketing campaigns.[26]

On average, the OnVista Group employed 48 staff in the year under review. The annual average in 2003 still stood at 127. The reduction of 79 jobs or 62% is due mainly to the deconsolidation of OnVista Technologies GmbH as at 30 November 2003. Since the merger, employees of the former OnVista Technologies GmbH are no longer taken into account in the personnel statistic of the OnVista Group. Added to this is the net cut in jobs at OnVista AG.

Due to the fall in the average staffing level, we were able to reduce **personnel expenditure** by 63% to € 2.69 million (prev. year: € 7.29 mill.). Adjusted for the deconsolidation effect, the 'actual' fall in personnel expenditure amounts to 9.8%. The **personnel expenditure ratio** fell from 67% to 39% of total sales. **Sales per head** rose by 71% to '000 € 145 (prev. year: '000 € 85).

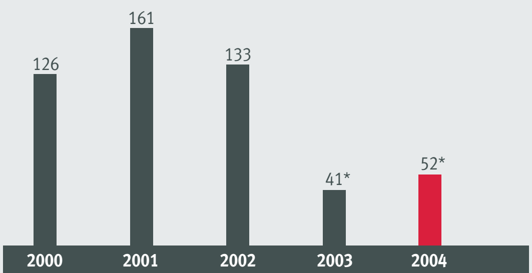
[25] Number of permanent employees, full-time equivalents

[26] Please also refer to page 15 of the Management Report (section 'Segments')

[27] In the year under review, these investments include personnel expenditure for IT development capitalised in fixed assets.

[28] The figure relates almost entirely to personnel expenditure for IT developments as well as to write-downs on inhouse developed software which were charged to expenditure in the P&L account. Please also refer to page 13 of the Management Report (section 'Earnings position')

New jobs created



Employees as at 31 December
(in permanent employment; full-time equivalents; 2000: number of heads)
* After the deconsolidation of OnVista Technologies GmbH this figure only includes employees in the Media and Corporate Services segments.

In the year under review, human resource activities focused mainly on the recruitment of additional staff and the integration of staff from the healthcare portal in the OnVista Group. In 2004, we again offered around 20 student trainees – predominantly students of Economics and IT – the opportunity to join our team temporarily and to gain insight into the company. This enables us to identify particular competencies and in several cases has led to a permanent position being offered to students after graduation. In addition, we are currently training a Media Designer for digital and print media as well as an IT specialist.

Research and Development
Concentrated R&D activities

In 2004, our **investments in research & development**[27] totalled € 0.23 million (prev. year: € 0.91 mill.). Since the start of the year under review, we only record R&D activities in the OnVista Group carried out by the Media business segment. In the previous year, we invested € 0.33 million in this segment for the development of inhouse software. In the financial year 2004, **R&D expenses**[28] amounted to € 0.75 million (prev. year: € 1.88 mill.), which corresponds to 11% of total sales. As an annual average in 2004, around 25 staff dedicated part of their time to research and development. The reduction of 75% in investments and 60% in costs compared to the previous year is not attributable to a reduction in R&D activities but mainly to the merger related deconsolidation of the Technologies business segment.

Innovations secure lead for finance portal

In the year under review, one key focus of our development activities was the comprehensive overhaul of our web site www.onvista.de. As part of its relaunch, we developed a number of new functions. But the main emphasis lay on further improving the presentation of the wealth of existing information and making data available more quickly, without changing the successful OnVista structure. The visual design of the web site also received a discreet facelift. The newly designed web site went online in March 2004 and received very positive feedback from our users and advertising clients. We have also added an integrated rating system on each individual page, to make it easy for users to let us know their comments, requests and suggestions. This feedback is systematically analysed and used for the further development of the finance portal.

In addition, we used our technical capacities to develop dedicated sections for hedge funds and commodities. Taking into account the boom in the certificates market, we also developed a number of new features in our certificates section, which have largely been available since early 2005. These include RealPush charts, i.e. graphics presenting price trends for certificates in real time, which are automatically updated. As a result of these innovative features, we remain one step ahead of our competitors, who have also now taken on the subject of certificates. After our positive experience with the issuer micro sites introduced in 2003, we created a similar platform for fund management companies, the so-called KAG micro sites. Embedded in our fund's section, capital investment companies use these sites to present news, master data and their own publications. This way, users receive interesting bundled information, and therefore do not need to spend time visiting the different web sites of the fund management companies. And our advertising clients reach their target groups and, in addition to their own web site, are able to inform them of their products and areas of competence. Capital investment companies use the service as a marketing tool for which they pay a fee to OnVista.

Relaunch of the healthcare portal mapped out

In 2004, we only made some minor adjustments to the healthcare portal and mainly concentrated on mapping out a fundamental relaunch, which is scheduled to take place in the first half of 2005. In this respect, strategic considerations initially took centre stage, while the operational implementation and product development began at the end of 2004, both of which are now in full swing.

Environmental Report

Since OnVista's business activities do not pose any environmental risks, we are not publishing a separate report on the subject of the environment.

Risk Report

Effective risk management system

A young company like OnVista must place special importance on an effective risk management system. The Executive Board of OnVista AG is aware of its responsibility toward the shareholders of the company as well as other stakeholders, such as customers, suppliers and staff. The Board therefore tries to avoid activities that might jeopardise the viability of the company or seriously damage one of its key stakeholder groups.

However, OnVista is subject to the conditions of a highly dynamic market sector environment, which means risks can not be excluded in some cases if we are to achieve our strategic goals. The Executive Board therefore implemented a risk management system already prior to the company's initial public offering. This system continuously monitors the risks to the company, while prescribing countermeasures to be initiated in the event specific guideline limits are exceeded. The system was further enhanced in 2004. For example, we extended the forecast period for the assessment of risks to two years and the risk inventory is now carried out every six months instead of once a year. The risk management system has been reviewed by the company's auditors.

By 'risk', we mean a negative deviation from expected developments, i.e. from the corporate planning for the OnVista Group. The six-monthly risk inventory and continuous monitoring of risks by way of early warning indicators form the essential basis for recording and analysing risks within the OnVista Group. The process involves the analysis of individual risks to the OnVista Group across all business units and segments, while also taking into account external factors. This is followed by a description and evaluation of the potential damage and the determination of the likelihood of occurrence. Appropriate responsibilities have been determined in respect of the ongoing monitoring of these early warning indicators.

Depending on the risk rating – namely, the potential damage multiplied by the likelihood of occurrence, which remains after taking into account counter measures already initiated, individual risks reach different escalation levels, which are linked to specific action maxims.

Control through Risk Manager

The risk management process is under the control of a Risk Manager, who is directly responsible to the Executive Board and has a duty to report. Every individual risk is allocated to a specific monitor of risks, who keeps a close watch on the relevant early warning indicators and immediately reports any irregularities to the Risk Manager.

The Executive Board determines the risk strategy and decides which measures should be taken in the event ceiling values are in danger of being exceeded. The Executive Board regularly reports to the Supervisory Board on the group's risk situation.

The risk strategy as well as the set up and process organisation of the risk management system are documented in an annually updated handbook.

We have divided the individual risks identified by OnVista into six areas of analyses:
- General economic risks
- Sector risks
- Risks from operational spheres of activity (procurement, production, sales, investments, R&D)
- Risks from investments
- Legal risks
- Other risks

Risk offset aimed at

As in the past, no risks exist in any area that could pose an acute risk to the viability of the OnVista Group. All in all, the risk situation is generally consistent with the previous year.

General economic risks represent one of the key areas of risk for OnVista. We take our bearings from the latest forecasts published by industry research institutes and anticipate moderate growth for the next two years. However, a protracted economic downturn and/or a renewed slump in the capital markets would most likely lead to cuts in the advertising budgets of our finance portal customers. To reduce our dependency on sector specific business activities, we started to diversify our revenue sources in 2004. With the healthcare portal, we deliberately advanced into a market with a less cyclical demand behaviour and hardly any correlation with the finance sector.

Investment risks slightly reduced

A second core risk lies in the investment area. The investment in IS.Teledata AG with a book value of around € 17 million represents a good third of the balance sheet total. In the event of a very poor business performance, considerable write-downs would have to be made. Since we increased our holding in the course of the year under review, the potential level of loss has increased slightly. However, given the current business situation and medium term forecasts, the likelihood of this risk occurring as well as the risk value as a whole have reduced. IS.Teledata AG has fully satisfied the expectations placed on the company in respect of synergies and market performance. For IS.Teledata, the financial year 2004 has been very positive and the perspective is also very promising.

We will continue to take meticulous care to identify undesirable developments in good time and, if necessary, initiate appropriate countermeasures. Although IS.Teledata AG operates independently, OnVista is represented on the company's Executive Board as well as its Supervisory Board and is therefore able to exert considerable influence.

We also continue to actively monitor the sales area. The expansion of our business to the subject area of health has, in principle, also led to increasing sales risks. On the other hand, we have made some efforts at our main revenue generator, the finance portal, to maintain the high level of customer satisfaction. In order to counter the potential loss of major customers, we review customer satisfaction through regular polls. Overall, we managed to offset the increased risks through investments in the quality of our services and customer contact and to keep the risk value constant in this area.

In addition to the risks described, which arise in the investment sector, the general economic environment and the sales area, we are also exposed to further risks in other categories. However, the potential level of loss and the likelihood of these risks occurring is so small as to make the rating of the residual risk, which remains after taking into account the countermeasures, insignificant. For example, this includes the risk of a declining advertising impact by the internet medium (sector risk), a declining rate of innovation (internal R&D risk) or the loss of qualified staff in key positions (other risks).

Supplementary Report

2005 performance to date according to plan

No reportable events occurred after the balance sheet date and prior to the copy deadline for the Management Report. The first few weeks of the new financial year have fulfilled our expectations, which are described in detail in the perspective.

Perspective

Economic recovery continues

In 2004, the global economy grew at the fastest pace for almost three decades. The key indicators signal that although the height of global and Europe-wide growth has now topped out, we can nevertheless still expect a robust economy in 2005. In Germany, the economic recovery is likely to continue, according to experts, albeit not quite as strong. This assessment is supported by every available forecast. Most economists consider growth of slightly above 1% likely. Our projections for the financial years 2005 and 2006 are also based on only moderate economic growth in Germany.

General conditions in our sales markets further improved

The continued economic recovery also benefits the advertising market. The German advertising association (ZAW) expects net media advertising revenues to grow by 2% in 2005, compared to a 1% rise in the year under review. Based on discussions with customers and agencies, we assume online advertising will grow at a disproportionately rapid pace. The growth will also be aided by the joint efforts of the industry, to establish the internet as an advertising medium. One important milestone in this respect will be the long awaited introduction of a uniform evaluation standard for the reach of web sites in 2005, which is supported by all market participants. The fact that the internet accounts for more than 10% of media utilisation but only around 3% of gross advertising investments in Germany, highlights the backlog demand for online advertising.

For the European capital market, experts predict further growth potential in 2005. As a result of increasing corporate profits and the undervaluation of a large number of companies, many also expect retail investors to return to the stock markets. The first few stock market flotations have already been announced for the current year. We believe, issuers of derivatives and capital investment companies, as key customer groups of our finance portal, will also benefit from the upturn. In the banking sector, the cost discipline of the last few years is reflected in growing profits. We hope, financial service providers will also be willing to increase their IT investments again. As far as the sales situation for our Technologies business segment is concerned, we are therefore optimistic about the future.

The sea-change in the healthcare sector has by far not reached its end. More regulations of the Health Modernisation Act will come into force in 2005, which will initially be associated with sales losses for many pharmaceutical companies. However, the radical change is accompanied by a process of rethinking across the entire industry sector. All providers of healthcare products and services, in particular medicines available over the counter, increasingly need to rely not only on convincing doctors but also on reaching patients themselves. The trend toward so-called direct-to-patient marketing represents a positive general condition for all patient oriented media and therefore also for our healthcare portal Medicine-Worldwide.

In addition, there are three mega trends which materially shape the general conditions of our business in our opinion. The demographic development in Germany and the shake-up in the social security systems call for greater private provisioning. In the medium and long term, this will inevitably lead to increased interest in finances – trend one – as well as in the subject of healthcare – trend two. We expect finances and pharmaceuticals to still rank among the most advertising intensive product groups in the next few years. Added to this – trend three – is the continued increased importance of the internet as an information medium and advertising vehicle.

Media business segment: Profitability to increase further

After the very successful financial year 2004, we are also optimistic about the future in 2005. Our web site www.onvista.de had a very good year in 2004. Nevertheless, we have set ourselves the ambitious target of further growth in the finance portal. We plan to maintain our considerable lead over the competition through continuous income oriented innovations on the web site and to enhance our strong standing with advertising clients.

Another major challenge in 2005 is to increase the awareness of our healthcare portal among users and advertising clients and to noticeably increase both reach and advertising revenues. The relaunch in the first half of the year as well as accelerated marketing and PR activities are both contributing factors to this end.

We plan to heavily expand the performance marketing area, which already grew noticeably in the financial year 2004. To this end, we not only use our own web sites but also those of our collaboration partners, in order to win new customers for the products of our clients on the basis of performance related payment.[29]

[29] For details on performance marketing please refer to page 15 of the Management Report (section 'Segments')

Overall, we expect sales in the Media business segment to exceed € 8 million in 2005, which would represent an increase of 15%. **Segment sales** will largely stem from our OnVista finance portal. The healthcare portal Medicine-Worldwide is expected to contribute revenues in the mid to upper region of six-digit Euro and, in terms of percentage, consequently record double-digit growth. Although we anticipate greater percentage increases for the healthcare portal than the finance portal, the latter will contribute higher revenue growth in absolute terms and will remain our flagship for the foreseeable future.

Costs will also increase in the Media business segment, but the rise will be underproportionate in relation to the sales performance. In percentage terms, the **segment result** will therefore grow slightly more than sales and is likely to amount to almost € 1 million. The additional content and marketing costs in the healthcare portal as well as higher personnel expenses account for the increase in costs. In order to exploit the growth opportunities in the coming years, we created a number of new jobs in 2004, which will only be fully charged to expenditure in 2005.[30] In respect of the healthcare portal, we plan to use 2005 to buttress the foundation for future growth in sales and performance, as already announced. We will therefore reinvest the envisaged sales increases in the web site itself as well as in accelerated sales. Even though the main focus here is not yet on highest achievable revenues, we do not anticipate any appreciable drag on earnings for OnVista Media. We assume our efforts will result in profits and considerable margins for the healthcare portal latest from 2006 onward.

Technologies business segment: Distinctly positive profit contribution anticipated

In 2004, IS.Teledata AG achieved turnaround straight off in the first year after the merger and operated at a profit, while OnVista was only able to record a red zero in the Technologies segment as a result of the accumulated write-downs[31] in the OnVista consolidated financial statements. In 2005, we expect a noticeable profit contribution from the Technologies segment.

According to projections from IS.Teledata AG, the IT company will increase group sales in the current financial year to more than € 40 million. Growth is to be generated both in the inherent market segment of end user oriented web site and intranet applications and in the new market segment of professional user applications.

IS.Teledata AG expects its pre-tax result to roughly double in 2005 (2004: € 1.95 mill.). The estimation takes into account the encouraging customer wins over recent months as well as the residual synergy potential from the merger. For the OnVista Group, the relevant figure is IS.Teledata's after-tax result, of which 36% is attributed to us at the current percentage of shares held, which – due to the difficulty of calculating the deferred taxes – is not as easy to project. After deducting amortisation of intangible assets, we expect the Technologies business segment to record a **segment result** in the mid region of six-digit Euro.

OnVista Group: Leap in profits projected

On the basis described, we envisage our **group sales** to exceed € 8 million. This would represent an increase of around 15% compared to sales recorded in 2004 (€ 6.95 mill.). The rise in the pre-tax group result is to be even more distinct. All in all, we expect the **pre-tax result** to grow by about 50% (2004: € 0.92 mill.). Accordingly, we will also achieve a distinct double-digit profit to sales ratio in the group on a pre-tax basis.

Both operating business segments will make a distinctly positive contribution to the group result, while the Corporate Services segment will place only a slight burden on the performance.

[30] See Management Report, page 18 (section 'Employees')

[31] See Management Report, page 16 (section 'Segments')

Corporate Governance recommendations largely observed

In 2004, the subject of 'corporate governance' was again discussed extensively in public. Discussions were mainly restricted to one of the 72 recommendations of the German Corporate Governance Code ('Deutscher Corporate Governance Kodex' – DCGK), namely individualised reporting of compensation for the Executive Board and the Supervisory Board. This obscures the fact that the DCGK as a whole is widely accepted and largely observed by the majority of publicly quoted companies. The wording of the Code remained unchanged in 2004 compared to the year before.

In the year under review, the Executive Board and the Supervisory Board of OnVista AG reviewed the recommendations of the DCGK and last issued a new statement of compliance in December 2004. The full statement can be viewed on our web site www.onvista-group.de, under the heading 'Investor Relations'.

OnVista adheres to all recommendations set down in the Code (version of 21 May 2003), with the exception of the following points:

- The company renewed its D&O insurance in the year under review. The new insurance policy, which has been taken out with a different provider, contains substantially less expensive terms than the previous policy. However, no deductible has been agreed, since the new policy does not offer this option. (3.8.)

- In the view of the Executive Board and the Supervisory Board, it should be possible to also partly or wholly attribute extraordinary developments to the Board. An option to place a cap on stock options was therefore not provided for. (4.2.3.)

- In the opinion of the Executive Board and the Supervisory Board, a declaration of compensation paid to individual members of the Board does not provide shareholders with additional information which may aid their investment decisions but does greatly restrict the right to privacy of individual members of the Executive Board. Both Boards consider a declaration of the total compensation paid broken down into fixed and variable components as sufficient. (4.2.3.)

- The Supervisory Board does not create any committees. This is unnecessary, given that the Board is made up of three members. (5.3.1./5.3.2.)

- The current version of the articles of association does not allow for higher compensation to be paid to the Deputy Chair in the Supervisory Board compared to that of a general member of the Supervisory Board. OnVista also refrains from paying performance related compensation to members of the Supervisory Board. In the opinion of OnVista, this would not improve the supervisory duties of the Supervisory Board. Furthermore, a variable component is not considered meaningful against the background of the current overall compensation of the Supervisory Board of just € 20,000. In the view of the Executive Board and the Supervisory Board, a declaration of compensation paid to individual members of the Board does not provide shareholders with additional information which may aid their investment decisions. Both Boards consider a declaration of the total compensation paid as sufficient. (5.4.5.)

As at 31 December 2004, the value of stock options granted to members of the Executive Board at OnVista AG amounted to € 46,352.

Comments on the principal characteristics of the compensation system for the Executive Board:

All members of the Executive Board have an income scheme with a target salary made up of a fixed and a variable component. The variable component is linked to the achievement of targets which, among others, include OnVista AG performance targets. The aim is to achieve a ratio between fixed and variable compensation, whereby the fixed component slightly exceeds 50% of the total compensation paid. The exact desired ratio is determined at the start of each calendar year.

Members of the Executive Board may receive stock options on OnVista AG shares as a long-term performance component. The number of stock options offered is geared to the aforementioned targets. Stock options are granted on the basis of the 'Stock Option Plan 2000' and the 'OnVista Stock Option Plan 2001'. In terms of content, the stock options correspond with those offered also to employees of OnVista AG or employees of affiliated companies. The precise formulation of the stock option plans has been set out in the notes (item 14.).

Diversification.

Best year since formation

Leap in sales and performance

OnVista Media GmbH[1] operates and markets the leading bank-independent finance portal in Germany with www.onvista.de. Since March 2004, the company has extended its business activities to the operation and marketing of the healthcare portal www.medicine-worldwide.de. Revenue sources in the Media business segment include income generated through online advertising on both portals as well as, in the case of the healthcare portal, licensing of medical content to third parties.

For OnVista Media, the financial year 2004 was the most successful in the history of the company. We were able to further grow both sales and performance. With total sales in the amount of € 6.96 million, we increased our revenues by 54% compared to the previous year (prev. year: € 4.52 mill.). The figure includes internal revenues of '000 € 16 (prev. year: '000 € 21). In the year under review, the segment result totalled € 0.84 million (prev. year: € 0.60 mill.). This represents an increase of 41%. The profit to sales ratio of 12% also exceeded the average sales return achieved in our industry sector.

Increased advertising proceeds contributed most to the growth in revenues for the finance portal. Sales generated by Medicine-Worldwide, our healthcare portal, which have been attributed to the OnVista Group since March 2004, amounted to a revenue contribution in the region of mid six digit Euro.

Reasons for the positive performance of the finance portal included the continued relaxed market mood, the slowly recovering advertising market and our earnings oriented marketing approach as market leader.

Performance marketing campaigns also contributed to the increase in revenues. Here, we not only deploy advertising formats in support of sales on our own web sites but

[1] OnVista Media GmbH is a wholly-owned subsidiary of the media and IT company OnVista AG.

also on the web sites of our collaboration partners. Payments for performance marketing campaigns are mostly performance related, i.e. customers pay per click, per generated address or per conclusion of contract, resulting from a particular advertising campaign.[2]

• Strategic realignment through healthcare portal

The year under review was shaped by the acquisition and integration of the healthcare portal Medicine-Worldwide. Having previously specialised in the subject area of finance, the company has become a provider of different special interest portals[3] through the expansion of the media portfolio with www.medicine-worldwide.de. The web site targets patients and their families as well as those with a general interest in medical matters. It offers high quality content, formulated to be understood by any layperson, and ranks among the most popular healthcare portals in Germany.

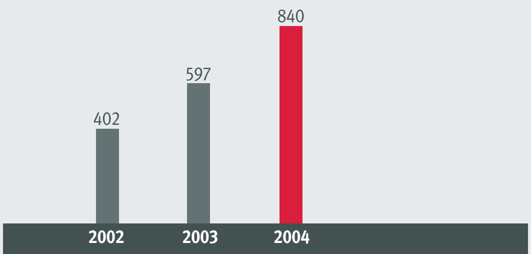
This important strategic decision enables OnVista to secure additional growth potential, while at the same time reducing the company's dependence on the financial environment. A second subject specific portal offers us access to a new user group and represents an additional revenue source, therefore contributing to a diversification in revenues.

In addition to carrying out technical adjustments, which allowed us to realise initial synergies of the two portals, we also built up the sales team responsible for advertising marketing of Medicine-Worldwide as well as licensing of medical content in the course of the year. The systematic working of the market has already started to bear fruit. We increased sales at a low level and were able to win a number of new customers, including, for example, Chiron Behring, a manufacturer of vaccines, the health insurance company Süddeutsche Krankenkasse and 3M Medica, the pharmaceutical arm of 3M. In addition, we have prepared a comprehensive relaunch of the Medicine-Worldwide web site, which is scheduled to go online in the first six months of 2005. At the end of 2004, we relocated all activities of the healthcare portal from Berlin to Cologne, the head office of OnVista Media GmbH.

• Finance portal strengthens its market position

For our OnVista finance portal, we aimed to maintain our extensive lead over the competition and further grow sales and performance. We were able to achieve our objectives by consistently giving priority to innovative solutions in the further development of the OnVista

Steady increase in profits



Media segment: Pre-tax segment result in '000 €

web site's content, that meet both the interests of our users and those of our advertising clients.

We already laid a solid foundation to this end at the beginning of 2004 through the comprehensive relaunch of the web site www.onvista.de. The excellent feedback from our users and advertising customers confirms that we have hit the nail on the head with our redesign.

Our special on structured notes in August 2004 also received a positive response. While our web site as a whole is more likely to appeal to experienced investors, this service was specifically aimed at newcomers wanting to profit from the advantages of this booming financial product.

With the launch of a separate commodity section, we have also been taking this growing market into account since November 2004. Thanks to this innovative service, we are able to offer our users additional value, while also creating interesting advertising environments for existing and new customer groups.

We also benefited from the brighter mood in the equity market. This resulted in a revival of the IPO market and increased advertising investments by financial service providers. For example, we were able to secure a big order from Postbank. The company placed an exclusive info special at the time of its stock market flotation, which offered our users interesting content with regard to the biggest German IPO in 2004.

Like the year before, we again paid intensive attention to the investment and information behaviour of OnVista users. Within the framework of two online surveys on the fund and derivative pages of our finance portal, we surveyed more than 2,000 users in each case. The findings help us in many different aspects. On the one hand, the information provided is used to further

[2] Please also refer to the Management Report on page 15 (Section 'Considerable succsess will performance marketing campaigns')

[3] Special interest portals represent internet services where the content is concentrated on a special field of interest, such as finance, health, computers, etc.

Focus on Healthcare Portal

The acquisition of the healthcare portal Medicine-Worldwide has turned OnVista Media into a provider of different special interest portals financed through advertising. The move was preceded by a systematic analysis and decision process.

The initial situation

Concentration on core competency

OnVista Media GmbH which, until March 2004, solely operated and marketed the finance portal www.onvista.de, has developed very successfully and also recorded profitable growth. To create growth potential and reduce the company's dependency on the financial environment, we aim to develop additional subject specific portals and transfer our core competency – the presentation and marketing of content on the internet – to these portals.

What constitutes the core competency of OnVista Media? If one disregards the subject of finance, we have valuable know-how that can be summarised under the term 'media competence'. We have distinct knowledge in the area of online content design and presentation, suitable for advertising marketing. By applying a market-oriented development process, we assess how the interests of our users can be combined with the requirements of our advertising clients for our services. In this context, we benefit in particular from our great sensitivity and experience in realising individual customer requirements, especially with regard to products which require clarification. Our competence is rounded off with optimal campaign planning and management as well as efficient project development, thanks to integrated IT processes. These guarantee reliable measurability of the advertising benefit and uncomplicated processing of each order. We believe that, with these tools, we are very well prepared to also successfully operate outside the financial environment.

> *"Health is becoming Europe's growth engine."*
> Robert W. Fogel, US Nobel prize-winner in economic science

The analysis

Healthcare identified as mega trend

To find a suitable new subject area, we defined five key criteria, which such an area needs to at least largely fulfil. An analysis based on the criteria chosen by us shows why the healthcare market appears to be the most attractive for us:

Criteria 1: High potential reach

In Germany, health awareness has increased over a number of years now. In light of the new healthcare policy framework and demographic developments, discussions around this subject have further intensified. All in all, healthcare has become a mega trend.

Criteria 2: High advertising expenditure

With investments in excess of half a billion Euro[1] in 2004, both the pharmaceutical and the financial services sector rank among the most advertising intensive industries. Although the healthcare sector has not properly discovered the internet as yet and online advertising in this market needs to catch up, in comparison to other sectors. The high advertising intensity in the pharmaceutical industry also necessitates product and image advertising in the future. Added to this, the legal changes are increasingly placing the consumer at the centre of marketing activities undertaken by pharmaceutical companies and health insurance companies.

Criteria 3: Good diversification with regard to the subject of finance

The demand behaviour in the healthcare market is less cyclical than in the finance sector. The healthcare market is neither dependent on the economy nor connected in any way to the subject of finance or correlated to activities on the stock markets.

Criteria 4: Product specific appreciation with regard to targeting advertising clients

In our view, product and market specific experience is just as much a must for successful marketing in the healthcare sector as in the finance industry. This is where we see one of our strengths, especially in comparison to marketers of major general interest portals. Consequently, we employ sales staff for the healthcare portal with experience in the healthcare industry and have built up similar expertise to that in the finance sector.

Criteria 5: No market dominant competitor

The division of the healthcare portal market is as yet not fixed. In contrast to the finance portals, bigger market shares can be achieved quickly, given the current relatively low advertising intensity.

The acquisition candidate

Good reasons speak for www.medicine-worldwide.de

Why did we decide on Medicine-Worldwide in particular? Launched in 1997, the web site was one of the leading healthcare portals in the German speaking region. It led in terms of reach as well as the calibre of its serious and high quality professional content on the subject range of healthcare, clinical pictures and therapy options, formulated at the same time to be understood by laypersons too. The portal relied on two revenue sources, namely content licensing and advertising revenues, whereby the latter are scheduled to be substantially developed. The web site was designed with a sound IT backbone. Furthermore, the acquired operating company was clear of any debts and, just like OnVista, always adopted a very cost-conscious approach. The company operated just below break-even and was also available at a reasonable purchase price. What was lacking was a systematic sales organisation and – despite the high reach – adequate brand awareness.

> *"Consumers are increasingly taking centre stage. Increasingly better informed consumers confronted with an ever growing choice are becoming more influential every day, and they expect their power to be respected."*
> Peter Littmann, Partner of the brand consultancy Brandinsider and Professor in Witten/Herdecke, about pharmaceutical marketing

[1] The figure does not include online advertising or image advertising of researching pharmaceutical companies, nor awareness campaigns for specific clinical pictures and therapy options.

[2] Ethical pharmaceutical companies vs. generic manufacturers: Ethical or researching pharmaceutical companies get their newly developed drugs patented, which generally secures companies the exclusive rights to these active agents for 20 years. On expiry of the term of the patent, every manufacturer is entitled to process the drugs to produce their own products without licence. Licences for such products are subject to less strict regulations. These imitation products are called generic drugs. OTC (Over The Counter): OTC manufacturers produce medicines which are available without prescription, i.e. they can be sold freely.

Media Business Segment

The goal

Step by step growth

Following the acquisition of Medicine-Worldwide, we integrated all activities of the portal in our existing business. This included setting up a sales team, who, in the second half of 2004, began to systematically work the market. We grew sales at a low level and were also able to win a number of new customers. Our target customers for advertising marketing and content licensing of medical content include primarily ethical pharmaceutical companies, generic and OTC[2] manufacturers as well as health insurance companies, doctors and hospitals.

As is the case with our finance portal, we also plan to effectively link customer and user interests for Medicine-Worldwide. To better meet the needs of both parties, we are currently preparing a relaunch of the Medicine-Worldwide web site, which is scheduled for the first half of 2005. On the user side, two target groups are coming into focus – acutely and chronically ill persons and their relatives as well as health-conscious individuals. While the first group is looking for structured and in-depth information on all seasonal indications, like the flu or hay fever, or illnesses such as diabetes and high blood pressure, health-conscious individuals are interested in less serious subjects, like diet or travel medication. The appropriate address is ensured by product management and the editorial team, made up of doctors, medical journalists and other experts from the health sector, such as dieticians and psychologists.

> *"Every third out of a total of 34.4 million German internet users visited a healthcare portal in the third quarter of 2004"*
>
> Financial Times Germany, 6 January 2005

We view 2005 as a development phase, during which we aim to lay the foundation for profitable future growth. The goal is to substantially increase the reach of Medicine-Worldwide by the end of 2005. More intensified marketing and PR activities are to contribute to raising the awareness of the portal. For the current financial year, we are aiming at further increased sales, which we will, however, reinvest. From 2006 onward, we plan to operate in the black and to increase the focus on optimising the yield. To open up an additional source of revenue, collaboration with an internet drugstore is also conceivable in the medium term. Our aim is to achieve a level of performance with Medicine-Worldwide in five years time similar to that of the OnVista finance portal today.

If our strategy works out and we achieve the expected success with our healthcare portal, we plan to become active in one or more other subject areas in the future. The aim is to become a leading provider of internet portals financed through advertising.

optimise our services and to tailor our offerings even more closely to the requirements of our users. On the other hand, the information offers our advertising clients insight into the product preferences and investment behaviour of the target groups found on the OnVista web site.

High reach of portals

After four years of market leadership already, www.onvista.de was able to further increase its reach and again extend its lead over the competition in the year under review. According to the statistics published by the independent IVW[4] association, the average number of page impressions per month in 2004 totalled 48.3 million (2003: 40.0 mill.). This represents an increase of 21%. The average number of visits per month stood at 5.5 million. OnVista holds the number 1 spot not only in comparison to other specialised finance portals. www.onvista.de also has the highest reach in terms of business and financial services among all web sites measured by IVW – including major general interest portals[5] like T-Online and Spiegel Online. This comparison, which offers advertising clients greater transparency, is now possible due to the category system[6] introduced by IVW in 2004.

We are also satisfied with developments in reach of Medicine-Worldwide. Just a few months after acquisition, the portal was able to increase the number of page impressions. While the number of page impressions and visits still stood at respectively 5.8 million and 1.1 million in February 2004, Medicine-Worldwide achieved up to 6.4 million page impressions and 1.3 million visits in the second half of the year.[7] This makes the web site one of the strongest healthcare portals in Germany in terms of reach.

Still on growth path

The OnVista finance portal continues to be our flagship service. We will continuously further develop both the content and advertising services of the OnVista finance portal. For the healthcare portal, we are planning a comprehensive relaunch in the first half of 2005, to make the service even more interesting for both our users and advertising clients. In addition, we aim to further increase the reach of the portal and to step up advertising marketing. Performance marketing campaigns are also gaining on importance.

Overall, the development of both portals will benefit from the increasing share of the internet in the total media budget and the mega trends of retirement planning and healthcare.[8]

[4] German information association which determines the reach of advertising vehicles.

[5] General interest portals represent internet services which address a wide audience with many different subjects in contrast to special interest portals.

[6] IVW has been publishing reach under a new category system since September 2004. Although the system continues to show the overall use of a particular web site, online services are no longer allocated to a specific category as a whole. Instead, individual sub-pages of the overall service are now categorised according to their relevant key subject area. For the first time, the reach of major general interest portals is now split into different subject environments, enabling a comparison between general interest portals and special interest web sites in terms of advertising performance.

[7] Figures from November 2004. December invariably sees a seasonal drop in reach for all internet services due to the many public holidays (Dec. 2004: 5.9 mill. page impressions, 1.2 mill. visits). – The reach of Medicine-Worldwide has been measured by the independent IVW association since June 2004. The number of hits recorded prior to this date represent OnVista's own evaluations.

[8] For details of projections, please refer to the Management Report on page 21 f. (Section 'Perspective')

Interaction.

Merger targets achieved

Sales slightly increased

The IT business of the OnVista group is organised in the Technologies business segment. The segment consists of a 36% stake held by OnVista AG in IS.Teledata AG, which arose from the merger of OnVista Technologies GmbH and IS Innovative Software AG in 2003. IS.Teledata AG is Europe's largest provider of internet based financial market information systems. The company supports professional financial service providers with solutions and market data for employees and customers. In return for its services, IS.Teledata AG receives one-off project revenues and monthly licensing fees.

In the year under review, our affiliated company performed very well and achieved its key merger objectives. The company generated sales in the amount of € 35.74 million and recorded a slight increase compared to the previous year (€ 35.32 mill.). The pre-tax result was positive at € 1.95 million, with the after-tax result totalling € 0.93 million.

As a 36% shareholder, OnVista AG receives an appropriate portion of the after-tax result. This amount is reduced in the OnVista consolidated financial statements by regular write-downs, which we have to carry out periodically. Regular write-downs arise from hidden reserves in the intangible assets of IS.Teledata AG at the time of the merger. As a result of these write-downs, our Technologies business segment recorded a neutral segment performance ('000 € -4).[1] In OnVista's view, the most important aspect was that the segment achieved a turnaround. In 2003, the business segment still recorded a big operating deficit (EBIT: € -2.64 mill.) and only achieved a positive segment performance (€ 9.47 mill.) as a result of a special accounting effect totalling € 12.06 million. Without this effect previous year's segment result would have been negative (€ -2.59 mill.).

[1] Please also refer to the Management Report on page 15 f. (Section 'Technologies Business Segment: Turnaround achieved')

Technologies Business Segment

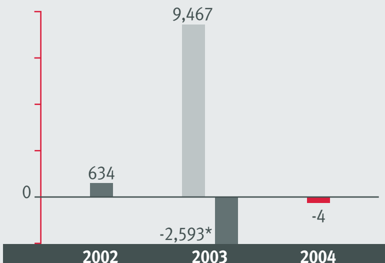
Advance into new market

IS.Teledata managed to successfully enter the market for professional user solutions, with substantial sales achievements and numerous new customers. Traditionally, this market sector is heavily dependent on the major providers of terminals and data, like Reuters, for example. There has been increased demand for less costly yet still high capacity products for some time now in this sector. With its flexible technology and related user-friendly applications, IS.Teledata AG is able to fulfil both these requirements. Our affiliated company received one major order in the segment of professional applications from Ecetra Internet Services AG, the efinance arm of Erste Bank Group in Austria. The company entrusted IS.Teledata with realising an intranet solution for the 4,000 employees of the institutional association. This places Ecetra among the top 15 of IS.Teledata's 200 customers. The successful conclusion of the year under review came with winning another very important order. IS.Teledata will be developing an inhouse software application for Commerzbank AG, which will be used across the banking group in support of its employees. In addition to the development work, IS.Teledata will also assume responsibility for the smooth implementation and operation of the solution.

Margins in core business stabilised

The previous core business of IS.Teledata AG, whereby the company provides financial market data and applications primarily for external advertising campaigns of banks and online brokers, also developed positively after the merger. As a result of its improved market position, the company was able to reduce price pressures and stabilise margins. On the whole, this is a mature market with high entry barriers for potential new competitors. Growth is essentially possible through renewal investments at financial service providers. It is therefore even more encouraging that IS.Teledata was able to win several new customers both at home and abroad.

Turnaround reached



Technologies segment: Pre-tax segment result in '000 €

* After adjusting for non-cash special income in the amount of € 12.06 million.

One of the company's new customers is Lufthansa. The company is the first airline in the world to offer fast broadband internet above the clouds. Passengers can access a service portal with their laptop or other mobile terminals per wireless LAN[2], developed and editorially operated by Tomorrow Focus. Among others, the service portal makes available comprehensive financial pages supplied by IS.Teledata.

Growth in other European markets

IS.Teledata AG also gained further access to other European markets outside Germany. Today, the company generates around one third of its revenues abroad. Sales have been accelerated especially in Spain. Up to now, customers in Spain had been supported by the company's German operation jointly with the financial information provider Standard & Poor's. With the set up of its subsidiary operating business in Madrid, IS.Teledata Iberia, S.L., the company is now able to support its Spanish customers even better than before. One new customer in Spain is Cajamar, a medium-sized savings bank, which makes the IS.Slider available to its own staff in aid of investment advice.

One other success story originates in the far north of Europe. IS.Teledata Nordic OY, the Finnish subsidiary of IS.Teledata AG, has been supplying the customer web site of OKO Bank – the Central Bank of the Finnish OP banking group – with up-to-date prices, currency information and a chart analysis tool since mid-2004.

Altogether, IS.Teledata AG counted more than 200 renowned banks and other financial service providers as well as media companies from Germany and six other European countries among its customer base in the year under review.

Distinct increase in sales and operating result predicted

In the current financial year, IS.Teledata is likely to markedly increase both sales and operating result. Growth is to be generated in the inherent market segment of end user oriented web site and intranet applications as well as in the new market segment of professional user applications. The remaining synergy potential arising from the merger will be exploited fully in 2005 and will increase the company's profits accordingly. For the OnVista Group, we expect to record a segment result in the Technologies business segment in the mid-region of six digit Euro.

[2] The wireless LAN technology (Wireless Local Area Network) enables wireless access to local networks. WLAN networks can be found at universities, trade fairs, train stations and airports, and lately also on trains and planes.

Stock exchange rewards fundamental performance

Price rise for the third time in succession

Although the stock market year 2004 was positive in the end at the major trading places around the world, it was shaped by long periods of sideways movement. In Germany, the DAX had to fight for a rise of a good 7%, while 'old economy' stocks from the second and third row performed noticeably better – both the MDAX and SDAX achieved increases of more than 20% each. The TecDAX – our benchmark index, on the other hand, is a negative exception, performing well below average, at almost minus 4%. OnVista shares rose by 21%, thereby clearly exceeding their benchmark index. On 30 December 2004, the closing price in Xetra trading stood at € 6.35 compared to € 5.25 at the end of 2003. As a result, 2004 was the third year in succession with a positive price performance for OnVista shares.

Price trend determined by news coverage

With a starting price of just under € 5, the share price began to climb steeply in the middle of January, as a result of rumours about OnVista's imminent acquisition of the healthcare portal Medicine-Worldwide. These speculations were well-founded – contracts for the takeover were signed on 1 March 2004. The strategic step, to expand into a new subject area, gave our shares an air of imagination, resulting in the share price reaching its annual high of € 7.10 three days later. Due to a lack of follow-up orders and in parallel to the TecDAX, the share price subsequently fell again. After publishing our key figures for 2003 at the end of March and reporting a heterogeneous business performance, the share price then fell relatively steadily until reaching its annual low of € 4.61 on 6 May 2004.

Key figures of OnVista shares	2000	2001	2002	2003	2004
EBT per share[1] (€)	0.10	-1.42	0.02	1.12	0.14
Net income per share[1] (€)	0.05	-1.39	0.37	0.86	0.06
Number of shares (mill.)	6.70	6.70	6.70	6.70	6.70
Price earnings ratio	280	–	13	6	106
Highest price[2] (€)	55.00	17.20	6.85	6.51	7.11
Lowest price[2] (€)	13.00	3.11	3.35	3.55	4.90
Year-end price[2] (€)	14.00	4.40	4.80	5.25	6.35
Market capitalisation as at 31 Dec. (€ mill.)	93.80	29.48	32.16	35.18	42.55
Lowest unit trading per day[3]	842	0	240	0	0
Highest unit trading per day[3]	839,339	118,242	191,110	99,866	48,120
Average unit trading per day[3]	25,107	4,742	13,667	7,224	4,190

[1] Until 2002: US-GAAP, from 2003: IFRS
[2] Closing price; until 2002: Frankfurt trading floor, from 2003: Xetra
[3] From 2003: on the basis of Xetra and Frankfurt trading floor only

The presentation of the first quarter 2004 report marked the turnaround shortly afterwards. We were able to convince with positive statements about the start to the new financial year, and to creditably convey our confident expectations. By the beginning of July, the share price had recovered to just over € 6. The share price received a fresh impetus as a result of the nine months report, in which we described a highly successful business performance and were able to increase our annual projections for the second time.

Improved market valuation

Based on the unchanged number of 6.7 million shares and a year-end price of € 6.35, the stock exchange has valued OnVista at € 42.55 million. One year ago, the value still stood at € 35.18 million. As a result, our market capitalisation has risen by € 7.4 million but, taking into account that cash funds invested predominantly in risk-free mortgage bonds still total € 22.61 million (€ 3.38 per share), the price element for the media business and the investment in IS.Teledata amounts to just € 19.94 million (€ 2.97 per share). In view of a capital to asset ratio of 95% as well as the operational substance and perspectives of OnVista, we consider this valuation still too low.

Shareholder structure unchanged

Since going public, OnVista has maintained a stable shareholder structure. In line with the previous year, the holding of the three founders totalled around 57%, while the free float of stock amounts to around 43%. Burda Digital Ventures GmbH remains the third largest shareholder with a good 17% of the shares (status: 29 June 2004), which are counted as part of the free float. For details on shareholdings by board members please refer to page 58.

Admission to the index for medium-sized businesses

At the start of 2005, Deutsche Börse AG launched a new index, which reflects the performance of owner dominated German companies. OnVista fulfils the criteria of the German Entrepreneurial Index and has been admitted to GEX, which embraces ca. 120 companies. We welcome the introduction of this index for medium-sized businesses and expect greater visibility for OnVista in the financial market as a result. In 2004, the GEX rose by almost 17% and therefore performed better than the TecDAX and the DAX. OnVista shares also slightly exceeded this demanding benchmark.

No dividend distribution

Based on the after-tax group result (€ 0.06 mill.), earnings per share amounted to € 0.06 compared to € 0.86 in the previous year. However, the ability to pay a dividend is determined by the individual accounts of OnVista AG under the German Commercial Code (HGB). The accounts for OnVista AG show a net income for the year in the amount of € 0.54 million. The entire unappropriated profit of OnVista AG, including loss carryforwards from prior years and released revenue reserves, totalled € 0.92 million. The joint proposal of the Executive Board and the Supervisory Board on the allocation of profits calls for the retained earnings to be carried over in full to the new accounting period. An appropriate motion will be presented to the annual general meeting for resolution on 14 June 2005 in Cologne.

Growing interest from financial market

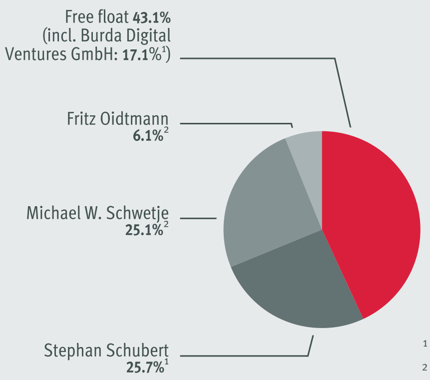
Putting the company on a new strategic course in the last two years has made the OnVista story more attractive again and interest from analysts and the financial press has substantially increased. In addition to our own analyst conference, we therefore presented the company at three other cross-company investor and analyst events, which resulted in interesting discussions with capital market experts. We hope this will be reflected in increased coverage from analysts and increasing demand from institutional investors in the medium term. However, we see the key to success for our active investor relations in the quality of the content of our work rather than the quantity.

A number of commentators rate the future of OnVista very optimistically. For instance, 'Nebenwerte-Journal' commented in July 2004: "We [...] do, however, believe in substantially higher prices of € 8 or more over the next two years, if the Executive Board is able to realise its plans and if the economy is kind.“ The investment magazine 'Börse Online' too published a buy recommendation for OnVista shares at the beginning of December with an upside price objective of € 7.30. The two analyst firms, which regularly evaluate the company, both increased their upside price objectives in the course of the year. HSBC Trinkaus & Burkhardt rates OnVista as 'add', while Independent Research puts our shares on 'buy' on the grounds that "OnVista is likely to make the future growth potential of the healthcare portal clearly visible in 2005. Given time, this is likely to also apply to the income potential.“

Comments on the subject of corporate governance can be found on page 23. Please refer to page 62 for contact information in respect of investor and press enquiries and details of our financial calendar. We look forward to talking with you!

More than 40 percent free float

Shareholders structure

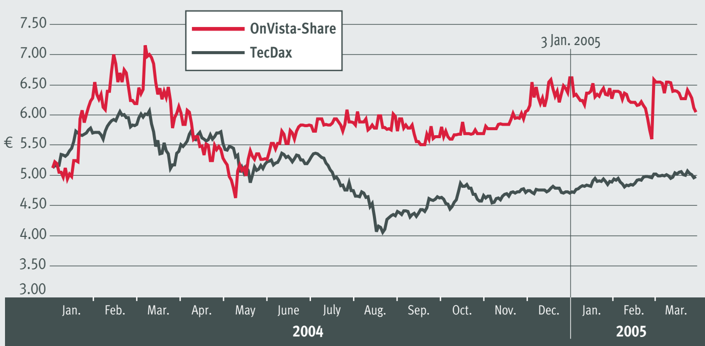


[1] per 29 June 2004
[2] per 31 Dec. 2004

Stock market data

Securities reference number/ISIN	546 160 / DE0005461602
Reuters symbol	ONVG.DE
Bloomberg symbol	ONV
Trading segment	'Geregelter Markt' (Prime Segment)
Classification according to the German Stock Exchange	Software / Software
Designated Sponsor	HSBC Trinkaus & Burkhardt KGaA

OnVista share advances markedly



Development of OnVista share price and TecDax normalised (3 Jan. 2004 – 11 March 2005)

Report of the Supervisory Board

The OnVista Group is looking back at a very successful financial year. During this period, the Supervisory Board carried out its duties under the law, the articles of association, internal regulations and the Corporate Governance Code, while also supervising the duties of the Executive Board and accompanying the Board in an advisory capacity.

In the year under review, the Supervisory Board and the Executive Board jointly reviewed the business situation and performance of the group, as well as the key corporate policy issues in the course of seven ordinary meetings. The Supervisory Board did not form any committees. At each meeting, the Executive Board provided the Supervisory Board with detailed information based on comprehensive management reports on the business and financial position of OnVista AG and its affiliated companies as well as on general corporate policy issues. Outside the scope of the Supervisory Board meetings, the Supervisory Board was also kept up-to-date on OnVista's current business performance through regular written and verbal communication. A key issue was the debate about the further strategic development of the company. The Supervisory Board dealt in detail with the acquisition of A Med-World AG, the integration of the company under OnVista Media GmbH and the further expansion of the healthcare portal. Detailed discussions also focused on additional potential areas of growth across the entire Media business segment. Another key topic of consultations between the Supervisory Board and the Executive Board centred on the development of IS.Teledata AG after the merger, in particular the realisation of synergies and augmentation of the customer base. Naturally, the economic and financial performance of the core business and the group's affiliated companies were constant subjects of discussion for the Supervisory Board. Last but not least, the Executive Board and the Supervisory Board discussed issues relating to Corporate Governance and also reviewed the operational efficiency within the Supervisory Board.

The financial statements of OnVista AG and the management report were audited by PwC Deutsche Revision AG Wirtschaftsprüfungsgesellschaft, Cologne, appointed by the general meeting of shareholders, and received the auditor's unqualified approval. The consolidated financial statements prepared under IFRS also received the auditor's unqualified approval. The consolidated financial statements have been supplemented with a group management report and additional statements, in accordance with § 292a of the German Commercial Code (HGB). Under § 292a of the German Commercial Code (HGB), the consolidated financial statements on hand release the company from its duty to prepare consolidated financial statements under German law.

At its meeting on 11 March 2005, the Supervisory Board discussed the 2004 financial statements of OnVista AG as well as the 2004 consolidated financial statements with the Executive Board and the accountants and acknowledged and agreed the auditor's reports. Furthermore, following the conclusion of its own review of the annual financial statements and the management report of OnVista AG as well as the consolidated financial statements and the group management report, the Supervisory Board did not raise any objections. The Supervisory Board has therefore approved the company's annual financial statements as well as the consolidated financial statements as at 31 December 2004, prepared by the Executive Board. The annual financial statements are herewith adopted. The Supervisory Board also accepts the recommendation of the Executive Board regarding the allocation of unappropriated retained earnings of OnVista AG.

In addition, the Supervisory Board also kept itself informed about the active risk management policy of OnVista AG.

In the year under review, no changes in personnel occurred either on the Executive Board or the Supervisory Board.

We would like to thank the members of the Executive Board and all employees of OnVista for their exceptional dedication and commitment during the year under review. Our thanks also go to OnVista's shareholders for their confidence in the company. Together, we will proceed to work towards the continued profitable growth of OnVista in the future, based on fundamental innovations and new products.

Cologne, Germany, 11 March 2005

Paul-Bernhard Kallen

Dr. Paul-Bernhard Kallen
Chairman of the Supervisory Board

[1] As at 1 January 2004, the OnVista Group changed its financial reporting from US GAAP to IFRS. Relevant adjustments have been made to the comparable figures for 2003.

Balance Sheet

€	31 Dec. 2004	31 Dec. 2003
ASSETS		
Current assets		
Cash and cash equivalents [5]	1,065,951	3,147,737
Other securities [9]	21,548,150	21,846,350
Trade accounts receivable [6]	625,486	511,180
Accounts due from other group companies	96,051	46,696
Other assets and prepaid and deferred items [7]	622,187	1,236,845
Deferred taxes, short term [19]	479,472	700,770
Total current assets	**24,437,297**	**27,489,578**
Deferred taxes, long term [19]	**1,399,367**	**1,606,473**
Fixed assets		
Financial assets [9]	18,657,882	17,705,533
of which at equity investments	17,159,352	15,505,503
Tangible fixed assets [8]	202,959	225,841
Intangible fixed assets [8]	3,287,393	596,296
Total fixed assets	**22,148,234**	**18,527,670**
Total assets	**47,984,898**	**47,623,721**

€	31 Dec. 2004	31 Dec. 2003
LIABILITIES AND SHAREHOLDERS' EQUITY		
Short term liabilities		
Trade accounts payable	632,658	271,086
Advance payments received	197,644	125,499
Other liabilities and deferred liabilities [12]	59,933	129,873
Other accruals [11]	1,311,578	1,231,483
Total short term liabilities	**2,201,813**	**1,757,941**
Deferred tax provisions, long term [19]	**0**	**0**
Minority interests	**0**	**0**
Shareholders' equity [13]		
Subscribed capital	6,700,000	6,700,000
Capital reserves	39,749,099	39,749,875
Revenue reserves	0	3,350,000
Reserve for stock options	152,453	55,879
Treasury Stock	-429,097	0
Other comprehensive income	55,534	226,456
Accumulated deficit (-)	-444,904	-4,216,430
Total shareholders' equity	**45,783,085**	**45,865,780**
Total liabilities and shareholders' equity	**47,984,898**	**47,623,721**

The brackets [ ] refer to the corresponding notes on pages 40 – 60.
These notes form an integral component of the consolidated financial statements.

Profit and Loss Statement

€	1 Jan. - 31 Dec. 2004	1 Jan. - 31 Dec. 2003
Sales [15]	**6,946,777**	**10,841,116**
Cost of production	-2,801,992	-6,241,105
Gross profit	**4,144,786**	**4,600,011**
Marketing and selling expenses	-1,625,118	-3,336,117
General administration expenses	-2,052,574	-4,099,460
Research and development expenses [17]	-751,078	-1,883,036
Other operating expenses, net of other operating income	301,418	104,879
Goodwill amortisation [8]	0	-454,364
Operating income/loss (-)	**17,433**	**-5,068,087**
Interest income, net	904,116	902,136
Income/expenses (-) from financial assets recorded at equity [9]	-3,993	51,314
Write-downs on financial assets [9]	0	-389,671
Income from de-consolidation [9]	0	12,059,940
Currency exchange losses (-)	-620	-51,526
Result before income tax	**916,937**	**7,504,106**
Taxes on income [19]	-495,411	-1,772,022
Net income	**421,526**	**5,732,084**
Accrued deficit (-)	-4,216,430	-9,948,514
Transfer from other revenue reserves	3,350,000	0
Accumulated deficit	**-444,904**	**-4,216,430**
Net income per share (basic/diluted) [25]	**0.06**	**0.86**
Weighted average shares outstanding (basic)	6,682,893	6,700,000
Weighted average shares outstanding (diluted)	6,697,523	6,701,884

The brackets [ ] refer to the corresponding notes on pages 40 – 60.
These notes form an integral component of the consolidated financial statements.

Statement of Cash Flows

€	1 Jan. - 31 Dec. 2004	1 Jan. - 31 Dec. 2003
Net income for the year	421,526	5,732,084
Depreciation, amortisation and write-downs on financial assets	521,268	4,150,607
Deferred tax expense/income (-)	495,411	1,772,021
Loss on the disposal of assets	25,975	0
Income not affecting payments from changes to entities included in consolidation	0	-12,059,940
Income from subsidiaries recorded at equity	3,993	-51,314
Gain on the disposal of other securities	-357,250	-168,100
Other non-cash changes	96,574	58,973
Decrease/increase (-) in assets and increase/decrease (-) in liabilities and shareholders' equity		
Trade accounts receivable	-101,475	980,369
Accounts due from other group companies	-49,355	943,791
Other current assets and prepaid expense	616,304	-87,346
Trade accounts payable	339,430	4,635
Other liabilities and deferred income	-31,047	-231,605
Other accruals	71,595	176,775
Cash flow from operating activities	**2,052,948**	**1,220,950**
Proceeds from disposals of tangible fixed assets	0	22,330
Investments in tangible fixed assets	-181,952	-201,025
Investments in intangible fixed assets	-231,134	-1,165,194
Investments in loans to other group companies	0	-1,800,000
Proceeds from the disposal of financial assets	720,000	0
Investments in financial assets	-1,676,372	0
Investments due to change in entities included in consolidation	-2,684,789	-582,473
Proceeds from the disposal of other securities	22,856,950	12,145,100
Investments in other securities	-22,507,050	-11,527,900
Cash flow from investment activities	**-3,704,347**	**-3,109,162**
Investments in treasury stock	-436,087	0
Proceeds from the disposal of treasury stock	5,700	0
Increase in capital reserve paid in by shareholders	0	0
Cash flow from financing activities	**-430,387**	**0**
Change in cash and cash equivalents from exchange rate movements	0	21,348
Change in cash funds	**-2,081,786**	**-1,866,864**
Cash and cash equivalents at the beginning of the financial year	**3,147,737**	**5,014,601**
Cash and cash equivalents at the end of the financial year[1]	**1,065,951**	**3,147,737**

[1] Cash and cash equivalents at the end of the financial year do not include the freely disposable fixed-income securities totalling '000 € 21,548, since these are not counted as equivalent means of payment.

Statement of Changes in Shareholders' Equity

€	Subscribed Capital	Revenue reserves	Reserves for stock options	Treasury stock	Accumulated other comprehensive income	Capital reserves	Retained earnings/accumulated deficit (-) after minority interests	Total shareholder's equity
As at 1 Jan. 2003	**6,700,000**	**39,749,875**	**0**	**0**	**331,445**	**3,350,000**	**-9,948,514**	**40,182,806**
Other comprehensive income	0	0	0	0	-104,989	0	0	-104,989
Net loss (-) after minority interests	0	0	0	0	0	0	5,732,084	5,732,084
Total comprehensive income								**5,627,095**
Allocation to reserves for stock options	0	0	55,879	0	0	0	0	55,879
As at 31 Dec. 2003	**6,700,000**	**39,749,875**	**55,879**	**0**	**226,456**	**3,350,000**	**-4,216,430**	**45,865,780**
Other comprehensive income	0	0	0	0	-170,922	0	0	-170,922
Result for the year after minority interests	0	0	0	0	0	0	421,526	421,526
Total comprehensive income								**250,604**
Allocation to reserves for stock options	0	0	96,574	0	0	0	0	96,574
Treasury Stock	0	0	0	-429,097	0	0	0	-429,097
Transfer from other revenue reserves	0	0	0	0	0	-3,350,000	3,350,000	0
Disposal of treasury stock (after deferred taxes)	0	-776	0	0	0	0	0	-776
As at 31 Dec. 2004	**6,700,000**	**39,749,099**	**152,453**	**-429,097**	**55,534**	**0**	**-444,904**	**45,783,085**

Statement of Movements on Fixed Assets

1 January to 31 December 2004

€	Acquisition costs 1 Jan. 2004	Additions	Disposals	31 Dec. 2004
I. Financial assets				
Financial assets	4,512,413	0	-30	4,512,383
Associated companies	16,015,503	1,672,379	0	17,687,882
Loans to associated companies	1,800,000	0	-720,000	1,080,000
Total financial assets	**22,327,915**	**1,672,379**	**-720,030**	**23,280,264**
II. Tangible assets				
Leasehold improvements	638,794	8,285	-21,819	625,260
Office furniture and equipment	1,755,948	180,829	-87,829	1,848,948
Total tangible assets	**2,394,742**	**189,114**	**-109,648**	**2,474,208**
III. Intangible assets				
Software and licences	2,915,173	486,013	0	3,401,186
Goodwill	359,914	2,535,401	0	2,895,315
Total intangible assets	**3,275,087**	**3,021,414**	**0**	**6,296,501**
Total fixed assets	**27,997,744**	**4,882,908**	**-829,678**	**32,050,974**

1 January to 31 December 2003

€	Acquisition costs 1 Jan. 2003	Additions	Disposals	31 Dec. 2003
I. Financial assets				
Financial assets	5,036,244	10,030	-533,862	4,512,412
Associated companies	510,000	15,505,503	0	16,015,503
Loans to associated companies	0	1,800,000	0	1,800,000
Total financial assets	**5,546,244**	**17,315,533**	**-533,862**	**22,327,915**
II. Tangible assets				
Leasehold improvements	1,218,969	6,719	-586,894	638,794
Office furniture and equipment	5,359,287	194,307	-3,797,646	1,755,948
Total tangible assets	**6,578,256**	**201,026**	**-4,384,540**	**2,394,742**
III. Intangible assets				
Software and licences	6,329,741	946,762	-4,361,330	2,915,173
Goodwill	334,618	218,432	-193,136	359,914
Total intangible assets	**6,664,359**	**1,165,194**	**-4,554,466**	**3,275,087**
Total fixed assets	**18,788,859**	**18,681,753**	**-9,472,868**	**27,997,744**

Accumulated depreciation				Book value	Book value
1 Jan. 2004	Additions	Disposals	31 Dec. 2004	31 Dec. 2004	31 Dec. 2003
-4,112,383	0	0	-4,112,383	400,000	400,030
-510,000	0	0	-510,000	17,177,882	15,505,503
0	0	0	0	1,080,000	1,800,000
-4,622,383	**0**	**0**	**-4,622,383**	**18,657,882**	**17,705,533**
-622,673	-3,060	10,773	-614,960	10,300	16,121
-1,546,228	-187,891	77,830	-1,656,289	192,659	209,720
-2,168,901	**-190,951**	**88,603**	**-2,271,249**	**202,959**	**225,841**
-2,318,878	-330,317	0	-2,649,194	751,992	596,296
-359,914	0	0	-359,914	2,535,401	0
-2,678,791	**-330,317**	**0**	**-3,009,108**	**3,287,393**	**596,296**
-9,470,075	**-521,268**	**88,603**	**-9,902,740**	**22,148,234**	**18,527,670**

Accumulated depreciation				Book value	Book value
1 Jan. 2003	Additions	Disposals	31 Dec. 2003	31 Dec. 2003	31 Dec. 2002
-4,256,573	-389,671	533,862	-4,112,383	400,030	779,671
-510,000	0	0	-510,000	15,505,503	0
0	0	0	0	1,080,000	0
-4,766,573	**-389,671**	**533,862**	**-4,622,383**	**17,705,533**	**779,671**
-457,667	-444,185	279,179	-622,673	16,121	761,302
-3,197,647	-1,203,274	2,854,693	-1,546,228	209,719	2,161,639
-3,655,314	**-1,647,459**	**3,133,872**	**-2,168,901**	**225,841**	**2,922,942**
-2,590,391	-1,659,113	1,930,627	-2,318,877	596,296	3,739,350
-23,385	-454,364	117,835	-359,914	0	311,233
-2,613,776	**-2,113,477**	**2,048,462**	**-2,678,791**	**596,296**	**4,050,583**
-11,035,663	**-4,150,607**	**5,716,196**	**-9,470,074**	**18,527,670**	**7,753,196**

1. Reporting basis under corporate law and preparation of the consolidated financial statements

Company

OnVista Aktiengesellschaft based in Cologne ('the Company') was incorporated in 1998 as GmbH & Co. KG (OnVista.de Finanzanalyse GmbH & Co. KG). On 16 November 1999, the Company was transformed into a public limited company by way of a corporate transformation in accordance with §§ 214 ff. of the Act relating to the transformation of a company (UmwG). Since then, the Company has been trading under the name of OnVista AG.

The Company is entered in the Register of Companies of the city of Cologne under registration number HRB Nr. 32470.

The articles of association in the version dated 29 June 2004 prevail.

Changes under corporate law

With signature of the contract of sale on 1 March 2004, OnVista AG acquired a 100% interest in A Med-World AG, Berlin. The takeover took effect retrospectively on 1 January 2004. The non-listed company operates the web site www.medicine-worldwide.de and offers customers medical content for their respective internet services. The company has been fully consolidated in the OnVista consolidated financial statements since 1 March 2004 and has been assigned to the Media segment.

In accordance with entry in the Register of Companies in Cologne on 30 December 2004, A Med-World AG transferred its entire assets together with all rights and obligations to OnVista Media GmbH under a dissolution without execution under § 2 no. 1 of the Act relating to the transformation of a company (UmwG), by way of a merger through inclusion (deed no. 1530/2004 of the Notary Dr. Christoph Neuhaus). In consideration, OnVista Media GmbH granted OnVista AG, as sole shareholder of A Med-World AG, a new stake in OnVista Media GmbH. The merger was carried out retrospectively on 1 October 2004.

Under a participation transfer agreement of 16 December 2003, OnVista AG sold all of its shares in IFVB Institut für Vermögensbildung GmbH, Cologne, to the group company OnVista Media GmbH with effect from 1 January 2004.

With effect from 28 January 2004, OnVista Beteiligungs-Holding GmbH assigned its 1% share in the share capital of OnVista S.r.l. i.L., Milan/Italy, to IS Innovative Software Ltd. With effect from 16 January 2004, OnVista Beteiligungs-Holding GmbH also assigned its 1% share in the share capital of OnVista S.L., Barcelona/Spain to IS Innovative Software Ltd.

In 2004, OnVista AG acquired a total of 72,806 non-voting preference shares and 35,966 ordinary voting shares in IS.Teledata AG, Frankfurt, with a theoretical nominal value of € 1.00 from six of the company's shareholders. As a result, OnVista AG now holds 36.0% of the equity interest in IS.Teledata AG.

Under a transfer agreement of 30 December 2004, OnVista AG transferred its interests in IS.Teledata AG to OnVista Beteiligungs-Holding GmbH by way of a capital contribution.

Objectives of the Company

The objectives of the Company include the operation and marketing of internet portals, the provision and publication of information in other media, the development and realisation of communication concepts in electronic media, the provision of service, support and consultancy for companies in the communication sector as well as brokering of services and merchandise, the development and sale of software products and related application oriented services, as well as trading with hardware and the operation of date processing centres.

The Company is free to conduct any business and take measures, which are deemed to directly serve the corporate purpose.

The Company is also authorised to acquire companies with a similar or different corporate purpose and to acquire participating interests in such companies or to take on the management of such companies, as well as being entitled to set up affiliated companies.

The Company may enter into corporate agreements of any kind and may spin off or transfer its operations and/or business divisions either partly or wholly to affiliated companies. The Company may consolidate companies, in which it holds participating interests, under its own common control and may restrict itself to assuming the role of a group holding company.

Financial year

The financial year corresponds to the calendar year.

Preparation of the consolidated financial statements

The consolidated financial statements of OnVista AG and its subsidiaries on hand have been prepared in accordance with the International Financial Reporting Standards (IFRS).

The Company maintains its books pursuant to the German Commercial Code (HGB) in accordance with the accounting principles generally accepted in Germany. The accounting principles adopted in Germany differ from IFRS in several aspects. All adjustments and particulars required for a complete presentation of the consolidated financial statements of OnVista AG under IFRS have been carried out.

OnVista makes use of the exemption option presented under § 292a of the German Commercial Code (HGB), whereby companies do not have to prepare consolidated financial statements or a group management report under the regulations of the German Commercial Code, if consolidated financial statements and a group management report are prepared and disclosed in accordance with internationally recognised accounting principles. The notes on the accounting, valuation and consolidation principles which differ from those under German law required to make use of this exemption option have been set out in the notes under 'Summary of key differences between German accounting principles and IFRS'.

As at 1 January 2004, OnVista Group changed its group reporting from US GAAP to IFRS. Accordingly, a comparative period needs to be presented under IAS 1. Under IFRS, the Company's equity as at 1 January 2003 compares to equity under US GAAP as follows:

€	
Shareholders' equity under US GAAP as at 1 Jan. 2003	40,403,691
Adjustment tax effect on unrealised gains	-220,885
Shareholders' equity under IFRS as at 1 Jan. 2003	40,182,806

The adjustment of the tax effect relates to an error in the group accounts presentation in 2002 which, under IFRS 1, needs to be corrected in the opening balance sheet. The annual result for 2003 looks as follows under IFRS:

€	
Net income for the year under US GAAP 2003	5,787,963
Expenses from stock option plan	-55,879
Net income for the year under IFRS 2003	5,732,084

In the past, OnVista made use of the simplification codified in the Statement of Financial Accounting Standards No. 123, under which stock based compensation must be reported according to the intrinsic value method in accordance with the Accounting Principle Board Opinion No. 25 'Accounting for Stock Issued to Employees', and therefore did not result in any expenses in the model chosen by OnVista. In accordance with IFRS 2 'Share-based Payment', the issue of stock options results in personnel expenses.

The Company does not make use of the options offered for the initial application of IFRS in accordance with IFRS 1 'First-time Adoption of International Financial Reporting Standards'.

2. Material accounting and valuation principles

Consolidation

Included in the consolidated financial statements are all subsidiaries under the legal and actual control of OnVista AG. Material investments are recorded in accordance with the equity method, based on IAS 28 'Accounting for Investments in Associates' (2003), where OnVista holds between 20% and 50% of the voting rights or exerts considerable influence on the business and finance policy. Any difference between the acquisition cost and the proportionate revaluation of the capital is allocated to the investment in the form of goodwill.

Capital consolidation follows the revaluation method in accordance with IFRS 3 'Business Combinations', by which acquisition costs are set off against the proportionate revaluation of the capital of the parent company at the time of acquisition (purchase accounting). The difference between the acquisition cost and the proportionate revaluation of the capital is capitalised as goodwill and must be tested annually for impairment (IAS 36).

Any effects resulting from intra-group transactions are eliminated under consolidation in accordance with IAS 27 'Consolidated and Separate Financial Statements'.

Foreign currency conversion

In accordance with IAS 21 'The Effects of Changes in Foreign Exchange Rates', the annual accounts of foreign subsidiaries, where the functional currency is not Euro, are included in the consolidated financial statements under the functional currency concept. In principle, the balance sheet is converted at the mean rate of exchange applicable on the balance sheet date or at the historical exchange rate for shareholders' equity, while the profit and loss account is converted into Euro at the average annual rate of exchange. Any difference in calculation arising from foreign currency conversion is shown as other comprehensive income under equity without any effect on profit/loss.

Use of estimates

For the preparation of the consolidated financial statements in accordance with IFRS, management is required to make estimates and assumptions which have an impact on the assets and liabilities shown in the balance sheet, the statement on contingent liabilities on the balance sheet date as well as on the income and expenses reported for the financial year. The actual results may differ from these estimates.

Credit risk

In essence, OnVista is exposed to a potential risk of default in respect of trade accounts receivable. To minimise the credit risk, OnVista continuously monitors the credit worthiness of its customers. Furthermore, the risk of non-payment relating to trade accounts receivable is limited by OnVista's broad based customer structure. No material bad debts were recorded in the year under review or in prior years.

Revenue recognition

Sales in the 'Media' segment are recognised when the services rendered relate to advertising placements. Sales proceeds are recorded less cash discounts, price reductions or customer rebates.

Barter transactions involving advertising services

Under SIC-31 'Revenue – Barter Transactions involving Advertising Services', only transactions which do not represent barter transactions and are related to advertising are used as a benchmark for income generated from advertising services within the framework of a barter transaction, which equal advertising of the barter transaction to be evaluated, those occurring frequently in relation to all advertising transactions concluded by the company, which equal advertising of the barter transaction to be evaluated, those dominating in terms of volume and value, those including a return service, whereby the market value can be reliably determined and where the contract partner differs from the contract partner relating to the barter transaction to be evaluated.

Advertising expenses

In accordance with IAS 38 'Intangible Assets' (2004), advertising expenses are charged to expenditure as incurred.

Earnings per share

In the event of a dilution of equity, two characteristics must be reported in respect of earnings per share. In the case of the characteristic 'earnings per share' (basic earnings per share), the dilution effect is not taken into account; the group net income for the year is divided by the weighted average number of shares. The characteristic 'diluted earnings per share' not only takes into account the actual number of shares issued but also the number of shares available on the basis of options. The calculation is explained under note 25. The group net income for the year represents the total income for the year generated within the group, from which the minority shareholders' interests are deducted or added as appropriate.

Cash and cash equivalents

All capital investments with high fungibility and a term of up to three months at the time of acquisition are treated as cash and cash equivalents, as are cash assets and bank deposits.

Securities and investments

Securities and investments are valued at market prices, provided these can be reliably determined. Any unrealised gains and losses from the fair value of securities designated for disposal in the short term (trading securities) are reflected in the profit and loss account. Unrealised gains or losses from all other securities valued at fair value ('available-for-sale securities') are recorded under other comprehensive income, taking into consideration any deferred taxes. In so far as market prices can not be reliably determined for the other securities, other securities are valued at cost price. In the event of impairment, all securities and investments are written down and reflected in the profit and loss account.

Current assets

Current assets include receivables, securities and cash due within one year.

Intangible assets

Acquired intangible assets are valued at cost and, where their useful life is limited in time, amortised on a pro rata basis according to the straight-line method over their useful life of three to five years. In the event of a lower market value resulting from impairment, the asset is written down. Goodwill acquired in connection with business combinations is capitalised in accordance with IFRS 3 'Business Combinations' and tested annually for impairment.

Web site development costs

Development costs incurred in connection with programming and the enhancement of tools for the OnVista web site are reported in the balance sheet in accordance with SIC-32 'Intangible Assets – Web Site Costs' in connection with IAS 38 'Intangible Assets' (2004). Under these regulations, internally developed intangible assets can be capitalised only if the technical realisation of the production of the intangible asset is ensured and if the intangible asset will have a future economic benefit, and the expenditure incurred during the development phase can be valued reliably. Expenditure for research can not be capitalised as a matter of principle. Capitalised software development costs are amortised on a straight-line basis over the estimated useful life of the software (three years).

Tangible fixed assets

Fixed assets are valued at acquisition cost, less depreciation. Fixed assets are depreciated on a pro rata basis according to the straight-line method over their estimated useful life (4-10 years). In the event of a lower market value resulting from impairment, the asset is written down.

Taxes on income

Taxes on income are recorded in accordance with IAS 12 'Income Taxes'. Under this method, deferred tax assets and tax liabilities are based on timing differences between the balance sheet value under tax legislation and IFRS, which are presumed to be reversed in the future. The calculation is based on the applicable tax rates and regulations that are likely to apply at the time the differences are reversed, on the basis of the prevailing legal position. Accrued deficits which are appropriate to reduce future tax charges are subject to deferred tax assets. Deferred tax assets set up for loss carryforwards which are unlikely to be realised are written down.

Stock-based compensation

As at 31 December 2004, OnVista operates the stock option plans presented in detail under note 14. Stock-based compensation is generally reported in accordance with IFRS 2 'Share-based Payment', according to the fair value method. Under this regulation, stock options issued after 7 November 2002 are charged to income according to their time to maturity.

Other comprehensive income

Changes to equity within a particular reporting period are recorded in accordance with IAS 1 'Presentation of Financial Statements' (2003), with the exception of shareholder contributions and dividend payments to shareholders. Under this method, all equity components are recorded under comprehensive income. A sub-line – 'other comprehensive income' – contains all changes in equity which are excluded from net income, so that any differences from currency conversions as well as unrealised gains and losses arising from valuations of certain securities on the reporting date are included in this sub-line. Changes in comprehensive income are set out in the statement of changes in shareholders' equity.

Accruals

Provisions are created in respect of existing liabilities to third parties, if their utilisation is likely and the estimated amount of the accrued liabilities can be reliably assessed.

Research and development

Expenditure for research and development is generally charged to income as incurred, provided the expenditure is not capitalised in accordance with IAS 38 'Intangible Assets' (2004) (see note on *'Web site development costs'*).

3. Entities included in consolidation

For the year as a whole, entities included in consolidation in addition to OnVista AG included the Company's domestic subsidiaries OnVista Beteiligungs-Holding GmbH, Cologne, OnVista Media GmbH, Cologne, Trade & Get GmbH, Cologne, and IFVB Institut für Vermögensbildung GmbH, Cologne.

Between 1 March 2004 and 30 September 2004, entities included in consolidation also included A Med-World AG, Berlin. On signature of the contract of sale on 1 March 2004, OnVista AG acquired a 100% stake in A Med-World AG, Berlin. Although the acquisition was executed retrospectively as at 1 January 2004, this date was chosen as the point in time for initial consolidation since OnVista AG could only exert a dominant influence on the business policy of the company as of 1 March 2004. As at 1 October 2004, A Med-World AG was amalgamated under OnVista Media GmbH (please also refer to note 1 in the section *'Changes under corporate law'*).

The following overview provides details of the assets acquired in connection with the acquisition of A Med-World AG as well as the residual goodwill:

'000 €	
Determination of purchase price	
- Cash payment	2,684
- Incidental cost of acquisition less subsequent reduction of the cost of acquisition	16
Total purchase price	2,700
Fair value of acquired assets (net)	165
Goodwill	2,535

The goodwill in the amount of '000 € 2,535 arises from the excellent future prospects for the business model and the synergy potential to be expected for the existing media business of OnVista. As a result of the very close strategic and organisational ties to the existing media business, goodwill will in future be allocated at the Media segment level.

As at 1 March 2004, the assets and liabilities of A Med-World AG are as follows:

'000 €	Fair value	Book value as at 1 March 2004
Cash and cash equivalents	15	15
Trade accounts receivable	13	13
Other assets and prepaid and deferred items	2	2
Tangible fixed assets	7	7
Intangible assets	255	0
Advance payments received	-27	-27
Trade accounts payable	-22	-22
Other liabilities	-7	-7
Accruals	-8	-8
Deferred tax liabilities	-63	0
Net assets	**165**	**-27**

The net outflow of liquidity is made up as follows:

'000 €	
Purchase price payment in cash including incidental costs	2,700
Cash and cash equivalents at the acquired company	-15
Net outflow of cash and cash equivalents through acquisition	**2,685**

In addition, the minority interests of OnVista Beteiligungs-Holding GmbH in IS.Teledata AG, Frankfurt, and PROZENTOR GmbH, Berlin, are included in consolidation under the equity method, since OnVista exerts considerable influence on the companies' business and corporate policies.

4. Major companies included at equity

In the financial year 2004, companies included in consolidation at equity refer to the following companies:

Company	Interest held
PROZENTOR GmbH	25.1%
IS.Teledata AG	36.0%

Under the equity method, the purchase price for investments is updated by the pro rata share of income or loss, by the pro rata change in equity as well as by dividends received.

The investment in IS.Teledata AG was acquired in 2003 within the framework of a non-monetary transaction. In accordance with IFRS 3 'Business Combinations', any difference between the purchase price of the investment and the proportionate equity of IS.Teledata AG needs to be examined in respect of pro rata hidden reserves and charges. Any remaining differences need to be reported as goodwill. Due to the very short consolidation period, it was not possible to conclusively examine the existing differences between the purchase price of the investment in IS.Teledata AG and the company's proportionate equity at year end on 31 December 2003. This was subsequently done in the financial year 2004 (see also note 9 'Securities and financial assets').

In the financial year 2004, the operating results of companies reported at equity in the balance sheet were transferred to the consolidated statement of income as follows:

Company	Gains / losses (-) transferred €
PROZENTOR GmbH	0
IS.Teledata AG	-3,993

The operating results were transferred on the basis of the two companies' preliminary, unaudited annual accounts. In the event of differences arising to the preliminary value in the final accounts, these will be taken into account in the subsequent period.

Notes to the consolidated balance sheet

5. Cash and cash equivalents

Cash and cash equivalents refer to time and notice deposits as well as money market investments with an original maturity of less than three months in the amount of '000 € 650 (prev. year: '000 € 3,020) and to credit balances with banks in the amount of '000 € 416 (prev. year: '000 € 127).

6. Trade accounts receivable

Trade accounts receivable are reported at their nominal value and without exception have a residual maturity of less than one year.

As at 31 December 2004, provisions for bad debts amounted to '000 € 65 (prev. year: '000 € 65).

7. Other assets and prepaid expenses and deferred charges

In principle, these balance sheet items are recorded at their nominal value and are made up as follows:

'000 €	31 Dec. 2004	31 Dec. 2003
Deferred interest	314	323
Claims for tax refunds	266	626
Prepaid services	21	78
Loans	0	180
Cash in transit	0	1
Suppliers and debit balances	22	14
Other	0	15
	622	**1,237**

Other assets include amounts totalling '000 € 314 (prev. year: '000 € 323), which are legally created only after the balance sheet date. These amounts relate to deferred interest.

As at 31 December 2003, claims arising on OnVista Limited, London/England, from a loan agreement amounted to '000 € 180. The loan has been fully repaid as at 31 December 2004.

8. Intangible fixed assets and tangible fixed assets

Changes to intangible fixed assets and tangible fixed assets have been set out in the consolidated statement of movements on fixed assets.

Intangible fixed assets include licences, web site development costs, software and goodwill.

In the financial year 2004, OnVista relieved the profit and loss account with the capitalisation of development costs in the amount of '000 € 226 (prev. year: '000 € 908), which arose in connection with programming and the enhancement of tools for the OnVista web site. Web site development costs are amortised on a pro rata basis according to the straight-line method over their estimated useful life (three years) and in the financial year 2004 amounted to '000 € 145 (prev. year: '000 € 755).

As a result of the acquisition of shares in A Med-World AG, goodwill was capitalised in the amount of '000 € 2,535. Since the business operations of A Med-World AG have, in the meantime, been completely integrated in OnVista Media GmbH, this goodwill is allocated in full to the Media segment and examined in respect of impairment at this level within the framework of an annual impairment test in accordance with IAS 36 'Impairment of Assets'. Furthermore, as part of the acquisition of A Med-World AG, a portion of the purchase price in the amount of '000 € 255 was allocated to intangible assets, which had as yet not been capitalised. These include customer contracts, brand rights, software and database content. These assets are amortised in accordance with their estimated useful life (one to six years) and in the financial year 2004 amounted to '000 € 107.

Tangible assets essentially include hardware, operating and business equipment as well as fixtures and fittings.

9. Securities and financial assets

Movements on financial assets have been set out in the consolidated statement of movements on fixed assets.

Investments included under the equity method refer to the following companies:

	Interest held %	Share in equity €	Purchase price €	Accumulated additions €	Accumulated write-downs €	Investment book value €
PROZENTOR GmbH	25.1	140,324	510,000	0	510,000	0
IS.Teledata AG	36.0	2,134,640	17,130,560	47,322	0	17,177,882
						17,177,882

The investment in IS.Teledata AG was acquired within the framework of a non-monetary transaction. In accordance with IAS 16 'Property, Plant and Equipment' (2003) in connection with IAS 39 'Financial Instruments' (2003), the purchase price of the investment is made up of the book value of the sold asset and the portion of the market value offered. In the course of the company's first-time consolidation, OnVista AG was able to recognise the difference between the purchase price for the investment and the book value sold in the amount of '000 € 12,060 in the profit and loss account.

In the course of 2004, OnVista AG increased its investment in IS.Teledata AG in several tranches from the original 31.5% to 36.0%. The difference between the purchase price of the investment in IS.Teledata AG and the company's proportioned equity at the respective time of the stock purchase amounts to '000 € 15,340. This difference in the purchase price was examined within the framework of a purchase price allocation in accordance with IFRS 3 'Business Combinations' and allocated to hidden reserves and charges as well as to potentially existing goodwill in the assets of IS.Teledata AG. Taking into account deferred taxes, OnVista was able to allocate a total of '000 € 1,169 to intangible assets at IS.Teledata AG which had previously not been capitalised. These assets are amortised in accordance with their estimated useful life. The resulting write-downs are attributed to the investment value of IS.Teledata AG and charged to income within the framework of the equity rating. Write-downs for 2004 totalled '000 € 327. In connection with the positive pro rata change in equity in the amount of '000 € 323, the equity result for 2004 therefore totals '000 € -4.

The remaining difference in the purchase price in the amount of '000 € 14,171 is treated as goodwill.

The key figures of the profit and loss account of the IS.Teledata group under IFRS are as follows at the end of the financial year:

IS.Teledata group under IFRS	**2004**	**2003** **'000 €**
Sales proceeds	35,735	28,056
Result of ordinary operations	2,084	175
Pre-tax result	1,952	44
Net income/loss (-) for the year	927	-227

At year-end, the balance sheet of the IS.Teledata group essentially includes the following items:

IS.Teledata group under IFRS	**31 Dec. 2004**	**31 Dec. 2003** **'000 €**
Fixed assets	7,403	8,071
Current assets	7,641	7,193
Shareholders' equity	5,929	5,004
Minority interests	3	9
Liabilities	9,111	10,250
Balance sheet total	15,044	15,263
Capital to asset ratio	39%	33%

The figures for the financial year 2004 are based on the preliminary, unaudited annual accounts of the IS.Teledata group under IFRS. In the event of differences arising at the time of the final accounts, these will be taken into consideration in the subsequent period.

Investments included at cost amounted to '000 € 400 (prev. year: '000 € 400) and relate to the following companies:

	Interest held %	**Share in nominal capital €**
ALTUS Media AG	12.88	9,457
Lang & Schwarz Wertpapierhandel AG	3.20	302,400
PriceContrast GmbH	2.50	650

Effective 28 January 2004, OnVista Beteiligungs-Holding GmbH assigned its 1% share in the nominal capital of OnVista S.r.l. i.L., Milan/Italy to IS Innovative Software Ltd. Effective 16 January 2004, OnVista Beteiligungs-Holding GmbH also assigned its 1% share in the nominal capital of OnVista S.L., Barcelona/Spain to IS Innovative Software Ltd.

Since the market value for the aforementioned investments can not be reliably determined, the investments are valued at continued purchase costs in accordance with IAS 39 'Financial Instruments' (2004).

Purchase prices, fair values as well as unrealised gains and losses relating to the mortgage bonds and note loans (available-for-sale securities) shown under marketable securities are essentially made up as follows:

	Date of acquisition	Purchase price 31 Dec. 2004 €	Value as at 31 Dec. 2004 €	Value as at 31 Dec. 2003 €	Unrealised accumulated gains €	Unrealised accumulated losses €
Eurohypo AG	17.03.2000	0	0	3,496,500		
Allgemeine Hypothekenbank AG	30.08.2001	1,949,000	2,015,600	2,033,600	66,600	
DEPFA Deutsche Pfandbriefbank AG	20.06.2002	0	0	5,231,500		
Eurohypo AG	26.09.2002	0	0	4,607,100		
Hypo Real Estate Bank AG	30.10.2003	0	0	3,473,750		
Eurohypo AG	31.10.2003	0	0	3,003,900		
AHB Rheinboden AG	06.05.2004	3,000,000	3,011,400		11,400	
Berlin-Hannover Hypothekenbank AG	30.06.2004	4,500,000	4,500,000			
Hypo Real Estate Bank AG	18.10.2004	3,500,000	3,500,000			
Landesbank Rheinland Pfalz	19.11.2004	4,506,750	4,521,150		14,400	
HSBC Trinkaus & Burkhardt KGaA	25.11.2004	4,000,000	4,000,000			
		21,455,750	21,548,150	21,846,350	92,400	

As in the previous year, OnVista AG does not hold any securities as at 31 December 2004 which fall under the category of trading securities.

Securities have been valued at their fair value on the balance sheet date. The difference between unrealised gains and losses in the financial year 2004, taking into account deferred taxes, amounted to '000 € 92 (prev. year: '000 € 393), which has been recorded under other comprehensive income. With the sale of securities, the Company generated a profit in the financial year 2004 in the amount of '000 € 357 (prev. year: '000 € 168). The sales resulted in deposits totalling '000 € 22,857 (prev. year: '000 € 12,145). These disposals led to a net change in other comprehensive income in the amount of '000 € -301 (prev. year: '000 € -100).

10. Liabilities

All liabilities have a residual maturity of up to one year. The book values correspond to the market values.

11. Other accruals

In the financial year 2004, other accruals developed as follows:

'000 €	1 Jan. 2004	Additions	Depletion	Release	31 Dec. 2004
Bonus payments	318	466	-318		466
Tax risks	207			-4	203
Cost of the annual general meeting and the annual report	150	150	-131	-19	150
Outstanding suppliers' invoices	277	262	-150	-28	361
Restructuring	87		-81	-6	0
Annual audit fees	46	35	-46		35
Cost of litigation	1	5			6
Non-occupation risks	67		-52		15
Other	78	76	-78		76
Total	1,231	994	-856	-57	1,312

The Company has rented premises, which were no longer used as at 31 December 2004 and for which subletting until the end of the term of the rental agreement in April 2005 seems doubtful. Rental payments due until the end of the term have therefore been set aside.

All other accruals have a residual maturity of up to one year.

12. Other liabilities and deferred income

Other liabilities include advance payments for services not yet fully rendered.

13. Shareholders' equity

The Company operates as a public stock corporation. Shareholders' liability is therefore strictly limited to the amount of their respective capital contributions.

Changes to equity have been set out in the statement of changes in shareholders' equity.

Number of shares issued

As at 31 December 2004, the number of no-par shares issued by OnVista AG totalled 6,700,000. Each share represents a share in the subscribed capital with a nominal value of € 1.00.

Treasury Stock

Under a resolution passed by the annual general meeting on 3 June 2003 (deed no. 530/2003 of the Notary Dr. Christoph Neuhaus, Cologne), the Executive Board was authorised to purchase OnVista shares up to a value of 10% of the Company's capital stock with the approval of the Supervisory Board and up to 2 December 2004, in accordance with § 71 para. 1 no. 8 of the German Stock Corporation Act, either on the stock market or on the basis of a public offer addressed to all shareholders of the Company, other than for the purpose of trading with the Company's treasury stock. This resolution was rescinded during the Company's annual general meeting on 29 June 2004 (deed no. 892/2004 of the Notary Dr. Christoph Neuhaus, Cologne) and replaced by an identical authorisation, which is valid up to 28 December 2005.

In March and December 2004, the Company acquired a total of 65,000 no-par denomination shares based on the authorisation by the general meeting, at a purchase price of € 436,087.

In March 2004, the Company disposed of 1,000 treasury stock. The loss realised on the sale in the amount of € 1,290 has been set off against capital surplus in the shareholders' equity without any effect on profit and loss, taking into consideration deferred taxes.

As at 31 December 2004, OnVista AG consequently holds a total of 64,000 treasury stock at a purchase price of € 429,097. This figure represents 0.95% of the Company's capital stock. The market value of these shares as at 31 December 2004 amounts to € 406,400. Treasury stock is set off at cost as an adjustment item against shareholders' equity.

Authorised capital

Under a resolution passed by the general meeting on 29 June 2004, the Executive Board of OnVista was authorised to increase the Company's capital stock in the period up to 28 June 2009 with the approval of the Supervisory Board through the issue of new shares for cash or contributions in kind, up to a total of € 3,350,000 – either through a one-time or multiple tranches – under exclusion of the shareholders' subscription rights.

The authorised capital in the amount of € 3,350,000 was entered in the Register of Companies appertaining to the Company on 15 July 2004.

Conditional capital

Under a resolution passed by the extraordinary general meeting on 16 February 2000 (deed no. 217/2000 of the Notary Dr. Ingrid Doyé, Cologne), the Company's capital stock was conditionally increased by up to € 472,080 through the issue of up to 472,080 registered denomination shares. The conditional capital increase will be used solely to grant stock options to employees of the Company as well as to staff and members of the management team of the Company's affiliated businesses (including senior executives) ('Employees') and to members of the Company's Executive Board ('Board'). The conditional capital increase is to be implemented only in so far as the owners of the stock options issued exercise their options. The new shares will participate in the Company's profits from the start of the respective financial year in which they were created as a result of options being exercised. The Board and/or in the event of options being granted to members of the Executive Board the Company's Supervisory Board have been authorised to offer stock options for subscription to the Company's new shares to individuals entitled to take up options, subject to the conditions set out under note 14.

The conditional capital in the amount of € 472,080 was entered in the Register of Companies appertaining to the Company on 18 February 2000.

Under a resolution passed by the annual general meeting on 30 May 2001 (deed no. 668/2001 of the Notary Dr. Christoph Neuhaus, Cologne), the Company's capital stock was conditionally increased by up to € 197,920 through the issue of up to 197,920 registered denomination shares (conditional capital II). The conditional capital increase will be used solely to grant stock options to employees of the Company as well as to staff and members of the management team of the Company's affiliated businesses (including senior executives) ('Employees') and to members of the Company's Executive Board ('Board'). The conditional capital increase is to be implemented only in so far as the owners of the stock options issued under the 'OnVista Stock Option Plan 2001' exercise their options. The new shares will participate in the Company's profits from the start of the respective financial year in which they were created as a result of options being exercised. The Board and/or in the event of options being granted to members of the Executive Board the Company's Supervisory Board have been authorised to offer stock options for subscription to the Company's new shares to individuals entitled to take up options, subject to the conditions set out under note 14.

The conditional capital II in the amount of € 197,920 was entered in the Register of Companies appertaining to the Company on 6 July 2001.

The conditional increase of the Company's capital stock agreed on 16 February 2000 by up to € 472,080 through the issue of 472,080 registered denomination shares carrying dividend rights from the start of the financial year in which they are issued, granted under the 'Stock Option Plan 2000' solely for the purpose of exercising subscription rights, is extended in so far as the conditional capital created for this purpose may also be used to exercise subscription rights granted under the 'OnVista Stock Option Plan 2001'. The conditional capital increase is to be implemented only in so far as subscription rights are granted from the conditional capital under the 'Stock Option Plan 2000' or the 'OnVista Stock Option Plan 2001' and holders of said subscription rights exercise their options.

Revenue reserves

Within the framework of the preparation of the annual financial statements 2002, the Executive Board of OnVista AG allocated an amount of € 3,350,000 from the result under commercial law to other revenue reserves in accordance with § 58 para. 2 of the German Stock Corporation Act (AktG). These revenue reserves have been withdrawn in full during the preparation of the annual financial statements for 2004 and have been added to the retained earnings.

Accumulated other comprehensive income

Movements on individual items shown under other comprehensive income have been set out below:

'000 €	31 Dec. 2004 Before taxes	31 Dec. 2004 Tax effect	31 Dec. 2004 Net
Unrealised gains (losses) arising from the valuation of securities at market price:			
1 January 2003	537	-219	318
Change in unrealised gains (losses)	15	-6	9
less realised gains (losses)	-159	58	-100
Unrealised gains (losses), total	393	-167	226
Difference arising from foreign currency conversion:			
1 January 2003	13	0	13
Change in entities included in consolidation	-13	0	-13
Difference arising from foreign currency conversion, total	0	0	0
Accumulated other comprehensive income as at 31 December 2003	**393**	**-167**	**226**
Unrealised gains (losses) arising from the valuation of securities at market price:			
1 January 2004	393	-167	226
Change in unrealised gains (losses)	8	-3	5
less realised gains (losses)	309	-133	176
Unrealised gains (losses), total	92	-37	55
Accumulated other comprehensive income as at 31 December 2004	**92**	**-37**	**55**

14. Stock option plan

On the balance sheet date, the group had in place a fixed 'Stock Option Plan' within the meaning of IFRS 2 'Share-based Payments'.

OnVista introduced the 'Stock Option Plan 2000' with the approval of the extraordinary general meeting on 16 February 2000. Under this plan, stock options in respect of subscriptions to OnVista shares will be granted to the Company's employees and members of the Executive Board as well as to staff and members of the management team of the Company's affiliated businesses (including senior executives).

The stock purchase options are offered to the Company's employees and to staff and members of the management team of the Company's affiliated companies as well as to members of the Executive Board through up to twenty tranches in the period between 24 February 2000 and 31 December 2004. The respective offer can be submitted only during the last week of each calendar quarter, and each offer can be accepted only within a period of four weeks following its submission. Each tranche is subject to a blocking period of three years, during which time the options can not be exercised. At the end of the blocking period, up to 50% of the options can be exercised initially and may be fully exercised only at the end of a five year period from the date of issue. Consequently, up to 50% of the options of the first tranche could have been exercised earliest on 24 February 2003 and can only be fully exercised from 24 February 2005.

The exercise price is determined on the basis of a reference figure which, in the case of the first tranche, corresponds to the issuing price and in respect of all further tranches to the average closing prices determined on the Frankfurt stock exchange in the last five days of trading prior to the date of the resolution adopting the grant of options. At the end of the blocking period, the exercise price amounts to 130% of the reference figure and rises to 150% of the reference figure at the end of five years from the date the options were issued.

Any options that are not exercised expire at the end of the first exercise period, which occurs at the end of five years from the issue date.

With the approval of the annual general meeting on 30 May 2001 (deed no. 668/2001 of the Notary Dr. Christoph Neuhaus, Cologne) OnVista introduced the 'OnVista Stock Option Plan 2001'. Under this plan, stock options for subscription to OnVista shares will be granted to the Company's employees and members of the Executive Board as well as to the staff and members of the management team of the Company's affiliated companies (including senior executives).

Up to the end of 2007, the Executive Board may offer the Company's employees, and the Supervisory Board may offer members of the Executive Board, a total of 492,250 stock purchase options for subscription through up to four tranches each year, whereby a total of 369,188 options may be allocated to the Company's employees and a total of 123,062 options to the Executive Board. In as far as the quota of a total of 123,062 options allocated to the Executive Board is not fully taken up within the framework of the tranches, the remaining stock purchase options may also be offered for subscription to the Company's employees. The offer for the subscription of stock purchase options within the framework of the tranches may be put forward only during the last week of each calendar quarter, whereby the offer may only be accepted within a period of four weeks following its submission.

The stock purchase options may be exercised earliest two years after the issue date ('blocking period'). At the end of the two year blocking period, 25% of the options may be exercised, with another 25% at the end of three years after the issue date plus any options not taken up in the previous year, and a further 25% at the end of four years after the issue date plus any options not exercised in the previous years, and the remaining 25% at the end of five years after the issue date plus any options not taken up in previous years.

The exercise price is determined on the basis of a reference figure, which corresponds to the average closing prices for the Company's shares on the Frankfurt stock exchange in the last five days of trading prior to the date of the respective resolution of the Executive Board or, in the event of options being granted to members of the Executive Board, the resolution of the Supervisory Board adopting issuance of options. The initial exercise price amounts to 120% ('multiplier') of the reference figure. The multiplier increases by ten percentage pints each year. The exercise price is to be reduced following a more precise specification of the option terms if the Company takes equity measures during the option period or introduces conversion privileges or stock purchase options.

Any options that are not exercised expire at the end of the last exercise period, which occurs at the end of six years from the issue date.

When options are exercised, compensation is provided in the form of OnVista AG shares. These shares are taken from the holdings of treasury stock of OnVista AG, provided they are available. In the event OnVista AG does not have sufficient holdings of treasury stock, options will be serviced through the issuance of new shares as part of a conditional capital increase (see also note 13, section *'Conditional capital'*).

OnVista reports stock-based remuneration plans in accordance with IFRS 2 'Stock-based Payment'. Under this regulation, the issuance of stock options for all share-based remuneration granted after 7 November 2002 results in personnel expenditure according to the term of the options.

Movements in stock options granted to eligible employees in the financial year 2004 are as follows:

	2004		2003	
	Number of options on OnVista shares	Average subscription price per share €	Number of options on OnVista shares	Average subscription price per share €
Position at the start of the year	287,000	13.15	243,750	16.43
Granted	57,000	6.91	130,000	5.64
Exercised	1,000	5.70	0	0.00
Expired	0	0.00	86,750	11.11
Lapsed	0	0.00	0	0.00
Still existing at year-end	343,000	12.14	287,000	13.15
Exercisable at year-end	45,375	19.55	27,375	28.65

The average subscription price per option for the different issue dates is made up as follows:

2004		2003	
Number of options on OnVista shares	Average subscription price per share €	Number of options on OnVista shares	Average subscription price per share €
54,750	30.80	54,750	30.80
49,250	20.19	49,250	20.19
76,000	6.42	77,000	6.41
106,000	5.64	106,000	5.64
57,000	6.91	0	0.00
343,000	12.14	287,000	13.15

The options have an average residual life of 2.3 years.

The present value of the stock options has been determined on the basis of a Black-Scholes option pricing model at the time the options were granted, based on the following assumptions:

	2004	2003
Expected average dividend yield	0.00%	0.00%
Expected volatility	48.50%	78.35%
Risk-free investment interest	4.00%	5.00%
Issue price of OnVista shares	€ 6.19	€ 3.90
Expected timeframe up to the date of exercise of the 'OnVista Stock Option Plan 2001'	2, 3, 4 and 5 years respectively	2, 3, 4 and 5 years respectively

The expected volatility is based on the historical volatility (250 days) of OnVista shares on the reporting date.

The following present values per option apply to the respective commitments relating to the 'Stock Option Plan 2000':

Expected timeframe up to exercise	3 years €	5 years €
Commitment on 24 Feb. 2000	10.66	13.23
Commitment on 30 June 2000	9.69	12.45
Commitment on 2 Jan. 2001	7.01	8.70

The following present values per option apply to the respective commitments relating to the 'OnVista Stock Option Plan 2001':

Expected timeframe up to exercise	2 years €	3 years €	4 years €	5 years €
Commitment on 28 Jan. 2002	1.76	2.12	2.41	2.65
Commitment on 28 Jan. 2003	1.47	1.78	2.03	2.24
Commitment on 28 Jan. 2004	1.86	2.11	2.33	2.52

Personnel expenses resulting from the issue of stock options granted after 7 November 2002 are made up as follows:

	2004 €	2003 €
Commitment on 28 Jan. 2003	60,687	55,879
Commitment on 28 Jan. 2004	35,887	0
Total	96,574	55,879

The accumulated expenditure resulting from the stock option plan in the amount of € 152,453 has been allowed for as a 'provision for stock options' in the OnVista Group's equity.

Notes to the consolidated profit and loss account

15. Sales proceeds

Sales proceeds essentially comprise income from advertising. No appreciable foreign sales proceeds have been reported.

Sales proceeds by business segment are made up as follows:

'000 €	2004	2003
Technologies		6,288
Media	6,947	4,497
Corporate Services		58
Total	6,947	10,842

Since 1 December 2003, the Technologies business segment has been represented by the at equity investment in IS.Teledata AG. Accordingly, sales no longer arise in this segment from the perspective of the OnVista Group. A comparison with the previous year is therefore possible only to a limited extent.

16. Personnel expenses

The following personnel expenses have been included in the consolidated profit and loss accounts for the financial years 2004 and 2003:

'000 €	2004	2003
Wages and salaries	2,374	6,242
Social security	319	1,047
Total	2,693	7,289

In the previous year, the figure still included personnel expenses incurred in the Technologies segment over a period of 11 months. Since December 2003, only the at equity results of the investment in IS.Teledata AG are taken into account in this segment. Consequently, personnel expenses are no longer incurred in this segment.

Wages and salaries also include expenses arising from the OnVista stock option plan in the amount of '000 € 97 (prev. year: '000 € 56).

17. Research and development

In the period under review, the group charged to expenditure research and development costs in connection with programming and the enhancement of tools for the OnVista web site in the amount of '000 € 751 (prev. year: '000 € 1,883).

18. Advertising costs

In the period under review, the group charged to expenditure advertising costs in the amount of '000 € 125 (prev. year: '000 € 181).

19. Taxes on income

Deferred taxes based on timing differences are created on the basis of the anticipated future tax rate. The calculation of the tax rate is based on an effective corporation tax rate of 26.4% plus an effective trade tax rate of 13.5%.

As a result of the amendment to German tax legislation as at 22 December 2003, changes have been made to the method applied for the treatment of losses. With effect from 1 January 2004, stock corporations can set off only up to 60% of taxable income against profits generated in the same financial year in respect of corporation tax loss carryforwards. A base amount of € 1 million can still be set off for an indefinite period. The regulation also applies to trade tax loss carryforwards. The new regulations effect the financial year 2004 in so far as OnVista AG is able to set off the net income for the year in full against existing loss carryforwards, by using the base amount of € 1 million.

Deferred taxes on the asset and liabilities side arise from accounting differences under the following balance sheet items:

'000 €	31 Dec. 2004	31 Dec. 2003
Deferred tax assets:		
Spin-off gains less fiscal goodwill amortisation	1,815	1,966
Intangible assets	0	0
Loss carryforwards	432	775
	2,247	2,741
Deferred tax liabilities:		
Web site development costs	-222	-190
Financial assets	-77	-77
Unrealised price gains on securities	-37	-167
Other	-32	0
	-368	-434
Deferred taxes on the asset/liabilities side, net	1,879	2,307
Of which:		
with a residual maturity of < 1 year	479	701
with a residual maturity of > 1 year	1,399	1,606

As at 31 December 2004, deferred tax assets were set up in respect of fiscal goodwill arising in connection with the spin-off of the 'Media' business segment into OnVista Media GmbH. The predominant proportion (12/13) of the deferred tax asset has a residual maturity of more than one year.

As at 31 December 2004, the group's accumulated corporation tax loss carryforwards amounted to '000 € 1,106 (prev. year: '000 € 1,964) and accumulated trade tax carryforwards totalled '000 € 1,056 (prev. year: '000 € 1,914), which are likely to be realised in the near future. These loss carryforwards will not expire.

The corporation and trade tax loss carryforwards for OnVista Beteiligungs-Holding GmbH amount to ‘000 € 81. Since the loss carryforwards relate to fiscal unity loss carryforwards which can not be used during the existence of the fiscal unity, deferred tax assets relating to these loss carryforwards were written off.

The tax loss carryforwards for Trade & Get GmbH and IFVB Institut für Vermögensbildung GmbH were both written off.

The following table shows a reconciliation between the respective expected tax expenditure and/or income for each financial year and the respective actual tax expenditure and/or income reported. For the calculation of the expected tax expenditure and/or income, the applicable overall tax rate of 39.9% (prev. year: 39.9 %) in the financial year 2004 has been multiplied by the pre-tax income.

‘000 €	2004	2003
Expected tax expenditure/(income)	366	3,016
Tax-free income	0	-1,948
Tax rate changes	0	77
Expenses from stock option plan	-38	0
Non-deductible operating expenses	37	433
Financial assets write-downs	0	155
Goodwill amortisation	151	181
Result from at equity investments	-2	-20
Others	-19	-122
Tax expenditure/(income) reported	495	1,772

The deferred tax expenditure/tax income for the financial years 2004 and 2003 is made up as follows:

‘000 €	2004	2003
Change in deferred tax assets and liabilities	399	1,939
Tax effects without any impact on profit/loss		
Disposal of treasury stock set off directly against capital reserves	-1	0
Unrealised gains on marketable securities (‘available-for-sale securities’)	130	-167
Change in deferred tax assets and liabilities affecting net income	528	1,772
Change in deferred tax assets and liabilities resulting from the acquisition of consolidated subsidiaries	-33	0
Deferred tax expenditure / (income)	495	1,772

The tax expenditure does not include any current taxes.

Other notes

20. Segment reporting

The OnVista Group renders services in three segments – Media, Technologies and Business Services (Corporate Services). The segments can be differentiated on the basis of product and market specific differences. Within the OnVista Group, the segments are separated from an organisational perspective and have been spun off into independent companies.

In the Media segment, sales are generated through advertising and content collaborations within the OnVista finance portal and healthcare portal area. The results of the at equity investment in IS.Teledata AG are subtotalled in the Technologies segment. In the previous year, revenues and expenses from OnVista Technologies GmbH and its foreign subsidiaries were still allocated to the Technologies segment up to the change in entities included in consolidation as at 30 November 2003. The Business Services or Corporate Services segment comprises internal group services.

In the financial year 2004, the sales, performance and financial situation in each segment is as follows:

'000 €	Media	Technologies	Corporate Services	Consolidation	Total
External revenues	6,947				6,947
Internal revenues	16			-16	
Total revenues	6,963			-16	6,947
Other operating income	120		734	-345	509
Operating expenses	-5,979		-1,299	361	-6,917
Amortisation of intangible assets and depreciation of tangible assets	-368		-153		-521
- of which special write-downs	0		0		0
Operating income/loss	736		-718		17
Financial result	105	-4	799		900
- of which from equity investment		-4			-4
Segment income/loss	840	-4	81		917
Fixed assets and current assets	5,362	17,258	29,076	-5,590	46,106
Liabilities	1,665		2,775	-2,239	2,202
Deferred taxes			1,879		1,879
Investments in fixed assets and intangible assets	3,211				3,211

The following summary shows the comparable figures for the financial year 2003:

'000 €	Media	Technologies	Corporate Services	Consolidation	Total
External revenues	4,497	6,288	58		10,842
Internal revenues	21	969	1	-991	
Total revenues	4,518	7,257	59	-991	10,842
Other operating income	68	98	2,449	-2,169	446
Operating expenses	-3,548	-7,932	-4,276	3,160	-12,596
Amortisation of intangible assets and depreciation of tangible assets	-509	-2,059	-1,193		-3,761
- of which special write-downs	-214	-118	-778		-1,110
Operating income/loss	529	-2,636	-2,961		-5,068
Financial result	68	12,103	400		12,571
- of which from equity investment		51			51
Segment income/loss	597	9,467	-2,561		7,503
Fixed assets and current assets	1,369	15,506	31,180	-2,739	45,316
Liabilities	725	0	3,127	-2,093	1,758
Deferred taxes			2,307		2,307
Investments in fixed assets and intangible assets	502	819	264	-218	1,367

Settlements between individual group segments have been based on the price comparison method and cost mark-up method.

In the Technologies segment, a comparison with the previous year is only partly meaningful due to the change to the entities included in consolidation.

In the Media segment, 16% (prev. year: 26%) of total sales were realised with customers outside Germany.

In the Media segment, no customer (prev. year: no customer) accounted for more than 10% of total segment sales.

21. Contingent liabilities and commitments

Contingent liabilities

No notable contingent liabilities existed on the balance sheet date.

Commitments

The Company rents all its business premises from third parties. In the financial year 2004, rental expenditure amounted to '000 € 153 (prev. year: '000 € 538). Leasing expenditure arising from lease agreements related to technical equipment amounted to '000 € 40 in the financial year 2004 (prev. year: '000 € 83).

As at 31 December 2004, minimum rental and leasing payments as well as payments under other non-terminable contracts with suppliers and service providers with an original or remaining term of more than one year add up as follows:

	'000 €
2005	1,069
2006	766
2007	766
2008	194
Subsequent years	118
	2,914

22. Related party transactions

The at equity investment IS.Teledata AG and the OnVista Group carry out extensive supply and services transactions. IS.Teledata AG acts as a data supplier for OnVista Media GmbH and operates most of the company's web server product family. In the financial year 2004, this resulted in expenditure for the OnVista Group in the amount of '000 € 1,036. In addition, IS.Teledata AG provides OnVista AG and OnVista Media GmbH with back office support. The resulting expenditure in the financial year 2004 totalled '000 € 36.

As at 31 December 2004, loans to affiliated companies include a loan granted by OnVista AG to IS.Teledata AG in the amount of '000 € 1,080. The loan matures on 31 December 2005 and has been repaid in regular instalments since 1 January 2004. In the financial year 2004, the related interest incurred amounted to '000 € 78.

As at 31 December 2004, net amounts due to OnVista from IS.Teledata AG totalled '000 € 1,109.

23. Remuneration for the Supervisory Board and the Executive Board

In the financial year under review, the Executive Board was made up as follows:

Friedrich Oidtmann
Michael W. Schwetje

Michael W. Schwetje is a Member of the Supervisory Board of IS.Teledata.

Friedrich Oidtmann does not hold any Supervisory Board mandates.

In the financial year 2004, total remuneration for the Executive Board amounted to '000 € 168 (prev. year: '000 € 304). In addition, the Executive Board received a performance related bonus for the financial year 2004 in the amount of '000 € 95 (prev. year: '000 € 156).

The Executive Board member Friedrich Oidtmann received additional remuneration as a result of his Executive Board mandate at the equity investment IS.Teledata AG.

In 2004, the Executive Board was not granted any stock options for OnVista shares (prev. year: 30,000 stock options).

The number of OnVista shares held by Members of the Executive Board on 31 December 2004 is as follows:

	Friedrich Oidtmann	Michael W. Schwetje
OnVista shares Holding on 31 December 2004	411,600	1,682,580
Stock options Holding on 31 December 2004	25,000	15,000

The Supervisory Board is made up as follows:
Dr. Paul-Bernhard Kallen, Managing Director of various companies of the Burda Group, Chairman,
Dr. Johannes Meier, Member of the Board of the Bertelsmann Foundation, Deputy Chairman,
Prof. Dr. Bernhard Schwetzler, University Professor, Commercial College Leipzig.

Dr. Paul-Bernhard Kallen is also Chairman of the Supervisory Board of Tomorrow Focus AG. Messrs. Dr. Johannes Meier and Prof. Dr. Bernhard Schwetzler do not hold any other Supervisory Board mandates.

In the year under review, total remuneration for the Supervisory Board amounted to ‘000 € 20 (prev. year: ‘000 € 20).

The number of OnVista shares held by the Members of the Supervisory Board on 31 December 2004 is as follows:

	Dr. Paul-Bernhard Kallen	Dr. Johannes Meier	Prof. Dr. Bernhard Schwetzler
OnVista shares Holding on 31 December 2004	20,000	3,000	1,085

Members of the Supervisory Board were not granted any stock options for OnVista shares.

24. Employees

As an annual average during the financial year 2004, the number of employees (including members of the Board) totalled:

	2004	2003
Permanent employees (full-time equivalent)	48	127

25. Earnings per share

Basic earnings per share and diluted earnings per share for the financial year 2004 are calculated as follows:

	2004	2003
Net income for the year (‘000 €)	422	5,788
Weighted average of shares issued – basic (‘000)	6,683	6,700
Weighted average of shares issued – fully diluted (‘000)	6,698	6,702
Basic earnings per share (€)	0.06	0.86
Diluted earnings per share (€)	0.06	0.86

For the financial year 2004, 157,250 stock options granted under the ‘OnVista Stock Option Plan 2001’ were taken into account in the calculation of earnings per share (fully diluted), since the exercise price of the options exceeded the stock exchange price on the balance sheet date. The dilution effect was calculated on the basis of the treasury stock method in accordance with IAS 33 ‘Earnings per share’. The calculation is based on the fictitious assumption that the company first of all acquires and then issues the relevant stock. The difference between the repurchase price and the offer price dilutes the position of the existing shareholders. The following summary shows the basis of calculation for the dilution effect as at 31 December 2004:

	31 Dec. 2004
Number of in-the-money stock options	157,250
Average offer price of options (€)	5.76
Total value of 'in-the-money' options (€)	905,635
Repurchase price (as closing price of OnVista shares on the last day of trading) (€)	6.35
Dilution effect (number of shares)	14,630

In accordance with the 'OnVista Stock Option Plan 2001', 18,000 options may be exercised as at 31 December 2004.

26. Major customers

In the financial year 2004, the Company did not have any customers (prev. year: no customers) generating more than 10% of net sales.

27. Subsequent events

No relevant subsequent events are to be reported.

28. Statement on the Corporate Governance Code ('Deutscher Corporate Governance Kodex') in accordance with § 161 of the German Stock Corporation Act (AktG)

OnVista has submitted the declaration required for 2004 under § 161 of the German Stock Corporation Act (AktG) and has made the details available to all shareholders (see also page 23).

Summary of material differences between the German accounting principles (German Commercial Code – HGB, German Stock Corporation Act – AktG) and IFRS

The consolidated financial statements of OnVista AG have been prepared under the International Financial Reporting Standards (IFRS) as exempting consolidated financial statements in accordance with § 292a of the German Commercial Code (HGB).

The provisions set out under the German Commercial Code (HGB) and the German Stock Corporation Act (AktG) differ from those under IFRS in a number of key areas. The most significant differences, which may be relevant in the assessment of the Company's assets and financial and earnings position, have been set out below:

Structure

In accordance with the German Commercial Code (HGB) all items shown in the balance sheet and in the statement of income must be presented according to the format and ranking set out under §§ 266, 275 of the German Commercial Code (HGB). The preparation of the accounts under IFRS requires a different combination and the order of the balance sheet items begins with the short-term positions.

In addition, the short-term components of non-current receivables and liabilities are presented as separate balance sheet items under IFRS. Positions which are due within a period of one year are treated as short-term items.

Capitalisation of web site development costs

Under IFRS, the cost of production for internally developed software and/or web sites must be capitalised and amortised over the economic useful life under certain conditions. Under the German Commercial Code (HGB), internally developed intangible assets and/or web sites may not be capitalised.

Depreciation of fixed assets

Under the German Commercial Code (HGB), fixed assets are depreciated and amortised in accordance with their expected useful life, less scheduled depreciation. In so far as permissible under German tax law, depreciation on moveable fixed assets followed the declining balance method up to and including the financial year 2000. The changeover to the straight-line method of depreciation occurs in the first year the straight-line method produces a higher annual depreciation charge. Since 1 January 2001, additions to tangible assets have been depreciated on a straight-line basis. Under IFRS, depreciation of tangible fixed assets follows the straight-line method on a pro rata basis.

Stock options

Under IFRS 2 'Stock-based Payment', the fair value method must be used for the valuation of stock options. Under this method, compensation in exchange for job performances is valued at the fair value of the equity instrument granted, whereby the level is determined by the market value of the shares. During the period of service of employees, this results in corresponding personnel expenses.

In contrast to IFRS, no expenditure arises in the profit and loss account under the prevailing German accounting principles, since the German Stock Corporation Act strictly separates the corporate sphere from the shareholders' sphere and allocates the issue of stock options to the shareholders' sphere.

Deferred taxes

Under German accounting regulations (German Commercial Code, HGB), companies are offered a capitalisation option in respect of deferred tax assets. Deferred tax liabilities must be shown in the balance sheet. Deferred taxes are limited to so-called timing differences (differences between profits calculated in accordance with commercial law and tax law, which are reversed in later periods). Near permanent differences are treated as permanent differences.

Under the German Commercial Code (HGB), claims for tax refunds in respect of deferred taxes arising from tax loss carryforwards may not be reported in the balance sheet, since the expected future tax savings are considered not yet realised.

Under IAS 12 'Income Taxes', future claims for tax relief of this kind must be capitalised. The valuation is based on whether the claim is more or less likely to be made during the exploitation period of the loss carryforwards. Deferred taxes relating to temporary differences (differences between the balance sheet values of assets and liabilities calculated in accordance with commercial law and respectively tax law, which are later reversed). Near permanent differences are treated as temporary differences.

Treasury Stock

Under German accounting regulations, treasury stock is shown under marketable securities. The carrying value of treasury stock is based on the respective purchase price in compliance with the strict lower of cost or market principle. Gains and losses arising from the disposal of treasury stock are recorded in the profit and loss account.

Under IFRS, treasury stock is not capitalised under marketable securities but results in a reduction of equity. Treasury stock is deducted from the capital stock and/or capital surplus at cost price in form of an adjustment item. Realised gains and losses do not affect the result but are set off against capital surplus net of taxes.

Cologne, Germany, 1 March 2005
The Executive Board

Auditor's Opinion

We have audited the consolidated balance sheet and the accompanying consolidated statement of income, the statement of changes in shareholders' equity, the cash flow statement and the supplementary statements in the notes (consolidated financial statements) prepared by OnVista AG, Cologne for the financial year from 1 January to 31 December 2004. The preparation and content of the consolidated financial statements under the International Financial Reporting Standards (IFRS) are the responsibility of the company's Executive Board. It is our responsibility to assess, on the basis of our audit, if the consolidated financial statements comply with IFRS.

We conducted our audit of the consolidated financial statements in accordance with German auditing rules and in observance of the principles of generally accepted audit procedures in Germany laid down by the institute of German auditors (IDW) and additionally in accordance with the International Standards on Auditing (ISA). According to these principles, the audit must be planned and carried out so that any misstatements in the consolidated financial statements can be assessed with reasonable certainty. During the performance of the audit procedures, information on the business activities, the group's economic and legal environment, as well as the expectation of possible errors were taken into account. Within the scope of the audit, substantiation of the valuation approach and accounting information in the consolidated financial statements are assessed on the basis of random sampling. The audit includes an assessment of the accounting and consolidation principles applied and the material estimates of the Executive Board as well as addressing the overall presentation of the consolidated financial statements. We believe that our audit provides a well-grounded basis for our assessment.

It is our view that the aforementioned consolidated financial statements provide, in all material aspects, a fair representation of the group's net assets and financial position as at 31 December 2004 in observance of IFRS, as well as the group's earnings position and payment flows for the financial year from 1 January to 31 December 2004.

No objections have been raised on account of our audit, which also extended to the group management report prepared by the company's Executive Board for the financial year from 1 January to 31 December 2004. It is our view, that the group management report together with other information provided in the consolidated financial statements provide an accurate overall view of the group's position and properly present any risks relating to future developments. Furthermore, we confirm that the consolidated financial statements and the group management report for the financial year from 1 January to 31 December 2004 meet the requirements that exempt the company from the preparation of consolidated financial statements and a group management report under German law.

Cologne, Germany, 1 March 2005

PwC Deutsche Revision
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

ppa. van Delde

(Pollmann)	(ppa. van Delden)
Certified Public	Certified Public
Accountant	Accountant

Financial calendar 2005

Annual accounts press conference and analyst briefing	6 April 2005
Three months report 2005	12 May 2005
Annual general meeting 2005	14 June 2005
Six months report 2005	11 August 2005
Nine months report 2005	14 November 2005

OnVista AG annual accounts according to the German Commercial Code (HGB)

We would be pleased to send you a copy of the individual accounts for OnVista AG prepared under the German Commercial Code (available in German language only). Please forward your request to the contact listed below.

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Imprint

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Editorial conception and content: OnVista AG, Cologne
Editorial: OnVista AG, Cologne
Finanz:Dialog GmbH, Düsseldorf
Design: Esser, Franke & Partner GmbH, Düsseldorf
Production: Schotte GmbH & Co KG, Krefeld
Translation: Ingeborg Seel Marketing Services, London

Press date: 11 March 2005

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Michael W. Schwetje

Supervisory Board

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Dr. Johannes Meier
Prof. Dr. Bernhard Schwetzler