

Quarterly Report

3/2004

OnVista Group

**Significant growth in sales und profit  
Both business segments in the black  
Annual projections again increased**



# OnVista Group at a Glance

## 9-Months Consolidated Financial Statement under IFRS

	1.1.- 30.6.2004	1.1.- 30.6.2003 <sup>1</sup>	Change <sup>1</sup>
Sales (€ mill.)	5.08	8.23 (3.02)	-38% (+68%)
EBITDA (€ mill.)	0.34	-0.79	-
EBIT (€ mill.)	0.03	-2.90	-
Pre-tax result (€ mill.)	0.78	-2.26	-
After-tax result (€ mill.)	0.46	-1.32	-
Earnings per share (€)	0.07	-0.20	-
Group cash flow (€ mill.)	-1.86	1.40	-
Operating cash flow (€ mill.)	1.15	0.38	+202%-
Investments (€ mill.)	3.04	1.12	+171%
<i>of which in tangible assets (€ mill.)</i>	<i>0.16</i>	<i>0.20</i>	<i>-20%</i>
Employees as at 30 September <sup>2</sup>	49	132 (51)	-63% (-4%)

	30.6.2004	31.12.2003	Change
Cash and cash equivalents (€ mill.) <sup>3</sup>	22.52	24.99	-10%
Balance sheet total (€ mill.)	48.21	47.62	+1%-
Capital to asset ratio (%) <sup>4</sup>	95.8	96.3	-

<sup>1</sup> In brackets: Figures for the Media and Corporate Services segments, excluding the now deconsolidated Technologies business segment

<sup>2</sup> In permanent employment; full time equivalent

<sup>3</sup> Liquid funds and marketable securities

<sup>4</sup> Equity / Balance sheet total

As at 1 January 2004, the OnVista Group changed the rendering of its accounts from US GAAP to IFRS. Relevant adjustments have also been made to the comparable figures for prior years.

Due to the deconsolidation of OnVista Technologies GmbH as at 30 November 2003, comparisons with the previous year are only partly meaningful.

<b>2</b>	<b>OnVista Group at a Glance</b>
<b>3</b>	<b>Content</b>
<b>4</b>	<b>About the Company</b>
<b>4</b>	<b>Business Performance</b>
<b>6</b>	<b>Segments</b>
<b>9</b>	<b>Prospects</b>
<b>11</b>	<b>Nine Months Consolidated Financial Statements under IFRS</b>
11	Balance Sheet
12	Profit and Loss Cccount
13	Cash Flow Statement
14	Statement of Changes in Shareholders' Equity
15	Statement of Movements in Fixed Assets
16	Shareholdings of Members of the Board
17	Notes
<b>25</b>	<b>Corporate Calendar 2004/2005</b>

## 3/2004

### About the Company

- **OnVista Group - media and IT company**

As a media and IT company, the OnVista Group has two mainstays.

In the **Media business segment**, we operate and market high quality special interest portals on the Internet via OnVista Media GmbH, a wholly-owned subsidiary of OnVista AG. The media portfolio consists 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 business segment, revenues are generated through advertising and content collaborations on our own web sites as well as through licensing of medical content for third party Internet services.

Our IT business is organised in the **Technologies business segment**. The business consists of a 33.5% stake of OnVista AG in IS.Teledata AG, which 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. With its products and services, IS.Teledata AG supports professional financial service providers, offering solutions and market data for both inhouse staff and ultimate customers. In return for these services, IS.Teledata AG receives one-off project revenues as well as monthly licence fees.

In addition, the OnVista Group comprises a number of smaller companies, held either directly by OnVista AG or via OnVista Beteiligungs-Holding GmbH which predominantly fall under the **Corporate Services** segment.

### Business performance

- **OnVista closes 9 months accounts above expectations**

To date, 2004 has been a very successful year for the OnVista Group. We have substantially exceeded our own expectations. Not only did

we record strong growth in revenues, we also generated good profits.

- **Steep rise in sales**

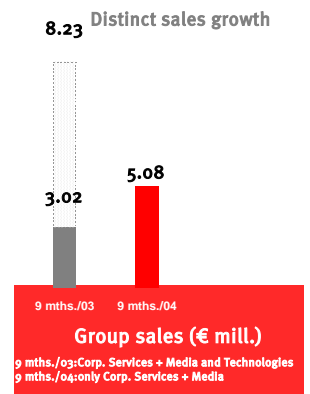
In the first nine months of 2004, OnVista generated **group sales** under IFRS<sup>1</sup> in the amount of € 5.08 million. Consequently, we have already now reached our sales target, which we had originally<sup>2</sup> set for the year as a whole. Measured by the increased annual projections<sup>3</sup> of August too, we have already secured more than 80% of sales.

Following the merger related deconsolidation of the former OnVista Technologies GmbH<sup>4</sup>, our group sales now only include revenues generated in the

Media and Corporate Services segments.

Compared to the corresponding figures for the same period last year (9 mths./03, group sales excluding the Technologies segment: € 3.02 mill.) this amounts to an increase of 68%.

When compared to group sales inclusive of the Technologies segment published in the 9



<sup>1</sup> As at 1 January 2004, the OnVista Group changed the rendering of its accounts from US GAAP to IFRS. Please refer to comment no. 1 in the notes to the consolidated financial statements. The financial statements for the first nine months of 2003 have also been subsequently adjusted as appropriate to allow for easier comparisons to be made.

<sup>2</sup> On the occasion of the publication of the annual financial statements for 2003, we had projected group sales in excess of € 5 million for 2004.

<sup>3</sup> On the occasion of the publication of the mid-year financial statements for 2004, we had increased our annual projections and held out the prospect of sales totalling close to € 6 million.

<sup>4</sup> Following the merger, the 33.5% investment in IS.Teledata AG is included at equity in the consolidated financial statements of OnVista AG – in contrast to the previous treatment of the fully consolidated wholly-owned subsidiary OnVista Technologies GmbH. Consequently, the group P&L account does not include sales and expenditure from the Technologies business segment as of December 2003. These are replaced by the pro rata result of the IS.Teledata Group, which effects our group result but not our operating performance.

months report for 2003 (€ 8.23 mill.) this results in a paper decrease of 38%.

Looked at in isolation too, the seasonal related traditionally weaker third quarter was also an extremely good one for the OnVista Group. In the third quarter of 2004, group sales totalled € 1.83 million. This represents an increase of 82% over the fair comparative value (Q3/03, group sales excluding the Technologies segment: € 1.01 mill.). The computational decrease amounted to 31% (Q3/03, group sales including the Technologies segment: € 2.64 mill.).

- **Costs decreasing after merger**

The **operating costs**<sup>5</sup> of the OnVista Group totalled € 5.12 million in the first nine months of 2004. The profit and loss account for the first nine months of 2003 showed € 11.27 million. This translates into a decrease of 55%. However, a fair comparison can be made only if one deducts the costs of the now deconsolidated Technologies business segment from last year's figures. The operating costs of the Media and Corporate Services segments alone amounted to € 5.29 million in the first nine months of 2003. After eliminating the deconsolidation effect, the actual decrease in operating costs therefore amounts to 3%.

In the period under review, **personnel expenditure** fell by 65% to € 2.02 million (9 mths./03: € 5.82 mill.). In addition to the deconsolidation of OnVista Technologies GmbH, this is also due to downsizing at OnVista AG. When segregating the deconsolidation effect, the reduction in personnel expenditure amounts to 16% (personnel expenditure of the Media and Corporate Services segments in 9 mths./03: € 2.41 mill.) As at 30 September 2004, the OnVista Group employed 49 permanent **staff**,<sup>6</sup> As at 30 September 2003, the figure stood at 132 (all three segments) and respectively 51 (Media and Corporate Services segments alone).

**Depreciation on fixed assets and amortisation of intangible assets** fell from € 2.11 million in the first nine months of 2003

to € 0.31 million in the period under review (-85%). After deduction of the deconsolidation effect, the decrease amounts to 40%.

Under the cost of sales method customary under IFRS, personnel expenditure as well as depreciation, amortisation and special write-offs are allocated to different cost items in the profit and loss account.

- **Distinctly positive performance**

After operating in the red in the first nine months of 2003, due to the adverse sales situation in the Technologies business segment, the OnVista Group returned to profitability in 2004. In the first nine months of 2004, all relevant key performance figures were positive. Both operating business segments made a positive contribution to the group's performance.

In the first nine months of 2004, our accumulated **pre-tax group result** amounted to € 0.78 million. In the same period last year, the pre-tax group result was distinctly negative, totalling € -2.26 million. In the period under review, the **pre-tax yield** stood at 15%. **After taxes**, the **group net income** amounted to € 0.46 million in the first nine months of 2004 (9 mths./03: € -1.32 mill.).

OnVista was also able to operate at a profit, i.e. without taking into account our considerable interest income (9 mths./04: € 0.68 mill.) and the investment income generated by IS.Teledata AG (9 mths./04: '000 € 76). **EBIT (Earnings Before Interest and Taxes)** of the OnVista Group totalled '000 € 28 in the first nine months of 2004 (9 mths./03: € -2.90 mill.). **EBITDA (Earnings Before Interest and Taxes + Depreciation and Amortisation)** amounted to € 0.34 million (9 mths./03: € -0.79 mill.).

In relation to the third quarter of 2004, OnVista generated a pre-tax group income of € 0.12 million (Q3/03: € -1.33 mill.) and an after-tax group income of '000 € 60 (Q3/03: € -0.95 mill.). In the third quarter, the operating result was negative for seasonal reasons but did improve considerably compared to last year. In the third quarter of 2004, EBIT amounted to € -0.16 million (Q3/03: € -1.51 mill.), while EBITDA totalled '000 € -56 (Q3/03: € -0.80 mill.).

<sup>5</sup> Total cost of production, marketing and selling expenses, general administration expenses as well as R&D expenditure

<sup>6</sup> Full time equivalent

### • Positive operating cash flow

As a result of the excellent business performance, the **cash flow from operating activities** was distinctly positive. In the first nine months of 2004, the cash flow from operating activities totalled € 1.15 million (9 mths./03: € 0.38 mill.). Of this total, € 0.51 million flowed into the OnVista Group in the third quarter of 2004 alone.

In the investment area, on the other hand, we recorded an outflow of funds. The **cash flow from investment activities** amounted to € -2.88 million (9 mths./03: € 0.99 mill.). Here, two transactions in particular took effect, which were carried out in the first quarter already – the acquisition of A Med-World AG, which operates the health care portal [www.medicine-worldwide.de](http://www.medicine-worldwide.de), and the purchase of additional preference shares in IS.Teledata AG. This outflow of cash was, in part, compensated through the disposal of mortgage bonds, which is presented as an inflow of funds in the investment area of the cash flow statement.

The **cash flow from financing activities** was slightly negative and totalled € -0.13 million (9 mths./03: € 0). In order to service stock options, the company acquired treasury stock in the first quarter of 2004.

As a result of investments made in the first quarter, the **group cash flow** was negative below the line, totalling € -1.86 million (9 mths./03: € 1.40 mill.).

The **cash funds** of the OnVista Group (including the freely disposable marketable securities) as at 30 September 2004 amounted to € 22.52 million, compared to € 24.99 million as at 31 December 2003. Even after investments, the company continues to enjoy a very comfortable liquidity position. The **cash value per share** stood at € 3.36 (31 Dec. 2003: € 3.73). At the end of the reporting period, the company's **capital to asset ratio** amounted to 96% (31 Dec. 2003: € 96%).

### Segments

#### • Profitable growth in the Media segment

In the **Media business segment**, we were able to again achieve strong increases in sales and performance. In the first nine months of 2004, **revenues** of OnVista Media climbed by 70% to € 5.09 million. The figure includes internal revenues in the amount of '000 € 13. In the same period last year, revenues still stood at € 2.99 million. The increase in revenues of more than € 2 million was achieved primarily through increased advertising revenues at the finance portal [www.onvista.de](http://www.onvista.de). Revenues generated by the health care portal Medicine-Worldwide, which have been attributed to the OnVista Group since March 2004, amounted to a contribution in the region of mid six-digit Euro.<sup>7</sup>

The fact that we were able to again generate a sizeable profit in the Media business segment is even more important to us than the positive revenue performance. In the first nine months of 2004, the **segment result**<sup>8</sup> rose to € 0.80 million (+89%). In the same period of 2003, the segment result still stood at € 0.42 million. The **pre-tax yield** amounted to 16%.

#### • Innovations on [www.onvista.de](http://www.onvista.de)

In the third quarter of 2004, our 'Zertifikate-Sommer' campaign (campaign for structured notes) was very well received by users and customers of our finance portal. While our services as a whole are more likely to appeal to experienced investors, this web site special specifically targets newcomers who want to profit from the advantages of this booming financial product. The 'Zertifikate-Sommer' embraced comprehensive information on various structured notes, clear product overviews and new analysis options as well as tips from investment professionals. At the end of the campaign, the key functions were integrated in the existing structured notes section on the web site. In addition to new contents for users, this, naturally, also offered

<sup>7</sup> In March 2004, OnVista AG acquired the Berlin-based operator of the health care portal, A Med-World AG, to open up a new revenue source for OnVista Media and at the same time reduce its dependency on the financial environment.

<sup>8</sup> This relates to a pre-tax result. Since OnVista Media GmbH and OnVista AG have entered into a profit transfer agreement, OnVista Media GmbH does not incur any taxes.

our customers – in particular issuers of structured notes – an ideal advertising environment in which to present their respective products.

- **Market research campaign**

In the quarter under review, we also 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 around 2,500 and respectively 2,100 users. The findings help us in many different aspects. On the one hand, the information provided is used to further optimise our services and to tailor our offerings even more closely to the requirements of our users. On the other hand, we are using the findings of the survey as a sales support tool in the area of advertising marketing. We present the data to potential and existing advertising clients, in order for them to better understand their customers' behaviour and wishes, which can then be incorporated in their product development, for example. In addition, the findings provide us with information on the target groups to be found on the OnVista web site. Both studies will shortly be made public.

- **Finance portal maintains market leadership**

In the third quarter of 2004, www.onvista.de again defended its leading position in the IVW comparison of reach<sup>9</sup> between online financial web sites. At the end of the period under review (September 2004), the finance portal recorded 40.6 million page impressions and 5.0 million visits. Although the web site – just like the entire segment – did not achieve last year's levels (September 2003: 51.0 million page impressions and 5.4 million visits), the site still remains the market leader among the finance portals. In addition to intelligent marketing, reach is also an important component for the commercial success of the web site – particularly in comparison to other competitors. Because the advertising industry is concentrating its spendings primarily on the top offerings in each segment.

For the calculation of the online reach for September, IVW used a new category system

for the first time. The new system not only provides information on the overall use of a particular web site, but also shows the number of page impressions that relate to different, fixed subject categories, such as business. Consequently, it is now possible to compare specialised finance portals like OnVista and major general interest services like T-Online and Spiegel Online in respect of their advertising performance as a business medium. According to this new way of looking at reach in comparison with all web sites measured by IVW, OnVista also ranks top of the list. With 33.2 million page impressions in the category of 'Editorial Content' / 'Business and Finances'<sup>10</sup> OnVista is well ahead of T-Online (18.6 mill. page impressions).

- **Health care portal continues to grow**

The performance of the health care portal Medicine-Worldwide, acquired in March 2004, was also very encouraging. At the end of the reporting period, the web site increased its page impressions to 6.4 million (Sept. 2004). At the first impartial count by IVW in June 2004, i.e. at the end of the second quarter, the number of page impressions still stood at 5.9 million. This represents an 8.9% increase in reach. Medicine-Worldwide is one of the top three health care portals on the German Internet in terms of reach.

In addition, the newly formed sales team began to systematically work the market in the third quarter and has already been able to notch up initially successes. New customers have been signed up in both areas – advertising marketing and content licensing. Among others, these include the 3M pharmaceutical subsidiary 3M Medica and SCA Hygiene Products.

- **Technologies business segment profitable after merger**

After recording a deficit last year, a turnaround is now on the horizon for the **Technologies business segment** following the amalgamation of OnVista Technologies GmbH and IS Innovative Software AG under IS.Teledata AG. IS.Teledata AG is looking back at a very successful quarter. In the last few months, the

<sup>9</sup>IVW (Informationsgemeinschaft zur Feststellung und Verbreitung von Werbeträgern e.V.)

<sup>10</sup> 6.4 million page impressions relate to the home page (solely offering business and financial contents), the rest to other contents.

Frankfurt based IT company was able to sign up several new customers in a continued difficult market, and managed to expand its business with existing customers. In the third quarter of 2004, this resulted in a growth in sales compared to the two previous quarters. In addition, IS.Teledata AG was able to already realise most of the merger related synergies in the first year of actual alliance, which means the cost side has also been further unburdened.

In all, IS.Teledata recorded group sales in the amount of € 26.10 million in the first nine months of 2004. € 8.9 million of total group sales were generated in the third quarter. The pre-tax group result was positive and totalled € 1.60 million. € 1.41 million of which were generated in the third quarter alone. In the first nine months of 2004, the after-tax group result amounted to € 1.28 million. The rise in profits compared to the two previous quarters is due to the increase in sales described above and further cost savings. Added to this were special effects, for example the release of provisions. Consequently, the highly positive performance can not be projected forward on a linear basis to the coming quarters.

As a 33.5% shareholder, OnVista AG is entitled to around a third of the after-tax result. Regular write-downs on hidden reserves in the intangible assets of IS.Teledata AG are deducted from this figure, which we will have to carry out periodically in future.<sup>11</sup> In the third quarter, € 0.34 million were reported retroactively for the nine months period of

---

<sup>11</sup> In the financial statements of the OnVista Group, the amalgamation of OnVista Technologies GmbH and IS Innovative Software AG under IS.Teledata AG is treated like an acquisition. Since we indirectly assigned around two thirds of the shares in OnVista Technologies GmbH to third parties in the cashless transaction, IFRS regards this value as the purchase price paid by OnVista for the one third investment of OnVista AG in IS.Teledata AG and consequently also as the transaction value of our investment. This value (= the acquisition cost) has been capitalised as a financial investment in our consolidated balance sheet. On conclusion of the transaction, the difference between the capitalised acquisition cost and the pro rata equity of IS.Teledata AG needs to be allocated to goodwill on the one hand and to hidden reserves in fixed assets (intangible assets and tangible assets) of IS.Teledata AG on the other hand. While the capitalised goodwill is subject to an annual impairment test, the hidden reserves in intangible assets and tangible assets are subject to regular write-downs according to their respective useful life. This reduces the operating result in our Technologies segment and in the group. Please refer to comment no. 8 in the notes to the financial statements.

2004 in this respect. However, this amount is based on a preliminary valuation, which still needs to be validated within the framework of the annual audit.

The remaining amount of '000 € 76 is allocated to our Technologies business segment as **segment result** in the first nine months of 2004. In the same period last year, the Technologies business segment still recorded a loss of € 1.79 million based on sales of € 6.0 million.

### • **Augmentation of the customer portfolio at IS.Teledata**

In the third quarter of 2004, IS.Teledata AG signed up a number of new customers, among others well-known foreign companies. For example, one report of success comes from the far north of Europe. HEX Information Services Ltd., the Finnish joint venture of IS.Teledata AG and the Helsinki Stock Exchange (OMX), supplies up-to-date prices, currency information and a chart analysis tool for the customer web site of OKO Bank, the Central Bank of the Finnish OP Banking Group. The entire contents can be retrieved in Finnish, Swedish and English.

The domestic business in Germany is no less successful. For example, IS.Teledata AG realised a project for Lufthansa in collaboration with Tomorrow Focus. The company is the first airline worldwide to offer fast broadband Internet above the clouds. Passengers can access a service portal with their laptop or other mobile terminals per wireless LAN,<sup>12</sup> developed and editorially operated by Tomorrow Focus. Among others, the service portal makes available comprehensive financial pages together with prices, fed in by IS.Teledata, as well as charts and market overviews. In addition, the service portal also offers news, weather reports and travel information as well as a shopping section. By spring 2006, the system is to be installed in around 80 long-haul aircraft.

### • **Greater flexibility for customers**

---

<sup>12</sup> The wireless LAN technology (wireless Local Area Network) enables wireless access to local networks based on radio communication. For example, WLAN networks can be found at universities, trade fairs, train stations, airports and nowadays also on trains and planes.

With the introduction of two new technologies, IS.Teledata AG gives its customers noticeably greater flexibility when working with financial market data. By making available a new interface, customers can now also use Microsoft .NET technology to access the company's IT platform, the IS.Market Data Gateway, without any problems. This meets the requirements of many corporate customers. The IS.Market Data Gateway combines a vast amount of capital market data and functions and enables financial service providers to develop their own financial information systems based on this platform.

Another innovation is the IS.Content Store, presented to the specialist public for the first time during the E.B.I.F<sup>13</sup> trade fair at the end of October. The technology, which is available for licensing, enhances the IS.Teledata product universe with content management functions. As a result, customers themselves can combine their own as well as external contents for intranets and web sites. Linking of contents, such as internal research or customer data with purchased data like stock exchange prices or news is a requirement of an increasing number of financial service providers. The system has already been delivered to two international customers.

- **Corporate Services segment distinctly streamlined**

In addition to the two operating business segments, the OnVista Group also comprises the Corporate Services segment, which essentially consists of the holding company OnVista AG. The segment also manages the group's cash funds as well as a number of smaller affiliated companies.

After 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.<sup>14</sup> As a result of the

<sup>13</sup> E.B.I.F (European Banking & Insurance Fair) is the leading European trade fair for financial technology.

<sup>14</sup> Up to the end of 2003, OnVista AG provided central services against payment for its two operating subsidiaries, OnVista Media GmbH and OnVista Technologies GmbH, including accountancy and Human Resources. Following the merger of OnVista Technologies GmbH, a large number of these

streamlining process, the company was able to reduce the holding costs to such an extent that these were covered almost entirely by the positive financial result from our mortgage bonds in the first nine months of the year. The **operating result** of € -0.67 million is set off by the **financial result** totalling € 0.58 million. Below the line, this leaves only a slightly negative **segment result** in the amount of '000 € -94 (9 mths./03: € -0.89 mill.).

### Prospects

- **Group: Annual projections raised**

Based on the business performance to date and the positive order book situation, we expect to exceed our projections for 2004 as a whole, which were raised only in August. We now anticipate to record **group sales** in excess of € 6.7 million. Up to now, we had forecast sales of close to € 6 million.

For us, the decisive factor is what is shown below the line. The **pre-tax group result** is expected to total around € 1 million. Up to now, we anticipated a pre-tax group result in the high six-digit Euro region. In 2003, the pre-tax and after-tax result of the OnVista Group were positive only due to the release of hidden reserves. **EBIT** and **EBITDA**, which were both highly negative last year due to the poor performance in the Technologies business segment, will also improve strongly in 2004. All three segments are to make a positive contribution to the group performance.

---

activities are no longer required, since IS.Teledata AG has its own structures in place for administrative tasks. Subsequently, a number of positions were cut at OnVista AG and staff required for OnVista Media GmbH moved over to the subsidiary as at 1 Jan. 2004. After the shift in functions, OnVista AG now comprises only the Corporate Communications department 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 activities in respect of the Internet portals) are still being settled between the Media and the Corporate Services segments.

- **Media business segment: Profitable growth**

In the **Media business segment**, we are now anticipating annual revenues of more than € 6.7 million (2003: € 4.52 mill.). The pre-tax profit to sales ratio is expected to remain in double digits. Segment revenues will largely be generated by our OnVista finance portal, which continues to grow above the market sector average. The health care portal Medicine-Worldwide, acquired in March, is likely to contribute revenues in the mid region of six-digit Euro. Direct marketing campaigns are increasingly important, whereby customers use our web sites and those of our collaboration partners to win new buyers for their own products. These campaigns are largely remunerated in relation to their success, which means that customers pay for each address or each conclusion of contract.<sup>15</sup>

In the medium term, both web sites are to continue to grow. Although we expect higher percentage increases from the health care portal than the finance portal, these will be at a lower level. In absolute terms, [www.onvista.de](http://www.onvista.de) will therefore contribute higher revenue increases and will remain our flagship for the near future. In respect of the health care portal, we plan to use 2004 and 2005 to lay the foundation for future growth in revenues and profit. Although we do not want to operate in the red with the health care portal, the key focus during this period does not yet lie on maximising income. Instead, we will reinvest the planned revenue increases in the web site itself and into pushing sales. For example, for the first six months of 2005, we plan to relaunch the health care portal, with the aim of making the site even more attractive for our users and advertising customers. We expect our efforts to be reflected in a positive performance and substantial margins latest from 2006 onward. Our goal is for the health care portal to be as important to us in five years time as the finance portal is today.

- **Technologies business segment: Return to profitability**

In the **Technologies business segment**, we will show in year one after the merger that we have managed a turnaround. Management of the IT company expects a positive performance for the IS.Teledata Group also in the fourth quarter of 2004, though at a lower level than in the third quarter, which benefited from special effects. This assessment is not only based on cost savings achieved but also the encouraging customer gains in recent months. For 2004 as a whole, IS.Teledata AG expects a pre-tax group result in the region of lower single-digit millions. Around one third of the group net income for the year recorded by IS.Teledata is accrued to the OnVista Group. This amount is reduced by the described regular write-downs on assets of our investment in IS.Teledata AG, which were capitalised in connection with the merger. For 2004 as a whole, we therefore expect a profit contribution in the lower six-digit region for the OnVista Group from our Technologies business segment.

Expenditure from the holding company has fallen substantially and, in future, can be covered entirely by the interest income from cash funds, which are predominantly invested in mortgage bonds. As a result, we expect a moderately positive performance in the **Corporate Services segment** in 2004 as a whole.

---

<sup>15</sup> When generating addresses, we naturally observe all data protection regulations specified by law.

# 9-Months Consolidated Statements under IFRS

## Balance Sheet

€	9 months report 2004 30.9.2004	Annual accounts 2003 31.12.2003
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents [4]	1,288,063	3,147,737
Other securities [6]	21,232,400	21,846,350
Trade accounts receivable [5]	815,540	511,180
Amounts due from group companies	78,819	46,696
Other assets and prepaid expenses	1,021,318	1,236,845
Deferred taxes, short term [10]	553,198	700,770
<b>Total current assets</b>	<b>24,989,338</b>	<b>27,489,578</b>
<b>Deferred taxes, long term [10]</b>	<b>1,467,058</b>	<b>1,606,473</b>
<b>Fixed assets</b>		
Financial assets [8]	18,225,380	17,705,533
<i>of which at equity investments</i>	<i>16,565,380</i>	<i>15,505,503</i>
Tangible assets [7]	208,953	225,841
Intangible assets [7]	3,321,860	596,296
<b>Total fixed assets</b>	<b>21,756,193</b>	<b>18,527,670</b>
<b>Total assets</b>	<b>48,212,589</b>	<b>47,623,721</b>

€	9 months report 2004 30.9.2004	Jahresabschluss 2003 31.12.2003
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Short term liabilities</b>		
Trade accounts payable	340,058	271,086
Advance payments received	51,944	125,499
Other liabilities and deferred income	296,924	129,873
Other accruals [9]	1,325,916	1,231,483
<b>Total short term liabilities</b>	<b>2,014,842</b>	<b>1,757,941</b>
<b>Eigenkapital [11]</b>		
Subscribed capital	6,700,000	6,700,000
Capital surplus	39,749,099	39,749,875
Revenue reserves	3,350,000	3,350,000
Treasury stock	-132,817	0
Accumulated other comprehensive income	161,557	226,456
Reserve for stock options	127,431	55,879
Accumulated deficit	-3,757,523	-4,216,430
<b>Total shareholders' equity</b>	<b>46,197,747</b>	<b>45,865,780</b>
<b>Total liabilities and shareholders' equity</b>	<b>48,212,589</b>	<b>47,623,721</b>

## 9-Months Consolidated Statements under IFRS

### Profit and Loss Account

€	Quarterly report 3/2004 1.7.-30.9.2004	Quarterly report 3/2003 1.7.-30.9.2003	9 months report 2004 1.1.-30.9.2004	9 months report 2003 1.1.-30.9.2003
<b>Sales proceeds [13]</b>	1,832,069	2,638,450	5,075,764	8,229,281
Cost of sales	-750,651	-1,521,595	-1,951,985	-4,611,722
<b>Gross margin</b>	<b>1,081,418</b>	<b>1,116,855</b>	<b>3,123,779</b>	<b>3,617,559</b>
Marketing and selling expenses	-447,463	-1,169,948	-1,163,477	-2,814,534
General administration expenses	-517,160	-1,043,428	-1,445,015	-2,787,055
Research and development expenses	-229,612	-364,971	-563,683	-1,060,614
Other operating expenses net of other operating income	-46,542	-47,702	76,720	148,599
Goodwill amortisation	0	0	0	0
<b>Operating income/ loss (EBIT)</b>	<b>-159,360</b>	<b>-1,509,194</b>	<b>28,323</b>	<b>-2,896,045</b>
Interest income, net	227,283	228,986	677,988	690,742
Income from financial assets recorded at equity	55,295	0	75,877	0
Currency exchange gains / losses (-)	-657	-51,717	-730	-51,092
<b>Earnings before taxes on income</b>	<b>122,561</b>	<b>-1,331,925</b>	<b>781,459</b>	<b>-2,256,395</b>
Taxes on income [10]	-62,342	377,834	-322,552	938,094
<b>Net income / net loss (-)</b>	<b>60,219</b>	<b>-954,091</b>	<b>458,907</b>	<b>-1,318,301</b>
Prior year accumulated deficit			-4,216,430	-9,948,514
<b>Accumulated deficit</b>			<b>3,757,523</b>	<b>-11,266,815</b>
<b>Earnings per share ("basic / diluted earnings per share")</b>	<b>0.01</b>	<b>-0.14</b>	<b>0.07</b>	<b>-0.20</b>
Weighted average shares outstanding ("basic / diluted")	6,681,000	6,700,000	6,686,498	6,700,000

# 9-Months Consolidated Statements under IFRS

## Statement of Cash Flows

€	9 months report 2004 1.1.-30.9.2004	9 months report 2003 1.1.-30.9.2003
Net income / net loss (-) for the year	458,907	-1,318,301
Depreciation, amortisation and write-offs of fixed assets	310,878	2,108,427
Deferred tax income / expense	322,552	-938,515
Loss on the disposal of assets	23,055	0
Gains on the disposal of other securities	-94,050	-195,600
Income from subsidiaries recorded at equity	-75,877	0
Other non-cash changes	71,551	55,546
Decrease / increase (-) in assets and increase / decrease (-) in liabilities and shareholders' equity		
Trade accounts receivable	-304,360	1,291,840
Amounts due from other group companies	-32,123	51
Other assets and prepaid expenses	215,527	47,791
Trade accounts payable	68,972	-168,050
Other liabilities and deferred income	93,496	-265,897
Other accruals	94,433	-235,827
<b>Cash flow from operating activities</b>	<b>1,152,960</b>	<b>381,465</b>
Proceeds from the disposal of fixed assets		11,619
Investments in tangible assets	-156,378	-198,510
Investments in intangible assets	-2,882,299	-936,742
Proceeds from loans to affiliated companies	540,000	0
Acquisition of financial assets	-984,000	0
Proceeds from the disposal of other securities	11,104,450	9,094,193
Investments in other securities	-10,500,300	-6,976,500
<b>Cash flow from investment activities</b>	<b>-2,878,527</b>	<b>994,060</b>
Purchase of treasury stock	-139,807	0
Proceeds from the disposal of treasury stock	5,700	0
<b>Cash flow from financing activities</b>	<b>-134,107</b>	<b>0</b>
Exchange rate related and other reduction of cash funds	0	19,819
<b>Change in cash funds (group cash flow)</b>	<b>-1,859,674</b>	<b>1,395,344</b>
Cash and cash equivalents at the beginning of the period	3,147,737	5,014,601
<b>Cash and cash equivalents at the end of the period <sup>1)</sup></b>	<b>1,288,063</b>	<b>6,409,945</b>

1) Cash and cash equivalents at the end of the first nine months 2004 do not include the freely disposable mortgage bonds in the amount of '000 € 21,232, as these are not considered as cash equivalent.

## 9-Months Consolidated Statements under IFRS

	Subscribed capital	Capital surplus	Revenue reserves	Reserve for stock options	Treasury stock	Accumulated other comprehensive income	Retained earnings / accumulated deficit	Total shareholders' equity
<b>As at 1 Jan. 2003</b>	<b>6,700,000</b>	<b>39,749,875</b>	<b>3,350,000</b>			<b>331,445</b>	<b>-9,948,514</b>	<b>40,182,806</b>
Other comprehensive income	0	0	0	0	0	-104,989	0	-104,989
Net income / net loss (-) for the year	0	0	0	0	0	0	5,732,084	5,732,084
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,627,095</b>
Allocation to reserve for stock options	0	0	0	55,879	0	0	0	55,879
<b>As at 31 Dec. 2003</b>	<b>6,700,000</b>	<b>39,749,875</b>	<b>3,350,000</b>	<b>55,879</b>	<b>0</b>	<b>226,456</b>	<b>-4,216,430</b>	<b>45,865,780</b>
Other comprehensive income	0	0	0	0	0	-64,899	0	-64,899
Net income / net loss (-) for the year							458,907	458,907
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>394,008</b>
Allocation to reserve for stock options	0	0	0	71,552	0	0	0	71,552
Treasury stock	0	0	0	0	-132,817	0	0	-132,817
Disposal of treasury stock net of deferred taxes	0	-776	0	0	0	0	0	-776
<b>As at 30 Sept. 2004</b>	<b>6,700,000</b>	<b>39,749,099</b>	<b>3,350,000</b>	<b>127,431</b>	<b>-132,817</b>	<b>161,557</b>	<b>-3,757,523</b>	<b>46,197,747</b>

## 9-Months Consolidated Statements under IFRS

### Statement of Movements in Fixed Assets / Shareholdings of Members of the Board

#### Statement of movements in fixed assets

€	Book value 1.1.2004	Additions	Depreciation	Disposals	Book value 30.9.2004
<b>Financial Assets</b>					
Investments	400,030	0	0	-30	400,000
Associated Companies	15,505,503	1,059,877	0	0	16,565,380
Loans to associated companies	1,800,000	0	0	-540,000	1,260,000
<b>Total financial assets</b>	<b>17,705,533</b>	<b>1,059,877</b>	<b>0</b>	<b>-540,030</b>	<b>18,225,380</b>
<b>Tangible Assets</b>					
Leasehold improvements	16,121	8,285	-2,482	-11,046	10,878
Office furniture and equipment	209,720	157,115	-160,683	-8,077	198,075
<b>Total tangible assets</b>	<b>225,841</b>	<b>165,400</b>	<b>-163,165</b>	<b>-19,123</b>	<b>208,953</b>
<b>Intangible assets</b>					
Software and licences	596,296	176,245	-156,735	0	615,805
Goodwill	0	2,706,054	0	0	2,706,054
<b>Total intangible assets</b>	<b>596,296</b>	<b>2,882,299</b>	<b>-156,735</b>	<b>0</b>	<b>3,321,860</b>
<b>Total fixed assets</b>	<b>18,527,669</b>	<b>4,107,577</b>	<b>-319,900</b>	<b>-559,153</b>	<b>21,756,193</b>

#### Shareholdings of members of the board

	Shares	Interests
<b>Executive Board</b>		
Michael W. Schwetje	1,682,580	15,000
Friedrich Oidtmann	411,600	25,000
<b>Supervisory Board</b>		
Dr. Paul-Berhard Kallen	20,000	0
Dr. Johannes Meier	3,000	0
Prof. Dr. Bernhard Schwetzler	1,085	0

### 1. General

The nine months consolidated financial statements on hand have been prepared in accordance with the International Financial Reporting Standards (IFRS). The nine months consolidated financial statements are to be considered as a supplement to and a continuation of the consolidated financial statements 2003 as well as the three months consolidated financial statements 2004 of the OnVista Group.

As at 1 January 2004, the OnVista Group changed the rendering of its accounts from US GAAP to IFRS. Accordingly, a comparative period needs to be presented under IFRS 1. Compared to the presentation of shareholders' equity under US GAAP, shareholders' equity under IFRS as at 1 January 2003 is as follows (€):

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

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

Net income for the year 2003 under USGAAP	5,787,963
<u>Expenditure from the stock option plan</u>	<u>-55,879</u>
Net income for the year 2003 under IFRS	5,732,084

In the past, OnVista made use of the simplification rule set out in the Statement of Financial Accounting Standards No. 123, whereby stock-based compensation under the Accounting Principle Board Opinion No. 25 'Accounting for Stock Issued to Employees' needs to be reported under the intrinsic value method and therefore did not result in any expenditure with the method chosen by OnVista. According to IFRS 2 'Share-based Payment', the issuance of stock options does result in personnel expenditure.

### 2. Material accounting and valuation principles

#### *Changes under corporate law*

On 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 health care portal [www.medicine-worldwide.de](http://www.medicine-worldwide.de). Revenues at the company are generated through advertising on its own web site and licensing of medical content for third party Internet services. The company has been fully consolidated in the OnVista consolidated financial accounts since 1 March 2004 and has been assigned to the Media segment.

Under a participation transfer agreement of 16 December 2003, OnVista AG disposed of all shares in IFVB Institut für Vermögensbildung GmbH, Cologne to the group company OnVista Media GmbH, effective as of 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 January 2004, OnVista AG acquired 49,200 non-voting preference shares in IS.Teledata AG, Frankfurt, with a theoretical nominal value of € 1.00 from four of the company's shareholders. As a result, OnVista AG now holds 33.5% of the equity interest.

#### *Consolidation rules*

Included in the consolidated financial statements are all major subsidiaries under the legal or actual control of OnVista AG. Material investments are recorded in accordance with the equity method, based on IAS 18 'Investments in Associates' (2003), where OnVista holds more than 20% to 50% of the voting rights or exerts considerable influence on the business and finance policy. Any difference between the acquisition cost and the proportionate equity capital is, as far as possible, allocated to the appropriate balance sheet items. Any remaining difference is counted towards the goodwill of the affiliated company and needs to be tested annually for impairment.

Capital consolidation follows the revaluation method in accordance with IFRS 3 'Business Combinations', whereby acquisition costs are set off against the proportionate equity capital of the parent company at the time of acquisition ('purchase accounting'). The difference between the acquisition cost and the proportionate equity capital is allocated in its entirety or partially to the assets of the subsidiary company. Any remaining active difference is capitalised as goodwill and needs to be tested annually for impairment.

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

***Use of estimates***

For the preparation of the quarterly 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 as well as on the income and expenses reported for the period under review. The actual results may differ from these estimates.

***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 the 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, while the profit and loss account is converted into Euro at the annual average rate of exchange. Any difference in calculation arising from the foreign currency conversion is shown as other comprehensive income under equity without any effect on profit/loss.

***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 investigates the credit worthiness of its customers. Furthermore, the risk of collectability of trade accounts receivable is limited through OnVista's broad based customer structure. No material bad debts were recorded in the year under review nor in prior years.

***Revenue recognition***

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

***Advertising expenses***

In accordance with IAS 38 'Intangible Assets' (2003), advertising expenses are charged to expenditure as incurred.

***Earnings per share***

In the event of a dilution of equity, two characteristics need to 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 group net income for the year represents the total income for the year generated within the group, from which the minority shareholders' shares are deducted or added as appropriate.

***Cash and cash equivalents***

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

***Securities and investments***

Securities and investments are valued at market prices, provided these can be reliably determined. Any unrealised gains and losses from securities valued at market price 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 market price ('available-for-sale securities') are recorded under other comprehensive income, taking into consideration any deferred taxes. Other securities are valued at cost. All securities and investments are written down in the event of permanent impairment and reflected in the profit and loss account.

***Current assets***

Current assets include receivables, securities and cash, including amounts due after one year. All amounts with a due date of more than one year have been recorded in the notes.

***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 value resulting from impairment, the value 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 sites are reported in the balance sheet in accordance with SIC-32 'Intangible Assets – Website Costs'. Under this regulation, research and development costs need to be recorded as expenditure as incurred until technical feasibility is reached. Technical feasibility is reached when all planning, design, programming and test activities required to prove the product can be produced according to its respective design specifications have been completed. From the time of technical feasibility, all further development costs need to be capitalised until the time the product is available for general release to customers or for the Company's own use. Capitalised software development costs are amortised on a straight-line basis over the estimated useful life of the software (between three and five 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 the estimated useful life (four to ten years). In the event of a lower value resulting from impairment, the value 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 30 September 2004, OnVista operates the stock option plans presented in detail under note 12. Stock-based compensation is generally reported in accordance with IFRS 2 'Share-based Payment', according to the so-called fair value method. Under this method, stock-based compensation is charged to income over the period of employment. IFRS 2 is applied to all commitments made after 7 November 2002, which may still expire on the day of coming into force.

**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 the 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 under 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'. Development costs incurred in connection with programming and the enhancement of tools for the OnVista web sites are reported in the balance sheet in accordance with SIC-32 'Intangible Assets – Website Costs'.

**3. Entities included in consolidation**

In addition to OnVista AG, entities included in consolidation are the domestic subsidiaries OnVista Beteiligungs-Holding GmbH, Cologne, OnVista Media GmbH, Cologne, IFVB Institut für Vermögensbildung GmbH, Cologne, Trade & Get GmbH, Cologne and A Med-World AG, Berlin.

In the first nine months of 2004, entities included in the consolidated financial statements at equity are IS.Teledata AG, Frankfurt, with a participating interest of 33.5% and PROZENTOR GmbH, Berlin, with a participating interest of 25.1%.

**Notes to the consolidated balance sheet****4. Cash and cash equivalents**

Cash and cash equivalents are made up as follows compared to the previous year:

'000 €	9 months report 2004 30.9.2004	Annual accounts 2003 31.12.2003
Money market investments with a maturity of less than three months	0	3,020
Credit balances with banks	1,288	128
<b>Total</b>	<b>1,288</b>	<b>3,148</b>

The freely disposable mortgage bonds are reported under the balance sheet item 'other securities' as these are not considered as equivalent means of payment (see also section 8. 'Securities and financial assets').

### 5. Trade accounts receivable

As at 30 September 2004, provisions for bad and doubtful debts amounted to '000 € 65 (31 Dec. 2003: '000€ 65). All other trade accounts receivable are reported at their nominal value and have a residual maturity of less than one year.

### 6. Other assets and prepaid expenses and deferred charges

In principal, these balance sheet items are recorded at their nominal value. As at 30 September 2004, other assets and prepaid expenses and deferred charges in the amount of '000 € 0 have a residual maturity of more than one year (31 Dec. 2003: '000 € 0) .

Other assets include amounts totalling '000 € 330 (31 Dec. 2003: '000 € 323), which are legally created only after the balance sheet date. These amounts relate to deferred interest.

### 7. Intangible fixed assets and tangible fixed assets

For details of intangible fixed assets and tangible fixed assets please refer to the 'Consolidated statement of movements on fixed assets'.

Intangible fixed assets include licences, web site development costs, software and goodwill. In the first nine months of 2004, the Company capitalised accrued web site development costs in the amount of '000 € 171 (as at 30 September.2003: '000 € 834). Web site development costs are amortised on a pro rata basis in accordance with the straight-line method over the estimated useful life (three to five years) and on 30 September 2004 placed a burden on the profit and loss account in the amount of '000 € 111 (30 September 2003: '000 € 578).

Goodwill in the amount of '000 € 2,706 was capitalised in connection with the acquisition of A Med-World AG in March 2004. The allocation of the purchase price is still provisional. The purchase price will be permanently allocated in the course of the year under review.

### 8. Securities and financial assets

For movements on financial assets please refer to 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 €
IS.Teledata AG	33.5	1,693,530	16,438,188	464,692	337,500	16,565,380
PROZENTOR GmbH	25.1	140,324	510,000	0	510,000	0

The difference between the acquisition cost of the investment in IS.Teledata AG and the pro rata equity of the company amounts to '000 € 14.744. A provisional allocation of this difference to hidden reserves, hidden charges and potential goodwill has resulted in '000 € 1,219 being attributable to hidden reserves in the company's intangible assets as at 30 November 2003 and '000 € 13,525 being attributable to goodwill. In the period under review, write-downs on the identified intangible assets amounted to '000 € 338. The change in the equity of IS.Teledata AG, which was attributed to the OnVista Group within the framework of equity accounting, amounted to '000 € 413 in the period under review. In connection with the write-downs on intangible assets, the income from equity accounting in the first nine months of 2004 therefore totalled '000 € 76.

The key figures of the profit and loss account of the IS.Teledata Group under IFRS are as follows as at 30 September 2004:

IS.Teledata Group under IFRS	1.1.-30.9.2004 '000 €
Sales proceeds	26,149
Result of ordinary operations	1,599
Earnings before taxes on income	1,599
Net income / loss for the year	1,283

# 9-Months Consolidated Statements under IFRS

## Notes

At the end of the quarter, the balance sheet of the IS.Teledata Group essentially includes the following items:

IS.Teledata Group under IFRS	30.9.2004 T€	31.12.2003 T€
Fixed assets	7,355	8,070
Current assets	7,433	7,193
Shareholders' equity	6,270	5,004
Minority interests	5	9
Liabilities	8,514	10,250
Balance sheet total	14,789	15,263
Capital to asset ratio	42%	33%

The figures are based on the unaudited nine months accounts of the IS.Teledata Group under IFRS.

Investments included at cost in the nine months consolidated financial statements as at 30 September 2004 in the amount of '000 € 400 (31 Dec. 2003: '000 € 400) refer 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

Since the present values can not be reliably determined at this time for want of a market listing, the investments are included at cost.

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.

Marketable securities mainly refer to readily disposable mortgage bonds. The mortgage bonds have been valued at their fair value on the balance sheet date and are made up as follows compared to the previous year:

'000 €	9 months report 2004 30.9.2004	Annual accounts 2003 31.12.2003
Purchase price	20,939	21,453
Accumulated unrealised gains / losses	293	393
Deferred taxes	132	167

Unrealised gains/ losses are reported under other comprehensive income, less intrinsic tax effects.

### 9. Other accruals

Other accruals are made up as follows compared to the previous year:

'000 €	9 months report 2004 30.9.2004	Annual accounts 2003 31.12.2003
Restructuring	33	87
Bonus payments	382	318
Tax risks	203	207
Non-occupancy risks	28	67
Other	680	619
<b>Total</b>	<b>1,326</b>	<b>1,231</b>

The Company has rented premises which as at 30 September 2004 are no longer used and which are unlikely to be sublet until the end of the term of the rental agreement in April 2005. 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.

#### 10. Deferred taxes

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

€	9 months report 2004 30.9.2004	Annual accounts 2003 31.12.2003
Deferred tax assets:		
Spin-off gains less fiscal goodwill amortisation	1,853	1,966
Loss carryforwards	597	775
Deferred tax liabilities:		
Web site development costs	-219	-190
Provisions for operating expenses	0	0
Financial assets	-79	-77
Accumulated price gains on securities	-132	-167
<b>Deferred taxes on the asset/ liabilities side, net</b>	<b>2,020</b>	<b>2,307</b>
<i>of which</i>		
<i>with a residual maturity of &lt; 1 year</i>	<i>553</i>	<i>701</i>
<i>with a residual maturity of &gt; 1 year</i>	<i>1,467</i>	<i>1,606</i>

As at 30 September 2004, the group's accumulated corporation tax carryforwards amounted to '000 € 1,519 and the accumulated trade tax carryforwards totalled '000 € 1,469, which are likely to be realised in the near future.

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 cannot be used during the existence of the fiscal unity, deferred tax assets relating to these loss carryforwards have been fully written off.

#### 11. Equity capital

##### **Number of shares issued**

As at 30 September 2004, the number of shares issued by OnVista AG remained unchanged at 6,700,000. Each share represents a share in the subscribed capital with a nominal value of € 1.00.

##### **Treasury Stock**

In the first nine months of 2004, OnVista AG purchased 20,000 shares at a cost of '000€ 140. Of these, the Company sold 1,000 shares for a price of '000 € 6. The loss realised on disposal in the amount of '000 € 1 was set off against the balance sheet item capital surplus under equity without any effect on profits.

##### **Comprehensive income**

At the end of the first nine months, other comprehensive income included unrealised gains and losses from the valuation of securities at market price in the amount of '000 € 293, for which deferred tax liabilities have been created in other comprehensive income in the amount of '000 € 132 without any effect on the profit and loss account.

**12. Stock option plan**

Stock-based compensation paid to employees is generally reported in the balance sheet in accordance with IFRS 2 'Share-based Payment' under the fair value method. Under this regulation, stock-based compensation is charged to income over the entire exercise period. IFRS 2 is applied to all commitments made after 7 November 2002, which may still expire on the day of coming into force.

At the end of the first nine months of 2004, movements in stock options granted to eligible employees are as follows:

	Number of options	Average subscription price €
Position at the start of the year	287,000	13.15
Granted	57,000	6.91
Expired	0	0
Exercised	1,000	5.70
Position on 30 September 2004	343,000	12.14

Stock options issued after 7 November 2002 have resulted in personnel expenditure in the first nine months of 2004 in the amount of '000 € 72.

**Notes to the consolidated profit and loss account****13. Sales proceeds**

In the period under review, sales proceeds are made up solely of revenues generated in the Media segment. In 2003, sales proceeds still included income from licences granted in the Technologies segment.

Sales proceeds are made up as follows:

'000 €	9 months report 2004 1.1.–30.9.2004	9 months report 2003 1.1.– 30.9.2004
Technologies		5,206
Media	5,076	2,968
Corporate Services	0	55
<b>Total</b>	<b>5,076</b>	<b>8,229</b>

**14. Personnel expenses**

The consolidated profit and loss account includes the following personnel expenses:

'000 €	9 months report 2004 1.1.–30.9.2004	9 months report 2003 1.1.– 30.9.2004
Wages and salaries	1,769	4,973
Social security	246	850
<b>Total</b>	<b>2,015</b>	<b>5,823</b>

Personnel expenses in the first nine months of 2004 include '000 € 72 (prev. year: '000 € 55), which resulted from the fair value valuation of stock options.

### 15. Earnings per share

Basic earnings per share and diluted earnings per share as at 30 September 2004 have been calculated as follows:

	9 months report 2004 1.1.–30.9.2004	9 months report 2003 1.1.– 30.9.2004
Net income/ loss for the year ('000 €)	459	-1,318
Earnings per share (basic/diluted earnings per share) (€)	0.07	-0.20

The calculation of the earnings per share takes into account 97,500 options granted under the 'Stock Option Plan 2001', since the exercise price of the options was lower than the stock exchange price of OnVista shares on the balance sheet date. However, this did not effect the diluted earnings per share.

## Other notes

### 16. Segment reporting

The OnVista Group renders services in three segments – Media, Technologies and 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.

Revenues are generated only in the Media segment through advertising and content collaborations within the OnVista portal areas. In the Technologies segment, only the results of the at equity investment in IS.Teledata AG are presented. In 2003, the segment still consisted of the fully consolidated subsidiary OnVista Technologies GmbH and its foreign subsidiaries, which were deconsolidated as at 30 November 2003 in connection with the amalgamation under IS.Teledata AG. The Corporate Services segment comprises internal group services.

In the first nine months of 2004, the sales and performance situation in each segment is as follows:

'000 €	Media	Technologies	Corporate Services	Consolidation	Total
External revenues	5,076		0		5,076
Internal revenues	13		0	-13	
<b>Total revenues</b>	<b>5,089</b>		<b>0</b>	<b>-13</b>	<b>5,076</b>
Other operating income	92		396	-282	206
Operating expenses	-4,298		-940	295	-4,943
Amortisation of intangible assets and depreciation of tangible assets	-186		-124		-311
<b>Operating income/ loss</b>	<b>697</b>		<b>-669</b>		<b>28</b>
Financial result	103	76	575		753
<b>Segment income/ loss</b>	<b>800</b>	<b>76</b>	<b>-94</b>		<b>781</b>

In the comparable period in 2003, the sales and performance situation in each segment was as follows:

'000 €	Media	Technologies	Corporate Services	Consolidation	Total
External revenues	2,968	5,206	55		8,229
Internal revenues	19	790	1	-810	
<b>Total revenues</b>	<b>2,987</b>	<b>5,996</b>	<b>56</b>	<b>-810</b>	<b>8,229</b>
Other operating income	10	53	2,150	-1,877	336
Operating expenses	-2,404	-6,246	-3,390	2,687	-9,353
Amortisation of intangible assets and depreciation of tangible assets	-228	-1,587	-293		-2,108
<b>Operating income/ loss</b>	<b>365</b>	<b>-1,784</b>	<b>-1,477</b>		<b>-2,896</b>
Financial result	59	-5	586		640
<b>Segment income/ loss</b>	<b>424</b>	<b>-1,789</b>	<b>-891</b>		<b>-2,256</b>

Settlements between group segments are based on the price comparison method and the mark-up method.

In the Media segment, 18% of total sales were realised with customers outside Germany (prev. year: 29%). No customer accounted for more than 10% of total segment sales.

### 17. 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 first nine months of 2004, this resulted in expenditure for OnVista Media GmbH in the amount of '000 € 736. In addition, IS.Teledata AG provides OnVista AG and OnVista Media GmbH with back office support. The resulting expenditure in the first nine months of 2004 totalled '000 € 27.

As at 30 September 2004, loans to affiliated companies include a loan granted by OnVista AG to IS.Teledata AG in the amount of '000 € 1,260. The loan matures on 31 December 2005 and is being repaid through regular instalments since 1 January 2004. In the first nine months of 2004, the related interest incurred amounted to '000 € 62.

As at 30 September 2004, net amounts due to OnVista from IS.Teledata AG totalled '000 € 1,197.

### 18. Contingent liabilities

No notable contingent liabilities existed on the balance sheet date.

**OnVista AG**  
Sophienstraße 3  
D-51149 Cologne

Tel: +49(0) 2203 9146-0  
Fax: +49 (0) 2203 180 640  
eMail: [ir@onvista.de](mailto:ir@onvista.de)  
Web: [www.onvista-group.de](http://www.onvista-group.de)

#### **Executive Board**

Fritz Oidtmann  
Michael W. Schwetje

#### **Supervisory Board**

Dr. Paul-Bernhard Kallen (Chairman)  
Dr. Johannes Meier  
Prof. Dr. Bernhard Schwetzler

### **Company Calendar 2004/2005**

German Equity Forum („Dt. Eigenkapitalforum“), Frankfurt/Main: Presentation OnVista AG	22 November 2004
Haubrok Financial Forum, Frankfurt/Main: Presentation OnVista AG	15/16 Dezember 2004
Annual accounts press conference/Analyst briefing	6 April 2005
Annual Shareholders' Meeting	14 Juni 2005