

Annual Report **2005**

**Focus. Growth. Values.**



## About the Title

---



### **Focus. Growth. Values.**

After future oriented strategic decisions in the year 2005, the OnVista Group is focusing entirely on its core competencies in the internet business. Three strong brands with considerable further growth potential take centre stage – OnVista, Onmeda and Ligatus.

Based on profitable growth, we will continue to create value in the future. For the benefit of our customers, shareholders and employees.



# OnVista at a Glance

<b>Sales and earnings position</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
Sales (€ mill.)	12.60	12.58	10.84	6.95	9.74
EBITDA (€ mill.)	-2.56	1.44	-1.31	0.54	1.36
Depreciation on tangible and intangible assets (€ mill.)	2.77	2.63	3.76	0.52	0.53
EBIT (€ mill.)	-5.68	-1.19	-5.07	0.02	0.83
EBT (€ mill.)	-9.81	0.15	7.50	0.92	1.61
Net result for the year (€ mill.)	-9.25	2.45	5.73	0.42	-0.49
Return on sales (%)	-73.4	19.5	52.9	6.1	-5.0
<b>Financial position</b>					
Group cash flow (€ mill.)	-5.77	1.16	-1.87	-2.08	17.00
Group operating cash flow (€ mill.)	-1.06	0.37	1.22	2.05	2.15
Investments (€ mill.)	4.58	2.05	3.18 <sup>1</sup>	4.88	1.07
<i>in tangible assets (€ mill.)</i>	2.14	0.23	0.20	0.19	0.24
<i>in financial assets (€ mill.)</i>	0.31	0.01	1.81 <sup>1</sup>	1.67	0.00
Liquid funds <sup>2</sup> (€ mill.)	27.27	27.46	24.99	22.61	40.09
<b>Assets and capital structure</b>					
Balance sheet total (€ mill.)	41.27	43.10	47.62	47.98	50.01
Capital to asset ratio <sup>3</sup> (%)	90.0	93.8	96.3	95.4	91.4
Return on equity <sup>4</sup> (%)	-24.9	6.1	12.5	0.9	-1.1
Return on assets <sup>5</sup> (%)	-22.4	5.7	12.0	0.9	-1.0
<b>Shares</b>					
Group cash flow per share (€)	-0.86	0.17	-0.28	-0.31	2.54
Group operating cash flow per share (€)	-0.16	0.06	0.18	0.31	0.32
Earnings per share (€)	-1.39	0.37	0.86	0.06	-0.07
Dividend per share (€)	0.00	0.00	0.00	0.00	0.10
Highest / lowest price (€) <sup>6</sup>	17.20/3.11	6.85/3.35	6.51/3.55	7.11/4.90	8.60/5.40
Market cap as at year-end <sup>6</sup> (€ mill.)	29.5	32.2	35.2	42.5	53.9
<b>Employees</b>					
Total as at 31 Dec. <sup>7</sup>	161	133	41	52	61
Personnel expenses (€ mill.)	8.42	7.45	7.29	2.69	3.30
Sales per employee <sup>7</sup> (€ mill.)	0.07	0.09	0.09	0.15	0.18

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

<sup>1</sup> Excluding the non-monetary acquisition of the at equity interest in IS.Teledata AG in the amount of € 15,51 mill.

<sup>2</sup> Cash and cash equivalents and other securities (short term assets)

<sup>3</sup> Shareholders' equity / balance sheet total

<sup>4</sup> Net result for the year / shareholders' equity

<sup>5</sup> Net result for the year / balance sheet total

<sup>6</sup> Until 2002: Frankfurt trading floor, from 2003: Xetra

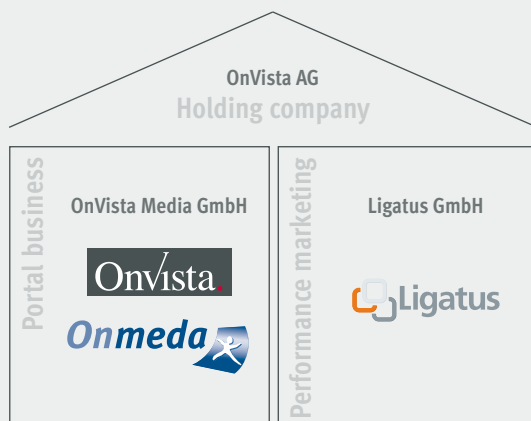
<sup>7</sup> In permanent employment, full time equivalent

# About OnVista

The **OnVista Group** is an internet company.

On the one hand, the group markets and operates high quality special interest portals via OnVista Media GmbH, a wholly-owned subsidiary of the publicly quoted OnVista AG (**portal business**). The media portfolio consists of [www.onvista.de](http://www.onvista.de), the leading bank-independent finance portal in Germany, and [www.onmeda.de](http://www.onmeda.de), one of the most popular healthcare portals on the German internet. OnVista Media GmbH generates revenues mainly through traditional online advertising and licensing of medical content for third party internet services.

On the other hand, the OnVista Group enables companies to win new customers via the internet for their products and services both effectively and at low cost (**performance marketing business**). To this end, Ligatus GmbH, a wholly-owned subsidiary of OnVista Media GmbH, uses its steadily growing premium network. OnVista's own web sites represent just two of many high quality portals included in the network. Depending on the billing model, Ligatus GmbH generates revenues from each click on advertising material placed by the company, from each address left by a potential customer or per concluded contract.



OnVista Group, Status: 31 Dec. 2005

<b>2</b>	<b>About the Title</b>
<b>3</b>	<b>OnVista at a Glance</b>
<b>4</b>	<b>About OnVista</b>
<b>5</b>	<b>Content</b>
<b>6</b>	<b>Milestones</b>
<b>7</b>	<b>Statement by the Executive Board</b>
<b>8</b>	<b>Dialogue with the Executive Board</b>
<b>10</b>	<b>Group Management Report 2005</b>
10	Economic Climate
12	Group Structure
13	Business Performance
14	Earnings Position
15	Segments
18	Financial Position
19	Employees
19	Research and Development
21	Environmental Report
21	Risk Report
23	Supplementary Report
23	Perspective
<b>26</b>	<b>Brand Portfolio</b>
26	OnVista
28	Onmeda
30	Ligatus
<b>32</b>	<b>Employees</b>
<b>34</b>	<b>Shares</b>
<b>36</b>	<b>Report of the Supervisory Board</b>
<b>37</b>	<b>Consolidated Financial Statements 2005</b>
38	Balance Sheet
40	Profit and Loss Statement
41	Statement of Cash Flows
42	Statement of Changes in Shareholders' Equity
43	Notes
64	Auditor's Opinion
<b>65</b>	<b>Corporate Governance Report</b>
<b>66</b>	<b>Executive Bodies / Financial Calendar / Core Stock Market Data</b>
<b>67</b>	<b>Imprint</b>

# Milestones

2005	<b>December</b>	The OnVista Group sells its stake in IS.Teledata AG and can now focus on its fast growing profitable internet activities.
	<b>September</b>	Launch of the Ligatus brand. The brand stands for the fast growing and already profitable performance marketing business of the OnVista Group, which is now being spun off into an independent subsidiary, Ligatus GmbH.
	<b>June</b>	Medicine-Worldwide becomes Onmeda. The launch of the revised web site ( <a href="http://www.onmeda.de">www.onmeda.de</a> ) creates the healthcare portal with the greatest breadth and depth of information on the German internet.
2004	<b>March</b>	With the takeover of the healthcare portal Medicine-Worldwide, the OnVista Group opens up an additional source of revenue. This turns OnVista Media into a general provider of special interest portals beyond the financial sector, financed by advertising.
2003	<b>November</b>	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	<b>December</b>	The reorganisation is successful – return to profitability.
	<b>September</b>	OnVista spins off its two operating business segments into newly formed independent limited liability companies. As a result, OnVista AG acts as a holding company for the wholly-owned subsidiaries OnVista Technologies GmbH and OnVista Media GmbH.
2001	<b>August</b>	The capital market related sharp decline in the company's performance calls for reorganisation.
2000	<b>February</b>	OnVista AG goes public. The issue is 80 times oversubscribed.
1999	<b>November</b>	Transformation into OnVista AG paves the way for a stock market flotation. Burda Beteiligungs-Holding GmbH acquires a 10% stake.
1998	<b>November</b>	First customer licence for financial information. This lays the foundation for the Technologies business segment.
	<b>September</b>	<a href="http://www.onvista.de">www.onvista.de</a> goes online.
	<b>May</b>	Stephan Schubert, Michael W. Schwetje and Fritz Oidtmann set up OnVista.de Finanzanalyse GmbH & Co.KG.



# Focus to result in further growth and value creation

### Dear Shareholders and 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." These were the very words we used at the start of our preface to the financial report 2004. The report for 2005 too can not be characterised any more accurate.

We are looking back at a truly turbulent and successful financial year. Not only do the key figures add up, but the OnVista Group also changed its character and is now positioned much clearer than before and easier to understand for investors. What is especially encouraging for our shareholders is that we will be paying out a regular dividend for the first time and also distribute a special dividend.

### ■ A year packed with highlights

We are reporting on the last financial year with the customary transparency and thoroughness. Having had a short time to reflect, the essential events and developments which shaped the period under review can be summarised as follows:

- At the end of 2005 we sold our shareholding in IS.Teledata AG. As a result, our liquid funds increased to around € 40 million. However, even more important is that:
- After surrendering its IT business, OnVista AG is now a pure internet company with two distinct lines of business – portals and performance marketing – both of which are highly profitable and enjoy excellent future prospects.
- In the portal business, we were able to further extend the market leadership of many years at [www.onvista.de](http://www.onvista.de) (finance), while also strongly increasing revenues and growing income overproportionally as a result of the scaleable business model.
- After a profound relaunch, we repositioned the healthcare portal in the market under the new name of Onmeda. The increase in acceptance with users is encouraging. At the start of 2006, we advanced into the top 3 editorial internet healthcare sites in Germany.
- We set up a separate company for the fast growing performance marketing business, which offers its highly successful product under the new brand name of Ligatus.
- Overall, the company's sales are 40% higher than in the previous year. We were even able to grow our pre-tax result overproportionally by 75%, with both

increases exceeding our projections at the start of the year by far.

- All in all, OnVista was more successful than ever in 2005, which allows us to also let our shareholders share our success for the first time in form of dividend payments. We are especially pleased to be able to pay a dividend from profits generated from the operating business. The fact that shareholders will also enjoy payment of a special dividend relates to the substantial increase in the in any case for many years high liquid assets through the inflow of funds from the sale of IS.Teledata.
- Even more encouraging for shareholders is the marked rise of our share price – more than 80% between the end of 2001 and the end of 2005, and a good 25% in the year under review alone – with an ongoing distinct upward trend since the start of 2006.

Dear readers, first-class results rely on the support of many. We would like to thank everybody who has contributed to this success – our customers, our employees and the Supervisory Board. We thank our shareholders for putting their trust in us, some of them for many years.

### ■ Next leap in performance expected

After the best ever financial year in the history of OnVista AG, luckily there is no end in sight to the positive development and the signs continue to point toward growth. For us, both the favourable industry climate and the sought-after products of the OnVista Group will be contributing factors. Sales are to rise by more than 25% in 2006, namely to around € 12.5 million, and we are again expecting an overproportional increase in the operating result.

In the medium term too, we are pursuing an earnings oriented growth strategy. Our cash funds after the special dividend payment still give us sufficient leeway for investments or the acquisition of lucrative internet businesses. We would like our shareholders to also share in the success of the company through dividend payments in the future.

We hope you will continue to be favourably inclined toward OnVista!

Yours sincerely,

Fritz Oidtmann

Michael W. Schwetje

### ”More clearly positioned than ever before“

*2005 was probably the most eventful year in the still short history of OnVista and at the same time the most successful. What were the highlights in your view?*

**Fritz Oidtmann:** ”Probably the most far-reaching event was the sale of our 36% stake in IS.Teledata AG and the accompanying change in positioning. After surrendering the IT business, we are now concentrating on the internet and can be clearly and unequivocally identified as a web company. On the stock market, this has resulted directly in a considerable increase in the corporate value through an interplay with other factors, like bulging liquid funds and an extremely strong operating business.



**Fritz Oidtmann** (46) 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.

Other highlights in my opinion are the extension of the OnVista finance portal's market leadership, the relaunch of the 2004 acquired healthcare portal under the name of Onmeda and the highly successful launch of the Ligatus brand for the performance marketing sector. The leaps in sales by 40% and 75% in respect of the pre-tax result are, of course, also genuine highlights.“

*That sounds like sunshine all the way. But why is it then that the earnings per share were negative?*

**Fritz Oidtmann:** ”That's really just a small cloud in an otherwise gloriously blue sky. The sale of IS.Teledata entails a burden in the amount of 1.4 million Euro, since we had to pay the full rate of tax on the proceeds from the sale which arise in the tax accounts. But that's a one-time effect and also affects only the after-tax result. Before tax, we recorded a tidy profit which exceeded our projections. By the way, the individual operating result of OnVista AG under HGB (German Commercial Code) was also positive, which is relevant to the ability to pay a dividend.“

*Let's talk about the portal business. You had announced further growth for your finance portal despite the high level already achieved. Did you manage to succeed?*

**Michael W. Schwetje:** ”Yes, we fully met all our goals! In 2005, the finance portal gained further reach almost continuously and extended its lead over the competition. On top of the further improvement in the market mood, the renewed optimisation of our web site also contributed to the positive development in reach.

Reach is in any case just one propellant for revenue generation. Another one is the development of the online advertising market. This is where the blocks finally came off in 2005. According to the estimates of the BVDW (German association of digital business), the German market volume grew by 60% last year. Although we consider this figure to be somewhat overoptimistic, it is perfectly evident that major branded goods providers are increasingly switching their budgets from traditional media to the internet. Our portals have benefited considerably from this shift and have achieved double digit percentage increases in revenues. Naturally, the finance portal is still our main pillar of sales. Here, we were able to realise economies of scale and further improve profitability. All in all, the portal business still accounts for more than fifty percent of our total sales.“

*How did the development of the Onmeda healthcare portal go? Your goal was to noticeably increase awareness, reach and revenues.*

**Michael W. Schwetje:** ”First of all, we are proud of our successful relaunch, which was also associated with renaming the portal. With regard to content, we were able to further improve the healthcare portal and already consider Onmeda leading in terms of quality. After a short phase of a decline in reach as a result of the change-over, we were able to increase the number of page impressions to an encouraging extent by the end of the year. In December, we were ranked fourth in the reach related comparison of all editorial healthcare sites on the German internet; at the start of 2006, we advanced into the top 3, where we also intend to establish ourselves long term.

Growth in sales at Onmeda was in double-digit percent so that we have achieved the envisaged revenues in the mid to upper six-digit region. In the year under review, we expanded advertising marketing and made it our main revenue source as planned. In contrast to OnVista, Onmeda has a second source of revenue on top of advertising, namely licensing of medical content. As announced, Onmeda was not yet profitable in 2005, as a result of our investments, but placed only an insignificant burden on the group result.“

## Dialogue with the Executive Board

*The performance marketing business became an important growth propellant for the OnVista Group in 2005. How do you explain this fact and which role will it play in the future?*

**Michael W. Schwetje:** "In this area, we are benefiting from the growing demand for online advertising where payment is linked to the performance. This segment – think of search engine marketing or affiliate marketing – is currently the growth propellant in the online advertising market. Within this boom segment, we have a unique product in Ligatus. We offer customers high quality new customer contacts at a very attractive price-performance ratio and our web site partners receive additional revenues without any noteworthy expense. We plan to extend our sales activities in 2006 to new sectors beyond finance and see excellent growth perspectives in this line of business in the longer term. Having already achieved sales in the lower to mid seven-digit Euro region in 2005, while also operating at a profit, performance marketing should become as important for us as the entire portal business in the next few years."

*In the past, you were interested in a majority holding in IS.Teledata AG. Now, you've disposed of your 36% stake. What made you change your mind?*

**Fritz Oidtmann:** "After the merger in 2003, we achieved the turnaround in 2004 and in 2005 reached sustained profitability. That was a big success. However, due to the shareholding structure, there was no opportunity for a majority position for OnVista in the foreseeable future. Added to that, there was some disagreement with other shareholders about the future strategy. Since IS.Teledata represented a large part of OnVista's assets but we did not have the controlling majority, we finally decided to exit from the affiliation and looked for a suitable buyer. Not least, we also saw the strategic advantage of the sale already mentioned – the unequivocal focus on the high margin internet business. We are now more clearly positioned than ever before."

*After the sale of the investment, your liquid assets are stronger than ever. You plan to let OnVista shareholders share directly in the cash funds through a special dividend payment. How will you use the remaining well over 14 million?*

**Fritz Oidtmann:** "We did, of course, announce that we did not intend to sit on the very high liquid funds forever. On the other hand, we are leaving ourselves sufficient leeway to invest in new lucrative internet businesses – be that in form of inhouse developments or additional purchases. In the event of acquisitions, we are sure to pay very close attention to the financial



**Michael W. Schwetje** (39) 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.

efficiency of the investment. Besides, we have always pointed out that we are also able to envisage interesting business models on the internet beyond portals and performance marketing."

*Why did you decide to resign from the Executive Board? Can a fast growing company like the OnVista Group be managed by a single Director?*

**Fritz Oidtmann:** "As Spokesman for the Board, I was responsible for the strategic development of the Group, in addition to Communications, and therefore primarily for the overriding coordination of the two business segments. During the last two and a half years, I dedicated most of my time to my duties as Finance Director of IS.Teledata AG. During this time, the Media business was managed almost solely by Mr. Schwetje – and in every aspect with magnificent success. With the two newly appointed General Managers, Mr. Kämker and Dr. Fink, he is also receiving excellent and proven support in both operating companies. This structure works very well. In this respect, I subscribe to the principle 'Never change a winning team.' The company is sure to continue on its successful course with this leadership and the excellent team beneath. Of this, I'm absolutely convinced. I will continue to stay close to the company as a member of the Supervisory Board – provided the annual general meeting will agree to the proposed election in June."



## Composing the asset portfolio.

### Focus on internet business

#### **Economic Climate**

##### ■ Economic upturn continues

Although the gradual recovery of the German economy continued in 2005, it was even weaker than the year before. As a result, the expectations of the economic research institutes, which OnVista too had adopted, were met. After a rise of 1.6% in 2004, the gross domestic product grew by 0.9% in real terms, according to the preliminary figures released. Internationally, Germany again brought up the rear. In the year under review, the global economy is expected to have grown by around 4% and the Eurozone by around 1.6%.

<sup>1</sup> In the annual report 2004, we used the term 'direct marketing' for activities which we now call the 'performance marketing business', offered by OnVista under the brand name Ligatus.

The majority of our internet portal customers stem from the financial services sector (OnVista finance portal) and from the healthcare industry (Onmeda healthcare portal). OnVista's sales opportunities in the portal business are heavily shaped by the economic situation in both these market sectors. However, we are also increasingly winning branded

goods providers from other industry sectors as customers for our portals, such as car manufacturers and telecommunication service providers. In the performance marketing business<sup>1</sup> we provided our services solely to financial service providers up till now. In 2006, we are also opening up new customer groups in this segment. The sales opportunities of the affiliated company IS.Teledata AG, sold in December 2005, are also primarily dependent on the situation of the financial service providers and from developments in the capital market. In addition to the respective state of economic activity in our customers' different market sectors, our business is also affected by the advertising climate in general and demand for online advertising in particular.

##### ■ Online advertising achieves breakthrough

While it was another difficult year for the German advertising market as a whole, internet advertising achieved the long awaited breakthrough in 2005 with

explosive growth. For online media, Nielsen Media Research has calculated gross advertising expenditure of € 410 million (prev. year: € 308 mill.), equivalent to a 33% increase. One needs to take into account that Nielsen captures only part of the online advertising market.<sup>2</sup> According to projections from the BVDW (German association of digital business) for the year as a whole on the basis of these figures, the actual gross advertising expenditure on the internet in 2005 totalled € 885 million (prev. year: € 555 mill.). This corresponds to an increase of around 60%. As a result, online advertising has exceeded all expectations. Growth in the performance marketing<sup>3</sup> area was especially strong, with a three-digit percentage increase. But 'traditional' online advertising still captures the lion's share with € 535 million with banners and brand campaigns. A switch of advertising budgets from other media to the internet was especially noticeable among the major providers of branded goods. Measured on the gross advertising spend invested in all media, the internet now captures a share of well over 4% (prev. year: 3%). This makes the internet the fourth most important advertising medium after print media, television and radio, but still ahead of poster advertising.

In 2005, gross advertising investments in traditional media rose by 5.3% to € 19.1 billion<sup>4</sup> according to the assessments of Nielsen Media Research. However, the ZAW (German advertising association), which records the net advertising revenues of traditional media, does expect a large part of this growth to have disappeared in increased discounts. According to estimates published by ZAW, the actual increase was a little more than 1%. In 2004, the gross increase was around 5.1% and only around 1.6% net.

According to Nielsen Media Research, finance and pharmaceuticals are among the most advertised industry sectors in Germany. After the decline in 2004, pharmaceutical advertising<sup>5</sup> grew again slightly in the year under review, namely by 1.3% to € 543 million. In 2005, the finance sector<sup>6</sup> invested a total of € 1.12 billion in traditional advertising, 0.9% less than in the previous year. Important for OnVista is that financial service providers noticeably increased their spend on the internet, while the pharmaceutical companies still have very little affinity for online advertising.

## ■ Accelerated growth in the German capital market

Trading on the German stock exchanges increased substantially in 2005. Trading in securities as a whole rose by as much as 19% (prev. year: + 3%). The partial segment of the equity market also continued to gather momentum in Germany and advanced noticeably stronger than the stock markets in the USA or other European countries, for

example. In 2005, the governing German index, DAX, ended the year with a rise of 27% and was even exceeded by the MDAX (+ 36%) as well as the SDAX (+ 35%). The EuroStoxx advanced by only 21% and the Dow Jones fell just below the level of the final day of trading in the previous year (-0.1%). The domestic IPO market also experienced a strong upturn. After only five IPOs in 2004, a total of 23 companies took the risk of going public in the year under review. The upward trend is noticeable across almost all types of security. For example, the market for structured notes recorded a boom and grew by 45%, according to figures released by the German derivatives industry association Deutsches Derivate Forum. Providers of unit trusts too found their way back to the road of success after the sharp downturn in the previous year. According to statements by the industry association BVI (Bundesverband Investment and Asset Management), € 42 billion additional money alone flowed into publicly offered funds in 2005. In the previous year, the net increase amounted to just € 6.5 billion.

## ■ Political structural influences in the healthcare sector

In the healthcare sector, the last year was shaped by the effects of sweeping changes in the law. The end of this development can not yet be predicted. As a result of the first phase of the modernisation legislature for statutory health insurance schemes which came into effect in 2004, patients need to pay a higher share of the cost of their treatment. For example, medicine available without prescription, so-called OTC (over-the-counter) products, have since then principally no longer been reimbursable. According to the market research company IMS Health, the self-medication market grew by only 4.9% in 2005 as a result. Accordingly, the decline in the previous year (-10%) could not be compensated. Preparations obtainable only on prescription, on the other hand, increased by 9.9%. All in all, the German pharmacy market grew by 9.0% to around € 22 billion.<sup>7</sup>

Despite the healthcare reform, spending by the statutory health insurance institutions for medicines available only on prescription therefore increased. According to the calculations by IMS Health, this is due primarily to a structural effect resulting from the increasing prescription of new medication which tends to be more expensive. In contrast to the previous year, the statutory health insurance schemes did already not benefit from a reduction in expenditure in 2005 any longer, although this was the declared objective of the healthcare reform. All in all, the financial situation of the statutory health insurance institutions worsened substantially once more, due also to the stagnant income from contributions. As a result of the trend toward lower insurance benefits from the statutory health insurance schemes, private health insurance providers are enjoying increasing popularity.

<sup>2</sup> 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, the 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 revenues in performance marketing, for example in respect of search word marketing.

<sup>3</sup> Here, BVDW solely records income generated revenues through search engine marketing and affiliate marketing.

<sup>4</sup> This figure relates solely to traditional media (print, television, radio, posters). Expenditure on online advertising is assessed under a different method and therefore not included in this figure.

<sup>5</sup> The figure does not include branding campaigns by researching pharmaceutical companies or awareness campaigns for specific clinical pictures and therapy options.

<sup>6</sup> Including insurance companies

<sup>7</sup> All figures based on pharmacy purchase volumes and prices. The manufacturer discounts – laid down by law – have not been taken into account. In 2005, these totalled 6%, falling below the previous year's level (16%).

Following the deregulation of prices for OTC products and licensing of mail-order pharmacies, the pharmacy scene was shaken up by intensified competition. Service providers, like clinics and doctors, are affected by the newly introduced and respectively increased contributions from patients, for example in form of a surgery fee or higher additional payments in respect of hospital treatment.

## Group Structure

### ■ IS.Teledata investment sold

In December 2005, OnVista sold its 36% stake in IS.Teledata AG. As a result, the OnVista Group turned from an IT and media company into a pure internet company. The Technologies business segment was given up and OnVista is now clearly focused on its higher margin activities in the Media business segment.<sup>8</sup>

### ■ Performance marketing business spun off into Ligatus GmbH

In September 2005, we also spun off our performance marketing business – which, like the portal activities, had until then been operated by OnVista Media GmbH – into the newly formed Ligatus GmbH. Ligatus GmbH is a wholly-owned subsidiary of OnVista Media GmbH and, within the framework of segment reporting, forms part of the Media business segment. The assets and liabilities allocated to this activity have been automatically transferred to Ligatus GmbH.

As at 31 December 2005, the OnVista Group therefore essentially consists of the group holding company, OnVista AG, its wholly-owned subsidiary OnVista Media GmbH and the wholly-owned subsidiary Ligatus GmbH. All other affiliated companies are smaller businesses which are insignificant for the commercial success of the OnVista Group, although some are fully consolidated.

### ■ Only two segments in future

<sup>8</sup> For details on the strategic background please refer to page 13 of the Management Report (chapter: 'Business Performance')

Up to now, OnVista combined its group companies in three segments. As of the financial year 2006, there will now only be two.

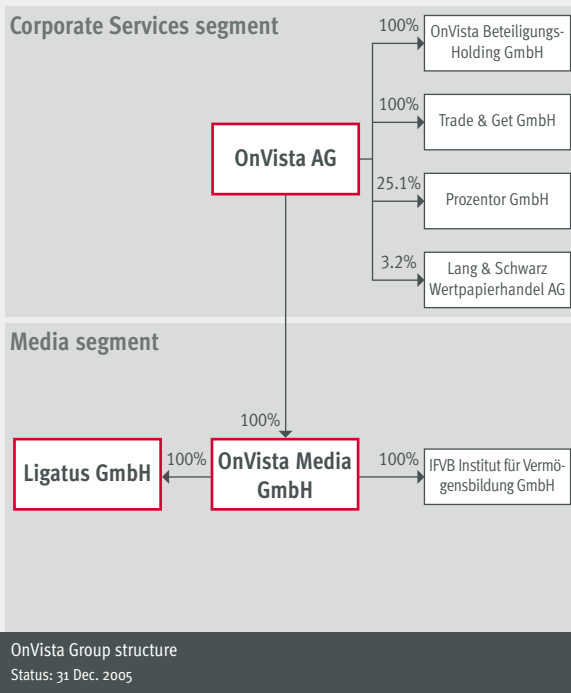
<sup>9</sup> Please also see page 17 of the Management Report (section 'Segments').

Our entire group sales continues to be generated in the **Media business segment**, which comprises our internet activities. On the one hand, we operate and

market special interest portals on the internet financed through advertising via **OnVista Media GmbH**. The media portfolio currently includes the finance portal [www.onvista.de](http://www.onvista.de) and the healthcare portal [www.onmeda.de](http://www.onmeda.de) (formerly: [www.medicine-worldwide.de](http://www.medicine-worldwide.de)). On the other hand, **Ligatus GmbH**, with its performance marketing offering, enables companies to win new customers via the internet effectively and at low cost for their products and services. To this end, Ligatus uses its network of premium web sites. OnVista's own web sites are just two of many high quality portals in the network. Another subsidiary of OnVista Media GmbH (100%), IFVB Institut für Vermögensbildung GmbH, distributes a subscription based electronic stock market report in cooperation with the finance portal. The company's sales volume is of minor importance.

Up to 13 December 2005, the at equity investment **IS.Teledata AG** (36.0%) formed the **Technologies business segment**, our second segment. As a result of the sale of OnVista's stake in the company, this segment will cease to exist in the reporting year 2006. IS.Teledata AG arose in 2003 from the amalgamation of the former OnVista Technologies GmbH and IS Innovative Software AG. The company is Europe's largest provider of internet based financial market information systems. The investment is included in our consolidated financial statements under the equity method up to the selling date. This means that the company's business performance flows into the OnVista Group in form of a financial result. The company's revenues and operating results, in contrast, are not visible in the annual accounts of the OnVista Group. The paper loss in the amount of € 0.63 million<sup>9</sup>, which arose from the sale, will also be recorded in this segment in 2005.

The previously third and in future second segment, **Corporate Services**, comprises the publicly quoted **OnVista AG** as well as a number of investments 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. The affiliated companies grouped in this segment also do not contribute to group sales. Trade & Get GmbH (100%) is no longer operational and minority interests are not fully consolidated by definition. Consequently, costs are incurred in the Corporate Services segment which are offset by interest income from cash funds.



## Business Performance

### ■ Best year since the formation of the company

2005 marked a decisive turning-point in the short history of the OnVista Group. In December, we sold our 36% stake in the Frankfurt based IT company IS.Teledata AG and consequently completely dispensed with the Technologies business segment. Consequently, we will in future concentrate on our internet activities, organised in the Media business segment – a move rewarded by the stock market with a very noticeable price increase.

The affiliated company originally arose from our licensing business, which OnVista had developed as its second pillar of income from the finance portal shortly after the formation of the company. From 1999 onward, we strongly expanded the licensing business, which was spun off in 2002 into the wholly-owned subsidiary OnVista Technologies GmbH. When the subsidiary became a loss-making division for the OnVista Group in a difficult market environment, it was merged in 2003 with its biggest competitor, IS Innovative Software AG. The resulting formation of IS.Teledata AG managed a turnaround with the new set-up within just one year. Despite the economic success, our position would not have been satisfactory in the long term. Although OnVista was the biggest single shareholder with a 36% stake, we did not see any opportunity to attain a majority which, on

the one hand, would have given us full control over the company and on the other hand enabled the for the capital market important full consolidation in the OnVista Group. Added to that, there was some disagreement with other shareholders about the future strategy. We therefore decided to realise the value of the investment now and to use the selling price to make it visible to the capital market.

Also in terms of operating performance, 2005 was very favourable for the OnVista Group. In what was altogether a positive market environment, we were able to substantially increase our advertising revenues in the portal business and to grow earnings overproportionally due to our scalable business model. The OnVista finance portal benefited from its five year long market leadership and its ability to once again extend its lead over the competition. As for the Onmeda healthcare portal, we completely updated the web site and were able to successfully position it with users and customers under its new name.

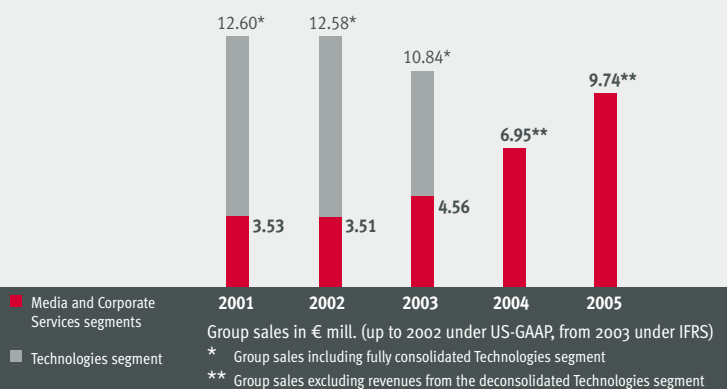
With Ligatus, we are active in one of the fastest growing segments in the internet sector. In the year under review, we strongly expanded our performance marketing business in terms of staff and IT. As a result, we signed up new customers and partners and recorded strong growth in both sales and performance, despite our investments.

Below the line, we increased group sales by 40% and the pre-tax group result by 75%. In the course of the year under review, we raised our annual projections published in the annual report 2004 and still managed to exceed these new targets.

### ■ Group sales rise by 40%

In the financial year 2005, **group sales** amounted to € 9.74 million. This corresponds to a rise of 40% compared to the previous year (€ 6.95 mill.). Since we expected sales to total just over € 8 million on presentation of the 2004 annual financial statements and had last raised our sales forecast to over € 9 million, we are extremely pleased with this performance. The leap in sales to this unexpected degree is attributable mainly to a very good year for our finance portal and to the rate of increase in the performance marketing business, which we had not anticipated at this level.

## Further leap in sales



## Earnings Position

### Underproportionate increase in costs

The increase in costs was substantially lower compared to our revenues. In the financial year 2005, the **operating expenditure**<sup>10</sup> amounted to € 9.14 million and therefore exceeded last year's figure (€ 7.23 mill.) by just 26%.

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. These rose by 29% to € 3.63 million (prev. year: € 2.80 mill.). Among others, the cost of production includes payments made by Ligatus to its partner web sites within the framework of revenue sharing models, for the advertising space used on these web sites. The greater the importance of the performance marketing business for the OnVista Group, the greater will be the increase in these cost items in relation to sales.

Happily, the smallest increase of just +8.2% was recorded in the **general administration expenses**. In the year under review, these totalled € 2.22 million (prev. year: € 2.05 mill.).

The **marketing and selling expenses** amounted to € 2.04 million (prev. year: € 1.63 mill., +26%). We built up our sales team on the one hand in order to work a larger part of the growing advertising market and on the other hand, we invested in brand development with targeted marketing campaigns, especially in the Onmeda brand.

The biggest rise was in **research and development expenditure**, which is important for the company's secure future.<sup>11</sup> These costs increased by 67% to € 1.25 million (prev. year: € 0.75 mill.).

<sup>10</sup> Total of production costs, marketing and selling expenses, general administration expenses and R&D expenditure

<sup>11</sup> For details on our R&D activities please refer to page 19 f. of the Management Report (section 'Research and Development').

<sup>12</sup> Please also see page 19 of the Management Report (section 'Employees') and chapter 'Employees' on page 32.

Under the cost of production method, **personnel expenditure** still represents the main pool of costs. In the period under review, personnel expenditure rose to € 3.30 million (prev. year: € 2.69 mill., +23%).<sup>12</sup> The increase is due to the creation of new jobs, especially at Ligatus.

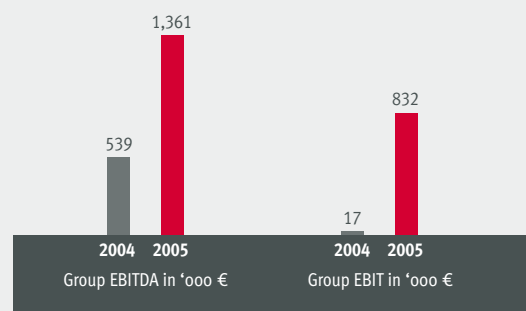
**Depreciation on fixed assets and amortisation of intangible assets** remained almost unchanged at € 0.53 million (prev. year: € 0.52 mill.).

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.

## Leap in performance

As announced, OnVista was able to generate greater than average growth in income from the increase in sales. This is where the scalability of our business model comes to the fore. The improvement was especially noticeable in the operating area. **EBITDA** (Earnings Before Interest, Taxes, Depreciation and Amortisation) of the OnVista Group grew

### Operating result greatly increased



### After-tax result burdened by one-time tax effect



by 153%. In the financial year 2005, EBITDA totalled € 1.36 million (prev. year: € 0.54 mill.).

The increase in **EBIT** (Earnings Before Interest and Taxes) was even more distinct. After being only slightly positive in 2004 with '000 € 17, in the year under review EBIT reached € 0.83 million.

With a rise of +75%, we also increased the **group pre-tax income (EBT)** noticeably more than sales and more than originally forecast (+50%). In 2005, EBT totalled € 1.61 million (prev. year: € 0.92 mill.). In contrast to the key operating performance figures, EBT includes the interest income from our cash funds (€ 0.81 mill., -11%), the operating result from the at equity investment in IS.Teledata AG (€ 0.59 million, prev. year: '000 € -4) and the paper loss from the sale of this investment (€ -0.63 mill.).

As announced, the **group after-tax result** was negative, and totalled € -0.49 million (prev. year: € 0.42 mill.). This is due to a one-time tax effect. The disposal of the IS.Teledata investment resulted in a tax charge in the amount of € 1.42 million.<sup>13</sup> Excluding this effect, the taxation ratio would have been 43% and the group result for the year would have been positive.

## ■ Regular dividend and special distribution planned

The individual accounts of OnVista AG under the German Commercial Code (HGB) showed a net income for the year in the amount of € 1.00 million (prev. year: € 0.54 mill., +46%).<sup>14</sup> The retained earnings relevant to the ability to pay a dividend totalled € 2.13 million (prev. year: € 0.92 mill., +57%). The good earnings position and high capital resources available enable OnVista AG to pay its shareholders a dividend for the first time for the financial year 2005. The joint proposal on the appropriation of profits by the Executive Board and the Supervisory Board calls for a dividend distribution in the total amount of € 0.67 million. According to the proposal, which is subject to approval by the annual general meeting on 27 June 2006, the dividend per share amounts to € 0.10.

Furthermore, the Executive Board and the Supervisory Board plan to propose a vote to the annual general meeting regarding a special distribution in the amount of € 25.1 million. This corresponds to € 3.75 per share. The special distribution is to be paid out of the company's capital surplus. The capital surplus is to be firstly converted partly into capital stock within the framework of a capital increase, to create the volume

for distribution by means of a subsequent capital reduction.

The management of OnVista AG believes that the current liquid funds of around € 40 million will not be needed in full for the planned growth. After the two planned dividend payments, the liquid funds remaining in the company will total around € 14.3 million, based on OnVista's cash and cash equivalents and securities calculated as at 31 Dec. 2005. In the opinion of the Executive Board and the Supervisory Board, this is sufficient to achieve the ambitious growth targets for the next few years both organically and through acquisitions, especially in view of the payment flows from the operating business.

## Segments

### ■ Media business segment: Operating result doubled despite investments

The Media business segment is looking back at an excellent financial year. We were able to improve all key financial and advertising market related figures and ended 2005 noticeably above plan. **Total revenues** for the segment rose from € 6.96 million in the previous year to € 9.75 million, an increase of 40%. The figure includes **internal revenues** in the amount of '000 € 9 (prev. year: '000 € 16). Especially positive is the fact that revenues rose steadily over the four quarters. The segment was able to overcompensate even the seasonally related reduction in advertising revenues which commonly occurs in the summer quarter.

The revenue growth of € 2.79 million was generated almost equally in the portal business and in the performance marketing area. Ligatus achieved the highest percentage increases. However, the better part of our revenues still stems from our portal business.

Despite the investments in IT and new staff, costs<sup>15</sup> in the Media business segment increased underproportionate to sales. We were therefore able to increase our profits significantly. The **segment result**<sup>16</sup> rose by 87% to € 1.57 million (prev. year: € 0.84 mill.). The **profit to sales ratio** improved to 16% (prev. year: 12%).

The principal mainstay of performance was www.onvista.de. Here, we were able to realise the economies of scale and to further increase profitability. Ligatus too operated at a profit. In contrast, www.onmeda.de recorded a slightly negative operating result as predicted, due to the investments in the content and awareness of the web site.

<sup>13</sup> The investment in IS.Teledata AG concerns so-called 'contribution originating' shares, which originated at the time of the spin off of OnVista Technologies GmbH from OnVista AG in 2002. Since these shares were sold within the seven year blocking period, the reduced taxation for capital gains from financial investments does not take hold. The income originating from the sale in the tax accounts (€ 3.5 mill.) is subject to the full rate of tax.

<sup>14</sup> Since the book value of the shares in IS.Teledata AG capitalised in the individual accounts of OnVista AG (under the German Commercial Code (HGB)) was lower than the selling price realised, this resulted here – in contrast to the consolidated financial statements (under IFRS) – in an income totalling € 0.62 million. As a result, the company generated a surplus in the individual accounts of OnVista AG, despite the tax effect described.

<sup>15</sup> The figure also includes all administration expenses, which can be allocated directly to the business segment, for instance for human resources and accounting.

<sup>16</sup> Since taxes for individual segments are not shown in the accounts, the figure represents the pre-tax result.

## ■ Finance portal: More advertising from existing and new customers

A contributing factor to the extremely positive performance was the good market environment. The increase in trading on the stock exchange leads to a growing interest in financial information as a whole, which is why the reach of finance portals generally correlates closely with the activity in the stock market. However, internal factors also had an impact, such as the further development of our finance portal in terms of content.<sup>17</sup> As a result, we were able to increase reach overproportionally and to move even further ahead of the competition. Compared to the previous year, OnVista increased its average number of page impressions.<sup>18</sup> by 35% and further extended its leading position.<sup>19</sup> OnVista is now almost twice the size of the number two in the market.

However, much more important for the demand situation at [www.onvista.de](http://www.onvista.de) and Ligatus is the fact that the excellent market mood also drastically improved the sales situation for our customers, resulting in increased promotion of their products and brands. Because in addition to the stock exchanges themselves, the development also benefits brokers, investment banks, asset managers, online brokers, fund management companies and especially issuers of derivatives, for example. The three last mentioned sectors in particular rank among the main customer groups of our finance portal. As market leader for many years, the finance portal enjoys a special position, which brings it overproportional market shares in the online advertising sector. Because the advertising industry concentrates its spend on the top offerings in each segment.

In addition to financial service providers, we also started to specifically sign up customers from other market sectors. To this end, OnVista developed advertising products tailored precisely to their needs and also differentiated the price structure. We were helped in our efforts by the introduction of the AGOF internet facts<sup>20</sup> in 2005. This new, generally recognised measuring standard for reach, discloses the excellent figures achieved by our finance portal in sought-after user groups, for instance with above average high income and educated men and thus steers the interest of new customer groups to OnVista. While financial service providers are already familiar with and choose OnVista because they will find subject related environments for their advertising bookings on our portal, the new customer groups opt for OnVista on the basis of these newly determined figures on reach and target group affinity.

## ■ Healthcare portal: Expansion of advertising and licensing business

For Onmeda, we clearly defined the year under review as an investment and development phase. For instance, the healthcare portal was subject to a comprehensive relaunch<sup>21</sup> which went live on 10 June 2005 under the new name of Onmeda (formerly: Medicine-Worldwide). The target group are people who have decided on a lifestyle of greater awareness and who actively look after their health and wellbeing. These can be acutely or chronically ill people but also those with a general interest in healthcare.

We have already achieved the short term objectives of the relaunch. As we know from a survey conducted on the Onmeda web site, the user structure has changed in accordance with our plans. For example, it turns out that the site increasingly tends to attract women – traditionally the ‘healthcare managers’ of the family – as well as older people. The latter have a greater need for healthcare provisions and in the view of our advertising clients from the pharmaceutical industry represent a particularly attractive target group. We have also been able to attract many new users to the web site. In addition, the increased number of page impressions per visit shows that users remain on the web site for a longer period of time.

As was expected, immediately after the relaunch Onmeda initially achieved lower figures in overall reach than before. This was due to the name change which, for technical reasons, had a temporarily negative effect on our placement in the search engine rankings. Although Onmeda endured the decline in reach described for a few months, the web site continued to rank among the top healthcare sites. In December 2005<sup>22</sup> we achieved a total of 7.2 million page impressions<sup>23</sup>, which is 22% more than in the previous year (5.9 mill.). The first few weeks of 2006 reinforce the upward trend. Well-directed marketing and PR campaigns in the second half of 2005 were also a contributing factor, which enabled us to increase the awareness of Onmeda.

In the year under review, we intensified advertising marketing for our healthcare portal and increased our revenues as planned. New advertising clients originated from both the research oriented pharmaceutical industry as well as from generic product manufacturers and producers of over the counter medicines. All in all,

<sup>17</sup> Please also see page 20 of the Management Report (section ‘Research and Development’) and chapter ‘Brand Portfolio’ on page 26 f.

<sup>18</sup> Page impressions in accordance with the IWV method. IWV (Informationsgemeinschaft zur Feststellung und Verbreitung von Werbeträgern e.V.) is a neutral establishment for monitoring reach of a wide range of different advertising media, among others print media, outdoor advertising, movie theatres and the internet.

<sup>19</sup> Please also refer to the chapter ‘Brand Portfolio’ on page 26 f.

<sup>20</sup> AGOF (Arbeitsgemeinschaft Online-Forschung e.V.), the German online research association, is sponsored by the most important web sites and online marketers and has set itself the goal to make the internet transparent as an advertising medium. AGOF, with the participation of all market players – online advertising media and traditional media, advertising clients and agencies – has developed a research method, on the basis of which it reports each quarter the number of unique users surfing a particular web site together with their socio-demographic characteristics.

<sup>21</sup> Please also refer to page 20 of the Management Report (section ‘Research & Development’) and the chapter ‘Brand Portfolio’ on page 28 f.

<sup>22</sup> In the month of December, the reach of all web sites is lower than in other months due to the seasonally related greater number of public holidays.

<sup>23</sup> Page impressions in accordance with the IWV method

it is evident that the pharmaceutical industry is still very heavily focused on traditional media in its marketing approach. In contrast to the past, advertising – as aimed at – today represents the most important source of revenue for Onmeda.

But we also advanced in the area of content licensing. Among others, new customers included the German cancer association and the Swiss healthcare portal Medsana.

## ■ Ligatus: Vigorous growth

As announced on the occasion of our annual financial press conference in April 2005, the development of our performance marketing business has been extremely successful. The division has grown strongly and operated at a profit, despite the substantial increase in staffing levels and investments in the further development of the IT platform. The customer base was also strongly expanded but bar a few exceptions, still consisted solely of financial service providers in the year under review. Since the start of 2006, we have been specifically aiming to open the customer base up to new target groups. We have also significantly expanded the partner network. While we counted 30 partner web sites with a total of 500 million ad impressions (advertising inserts) in the first quarter of 2005, at the end of the year under review the number had already risen to 70 partners with 700 million ad impressions. However, our main focus is not on quantity but quality. We are therefore specifically looking for so-called premium web sites, i.e. online media with great reach and strong brands. For example, our partners include Faz.net, Focus Online, n-tv.de, Spiegel Online and sueddeutsche.de. Naturally, our own portals – OnVista and Onmeda – are also part of the partner network.

After the performance marketing business originally started under the name of OnVista Direct Marketing System, we gave it the name Ligatus in September 2005. With the independent brand appearance which is clearly separated from our portals – logo, colours, web site – we have helped Ligatus achieve a greater awareness with customers and partners and opened the business up to new customer groups outside the financial sector. To take into account the increasing importance of the performance marketing business also under corporate law, the division was spun off in September 2005 into the newly formed Ligatus GmbH, a wholly-owned subsidiary of OnVista Media GmbH.<sup>24</sup>

## Individual segment contributions to the group

	Media	Technologies	Corporate Services	Consolidation	Group
<b>Total sales</b>	<b>9,753</b>	<b>0</b>	<b>0</b>	<b>-9</b>	<b>9,744</b>
Other operating income	195	0	380	-342	233
Operating expenditure	-8,009	0	-958	352	-8,616
Depreciation, amortisation and special write-downs	-483	0	-46	0	-529
Operating result (EBIT)	1,456	0	-624	0	832
Financial result	113	-32	693	0	775
<b>Segment result (EBT)</b>	<b>1,569</b>	<b>-32</b>	<b>69</b>	<b>0</b>	<b>1,607</b>

Simplified segment reporting 2005  
Figures in '000 €

## ■ Technologies business segment: Break-even after sale of investment

In accordance with the projections published on the occasion of the presentation of the annual report 2004, we were able to attain an at equity income in the mid six-digit region from the IS.Teledata investment in 2005 (€ 0.59 mill., prev. year: '000 € -4). However, this is offset by the paper loss arising in the consolidated financial statements from the sale of the investment (€ -0.63 mill.).<sup>25</sup> The Technologies business segment therefore ended the year with a red zero, as declared on the occasion of the announcement of the sale. The **segment result** amounted to '000 € -32 (prev. year: '000 € -4).

The equity income is calculated as follows. In the financial year 2005, IS.Teledata AG achieved group sales in the amount of € 37.46 million (prev. year: € 35.74 mill.)<sup>26</sup> up to the date of sale on 13 December 2005. The pre-tax group result increased overproportionally and, up to the time of the sale, amounted to € 3.96 million (prev. year: € 1.95 mill.). The after-tax group result totalled € 2.42 million (prev. year: € 0.93 mill.). Since the OnVista Group held 36% of the shares until 13 December 2005, we received an appropriate share of this after-tax result. The figure was reduced in the OnVista consolidated financial accounts through the deduction of depreciation which we had to carry out on a regular basis. The depreciation arose from hidden reserves in the

<sup>24</sup> Please also refer to page 12 f. of the Management Report (section 'Corporate Structure').

<sup>25</sup> At the time the sale took effect, the investment was reported in our consolidated financial statements at € 17.68 million. Since we achieved a price of € 17.05 million for our shares, we incurred a corresponding paper loss in the consolidated financial accounts. Since the book value in the individual accounts of OnVista AG under the German Commercial Code (HGB) stood at only € 16.43 million, this resulted in a paper profit.

<sup>26</sup> Figures for the previous year all for 12 full months

intangible assets of IS.Teledata AG at the time of the merger.<sup>27</sup> In the financial year 2005, this resulted in depreciation in the total amount of € 0.27 million.

## ■ Corporate Services segment: Slightly positive

In the financial year 2005, the holding costs<sup>28</sup> posted in the Corporate Services segment were again slightly overcompensated by the interest income from OnVista's cash funds. The **operating result** amounted to € -0.61 million (prev. year: € -0.72 mill.). The **financial result**, recognised in this segment, totalled € 0.69 million (prev. year: € 0.80 mill., -15%). Below the line, the **segment result** was again slightly positive at '000 € 69 (prev. year: '000 € 81, -14%).

## Financial Position

### ■ Switch from long term to short term assets

As at 31 December 2005, the **balance sheet total** stood at € 50.01 million and rose by 4.2% compared to the previous year (€ 47.98 mill.).

At the end of the period under review, the balance sheet structure presented itself considerably changed on the assets side. As a result of the sale of the at equity investment IS.Teledata AG, the proportion of long term assets has fallen greatly while the proportion of short term assets has risen accordingly.

**Long term assets**, previously with 48% the largest asset item of the balance sheet total, represent just 16% of total assets as at 31 December 2005 with € 7.97 million. The IS.Teledata investment, which was still reported in our books at € 17.18 million as at 31 December 2004 is no longer included. With the exception of the 3.2% investment in Lang & Schwarz Wertpapierhandel AG (unchanged € 0.40 mill., **other long term financial assets**) all other investments were fully written off in previous years due to impairment. **Tangible fixed assets** (€ 0.29 mill.) and **intangible assets** (€ 3.74 mill.) remained almost constant. The **other long term assets** (€ 1.80 mill.) relate to receivables from the sale of the shares in IS.Teledata AG. This amount is under notary administration for up to four years to cover any guarantee claims.

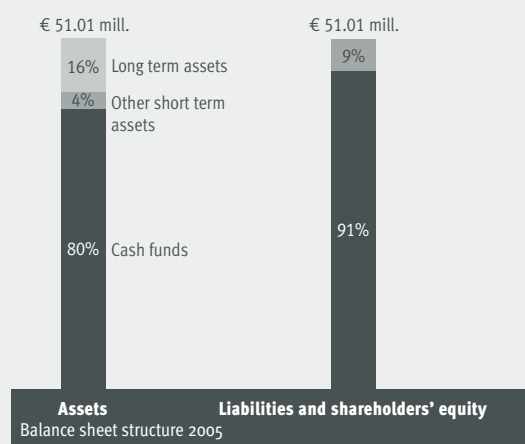
### ■ Liquid funds now biggest asset item

**Short term assets** on the other hand grew strongly and as at 31 December 2005 amounted to € 42.04 million (prev. year: € 25.04 mill.). **Liquid funds** alone rose to € 40.09 million (prev. year: € 22.61 mill.) and are now our biggest asset with a balance sheet share of 80%. The cash inflow in the amount of € 17.00 million primarily contains the sales proceeds from the IS.Teledata shares (€ 15.16 mill.). However, the figure also includes the funds generated through our effective operating business. As at 31 December 2005, the remaining short term assets amounted to € 1.95 million (prev. year: € 2.42 mill.) and therefore 3.9% of the balance sheet total.

### ■ 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 91% (prev. year: 95%). Shareholders' equity remained almost constant at € 45.73 million (prev. year: € 45.78 mill.). **Short term liabilities** rose from € 2.20 million to € 4.29 million. Here, increased income tax liabilities in particular had an impact (€ 1.64 mill., prev. year: € 0.20 mill.). As in the previous year, we did not have any **long term liabilities**.

### Sound balance sheet ratios



<sup>27</sup> Please also refer to statement no. 8 in the Notes.

<sup>28</sup> The Corporate Services segment incorporates only the Executive Board as well as the PR and Investor Relations department, since only costs related to the holding function and in particular the company's market listing are posted in this segment, for instance the cost for the annual general meeting and consultancy fees in connection with M&A activities. Services rendered by OnVista AG for OnVista Media GmbH and Ligatus GmbH, such as press relations for their respective products on the other hand, are settled internally and reported in the Media segment.

## ■ Positive operating cash flow

In the year under review, the **cash flow from operating activities** was again distinctly positive at € 2.15 million (prev. year: € 2.05 mill.).

The **cash flow from investment activities** was highly positive especially due to the sale of the IS.Teledata interest (inflow of funds € 15.16 mill.)<sup>29</sup> and totalled € 14.65 million (prev. year: € -3.70 mill.) The loan granted to IS.Teledata AG by OnVista in 2003 was repaid in full in the year under review. This resulted in an inflow of funds in the amount of € 1.08 million. **Investments in intangible assets** (€ 0.83 mill., prev. year: € 0.23 mill.) and **tangible assets** (€ 0.24 mill., prev. year: € 0.18 mill.) on the other hand resulted in a reduction in cash funds. OnVista invested significantly more in intangible assets compared to the previous year. For instance, we actively developed software for both our portals and the underlying IT platform of the Ligatus performance marketing network. For some aspects we also made use of external consultancy and programming services. The inflow into hardware ranged in the low six-digit region.

The **cash flow from financing activities** amounted to € 0.20 million (prev. year: € -0.43 mill.), due to servicing of stock options.

In net terms, this resulted in a highly positive **consolidated cash flow** of € 17.00 million. In the previous year, the consolidated cash flow was still negative at € -2.08 million. In the course of the period under review, **cash and cash equivalents** rose to € 18.06 million (prev. year: € 1.07 mill.). The figure does not include the freely disposable mortgage bonds in the amount of € 22.03 million (prev. year € 21.55 mill.). 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.

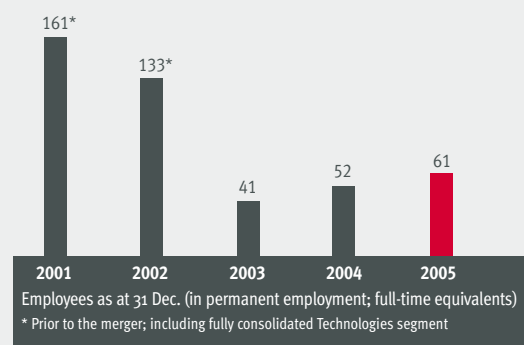
## Employees

### ■ Growth path creates new jobs

As at 31 December 2005, the OnVista Group employed 61 staff, compared to 52 one year earlier.<sup>30</sup> Consequently, staffing levels rose by 9 or 17% in a year-on-year comparison on the balance sheet date. On average, the OnVista Group employed 53 staff in the year under review. The annual average in 2004 still stood at 48. New jobs were created in particular in the performance marketing business.

As a result of the increase in the average number of employees, **personnel expenditure** rose by 23% to € 3.30 million (prev. year: € 2.69 mill.). The **personnel expenditure ratio** fell from 39% to 34% of total sales. **Sales per head** increased by 27% to '000 € 184 (prev. year: '000 € 145).<sup>31</sup>

### Additional jobs created



## Research and Development

### ■ R&D activities intensified

In 2005, OnVista's **investments in research and development**<sup>32</sup> totalled € 0.77 million (prev. year: € 0.23 mill.). **R&D expenses**<sup>33</sup> amounted to € 1.25 million (prev. year: € 0.75 mill.), which corresponds to 13% of total sales (prev. year: 11%). The strong increase of 67% in R&D expenses and 235% in R&D investments is due especially to intensive development activities at Onmeda and Ligatus, which represent relatively young products in our portfolio. However, we also expanded and optimised our OnVista finance portal during the year under review, in order to extend the lead over our competitors.

As an annual average in 2005, around 23 (prev. year: 25) staff dedicated at least part of their time to research and development activities. In the course of the year under review, OnVista created new R&D jobs to manage future growth. In contrast to previous years, we also made greater use of external consultancy and programming services for development projects, in order to set a fast pace of growth and at the same time not to increase our fixed costs by more than necessary. We attached great importance on developing success critical know-how internally, such as the optimisation algorithm of our performance marketing platform. In contrast, external expertise, which already exists in the market and does not relate to our core competence, such as internet payment processing for our subscription services, was decided to be bought in. We specifically built up appropriate know-how among

<sup>29</sup> The funds were invested in mortgage bonds in January 2006.

<sup>30</sup> Number of permanent employees, full-time equivalents

<sup>31</sup> For details on human resources development and the focal points of HR please refer to the chapter 'Employees' on page 32 f.

<sup>32</sup> Capitalised expenditure in long term assets in the year under review. Predominantly personnel expenditure related to IT development but also external consultancy and programming fees.

<sup>33</sup> Expenses charged to expenditure in the P&L account in the period under review. Predominantly personnel expenditure related to IT development and depreciation of inhouse developed software but also external development and programming expenditure. Please also refer to page 14 of the Management Report (section 'Earnings Position').

our staff through mixed project groups which has been made available for future tasks of a similar nature in our company. As a result of our highly positive experiences, we will continue along this path in 2006 as well.

## ■ Expansion of Ligatus IT platform

A key focus of our R&D activities in the year under review was the further development of the Ligatus IT platform. The platform enables a large number of performance marketing campaigns to be placed on the different partner web sites in such a way as to generate qualified contacts from interested parties or even the conclusion of contracts at the best possible cost-benefit ratio. This allows us to offer our web site partners attractive additional revenue for the advertising space used by Ligatus. Customers, on the other hand, gain effective benefits from valuable new customer contacts at low cost. The platform not only ensures that advertising material is displayed on specific internet sites, it also registers all clicks, records which potential customer contact stems from which partner web site and forwards the addresses provided by users to our customers. In addition, the platform enables customers and partners at any time to take a look at the latest billing status via an interface and forms the basis for individual monthly reporting and invoicing. An optimisation algorithm forms the intelligent core of the Ligatus IT platform, programmed on the basis of our performance marketing know-how, which is undergoing continuous further development. The optimisation algorithm translates statistical empirical values into rules and ensures that each campaign becomes ever more successful over time.

## ■ Comprehensive relaunch of the healthcare portal

We also used our development capacities for a fundamental redesign of our healthcare portal, which was launched on 10 June 2005 under the new name of Onmeda. The new web site has since presented itself with enhanced content, improved structure and a new appearance, while still maintaining the same high quality. As a result, we have created the healthcare portal with the greatest breadth and depth of information on the German internet. Onmeda gets to the root of 700 clinical pictures, delivers information on all aspects of doctors' appointments and provides individual answers in around 30 discussion forums,

predominantly chaired by experts in their field. In addition, popular subjects such as diet, prevention and travel medication, are also examined. A unique feature is the comprehensive doctors database developed in cooperation with the health foundation 'Stiftung Gesundheit', which contains more than 220,000 addresses of established doctors and dentists as well as clinics across Germany. Almost the entire Onmeda content can be retrieved free of charge. Following the major relaunch, we have continuously optimised the web site as well as adding further features, such as weblogs and various self-assessments.

## ■ Enhancement of finance portal with new content

Following the major relaunch of [www.onvista.de](http://www.onvista.de) in 2004, we continued to further develop our finance portal in the year under review. For example, we introduced a separate section for futures, the star category among derivatives. With the new section, we responded to the sustained growth of the international futures market and at the same time closed one of the last gaps in our information portfolio. The comprehensive information on futures is aimed in particular at institutional investors and experienced, active private investors. Against the background of the booming derivatives market, we added a range of innovative features in the relevant sections and further reinforced our position with users and customers as the strongest derivatives site on the German internet.

However, the biggest and strategically most important development project for OnVista was the launch of MyOnVista in November 2005. This concerns a closed section on the web site, subject to mandatory registration, which offers access to high quality user specific services as well as intelligent tools. Highlights of MyOnVista include a FreeTrades Manager, which integrates discount campaigns of online brokers and issuers in the tailored summaries, and a convenient tool for managing exemption applications. Registration at MyOnVista is free and everything our users were able to retrieve previously free of charge on the entire finance portal will continue to be made available at no cost. However, MyOnVista is to be gradually expanded with new content, among others also exclusive billable services. With MyOnVista we are pursuing the goal of better understanding the requirements of our users in order to clearly align our development activities accordingly. On the other hand, we aim to tie investors even closer to OnVista and to turn them

into paying customers in the long term. Although advertising revenues will remain the most important source of income for the finance portal in the medium term, we intend to develop paid services into a second source of income.

## 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

### ■ Efficient risk management system

Especially a young company like OnVista must place special importance on an efficient risk management system. The Executive Board of OnVista AG is aware of its responsibility toward the shareholders of the company as well as other audience groups, 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 audience 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 stock market flotation. This system continuously monitors the risks to the company, while prescribing countermeasures to be initiated in the event specific guideline limits are exceeded. After thorough further development in the previous year, only minor changes were required in 2005. The risk management system has been reviewed by the company's auditors.

By 'risk', we mean a negative deviation from expected developments, which can be derived from the two-year financial planning of 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 and to the two profit centres – portal business and performance marketing – across all business units, 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 loss multiplied by the likelihood of occurrence, which remains after taking into account countermeasures 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 a specific monitor of risks, who keeps a close eye 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

We also differentiate by risks relating to a single division and those affecting the OnVista Group as a whole.

### ■ 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. Only three risks must be allocated to stage four within the framework of our six-stage risk assessment and therefore need to be monitored especially closely. In said cases we have put in place all necessary measures in order to identify potential undesirable developments in time and, if necessary, to take countermeasures.

The general trend is that the increased volume in business has an adverse affect on the risk situation. However, this has improved significantly through the sale of the IS.Teledata investment, which resulted in one of the main risks being removed. All in all, the risk situation has improved slightly compared to the previous year.

## ■ Focus on economic, sales and procurement risks

**General economic risks** continue to represent one of the key areas of risk for OnVista. We take our bearings from the latest forecasts published by economic research institutes and anticipate moderate growth for the next two years. From today's perspective there is no need to doubt the underlying general economic assumptions. However, a protracted economic downturn and/or slump in the capital market would most likely lead to cuts in the advertising budgets of our customers for our finance portal and at Ligatus. To reduce our dependency on sector specific business activities we started to diversify our revenue sources in the portal business 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. In 2006, we will also start to open up new customer groups in the performance marketing business and reduce our dependency on the capital market.

Today, the most significant risk area is, however, the **sales area**. Because of the new performance marketing business and taking into consideration the resulting expected growing sales, sales risks – defined as a deviation from plan – have generally increased. For example, it is possible competition could intensify and the company may lose customers. To minimise this risk, we have deliberately broadened the customer base of Ligatus.

While the customer base of our portals is predominantly made up of major corporations with excellent credit rating – primarily banks and pharmaceutical companies, Ligatus is also used by comparatively small companies, mainly financial service providers. This results in an increased risk of default. We have largely covered this risk through a payment default insurance policy for Ligatus customers.

In the portal business, we have made deliberate efforts to maintain customer satisfaction. In order to counter the potential loss of major customers of our

finance portal, we review customer satisfaction through regular polls and put our findings into action. All in all we were, however, not able to fully compensate the increased risks through investments in the quality of our portals and our performance marketing portfolio, so that the overall risk in this area has increased.

**Procurement risks** too have moved into the centre of risk monitoring, which are of much greater significance in the performance marketing business than in the portal business. At Ligatus, we are dependent on the long term purchase of a sufficient volume of advertising space in order to achieve our planned sales. Since marketable reach on the internet is increasingly becoming a scarce commodity, we are paying particular attention to this risk. We have expanded the partner network with the addition of new web sites, are increasingly entering into long term contracts with our partners and have increased the number of staff in order to intensify partner support. By improving the underlying IT platform, we are also increasing the achievable earnings and consequently the share in revenues which we are able to pay our partners.

## ■ Previous core risk IS.Teledata investment removed

Until recently, one core risk existed in the **investment area**. Since the investment in IS.Teledata AG represented around one third of our assets, this would have demanded considerable provisions to be made in the event of an adverse business trend at the company. Following the sale of the investment, this risk is no longer given. No other noteworthy risks from investments exist otherwise.

IS.Teledata AG is still the most important data supplier for our finance portal. We have safeguarded the delivery volume and prices through long term contracts, so that no risks whatsoever arise in this area from the sale of the investment.

In addition to the risks described which arise from the general economic environment as well as the sales and procurement risks, 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 in our judgement. For example, this includes the risk of a declining advertising impact of 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

### ■ No other reportable events

No events occurred after the balance sheet date which are of material importance for the company and which would therefore be subject to reporting requirements.

## Perspective

### ■ General conditions increasingly favourable

For 2006, experts expect solid global economic growth (prev. year: around 4%). In Germany, the indicators point to a continuation of the economic recovery. This assessment is supported by every available forecast. Most economists consider growth of between 1% (Sachverständigenrat, council of economic advisors to the German government) and 1.7% (e.g. DIW, Ifo-Institut) likely. Our projections for the financial years 2006 and 2007 are also based on moderate economic growth in Germany.

### ■ Internet advertising gains ground

The continued economic recovery also benefits the advertising market. The German advertising association (ZAW) expects net media advertising revenues to grow by 2% in 2006 after a rise of 1% in the year under review. For the internet advertising medium, market observers are again predicting vigorous growth. For example, BVDW (federal association of digital business) is predicting another increase in online advertising revenues of more than 40% to around € 1.3 billion. Above average growth is expected for the performance marketing segment. Although we consider the growth rates forecast a little too optimistic, we anticipate a clear double-digit percentage increase in online advertising, based on discussions with customers and agencies. The joint efforts of the market sector to establish the internet as an advertising medium also contribute to the positive development of the online advertising market. In 2005, one important milestone in this respect was the long anticipated introduction of the AGOF measurement standard<sup>33</sup>, supported by all market players. The fact that the internet accounts for more than 10% of media utilisation in Germany but only 4% of gross advertising investments highlights the need for internet advertising to catch up.

### ■ Ongoing positive mood in the capital markets

For the capital market, experts predict further growth potential in 2006. According to a survey conducted by JP Morgan Asset Management in January 2006 for example, optimism among German investors has not been as strong in four years. Two thirds of private investors questioned expect prices to rise further. This hope is also nurtured by the fact that the downward trend in the number of shareholders and investors in funds since 2001 went into reverse in 2005, according to the German stock market institute 'DAI'. Although we are still a long way off the all-time high in 2000. Market observers, like the accounting firm PricewaterhouseCoopers (PwC), also expect the boom in IPOs to continue in 2006 and even to accelerate. The structured notes sector too still seems to have a long way to go. The industry federation, German Derivatives Forum, expects an increase of more than 35% for 2006. Mainly also because, according to observations by the federation, structured products increasingly address new groups of investors who do not use certificates as speculative trading products but for long term cash investment. The latest study of the annually conducted OnVista derivatives survey in which we questioned around 2,500 private investors on their investment behaviour and trading habits, also gives rise to this conclusion. We are therefore looking into the future with great optimism as far as the sales situation for our finance portal is concerned.

### ■ Patient communication increasingly important

The sea-change in the healthcare sector has by far not reached its end. Further legislation is coming up in 2006 which will initially be associated with lost sales for many pharmaceutical companies. For example, the planned law relating to the improvement of the economic efficiency in the provision of medicines (GVWA) calls for health insurance schemes to pay out less for many medicines as from 1 April 2006. In the opinion of the market research company IMS Health, the law puts smaller manufacturers of generic products at risk and leaves the big research oriented pharmaceutical companies fear for their longer term perspectives in the German market. Overall, however, IMS Health expects manufacturers' sales to grow by four percent in 2006.

The radical change is, at the same time, accompanied by a process of rethinking in the entire industry sector. All providers of healthcare products and services, in particular medicines available over the counter,

<sup>33</sup> Please also refer to page 16 of the Management Report (section 'Segments').

increasingly need to rely not only on convincing doctors but also on reaching patients themselves. The pharmaceutical sector is also thinking out loud about how the high cost factor of the field sales force can be reduced. At least part of the budget which will be released could flow into patient related marketing activities. 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 Onmeda. The pharmaceutical industry is currently still strongly focused on traditional media with its marketing activities. Together with other online advertising media, OnVista still has some convincing to do over the next few years, until pharmaceutical companies are as open to online advertising as the financial services sector, for example. We expect to be able to profit overproportionally from a gradual shift in advertising budgets on the basis of our already excellent market position today.

## ■ Three mega trends for OnVista

This development is embedded in three long term trends, which benefit our business activities. 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 private finance – trend one – as well as in the subject of healthcare – trend two. We expect finance 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.

In our view, the latter trend also offers the biggest opportunity for any positive budget variances. Should the switch of advertising budgets from traditional media to the internet occur sooner than currently anticipated, this will benefit the OnVista Group as an internet company largely funded through advertising, and the development of the company is likely to be even more dynamic than presently predicted.

<sup>34</sup> With this method, prices and charts are not only displayed in real time but are also automatically updated, i.e. without the need to refresh the web site manually.

## ■ Ligatus with high double-digit percentage growth

After the very successful financial year 2005, we are also optimistically looking into the future in 2006 and aim to maintain the high level of dynamism. In 2006, Ligatus is expected to record high double-digit percentage growth and to make the largest absolute contribution to the total increase in revenues. We have started to extend our sales activities from the financial services sector to the automotive, telecommunications and travel sectors and plan to significantly increase the number of customers in 2006. We also intend to noticeably expand the reach of our network once more, by signing up new partner web sites on the one hand and on the other hand by covering new advertising space with existing collaboration partners.

## ■ Portal business once again with double-digit growth rates

According to our assessment, the portal business too will once again develop very well, given the booming online advertising market and the good market position of both our portals. We expect Onmeda and OnVista, and consequently the entire portal business, to record double-digit percentage growth.

At [www.onvista.de](http://www.onvista.de) the excellent market mood will contribute to our ability to increase sales with our key customers – issuers of derivatives, online brokers and fund management companies. At the same time, we plan on winning more branded goods providers as customers outside the financial sector. These companies are increasingly switching their marketing measures from traditional media to the internet and plan their budgets on the basis of reach and target group affinity. In this respect, OnVista benefits from its positive results with sought-after target groups, such as above average high-income and educated men. Last but not least, we plan to turn our users into customers. To this end, we created the registration only section MyOnVista at the end of 2005, where we will gradually offer new services and content. The first billable service, Realtime. Basic – a subscription package of stocks and indices in real push quality<sup>34</sup> launched on 1 February 2006 – is generating a lot of interest.

In 2006, we plan to increase awareness of our healthcare portal [www.onmeda.de](http://www.onmeda.de) even further with users and advertising clients. After the relaunch and name change

in June 2005, Onmeda was the second largest healthcare service on the German internet for the first time in January 2006 (according to reach).<sup>35</sup> We plan to further invest in the content of the web site and in the Onmeda brand in 2006. Against the background of a market environment which is on the move in general, we plan to further increase our reach and to establish ourselves in the top 3 group long term. We consider this relevant for our success, since the advertising industry concentrates its spend on the top services in each segment. Having systematically built up contact to advertisers in the pharmaceutical industry in 2005 and established advertising as the most important revenue source ahead of content licensing, we plan to further increase our advertising revenues in 2006 and play a role in developing the market. In contrast to the financial services industry, the healthcare sector is currently putting a relatively small proportion of its advertising investments into the internet.

## ■ Sales to grow by more than 25%

Overall, we expect sales in the Media business segment to reach around € 12.5 million in 2006. According to our plans, the performance marketing business will already be almost as important in 2006 as the portal business.<sup>36</sup> The OnVista finance portal is to contribute an amount in the region of mid-seven-digit Euro to total sales, the Onmeda healthcare portal an amount in the upper six digits.

## ■ Positive profit contribution from both segments

As a result of the increasing importance of the performance marketing business and the relatively high cost of production associated with this business model due to revenue sharing models with partner web sites, costs in the Media segment will also rise, although underproportionate to sales. In percentage terms, the segment result will therefore grow slightly more than sales and is likely to exceed € 2 million. The performance marketing business and the finance portal will continue to operate at a profit. For the healthcare portal, we originally aimed at break-even for 2006. This goal has been postponed by one year. Although the advertising behaviour of the pharmaceutical industry which is still strongly focused on traditional media is changing only very gradually and the growth in sales is accordingly slow, we believe it makes sense to further invest in 2006 in order to position ourselves well in the market and to strengthen the basis for future growth in sales and profit. We expect these efforts to have a marked impact on profits from 2007 onward.

For 2006, we have planned only a slightly negative result for the healthcare portal.

Overall, the **Media segment** will make an even greater contribution to the group performance than in 2005. The **Corporate Services segment** too will make a positive contribution to profits in 2006.

## ■ OnVista Group: Leap in profits predicted

Based on the assumptions described and the planned group sales of around € 12.5 million, we expect an even more distinct growth in profits. On the one hand, this will be due to economies of scale and on the other hand the fact that the holding costs are increasingly of less consequence in relation to the operational business volume. In addition, the group result will benefit from higher interest income from our increased liquid funds. In case of acquisitions, the group income may be lower than currently allowed for in planning, as a result of an outflow of funds associated with possible acquisitions. Not taking this possibility into consideration, we aim to increase our **pre-tax group result** in 2006 by around 35% to more than € 2 million. On a pre-tax basis, the profit to sales ratio will therefore again be in distinct double-digit figures.

<sup>35</sup> Based on the monthly page impressions in the category editorial/sub-category leisure/family & health, collected by IWW.

<sup>36</sup> If one deducts the revenue share from gross revenues which Ligatus passes to its partners in form of revenue sharing models, the portal business will, however, still clearly predominate. In the P&L account, this share is reflected in form of cost of production.



# Extending market leadership.

## OnVista finance portal remains on successful course

### ■ Top site for investors

The undisputed market leader among financial web sites for the past five years, [www.onvista.de](http://www.onvista.de) is the main pillar of sales and profit of the OnVista Group. As a high quality source of information on all aspects of stock market and financial market activities, OnVista offers a wealth of current and historical data from international stock markets as well as extensive individual search, comparison and analysis options for almost all types of securities – from stocks to investment funds and bonds right through to structured notes, equity warrants and futures. We direct our information services mainly to active investors, with well informed private investors and heavy traders making up the core target group. But the web site is also very popular with financial pros like banking consultants, institutional investors and independent financial agents.<sup>1</sup> The web site predominantly generates revenues through traditional online advertising. Customers include primarily providers of financial products, such as issuers of derivatives and fund management com-

<sup>1</sup> This is supported, for example, by the HBS media study, an independent survey of 600 employees at financial service providers. The survey has been conducted annually since 2002 by the consultancy firm HBS International plc based in London and Frankfurt.

<sup>2</sup> Each quarter, the AGOF (German Online Research Association) reports the number of unique users surfing a particular web site together with their socio-demographic characteristics. The figures from AGOF complement the IVW figures.

panies, as well as online brokers and banks. But manufacturers of high quality consumer goods are also increasingly discovering OnVista as an advertising platform.

### ■ Strong growth at a high level

For our finance portal 2005 was the commercially most successful year. This was helped by the long awaited breakthrough in internet advertising. The continued positive market mood also contributed to the excellent development of OnVista. This also led to a marked increase in the advertising budgets of many financial service providers. The excellent market environment was a significant factor for the double-digit percentage growth of OnVista in 2005.

The introduction of the AGOF internet facts<sup>2</sup> also benefited OnVista. This new and generally recognised standard for reach reveals that popular advertising target groups, like high income, educated men, head for [www.onvista.de](http://www.onvista.de). This has not only made more customers from the finance sector



aware of OnVista but has also steered the interest of other industry sectors to the finance portal. Providers of branded goods from the automotive and telecommunications sector, for example, are now also increasingly starting to advertise on OnVista. Advertising services designed by OnVista specifically for new customer groups, like the wallpaper,<sup>3</sup> also contributed to the big demand.

## ■ OnVista extends its lead in reach

The excellent year for the finance portal is not least thanks to the sharp increase in reach. On average, the portal achieved 65.0 million page impressions per month (prev. year: 48.3 mill.).<sup>4</sup> This corresponds to a rise of 35%. This above-average development in reach compared to the competition enabled OnVista to move even further ahead of other finance portals and to further extend its market leadership. If one looks at the ranking of all financial services measured by IWW – including major general interest portals like T-Online and Spiegel Online – OnVista is twice as big as the second ranked competitor. Our increase in reach is not only due to the capital market related growth in demand for financial market information. Innovations in terms of content at [www.onvista.de](http://www.onvista.de) were also a contributing factor. For example, the further development of our funds section in the previous year paid off in 2005. This section was able to more than double its reach in the year under review, making OnVista the No. 1 funds platform on the German internet.

## ■ Expansion of information services

In order to continuously enhance the finance portal, OnVista carries out targeted market research and consequently analyses the user behaviour as well as the feedback from visitors to the web site. In connection with several surveys carried out on [www.onvista.de](http://www.onvista.de) we got further to the root of the investment preferences and information behaviour of our users. The findings also benefit

our advertising clients: Through the findings of the survey customers gain an insight into the product preferences and investment trends of investors and can align their communications and product developments accordingly.

Investment trends play a key role in the further development of the finance portal in terms of content. For instance, we responded to the boom in the international futures market with a new section on futures. We are currently the only financial web site offering its own, comprehensive information service on futures. As a result, we have not only closed one of the last gaps on our web site but at the same time we have reinforced our position as the strongest derivatives site on the German internet. As an advertising environment, this newly added section is of interest to customers looking to win investors for their products who are willing to take risks. We also introduced additional features for other financial derivative products, such as certificates and equity warrants. The RealPush charts for example, which display prices in real time without the need to refresh the site manually, have made the finance portal even more attractive especially for heavy traders, who greatly rely on real time services for their trading activities.

With OnVista.Findex, we expanded the range of efficient advertising options for smaller and medium sized financial service providers. This currently most comprehensive online index for products and services from the finance sector enables financial intermediaries and consultants to attract the attention of users of [www.onvista.de](http://www.onvista.de) to their products and services in a targeted and cost-effective manner.

## ■ OnVista generates new revenue source

Although we still see great growth potential in advertising marketing, we are now also banking on the business-to-consumer business. In order to open up this revenue source in the medium term, we launched for the first time a comprehensive registration only section in November 2005 under the name of MyOnVista. The section offers access to high quality, user specific services and intelligent tools.

With MyOnVista, we are on the one hand pursuing the goal of better understanding the requirements of our users in order to clearly align our development activities accordingly. On the other hand, we aim to tie investors even closer to OnVista and to turn them into paying customers in the long term. Because MyOnVista is to be gradually enhanced with additional content, including also billable services. Registration at MyOnVista is free and everything users are able to retrieve from the entire finance portal free of charge today will continue to be made available at no cost.



Homepage [www.onvista.de](http://www.onvista.de)

<sup>3</sup> A wallpaper is an advertising format which attracts a lot of attention and wraps completely around the clearly defined content of the OnVista web site. The entire advertising space of the top and right-hand edge of the web site is filled with the advertisements of the respective customer.

<sup>4</sup> According to the IWW (German information association which determines the reach of advertising vehicles)



# Demonstrating quality leadership.

## Onmeda established among the top 3

### ■ Reorientation of healthcare portal

Onmeda, the healthcare portal of the OnVista Group, has been part of our media portfolio since March 2004. The main sources of revenue of [www.onmeda.de](http://www.onmeda.de) are online advertising and licensing of medical content for third party internet services, such as health insurance institutions, authorities and pharmaceutical companies. The web site was launched in 1997 – at that time still under the name of Medicine-Worldwide – by doctors from the Charité clinic in Berlin and scientists from the Max-Planck institute in Berlin. Since June 2005, the portal for interested medical laypersons has presented itself under the name of Onmeda with more content, an improved structure and a new appearance.

[www.onmeda.de](http://www.onmeda.de) is the healthcare portal with the greatest breadth and depth of information on the German internet. The independent web site gets to the root of 700 clinical pictures, delivers information on all aspects of doctors' appointments and provides individual answers in around 30 dis-

cussion forums, predominantly chaired by experts in their field. In addition, popular subjects such as diet, prevention and travel medication, are also examined. The target group of Onmeda are people who have decided on a lifestyle of greater awareness and who actively look after their health and wellbeing. These can be acutely or chronically ill people but also those with a general interest in healthcare. Our philosophy is to inform users expertly, clearly and comprehensively on medical subjects. Our aim is not to replace the doctor but to take the patient-doctor discussion to a more qualified level. The Onmeda editorial team is made up of experienced experts in their field. The entire text is prepared and edited by doctors, medical journalists and other experts from the healthcare sector, such as dieticians and psychologists.

### ■ Successful outcome of relaunch

In order to get users even more enthused about Onmeda and to increase its appeal for advertisers, the web site



underwent a comprehensive update in the summer of 2005. The new conception was focused in particular on the expansion and quality of the content, a clear structure and simple navigation as well as a fresh and attractive design.

We have already achieved the short term goals of the relaunch. Supported by well directed marketing and PR activities we were able to already make a good name for ourselves within a very short period of time, as a brand in the not yet firmly divided market of healthcare portals. This was also evident from the positive feedback from a survey conducted in December 2005 among Onmeda users. Two thirds of those questioned stated they only started visiting our portal since it had been updated. A good indication for the fact that we were able to win many new users. We have also noticed that users stay on the web site for a longer period of time. Per visit, the number of individual page impressions has increased noticeably. We aim to continue on this path in 2006 and to further strengthen our brand.

We consider Onmeda to be the quality leader in our segment, while we are also increasingly better placed with regard to reach. Immediately after the relaunch, the web site initially achieved lower figures than before, as expected. This was due to the name change which, for technical reasons, had a temporarily negative effect on our placement in search engines like Google or Yahoo. Although Onmeda endured the decline in reach described for a few months, the web site continued to rank among the top healthcare sites. In December 2005, we achieved a total of 7.2 million page impressions in accordance with the IWV<sup>1</sup> ranking and therefore 22% more than in the previous year (5.9 mill.). The first few weeks of 2006 reinforce the upward trend. In January, www.onmeda.de already ranked second among all internet healthcare services, including general interest portals.<sup>2</sup> We are eagerly awaiting the AGOF figures<sup>3</sup> for Onmeda, which are likely to be published for the first time in the third quarter of 2006.



Homepage www.onmeda.de

## Further optimisation of Onmeda

After the relaunch, we further refined the offering on the Onmeda web site and added new services. Quality and reliability of content are always at the forefront of each update. A promise of equal importance to both advertising clients and users.

New on www.onmeda.de are web logs:<sup>4</sup> Ours is the first healthcare portal in Germany to launch an online diary, where those affected can talk about their illness (breast cancer). As a result of the positive response from users, we are now offering two further weblogs on the subjects of 'Inadvertently childless' and 'Free of cigarettes'. We also enhanced the discussion forums services and optimised user-friendliness. All in all, 34 online discussion platforms are currently available on Onmeda on different healthcare subjects – for the most part supervised by specialist doctors. Users wishing to put their own health under the microscope can also choose from 20 interactive analysis services in the newly created 'Self-assessment' section – from a fitness barometer right through to a diabetes risk assessment.

## Online advertising now the most important revenue source

In the year under review, the development of advertising marketing for Onmeda was very encouraging. Among others, the greater range of advertising options was one contributing factor. For instance, we created advertising formats for the first time which are tailored specifically to the requirements of online pharmacies. We were able to win the market leader Doc Morris as our first customer in this respect. Other new customers of Onmeda, including Hexal and Bayer Vital, originated from the research oriented pharmaceutical industry as well as from generic product manufacturers and producers of over the counter medicines. Today, online advertising is the most important source of revenue for Onmeda, as planned. But we also recorded success in the area of content licensing. For instance, AOL and Stiftung Gesundheit ('Health Foundation') have been licensing Onmeda content for their own internet services for a while.

For the future, our aim is to further improve the position of the Onmeda brand in the market and to remain among the top 3 healthcare web sites long term. In addition to the continuing development of the portal in terms of content, we also plan to expand our offering for advertising and content clients.

<sup>1</sup> German information association which determines the reach of advertising vehicles.

<sup>2</sup> In contrast to special interest services, general interest portals address a broad audience with a wide range of subjects.

<sup>3</sup> Each quarter, the German Arbeitsgemeinschaft Online-Forschung e.V., (AGOF; 'Online Research Association'), reports the number of unique users surfing a particular web site together with their socio-demographic characteristics under a new, generally recognised method. The figures from AGOF complement the IWV figures. Please also refer to page 26, chapter 'Brand portfolio/ OnVista'.

<sup>4</sup> A weblog (blog for short) is an internet page on which the respective author can place personal contributions, similar to a journal entry. Every visitor to the web site can comment on any of the contributions.



# Substantiating leadership in innovation.

## Strong growth for Ligatus

### ■ Interesting business model

Our young performance marketing business, which we introduced for the first time under the new brand name 'Ligatus' at the trade fair 'online-marketing-duesseldorf' (OMD) in September, grew dynamically in 2005. In addition to the portal business it became an important propellant of growth for the OnVista Group.

In the online sector, the term performance marketing is mostly used to describe forms of advertising aimed at winning customers, which are remunerated through a performance related fee, generally per click, per generated potential customer contact or per order placed. For example, one type of performance marketing is search engine marketing.

to specific internet offerings, Ligatus enables companies to win new customers for their products and services both effectively and at low cost. Consequently, we offer an attractive alternative to advertising measures like direct mail by post or even promotional campaigns at the airport. For the 'delivery' of advertising campaigns Ligatus uses its steadily growing network of select premium partners. For example, these include online media like Faz.net, Spiegel Online and sueddeutsche.de.

### ■ Launch of Ligatus brand

Our performance marketing business too benefited from the continued strong online advertising boom, especially since we are operating in one of the fastest growing segments of the internet advertising sector. At the same time, we also expanded our own activities in 2005. To clearly separate this line of business from our portal business, it was spun off into the newly formed Ligatus GmbH<sup>1</sup> in September. The distinct, independent brand design has already

<sup>1</sup> Please also refer to page 12 of the Management Report (section 'Corporate structure').

Ligatus covers a niche within the area of performance marketing. While search engine marketing, for example, is aimed at generating clicks and attracting the interest of users



resulted in even stronger awareness of our performance marketing business among customers and partners.

## ■ Investment in the future

To create the conditions for the planned growth, we specifically invested in increasing our workforce and the further development of our IT platform in the year under review. On the one hand, we took on six new skilled members of staff and consequently doubled the size of the Ligatus team.<sup>2</sup> On the other hand, we enhanced the underlying IT platform of Ligatus. Despite these investments, we not only strongly increased sales at Ligatus but also operated at a profit.

The fact that customers only pay on fulfilment generally increases the risk of the advertising medium. A polished controlling system is therefore required to take control of the entire process chain. To this end, OnVista relies on its own internally developed IT platform, which distributes each campaign to the different partner web sites. The IT platform enables us to automate ever more processing procedures. The platform not only ensures that advertising material is displayed on specific web sites but also registers all clicks, records which potential customer contact originates from which partner web site and also forwards the addresses provided by users to our customers. In addition, the platform enables customers and partners at any time to take a look at the latest billing status via an interface and forms the basis for individual monthly reporting and invoicing. An optimisation algorithm forms the intelligent core of the Ligatus IT platform, programmed and continuously further developed on the basis of our performance marketing know-how. The optimisation algorithm translates statistical empirical values into rules and ensures that each campaign becomes ever more successful over time. The IT platform therefore ensures individual advertising campaigns are regularly aligned to performance, so that they are delivered at

the best possible price-performance ratio. This guarantees our web site partners attractive additional revenues, which they receive from the advertising space used by Ligatus. And our customers benefit from a high return on investment, since their offerings are in each case placed where they are most likely to attract clients.

## ■ New customers and partners signed

In 2005, we won a large number of new customers and increased the number of campaigns active at the same time. During the year under review, we were able to more than double the number of customers.

But we also significantly expanded the partner network and consequently increased reach. Reach is a decisive factor in order to address a sufficiently large number of users as potential customers for a particular product. However, we do pay particular attention to signing up only premium partners for our network, i.e. web sites that distinguish themselves through high reach and brand awareness. While we still counted 30 partner web sites in the first quarter of 2005, the number had already risen to 70 at the end of the year under review. As a result, we were able to increase the number of adimpressions from 500 million to 700 million in the year under review. And that's not all – in February 2006, we broke the barrier of 1 billion adimpressions per month for the first time. The number of Ligatus partners has since risen to more than 80.

The brand design of Ligatus does not only become apparent in the logo but also in the new web site [www.ligatus.de](http://www.ligatus.de). This information service is primarily aimed at advertising clients and partners, while the content supports both our sales activities and the further development of the partner network. For consumers, the Ligatus web site presents the most attractive special offers of our customers.

We plan to expand our customer base in 2006 and to direct our efforts more strongly at new market sectors with products and services we would like to market via our business model in addition to financial products. In this respect, we are initially focusing on customers from the automotive, telecommunications and travel industry. In order to meet the expected demand from the new customer groups we intend to noticeably increase the reach of our network. To this end, we aim to acquire new high quality partner web sites on the one hand and on the other hand to expand the advertising space at our existing cooperation partners.



Ligatus smart box at Spiegel Online

<sup>2</sup> Please also refer to the chapter 'Employees' on page 32 f.



## Jointly creating values.

### Successful business leads to more jobs

#### ■ Focus on staff recruitment and retention

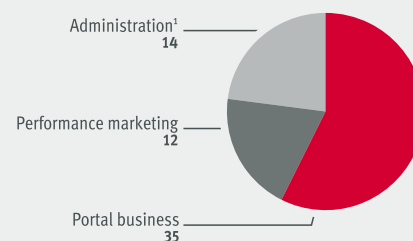
As a result of the dynamic business trend, OnVista intensified its human resources activities once more in 2005. In the year under review, the key focus was on the one hand on filling newly created jobs with suitable candidates and on the other hand on well-directed staff development. We consider the latter essential also because it is of greatest interest to us to advance reliable employees and to retain them in the company long term.

<sup>1</sup> Jobs from the Media and Corporate Services segments are bundled under 'Administration'. On the one hand, this relates to staff who take care of administrative tasks necessary for the operating business, i.e. Accounting and Human Resources, and on the other hand staff carrying out holding company functions, i.e. Investor Relations.

After having invested heavily in the expansion of our business already in the previous year and increased the number of employees by 11 to 52, we were in the enviable position in 2005 of being able to create a further 9 jobs (+17%). At year-end 2005, we employed a total of 61 staff calculated on the basis of full-time equivalent positions. Around 60% of all staff work in the portal business. The number of staff in the performance marketing division has doubled since 2005 and now represent 20% of all

employees. The remaining 20% of staff are charged with administrative tasks.<sup>1</sup>

#### Majority of staff in portal business



61 employees (full-time equivalent calculation) as at 31 Dec. 2005

In the year under review, personnel expenditure amounted to € 3.30 million (prev. year: € 2.69 mill.). Personnel expenditure grew by 23% and consequently underproportionally to

sales. Per head staff costs<sup>2</sup> rose by 11 % to '000 € 62 (prev. year: '000 € 56), particularly as a result of higher performance related bonuses. Sales per employee improved from '000 € 145 to '000 € 184 (+27%).

## ■ Tailored staff development

In order to stretch and develop our employees individually even more effectively, we drew up a new staff development concept in the year under review. In this connection, we drew up individual job requirement profiles, which define the value-creating goals and objectives for every position, as well as the related core responsibilities and requirements. The job profiles not only make recruitment of suitable candidates for advertised positions easier; from 2006 onward, they will also serve as a basis for systematic staff development meetings with each member of staff, during which personal goals and measures for continual professional education will be agreed. In order to cope with the quantitative and qualitative increased demands on human resources, we strengthened the Human Resources department with additional staff.

An anonymous staff survey, carried out by for the first time in 2005, provided us with valuable suggestions in respect of management, staff development, incentive schemes and internal communications. The encouragingly high quota of participants of 94% proves the truly remarkable identification of our employees with 'their' company in impressive fashion.

## ■ Increased recruitment marketing

To make our strong growth even more successful, we are looking for 'bright recruits with creative ideas' and an entrepreneurial penchant, who fit into our corporate culture. Promising talent has become scarce as a result of the latest boom in the online sector. Nevertheless, we continue to be very choosy and are carefully applying a multi-stage, demanding selection process. We mainly need graduates in business administration with internet experience, ideally with industry know-how in the health and finance sector, as well as sales pros specialised in online marketing.

Despite being a small company, OnVista is a highly regarded name in the job market as a result of which we receive many applications on spec. In addition, we also carry out well-focused recruitment marketing via relevant online job portals and trade publications as well as directly at college and university level. Our internal campaign 'Employees recruit employees' too has proven successful. In 2005, we were able to win three new colleagues from this initiative alone. Our training programme for junior staff, which we have pursued continu-

ously over many years, also proves a fruitful source for the expansion of our team. In the year under review, we were again able to employ four university graduates who had already previously proved themselves to be especially apt trainees.

## ■ OnVista – a 'Fair Company'

In 2005, we again offered more than 30 student interns the opportunity of practical job experience, in particular in the area of product management for the finance portal and in the editorial team of the healthcare portal, but also in the IT division, for instance in web development and web design. During the training period, the emphasis is on independent working and taking responsibility. Students can and should learn a lot at OnVista and therefore look after their own projects under supervision. Contact with the students often is maintained even after practical training has come to an end.

When awarding internships, OnVista fulfils the criteria of the 'Fair Company' initiative launched by the Handelsblatt magazine 'karriere' for new recruits. Today, around 250 companies participate in the initiative, offering practical training to university graduates at defined fair terms and conditions.

## ■ Internal communications taken seriously

The growing number of employees and the diversification of our product portfolio also make greater demands on internal communications. In 2005, we therefore expanded our mechanisms in order to create transparency in respect of goals, decisions and projects for all members of staff as well as with regard to achieved objectives and to reinforce their identification with the corporate strategy. Measures include quarterly staff meetings, a bi-monthly online newsletter, complemented by news flashes about the latest developments, as well as a monthly 'Welcome Day', an induction event aimed at facilitating a smooth start for new colleagues. In addition, we also maintain an efficient meeting culture in our day-to-day business, with structured information and decision sessions.

## ■ Executive Board thanks the successful team

Growth and success can not be achieved without a strong team. We are proud to have highly skilled and extremely committed employees. Not only do our staff distinguish themselves through excellent industry expertise and a wealth of ideas but also through above average commitment and great flexibility when it comes to adapting to the ever new demands of the market in a creative way. Our staff kept OnVista on the path of success in 2005 and made a significant contribution to the company's healthy growth. For that, the Executive Board expresses its grateful thanks!

<sup>2</sup> Per head figures refer to the average number of employees of 53 (prev. year: 48).

## First ever dividend payment

### ■ Accelerated price rise

The stock exchanges in Germany gathered further momentum in 2005. Although the DAX stopped trading at the end of the year with a handsome increase of 27%, it was clearly exceeded by the MDAX (+ 36%) and the SDAX (+ 35%) as was already the case in 2004. The TecDAX – index of technology stocks and benchmark for OnVista – brings up the rear of the key German indices with an increase of just short of 15%.

OnVista shares were able to uncouple themselves clearly from its leading index. On 30 December 2005, the closing price stood at € 8.05, exceeding the previous year's value by 27% (€ 6.35). Consequently, we are recording not only a positive performance for the fourth year running but the price rise also steadily gained driving force – from 9 to 13 and 21 to 27%.

### ■ New valuation level since November

After the share price hovered around the 6 Euro mark relatively stable in the first half of 2005 despite extremely positive projections (annual low € 5.40 on 1 April),<sup>1</sup> it rose up to around € 7.80 following the publication of our positive mid-year report. Up to the beginning of November, the share price slipped again to around € 6.00, without any relevant news flow. On 9 November, we announced the sale of our IS.Teledata investment and at the same time were able to raise our annual projections as a result of the excellent operating business. The stock market reacted with a great demand for shares and, within a matter of days, catapulted the share price to its annual high of € 8.60 (18.11.2005). This was the start of a sustained higher valuation level.

<sup>1</sup> All price information based on Xetra daily closing prices

<sup>2</sup> Please also refer to page 15 of the Management Report, section 'Earnings position'.

### ■ Company value increased by more than 80% in four years

The number of shares remains unchanged at 6.7 million, which corresponds to a capital stock of € 6.7 million. Based on the year-end price, OnVista market capitalisation stands at just under € 54 million compared to a good € 42.5 million in the previous year. On the one hand this is encouraging since we were able to increase the company value by 27% in 2005, and since the end of 2001 even by 83%. If, on the other hand, one takes into consideration the once again higher cash holdings after the sale of IS.Teledata in the amount of € 40.1 million (€ 5.98 per share; as at 31.12.2005), this results in a value of only around € 13.9 million (€ 2.07 per share) at the end of 2005 for our fast growing and profitable operating business. The renewed clear price rise since the start of the year bears out the many observers who believe that OnVista shares still offer further potential for price rises.

### ■ Solid shareholder structure

Most of the shares are being held by the three founders of OnVista at an almost unchanged level of around 57%. The free float (ca. 43%) includes one institutional investor, who has supported OnVista already since shortly prior to the stock market flotation in 2000 – Burda Digital Ventures GmbH. Between the reporting dates for our annual general meetings in 2004 and 2005, the company increased its holding from 17.1% to 21.1%. Although no details are available to us about the commitments of other institutional investors we have, on various occasions, noticed an increased interest in our company and shares.

### ■ Dividend and special distribution in the total amount of € 25.8 million planned

The Executive Board and the Supervisory Board will, for the first time, propose the distribution of a dividend to the annual general meeting of OnVista AG on 27 June 2006 in Cologne. The earnings per share, based on the IRFS group after-tax result is slightly negative (€ -0.07)<sup>2</sup> due to the one-time special tax effect resulting from the sale of our IS.Teledata investment. However, the individual operating result of OnVista AG under HGB (German Commercial Code), applicable for the ability to pay a dividend, is distinctly positive with a net income for the year of € 1.00 million. The accumulated profits of OnVista AG, including the loss carryforwards from prior years and released revenue reserves, amount to € 2.13 million.

The joint proposal on the appropriation of profits by the Executive Board and the Supervisory Board calls for a dividend

Key figures of OnVista shares	2001	2002	2003	2004	2005
EBT per share <sup>1</sup> (€)	-1.42	0.02	1.12	0.14	0.24
Net income per share <sup>1</sup> (€)	-1.39	0.37	0.86	0.06	-0.07
Number of shares (mill.)	6.70	6.70	6.70	6.70	6.70
Price earnings ratio	–	13	6	106	–
Highest price <sup>2</sup> (€)	17.20	6.85	6.51	7.11	8.60
Lowest price <sup>2</sup> (€)	3.11	3.35	3.55	4.90	5.40
Year-end price <sup>2</sup> (€)	4.40	4.80	5.25	6.35	8.05
Market capitalisation as at 31 Dec. <sup>2</sup> (€ mill.)	29.48	32.16	35.18	42.55	53.94
Lowest unit trading per day <sup>3</sup>	0	240	0	0	0
Highest unit trading per day <sup>3</sup>	118,242	191,110	99,866	48,120	115,861
Average unit trading per day <sup>3</sup>	4,742	13,667	7,224	4,190	7,597

<sup>1</sup> Until 2002: US-GAAP, from 2003: IFRS

<sup>2</sup> Closing price; until 2002: Frankfurt trading floor, from 2003: XETRA

<sup>3</sup> On the basis of XETRA and Frankfurt trading floor only

of € 0.10 per share. This amounts to a total of € 0.67 million. Based on the year-end price, this works out at a dividend yield of 1.2%. Furthermore, the Executive Board and the Supervisory Board plan to propose a special distribution to be voted on by the annual general meeting in the amount of € 25.1 million. This corresponds to € 3.75 per share. The management of OnVista AG believes that the company's current liquid funds of around € 40 million will not be required in full to achieve the ambitious growth targets for the next few years.

The total amount to be distributed therefore amounts to € 25.8 million. After the two dividend payments, which are subject to adoption by the ordinary general meeting on 27 June 2006, this will leave the company with liquid funds in the amount of around € 14.3 million, calculated on the basis of available cash funds as at 31.12.2005.

## ■ Re-election of the Supervisory Board

With the conclusion of the annual general meeting on 14 June 2005, the first term of office of our Supervisory Board since OnVista went public came to an end. During this time, the three board members, Dr. Paul-Bernhard Kallen, Dr. Johannes Meier and Prof. Dr. Bernhard Schwetzler, made their contribution with exceptional dedication and intensive discussions in terms of content. The annual general meeting of shareholders followed the proposal for re-election by management. As part of the re-election, the rather symbolic total remuneration for the three-strong committee was raised from the previous '000 € 20 to the still moderate sum of '000 € 35.

## ■ Increasingly more interesting for the media

Because of the company's dynamic development and the sale of the affiliated company, we were able to register a distinct increase in interest on the part of the capital market in the year under review. The two research institutes, which permanently monitor and analyse OnVista, raised their upside price objectives on several occasions – Independent Research from € 6.40 up to € 9.40 (November 2005) and HSBC Trinkaus & Burkhardt from € 7.30 to last € 9.81 (January 2006).

The events of the year were met with an especially positive response from the media. 'Handelsblatt' reported 'OnVista is doing well with address acquisition on the internet' and acknowledged our entry into the performance marketing business, while the information service 'Prior Börse' was of the opinion 'You can buy OnVista for next to nothing' because of the low valuation of the operating business. In June, 'Börsen-Zeitung' published a big article entitled 'OnVista expands strategy', at the same time, 'Euro am Sonntag' and

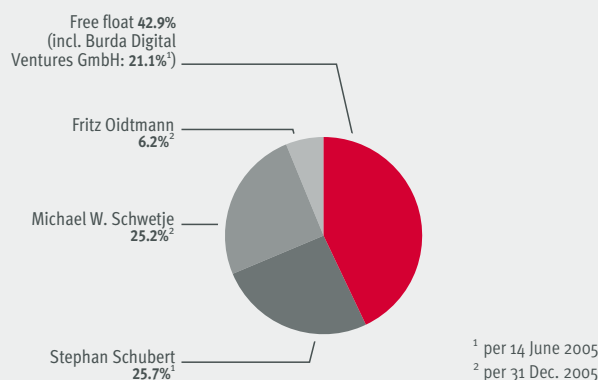
'Finanzen Euro' choose OnVista as their stock of the week, in particular because of the opportunities through the Onmeda healthcare portal. The highlight of the media response came after the announcement of the sale of IS.Teledata. 'New upside price objective for the OnVista Group' ('Börsen-Zeitung'), 'Cash King OnVista' ('Der Aktionär'), 'OnVista is being rediscovered' ('Platow Börse') were just some of the many high awareness headlines. In January 2006, the news magazine 'Der Spiegel' recommended OnVista together with Google and United Internet as an attractive internet stock that will benefit from the online advertising boom.

## ■ Invitation to engage in dialogue

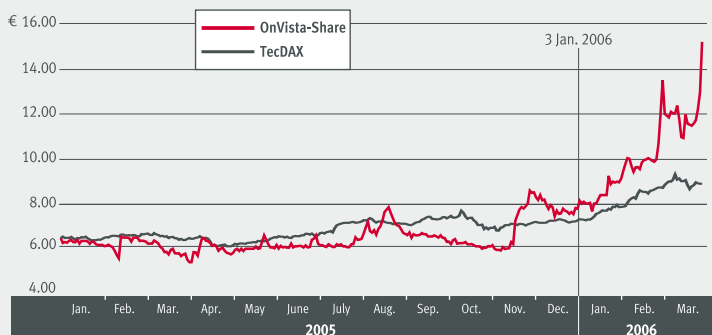
We greatly value direct contact with (potential) shareholders as well as analysts and journalists. You will find details of your contact on page 67 – we look forward to speaking with you! Our financial calendar and the core stock market data you will find on page 66. With regard to the subject of Corporate Governance, please refer to our report on page 65.

## More than 40 percent free float

### Shareholders' structure



## Stock market rewards sale of investment and business performance



Development of OnVista share price (Xetra closing price in €) and TecDAX (normalised on 3 Jan. 2005) 3 Jan. 2005 – 16 March 2006

# Report of the Supervisory Board

Ladies and Gentlemen,

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 six 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, in particular the focus on internet activities. The Supervisory Board dealt in detail with the sale of the investment in IS.Teledata AG as well as the further expansion of the performance marketing business and the healthcare portal. Detailed discussions also focused on additional potential areas of growth across the entire Media business segment. 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 PricewaterhouseCoopers 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).

At its meeting on 16 March 2006, the Supervisory Board discussed the 2005 financial statements of

OnVista AG as well as the 2005 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 at 31 December 2005 as well as the consolidated financial statements prepared by the Executive Board as at 31 December 2005. The annual financial statements are herewith adopted. The Supervisory Board also endorses the proposal of the Executive Board for the appropriation of the accumulated profits of OnVista AG. We are pleased that the good earnings position and high capital resources available enable OnVista AG to pay its shareholders a dividend for the first time for the financial year 2005. The Supervisory Board also expressly supports the proposal of a special distribution. Together with the Executive Board, the Supervisory Board is of the opinion that the remaining and continued comfortable availability of financial resources is sufficient to achieve the ambitious growth targets in the coming years both organically and through acquisitions.

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

By mutual agreement, the Supervisory Board and the Spokesman for the Board, Fritz Oidtman, have agreed that the executive contract will be rescinded as a result of the dissolution of the Technologies business segment. Mr. Oidtman will leave the company at the end of the annual general meeting on 27 June 2006. After the departure of Fritz Oidtman, the business of the OnVista Group will be managed by Michael W. Schwetje alone.

As co-founder, member of the Executive Board and shareholder, Fritz Oidtman was close to OnVista right from the start. He experienced and helped shape all stages in our company's young history – the phases of vigorous growth at the time of the 'new economy', the company's stock market listing, the consolidation during difficult economic periods and the last three growth-driven years, during which the company was

expanded from a financial specialist to a broadly based internet company. Last but not least he was in overall charge of the sale of the IS.Teledata investment. On behalf of all shareholders, the Supervisory Board would like to thank Mr. Oidtmann sincerely for his commitment and valuable achievements in the set up and further development of the OnVista Group. At the same time, we firmly believe that Michael W. Schwetje, also a founder member of the Executive Board and shareholder of OnVista AG, will lead the OnVista Group into a successful future as sole Director, supported by two newly appointed General Managers at the two operating companies.

In this connection, my Supervisory Board colleagues, Dr. Johannes Meier and Prof. Dr. Bernhard Schwetzler, have declared that they will resign their seats on the Supervisory Board on conclusion of the annual general meeting 2006 to enable the election of Fritz Oidtmann and Stephan Schubert – also a co-founder and major shareholder of OnVista AG – to the Supervisory Board. The Executive Board will present a concurrent proposal at the annual general meeting on 27 June 2006.

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 radical innovations and new products.

Cologne, 16 March 2006



Dr. Paul-Bernhard Kallen  
Chairman of the Supervisory Board

<b>37</b>	<b>Consolidated Financial Statements 2005 under IFRS</b>
38	Balance Sheet
40	Profit and Loss Statement
41	Statement of Cash Flows
42	Statement of Changes in Shareholders' Equity
43	Notes
64	Auditor's Opinion

# Consolidated Financial Statements 2005 under IFRS

## Balance Sheet

### ASSETS

€	31.12.2005	31.12.2004
<b>Short term assets</b>		
Cash and cash equivalents [5]	18,061,130	1,065,951
Other securities [5]	22,029,740	21,548,150
Other short term financial assets	0	1,080,000
Trade accounts receivable [6]	1,208,522	625,486
Amounts due from associated companies	8,997	96,051
Income tax receivables	0	262,317
Other short term assets [7]	733,840	359,870
<b>Total short term assets</b>	<b>42,042,228</b>	<b>25,037,825</b>
<b>Long term assets</b>		
At equity investments [4]	0	17,177,882
Other long term financial assets	400,000	400,000
Tangible assets [8]	293,716	202,959
Intangible assets [8]	3,738,676	3,287,393
Deferred taxes [19]	1,735,453	1,878,839
Other long term assets [9]	1,800,906	0
<b>Total long term assets</b>	<b>7,968,751</b>	<b>22,947,073</b>
<b>Total assets</b>	<b>50,010,980</b>	<b>47,984,898</b>

The brackets [ ] refer to the corresponding notes on pages 43–63, which form an integral component of the consolidated financial statements.

# Consolidated Financial Statements 2005 under IFRS

## Balance Sheet

### LIABILITIES AND SHAREHOLDERS' EQUITY

€	31.12.2005	31.12.2004
<b>Short term liabilities</b>		
Trade accounts payable	871,063	632,658
Advance payments received	242,023	197,644
Other short term accrued liabilities [11]	1,133,587	1,108,578
Income tax liabilities [11]	1,638,456	203,000
Other short term liabilities [12]	409,451	59,933
<b>Total short term liabilities</b>	<b>4,294,581</b>	<b>2,201,813</b>
<b>Shareholders' equity [13]</b>		
Subscribed capital	6,700,000	6,700,000
Capital reserves	39,927,055	39,749,099
Reserve for stock options	220,309	152,453
Treasury Stock	-191,643	-429,097
Accumulated other comprehensive income	-2,586	55,534
Accumulated profits/ deficit (-)	-936,735	-444,904
<b>Total shareholders' equity</b>	<b>45,716,399</b>	<b>45,783,085</b>
<b>Total liabilities and shareholders' equity</b>	<b>50,010,980</b>	<b>47,984,898</b>

The brackets [ ] refer to the corresponding notes on pages 43–63, which form an integral component of the consolidated financial statements.

# Consolidated Financial Statements 2005 under IFRS

## Profit and Loss Statement

€	1.1. - 31.12.2005	1.1. - 31.12.2004
<b>Sales [15]</b>	<b>9,743,732</b>	<b>6,946,777</b>
Cost of production	-3,626,852	-2,801,992
<b>Gross profit</b>	<b>6,116,880</b>	<b>4,144,785</b>
Marketing and selling expenses	-2,046,546	-1,625,118
General administration expenses	-2,220,762	-2,052,574
Research and development expenses [17]	-1,250,684	-751,078
Other operating income	507,691	508,696
Other operating expenses	-274,669	-207,278
<b>Operating income / loss (-) (EBIT)</b>	<b>831,910</b>	<b>17,433</b>
Interest income, net	806,949	904,116
Income / expenditure (-) from companies reported at equity [4]	593,242	-3,993
Loss from the sale of companies reported at equity [4]	-625,058	0
Currency exchange gains / losses (-)	-530	-619
<b>Pre-tax income / loss (-)</b>	<b>1,606,512</b>	<b>916,937</b>
Taxes on income [19]	-2,098,343	-495,411
<b>Net income / loss (-)</b>	<b>-491,831</b>	<b>421,526</b>
Accrued deficit	-444,904	-4,216,430
Transfer from other revenue reserves	0	3,350,000
<b>Accumulated income / loss (-)</b>	<b>-936,735</b>	<b>-444,904</b>
<b>Earnings per share (basic / diluted) [26]</b>	<b>-0.07</b>	<b>0.06</b>
<b>Weighted average shares outstanding (basic)</b>	<b>6,646,171</b>	<b>6,682,893</b>
<b>Weighted average shares outstanding (diluted)</b>	<b>6,646,171</b>	<b>6,697,523</b>

The brackets [ ] refer to the corresponding notes on pages 43 – 63, which form an integral component of the consolidated financial statements

# Consolidated Financial Statements 2005 under IFRS

## Statement of Cash Flows

€	1.1. - 31.12.2005	1.1. - 31.12.2004
Net income/ loss (-) for the year	-491,831	421,526
Depreciation, amortisation and write-downs on long term assets	528,694	521,268
Income tax charge / refund (-)	2,098,343	495,411
Interest income / expenditure (-)	-806,949	-904,116
Income / expenditure (-) from companies reported at equity	-502,162	3,993
Gain on the disposal of other securities	-48,402	-357,250
Other non-cash changes	67,856	96,574
Decrease / increase (-) in assets and increase / decrease (-) in liabilities and shareholders' equity:		
Trade accounts receivable	-583,036	-101,475
Amounts due from associated companies	87,054	-49,355
Other current assets and prepaid expenses	-303,141	595,756
Trade accounts payable	238,405	339,430
Other liabilities and deferred income	393,897	-31,047
Other accruals	25,009	71,595
Income tax received / paid	-9,649	63,526
Net proceeds from interest	832,900	861,137
<b>Cash flow from operating activities</b>	<b>2,152,047</b>	<b>2,052,948</b>
Investments in tangible fixed assets	-243,301	-181,952
Investments in intangible assets	-827,433	-231,134
Proceeds from the sale of companies reported at equity	15,157,300	0
Proceeds from other financial assets	1,080,000	720,000
Investments in shares in companies reported at equity	0	-1,676,372
Investments due to change in entities included in consolidation	0	-2,684,789
Proceeds from the disposal of other securities	4,005,000	22,856,950
Investments in other securities	-4,525,814	-22,507,050
<b>Cash flow from investment activities</b>	<b>14,645,752</b>	<b>-3,704,347</b>
Investments in treasury stock	0	-436,087
Proceeds from the disposal of treasury stock	197,380	5,700
<b>Cash flow from financing activities</b>	<b>197,380</b>	<b>-430,387</b>
Change in cash and cash equivalents from exchange rate movements	0	0
<b>Change in cash and cash equivalents</b>	<b>16,995,179</b>	<b>-2,081,786</b>
Cash and cash equivalents at the beginning of the financial year	1,065,951	3,147,737
<b>Cash and cash equivalents at the end of the period <sup>1</sup></b>	<b>18,061,130</b>	<b>1,065,951</b>

<sup>1</sup> Cash and cash equivalents at the end of the financial year do not include the readily disposable fixed income securities in the amount of \*000 € 22,029.

# Consolidated Financial Statements 2005 under IFRS

## Statement of Changes in Shareholders' Equity

€	Subscribed capital	Revenue reserves	Reserves for stock options	Treasury stock	Accumulated other comprehensive income	Capital reserves	Accumulated income/loss (-)	Total shareholder's equity
<b>As at 1.1.2004</b>	<b>6,700,000</b>	<b>39,749,875</b>	<b>55,879</b>	<b>0</b>	<b>226,456</b>	<b>3,350,000</b>	<b>-4,216,430</b>	<b>45,865,780</b>
Other comprehensive income	0	0	0	0	-170,922	0	0	-170,922
Net income/loss (-) for the year	0	0	0	0	0	0	421,526	421,526
<b>Total comprehensive income</b>								<b>250,604</b>
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
Drawing on other revenue reserves	0	0	0	0	0	-3,350,000	3,350,000	0
Disposal of treasury stock (net of deferred taxes)	0	-776	0	0	0	0	0	-776
<b>As at 31.12.2004</b>	<b>6,700,000</b>	<b>39,749,099</b>	<b>152,453</b>	<b>-429,097</b>	<b>55,534</b>	<b>0</b>	<b>-444,904</b>	<b>45,783,085</b>
Other comprehensive income	0	0	0	0	-58,120	0	0	-58,120
Net income/loss (-) for the year	0	0	0	0	0	0	-491,831	-491,831
<b>Total comprehensive income</b>								<b>-549,951</b>
Allocation to reserves for stock options	0	0	67,856	0	0	0	0	67,856
Belated reduction of IPO costs	0	202,000	0	0	0	0	0	202,000
Treasury stock	0	0	0	237,454	0	0	0	237,454
Disposal of treasury stock (net of deferred taxes)	0	-24,044	0	0	0	0	0	-24,044
<b>As at 31.12.2005</b>	<b>6,700,000</b>	<b>39,927,055</b>	<b>220,309</b>	<b>-191,643</b>	<b>-2,586</b>	<b>0</b>	<b>-936,735</b>	<b>45,716,399</b>

## A. General notes

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

#### *Company*

OnVista Aktiengesellschaft based in Cologne, Germany ("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 32470.

The articles of association in the version dated 14 June 2005 prevail.

#### *Changes under corporate law*

In accordance with the separation plan of 22 August 2005, OnVista Media GmbH transferred its performance marketing business unit with part of its assets resulting from the partial annual accounts as at 31 December 2004 as a whole together with all rights and obligations to Ligatus GmbH based in Cologne according to § 123 para. 3 no. 2 of the Act relating to the transformation of a company (UmwG). The transfer was carried out entirely in exchange for shareholder rights in said company and under the discount value method.

With the contract of sale of 9 November 2005, OnVista Beteiligungs-Holding GmbH sold its 36% stake in IS.Teledata AG to Interactive Data Corporation, Bedford, Mass., USA. The sale took effect on conclusion of the investigation under anti-trust law on 13 December 2005.

With contract of sale of 14 June 2005, OnVista AG purchased 100% of the shares in Trade & Get GmbH based in Cologne from its subsidiary OnVista Beteiligungs-Holding GmbH. With contract of sale of 14 June 2005, OnVista AG also purchased 25.1% of the shares in PROZENTOR GmbH based in Berlin from OnVista Beteiligungs-Holding GmbH.

#### *Objectives of the Company*

The objectives of the Company include the operation of and advertising sales for 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 concerning communication 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 data 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.

#### *Reporting currency and presentation of amounts*

The reporting currency is Euro. Amounts are shown both in Euro (€) and in '000 Euro ('000 €).

#### *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), as to be applied in the EU.

# Consolidated Financial Statements 2005 under IFRS

## Notes

OnVista makes use of the exemption option presented under § 315a of the HGB (German Commercial Code), 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.

Following preparation, the financial statements were released by the Executive Board on 1 March 2006.

Since the preparation of the consolidated financial statements 2004, a number of new or revised standards have been published by IASB, which must be compulsory applied only from 1 January 2006 or later:

- IFRS 6 (2004) 'Exploration for and Evaluation of Mineral Resources'
- IFRS 7 (2005) 'Financial Instruments: Disclosures'
- IAS 19 (2005) 'Employee Benefits'
- Amendment to IAS 39 (2005) 'The Fair Value Option'
- Amendment to IAS 39 (2005) 'Financial Guarantee Contracts'
- Amendment to IAS 4 (2005) 'Financial Guarantee Contracts'
- Amendment to IAS 1 (2005) 'Capital Disclosures'

With the exception of the amendment to IAS 39 'The Fair Value Option' the Company did not make use of the option to apply the standards early. Early application of the remaining standards would not have any material effects on the presentation of the asset, financial and earnings position.

Also published but not yet applied were the interpretations IFRIC 4, IFRIC 5, IFRIC 6 and IFRIC 7, whereby IFRIC 6 and IFRIC 7 have not yet been approved by the EU.

## 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, which are fully consolidated. Subsidiaries are consolidated at the time of purchase in accordance with IFRS 3 'Business Combinations' under the acquisition method. Under this method, the cost of acquisition is determined from the purchase price plus expenditure directly related to the purchase. Acquired assets and liabilities, in so far as these can be identified, are valued at the fair value at the time of purchase. The difference between the acquisition cost and the proportionate net asset values is capitalised as goodwill. This goodwill is tested annually or in the event of indications of possible impairment within the framework of an impairment test (IAS 36).

Investments in associated companies are reported in accordance with the equity method, based on IAS 28 'Accounting for Investments in Associates' (2003), if OnVista exerts considerable influence on the business and finance policy but does not have control. The difference between the acquisition cost and the proportionate equity is, as far as possible, allocated to the relevant balance sheet items. Any remaining difference is allocated to the associated company as goodwill.

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

The accounting and valuation principles of the subsidiaries included in consolidation are standardised.

### *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. In addition, for the subsidiary Ligatus GmbH commercial credit insurance was taken out at the end of 2005.

### **Revenue recognition**

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

### **Exchange of 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 fair 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' (2003), 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 'basic earnings per share', the dilution effect is not taken into account; the group income/loss 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 26.

### **Cash and cash equivalents**

All capital investments with high fungibility which are subject to only insignificant fluctuations in value and with 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 their fair values, provided these can be reliably determined. Any unrealised gains and losses from securities valued at their fair value not designated for disposal in the short term (available-for-sale securities) are recorded under other comprehensive income, taking into account any deferred taxes. In so far as fair values can not be reliably determined for the other securities, other securities are valued at cost price. In the event of permanent impairment, all securities and investments are written down and reflected in the profit and loss account.

### **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. Impairment losses arise if the fair value of intangible assets falls below the book value on the balance sheet date. Goodwill acquired within the framework of corporate acquisitions is capitalised in accordance with IFRS 3 'Business Combinations' and tested annually for impairment, or in the event of indications of a possible impairment.

For every cash generating business unit where the book value of the goodwill allocated to this business unit is significant compared to the total book value of the goodwill, details on the book value of the goodwill are provided under IAS 36.134 as well as on the basis on which the obtainable amount of the business unit has been determined. If the obtainable amount is based on the utility value, the underlying assumptions for the calculation of the projection are presented (see also section 8. 'Intangible assets and tangible fixed assets').

### **Web site development costs**

Development costs incurred in connection with programming and the enhancement of internally developed software are reported in the balance sheet in accordance 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, the intangible asset will have a future economic benefit, the company has the intention, capabilities as well as the technical, financial and other resources to finalise the intangible asset and to use it in future, and if the expenditure incurred during the development phase can be valued reliably. Expenditure for research can not be capitalised as a matter of principle.

# Consolidated Financial Statements 2005 under IFRS

## Notes

Development costs related to programming and the enhancement of tools for OnVista web sites are reported in accordance with SIC-32 'Intangible Assets – Website Costs' in connection with IAS 38 'Intangible Assets' (2004). The costs incurred must be recognised according to the development phases of a web site and must be treated differently in each phase. SIC-32 identifies the following development phases of a web site – planning phase, application and development of the infrastructure, content development and operational phase. The character of the planning phase equals the research phase under IAS 38.54-56. Spending during this phase is recorded as expenditure as incurred. The phases of application and development of the infrastructure, the development of the graphic design and content development equal the characteristics of the development phase under IAS 38.57-64, provided the content is not being developed for the purpose of marketing and advertising of the company's own products and services. Spending during these phases is part of the cost of a web site and is reported as intangible assets if the expenditure can be directly attributed and is necessary for the creation, editing and preparation of the web site for the intended use. Spending during the phase of content development, if related to content being developed for marketing and promotion of the company's own products and services must be recorded as expenditure as incurred in accordance with IAS 38.69(c). The operational phase begins as soon as the development of a web site has been concluded. Spending during this phase is recorded as expenditure incurred unless it fulfils the criteria of IAS 38.18.

Capitalised software development costs are amortised on a straight-line basis over the estimated useful life of the software (three years).

### ***Tangible fixed assets***

Tangible fixed assets are valued at acquisition cost, less planned depreciation. Impairment costs arise if the realisable amount of the asset is lower than its book value (IAS 36.8). Under IAS 36.15, the realisable amount is defined as the higher of the net selling price and utility value. Assets are depreciated on a pro rata basis according to the straight-line method over their estimated useful life. For furniture and other operating equipment this amounts to five years and for hardware three years.

### ***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 2005, 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 expenditure according to their time to maturity.

### ***Other comprehensive income***

Changes in 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 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 for liabilities which are uncertain in respect of their due date or amount. Provisions must be recognised only if the company has incurred a current obligation (legally or actually) from an event in the past, if it is likely that the fulfilment of the obligation will require an outflow of resources with economic benefits and if the amount of the obligation can not 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').

### Operating leasing

In the case of an 'operating lease', leasing instalments to be paid are reported as expenditure for the year in the profit and loss account in accordance with IAS 17 'Leases' (2004).

### 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, IFVB Institut für Vermögensbildung GmbH, Cologne, as well as Ligatus GmbH, Cologne, which arose from the spin-off from OnVista Media GmbH.

In addition, the minority interest of OnVista AG in PROZENTOR GmbH, Berlin, is included in consolidation under the equity method, since OnVista exerts considerable influence on the company's business and corporate policies.

The investment of OnVista Beteiligungs-Holding GmbH in IS.Teledata AG, Frankfurt, was sold in the financial year 2005. In the previous year, the investment was included in the companies included in consolidation under the equity method.

### 4. Companies included at equity

In the financial year 2005, the following companies were included under the equity method:

	Interest held %	Share in equity 31.12.2005 €	Acquisition costs €	Accumulated additions €	Accumulated devaluation/ loss €	Sales proceeds €	Investment book value €
PROZENTOR GmbH	25.1	0	510,000	0	510,000	-	0
IS.Teledata AG	36.0	0	17,130,560	549,483	625,058	17,054,985	0
							<b>0</b>

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 sold to Interactive Data Corporation, Bedford, Mass., USA, in the financial year 2005. The net sales proceeds amount to '000 € 17,055, of which '000 € 15,157 flowed into the Company in 2005 in form of a cash payment, '000 € 97 will flow into the Company at the beginning of 2006, and a further '000 € 1,801 will be released only at the end of a guarantee period of up to four years. In 2005, up to the transfer of control in December 2005, income in the amount of '000 € 593 was accrued from equity accounting of IS.Teledata AG. On this basis, the sale resulted in a paper loss in the amount of '000 € 625. No liquid funds were disposed of in connection with the sale.

# Consolidated Financial Statements 2005 under IFRS

## Notes

In the financial year 2005, the operating results of companies reported at equity in the balance sheet were transferred to the consolidated statement of income as follows:

€	Gains/ losses (-) transferred
PROZENTOR GmbH	0
IS.Teledata AG	593,242

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 values in the final accounts, these will be taken into account in the subsequent period.

## B. Notes to the consolidated balance sheet

### 5. Cash and cash equivalents and other securities

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 € 17,215 (prev. year: '000 € 650) and to credit balances with banks in the amount of '000 € 846 (prev. year: '000 € 416).

Acquisition costs, fair values as well as unrealised gains and losses relating to the mortgage bonds, note loans and money market funds (available-for-sale securities) shown under other securities are essentially made up as follows:

	Date of acquisition	Purchase price 31.12.2005 €	Value as at 31.12.2005 €	Value as at 31.12.2004 €	Unrealised accumulated gains €	Unrealised accumulated losses €
Allgemeine Hypothekenbank AG	30.8.2001	0	0	2,015,600	0	0
AHB Rheinboden AG	6.5.2004	3,000,000	3,000,000	3,011,400	0	0
Berlin-Hannover Hypotheken Bank AG	30.6.2004	4,500,000	4,500,000	4,500,000	0	0
Hypo Real Estate Bank AG	18.10.2004	3,500,000	3,500,000	3,500,000	0	0
Landesbank Rheinland Pfalz	19.11.2004	4,506,750	4,525,200	4,521,150	18,450	0
HSBC Trinkaus & Burkhardt KGaA	25.11.2004	4,000,000	4,000,000	4,000,000	0	0
DEPFA Deutsche Pfandbriefbank AG	5.12.2005	2,018,200	2,009,000	0	0	9,200
HSBC Trinkaus & Burkhardt KGaA	13.5.2005	500,014	495,540	0	0	4,474
<b>Total</b>		<b>22,024,964</b>	<b>22,029,740</b>	<b>21,548,150</b>	<b>18,450</b>	<b>13,674</b>

As in the previous year, OnVista AG does not hold any securities as at 31 December 2005 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 2005, taking into account deferred taxes, amounted to '000 € 5 (prev. year: '000 € 92), which has been recorded under other comprehensive income. With the sale of securities, the Company generated a profit in the financial year 2005 in the amount of '000 € 48 (prev. year: '000 € 357). The sales resulted in deposits totalling '000 € 4,005 (prev. year: '000 € 22,857). These disposals led to a net change in other comprehensive income before tax in the amount of '000 € -67 (prev. year: '000 € -301).

### 6. Trade accounts receivable

Trade accounts receivable are reported at their relevant fair value at the time they are added and subsequently valued on the basis of continued acquisition costs less impairment. Impairment is recognised if it can not be assumed that the original amount of the claim can be realised in full.

As at the balance sheet date, all receivables have a residual maturity of less than one year.

As at 31 December 2005, provisions for bad debts amounted to '000 € 453 (prev. year: '000 € 65).

### 7. Other short term assets

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

'000 €	31.12.2005	31.12.2004
Deferred interest	303	314
Prepaid services	197	21
Suppliers and debit balances	43	22
Receivables from investment disposal	97	0
Other	94	3
<b>Total</b>	<b>734</b>	<b>360</b>

Other short term assets include amounts totalling '000 € 303 (prev. year: '000 € 314), which are legally created only after the balance sheet date. These amounts relate to deferred interest.

### 8. Intangible fixed assets and tangible fixed assets

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

In the financial year 2005, OnVista relieved the profit and loss account with the capitalisation of development costs in the amount of '000 € 177 (prev. year: '000 € 226), 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 2005 amounted to '000 € 277 (prev. year: '000 € 145). Included in this amount are impairment costs totalling '000 € 45, to take into account the change in the useful life of a software development.

As a result of the acquisition of shares in A Med-World AG in the financial year 2004, 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 as a payment generating business unit and tested for impairment within the framework of an annual impairment test in accordance with IAS 36 'Impairment of Assets'. In the financial year 2005, the impairment test did not result in any write-downs. The determination of the utility value of the Media segment is based on a 5-year plan approved by management, with an underlying growth rate of 2% for the extrapolation of the cash flow forecast and a discounting rate of 8.2% across the entire period.

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 2005 amounted to '000 € 40 (prev. year: '000 € 107).

# Consolidated Financial Statements 2005 under IFRS

## Notes

The following overview shows the movements in intangible fixed assets during the financial year:

'000 €	Internally developed software	Acquired software	Goodwill	Payments on account	Total
<b>Acquisition costs or cost of production</b>					
Initial status 1.1.2005	2,134	1,268	2,895	0	6,297
Additions	177	59	0	591	827
Disposals	0	0	0	0	0
<b>Final status 31.12.2005</b>	<b>2,311</b>	<b>1,327</b>	<b>2,895</b>	<b>591</b>	<b>7,124</b>
<b>Amortisation / write-backs</b>					
Initial status 1.1.2005	1,578	1,071	360	0	3,009
Amortisation	277	99	0	0	-376
Write backs	0	0	0	0	0
<b>Final status 31.12.2005</b>	<b>1,855</b>	<b>1,170</b>	<b>360</b>	<b>0</b>	<b>3,385</b>
<b>Book value 31.12.2005</b>	<b>456</b>	<b>157</b>	<b>2,535</b>	<b>591</b>	<b>3,739</b>
Book value 31.12.2004	556	196	2,535	0	3,287

For details on the allocation of amortisation to the individual items in the profit and loss account please refer to section 20. 'Depreciation, amortisation and write-downs'.

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

The following overview shows the movement in tangible assets during the financial year:

'000 €	Leasehold improvements	Hardware	Other operating and business equipment	Total
<b>Acquisition costs or cost of production</b>				
Initial status 1.1.2005	625	1,660	189	2,474
Additions	0	184	59	243
Disposals	0	0	-72	-72
<b>Final status 31.12.2005</b>	<b>625</b>	<b>1,844</b>	<b>176</b>	<b>2,645</b>
<b>Depreciation / write-backs</b>				
Initial status 1.1.2005	615	1,492	164	2,271
Depreciation	2	91	59	152
Disposals	0	0	-72	-72
<b>Final status 31.12.2005</b>	<b>617</b>	<b>1,583</b>	<b>151</b>	<b>2,351</b>
<b>Book value 31.12.2005</b>	<b>8</b>	<b>262</b>	<b>24</b>	<b>294</b>
Book value 31.12.2004	10	169	24	203

### 9. Financial assets and other long term assets

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
Kontrast Abwicklungsgesellschaft mbH (formerly: Price Contrast GmbH)	2.50	650

Since the fair 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).

Other long term assets include receivables from the sale of the shares in IS.Teledata AG in the amount of '000 € 1,801. This amount is being administered by a notary for a period of up to four years to cover any potential guarantee claims.

### 10. Liabilities

All liabilities have a residual maturity of up to one year and are reported at their relevant fair value.

### 11. Other accruals

In the financial year 2005, other accruals developed as follows:

'000 €	1.1.2005	Additions	Depletion	Release	31.12.2005
Bonus payments	466	459	-466	0	459
Cost of the annual general meeting and the annual report	150	110	-95	-55	110
Outstanding suppliers' invoices	361	311	-232	-126	314
Annual audit fees	35	42	-35	0	42
Cost of litigation	6	0	-3	-3	0
Non-occupation risks	15	0	-15	0	0
Residual paid leave	1	10	-1	0	10
Other	75	189	-51	-15	198
<b>Total</b>	<b>1,109</b>	<b>1,121</b>	<b>-898</b>	<b>-199</b>	<b>1,134</b>

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

Tax risks are no longer reported under other accruals but as a separate item in the consolidated balance sheet. Compared to the previous year, '000 € 203 are therefore reclassified from other accruals to tax liabilities.

### 12. Other short term liabilities

Other short term 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.

# Consolidated Financial Statements 2005 under IFRS

## Notes

### **Number of shares issued**

As at 31 December 2005, 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. Under a resolution passed by the annual general meeting on 29 June 2004 (deed no. 892/2004 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 28 December 2005, 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 14 June 2005 (deed no. 706/2005 of the Notary Dr. Christoph Neuhaus, Cologne) and replaced by an identical authorisation, which is valid up to 13 December 2006.

In the months of March, August and November 2005, the Company disposed of a total of 35,435 treasury stock. The loss realised on the sale in the amount of € 40,061 has been set off against capital surplus in shareholders' equity without any effect on profit and loss, taking into consideration deferred taxes.

As at 31 December 2005, OnVista AG holds a total of 28,565 treasury stock at a purchase price of € 191,643. This figure represents 0.42% of the Company's capital stock. The market value of these shares as at 31 December 2005 amounts to € 229,948. 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 were withdrawn in full during the preparation of the annual financial statements for 2004 and have been added to the accumulated profits.

No dividends were distributed to the shareholders of the Company in the financial year 2005.

### Accumulated other comprehensive income

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

'000 €	Before taxes	Tax effect	Net
Unrealised gains / losses (-) arising from the valuation of securities at market price:			
1.1.2004	393	-167	226
Change in unrealised gains / losses (-)	8	-3	5
Net of realised gain / losses (-)	309	-133	176
<b>Unrealised gains / losses (-), total</b>	<b>92</b>	<b>-37</b>	<b>56</b>
<b>Accumulated other comprehensive income as at 31.12.2004</b>	<b>92</b>	<b>-37</b>	<b>56</b>
Unrealised gains / losses (-) arising from the valuation of securities at market price:			
1.1.2005	92	-37	56
Change in unrealised gains / losses (-)	20	2	-18
Net of realised gains / losses (-)	67	-27	41
<b>Unrealised gains / losses (-), total</b>	<b>5</b>	<b>-8</b>	<b>-3</b>
<b>Accumulated other comprehensive income as at 31.12.2005</b>	<b>5</b>	<b>-8</b>	<b>-3</b>

## 14. Stock option plan

On the balance sheet date, the Group had in place a fixed 'Stock Option Plan'. Valuation and reporting in the balance sheet is carried out in accordance with 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 subsidiaries (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 20 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 being granted. Consequently, options of the first tranche could have been exercised earliest on 24 February 2003 and can only be fully exercised from 24 February 2005 onward.

# Consolidated Financial Statements 2005 under IFRS

## Notes

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 granted.

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 date of being granted.

With the approval of the annual general meeting on 30 May 2001 (deed no. 668/2001 of the Notary Dr. Christoph Neuhaus, Cologne) OnVista AG 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 staff and members of the management team of the Company's subsidiaries (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 being granted ('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 being granted plus any options not taken up in the previous year, and a further 25% at the end of four years after being granted 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 the grant of options. The initial exercise price amounts to 120% ('multiplier') of the reference figure. The multiplier increases by ten percentage points 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 date of being granted.

When options are exercised, compensation is provided in the form of OnVista AG shares. These shares can, if available, be taken from the holdings of OnVista AG treasury stock or they may be serviced through the issue of new shares as part of a conditional capital increase (please also refer to the chapter 'Conditional capital').

OnVista reports stock-based compensation 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 duration of the vesting period.

# Consolidated Financial Statements 2005 under IFRS

## Notes

Movements in stock options granted to eligible employees in the financial year 2005 are as follows:

	2005		2004	
	Number of options on OnVista shares	Average subscription price €	Number of options on OnVista shares	Average subscription price €
Position at the start of the year	343,000	12.14	287,000	13.15
Granted	0	0.00	57,000	6.91
Exercised	35,435	5.58	1,000	5.70
Expired	34,500	9.20	0	0.00
Lapsed	54,750	30.85	0	0.00
Still existing at year-end	218,315	8.97	343,000	12.14
<b>Exercisable at year-end</b>	<b>67,253</b>	<b>16.06</b>	<b>45,375</b>	<b>19.55</b>

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

	2005		2004	
	Number of options on OnVista shares	Average subscription price €	Number of options on OnVista shares	Average subscription price €
	0	30.80	54,750	30.80
	43,500	20.19	49,250	20.19
	52,440	6.42	76,000	6.42
	81,375	5.64	106,000	5.64
	41,000	6.91	57,000	6.91
	<b>218,315</b>	<b>8.97</b>	<b>343,000</b>	<b>12.14</b>

The options have an average residual life of 2.0 years (prev. year: 2.3 years).

No new stock options were granted in 2005. The fair value of the stock options in the previous year 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
Expected average dividend yield	0.0%
Expected volatility	48.50%
Risk-free investment interest	4.0%
Exercise price of OnVista shares	€ 6.19
Expected timeframe up to the date of exercise of the 'OnVista Stock Option Plan 2001'	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.

# Consolidated Financial Statements 2005 under IFRS

## Notes

The following fair 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 24.2.2000		10.66		13.23
Commitment on 30.6.2000		9.69		12.45
Commitment on 2.1.2001		7.01		8.70

The following fair 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 28.1.2002	1.76		2.12		2.41		2.65	
Commitment on 28.1.2003	1.47		1.78		2.03		2.24	
Commitment on 28.1.2004	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:

€	2005	2004
Commitment on 28.1.2003	39,980	60,687
Commitment on 28.1.2004	27,875	35,887
<b>Total</b>	<b>67,855</b>	<b>96,574</b>

The contributions arising under the stock option plan were respectively recognised as furnished during the vesting period with an accompanying increase in capital. On the reporting date, this resulted in a provision for stock options in the amount of € 220,309 (prev. year: € 152,453).

## C. Notes to the consolidated profit and loss account

### 15. Sales proceeds

Sales proceeds essentially comprise income from advertising sales. Sales proceeds by business segment are made up as follows:

'000 €	2005	2004
Technologies	0	0
Media	9,744	6,947
Corporate Services	0	0
<b>Total</b>	<b>9,744</b>	<b>6,947</b>

Sales proceeds include income from the exchange of advertising services in the amount of '000 € 171.

### 16. Personnel expenses

The following personnel expenses have been included in the consolidated profit and loss accounts for the financial years 2005 and 2004:

'000 €	2005	2004
Wages and salaries	2,887	2,374
Social security	412	319
<b>Total</b>	<b>3,299</b>	<b>2,693</b>

Wages and salaries also include expenses arising from the OnVista stock option plan in the amount of '000 € 68 (prev. year: '000 € 97).

### 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 OnVista web sites and the performance marketing systems in the amount of '000 € 1,251 (prev. year: '000 € 751).

### 18. Advertising costs

In the period under review, the group charged to expenditure advertising costs in the amount of '000 € 295 (prev. year: '000 € 125).

### 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%.

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

'000 €	31.12.2005	31.12.2004
Deferred tax assets:		
Spin-off gains less fiscal goodwill amortisation	1,956	1,815
Intangible assets	0	0
Loss carryforwards	0	432
	<b>1,956</b>	<b>2,247</b>
Deferred tax liabilities:		
Web site development costs	-187	-222
Financial assets	0	-77
Unrealised price gains on securities	-7	-37
Others	-27	-32
	<b>-221</b>	<b>-368</b>
<b>Deferred taxes on the asset / liabilities side, net</b>	<b>1,735</b>	<b>1,879</b>
Of which:		
with a residual maturity of < 1 year	96	479
with a residual maturity of > 1 year	1,639	1,399

In the consolidated balance sheet, deferred taxes on the asset/liabilities side are shown as a net position.

As at 31 December 2005, existing accumulated tax loss carryforwards at OnVista AG in the amount of '000 € 1,413 and the accumulated trade tax loss carryforwards in the amount of '000 € 1,363 were fully set off against income from the financial year, so that no deferred taxes have been accrued under this balance sheet item.

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.

# Consolidated Financial Statements 2005 under IFRS

## Notes

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 2005 has been multiplied by the pre-tax income.

'000 €	2005	2004
Expected tax expenditure/income (-)	641	366
Expenses from stock option plan	27	38
Non-deductible operating expenses	80	37
Disposal of financial assets	1,378	0
Result from at equity investments	-207	2
Other	179	52
<b>Tax expenditure / income (-) reported</b>	<b>2,098</b>	<b>495</b>

The deferred tax expenditure / tax income for the financial years 2005 and 2004 is made up as follows:

'000 €	2005	2004
Change in deferred tax assets and liabilities	143	399
Tax effects without any impact on profit / loss		
Disposal of treasury stock set off directly against capital reserves	-16	-1
Unrealised gains on marketable securities (available-for-sale securities)	7	130
<b>Change in deferred tax assets and liabilities effecting net income</b>	<b>134</b>	<b>528</b>
Change in deferred tax assets and liabilities resulting from the acquisition of consolidated subsidiaries	9	-33
<b>Deferred tax expenditure / income (-)</b>	<b>143</b>	<b>495</b>

The tax expenditure includes current taxes in the amount of '000 € 1,909 (prev. year: '000 € 0). As at the reporting date, tax liabilities amount to '000 € 1,638 (prev. year: '000 € 203).

## 20. Depreciation, amortisation and write-downs

Depreciation, amortisation and write-downs on tangible fixed assets and intangible fixed assets are allocated to different expenditure items in the consolidated profit and loss account:

'000 €	Depreciation on acquired assets	Amortisation of internally created assets	Total	Of which special write-downs
Cost of production	63	0	63	0
Marketing and selling expenses	29	0	29	0
General administration expenses	107	0	107	0
Research and development expenses	52	277	329	45
<b>Total</b>	<b>251</b>	<b>277</b>	<b>528</b>	<b>45</b>

### D. Other notes

#### 21. Segment reporting

The OnVista Group renders services in three segments – Media, Technologies and Corporate Services (other business 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.

Sales are generated only in the Media segment, through online advertising on the group's own web sites, licensing of medical content for third party internet services and through variable billing models in the performance marketing area. In the Technologies segment, only the operating results of the at equity investment in IS.Teledata AG are presented. The investment in IS.Teledata AG was sold at the end of 2005, so that the operating results of the at equity investment as well as the loss arising from the sale of the investment are shown in the segment result in 2005. In the future no results will be recorded in the Technologies segment.

In the financial year 2005, the sales, performance and financial situation in each segment is as follows:

'000 €	Media	Technologies	Corporate Services	Consolidation	Group
External revenues	9,744	0	0	0	9,744
Internal revenues	9	0	0	-9	0
<b>Segment revenues</b>	<b>9,753</b>	<b>0</b>	<b>0</b>	<b>-9</b>	<b>9,744</b>
Other operating income	256	0	594	-342	508
Operating expenses	-8,070	0	-1,172	352	-8,891
Amortisation of intangible assets and depreciation of tangible assets	-483	0	-46	0	-529
- of which special write-downs	-45	0	0	0	-45
<b>Operating income / loss (-)</b>	<b>1,456</b>	<b>0</b>	<b>-624</b>	<b>0</b>	<b>832</b>
Financial result	113	-32	693	0	775
- of which from at equity investment	0	-32	0	0	-32
<b>Segment income / loss (-)</b>	<b>1,569</b>	<b>-32</b>	<b>69</b>	<b>0</b>	<b>1,607</b>
Segment assets	5,642	0	48,163	-5,529	48,276
Segment liabilities	2,242	0	4,230	-2,177	4,295
Deferred taxes	0	0	1,735	0	1,735
Investments in fixed assets and intangible assets	1,071	0	0	0	1,071

# Consolidated Financial Statements 2005 under IFRS

## Notes

The following summary shows the comparable figures for the financial year 2004:

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

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

In the Media segment, 15% (prev. year: 16%) 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.

There are no secondary segments.

## 22. 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 2005, rental expenditure amounted to '000 € 206 (prev. year: '000 € 153). Leasing expenditure arising from lease agreements related to technical equipment amounted to '000 € 45 (prev. year: '000 € 40) an.

As at 31 December 2005, minimum rental and leasing payments for subsequent years 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 €	Minimum rental and leasing payments	Other payment commitments	Total
2006	276	600	876
2007	276	600	876
2008	276	600	876
2009	167	600	767
2010	0	600	600
Subsequent years	0	0	0
<b>Total</b>	<b>995</b>	<b>3,000</b>	<b>3,995</b>

### 23. Related party transactions

The former 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 family. In the financial year 2005, this resulted in expenditure for the OnVista Group in the amount of '000 € 1,053 (prev. year: '000 € 1,036). In addition, IS.Teledata AG provided back office support to OnVista AG and OnVista Media GmbH. The resulting expenditure in the financial year 2005 amounted to '000 € 73 (prev. year: '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 was fully repaid in the financial year 2005. In the financial year 2005, the related interest incurred amounted to '000 € 29 (prev. year: '000 € 78).

### 24. 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**

Until the performance of the sale of the shares in IS.Teledata AG, Michael W. Schwetje was a member of the company's Supervisory Board.

Friedrich Oidtmann does not hold any Supervisory Board mandates..

In the financial year 2005, total remuneration for the Executive Board amounted to '000 € 168 (prev. year: '000 € 168). A performance related payment for the Executive Board resulted in expenditure totalling '000 € 100 (prev. year: '000 € 95).

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

As in the previous year, the Executive Board was not granted any stock options for OnVista shares in 2005.

The number of OnVista shares held by Members of the Executive Board on 31 December 2005 is as follows:

	Friedrich Oidtmann	Michael W. Schwetje
OnVista shares	414,100	1,685,080
Stock options	7,500	7,500

# Consolidated Financial Statements 2005 under IFRS

## Notes

The Supervisory Board is made up as follows:

- **Dr. Paul-Bernhard Kallen**, Managing Director of various companies within the Burda Group, Chairman,
- **Dr. Johannes Meier**, Member of the Board of the Bertelsmann-Stiftung (Bertelsmann Foundation), Deputy Chairman,
- **Prof. Dr. Bernhard Schwetzler**, University Professor at Handelshochschule Leipzig (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 € 35 (prev. year: '000 € 20).

The number of OnVista shares held by Members of the Supervisory Board on 31 December 2005 is as follows:

	Dr. Paul-Bernhard Kallen	Dr. Johannes Meier	Prof. Dr. Bernhard Schwetzler
OnVista shares	20,000	3,000	1,085

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

### 25. Employees

As an annual average during the financial year 2005, the number of employees (including members of the Board) totalled:

	2005	2004
Permanent employees (full-time equivalents)	53	48

### 26. Earnings per share

Basic earnings per share and diluted earnings per share for the financial year 2005 are calculated as follows:

	2005	2004
Group income / loss (-) ('000 €)	-492	422
Weighted average of shares issued – basic ('000)	6,646	6,683
Weighted average of shares issued – basic ('000)	6,646	6,698
Basic earnings per share (€)	-0.07	0.06
Diluted earnings per share (€)	-0.07	0.06

Because of the negative group result in 2005, no dilution effect has been stated for the earnings per share, since inclusion of the stock options of the OnVista stock option plans in accordance with IAS 33 'Earnings per share' would have had an anti-dilutive effect on the earnings per share. In the previous financial year, the dilution effect was calculated under the treasury stock method in accordance with IAS 33 'Earnings per share'. Under this regulation, 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 2005 compared to the previous year:

	31.12.2005	31.12.2004
Number of in-the-money stock options	174,815	157,250
Average offer price of options (€)	6.31	5.76
Total value of in-the-money options (€)	1,103,045	905,635
Repurchase price (as closing price of OnVista shares on the last day of trading) (€)	8.05	6.35
Dilution effect (number of shares)	0	14,630

In accordance with the 'OnVista Stock Option Plan 2001', 23,753 options may be exercised as at 31 December 2005.

### 27. Major customers

As in the previous year, the Company did not have any customers generating more than 10% of net sales in the financial year 2005.

### 28. Subsequent events

No relevant subsequent events are to be reported.

### 29. Auditor's fee

In accordance with the decision of the annual general meeting on 14 June 2005, PricewaterhouseCoopers Aktiengesellschaft were appointed to audit the annual accounts 2005 of OnVista AG and the OnVista Group. In the consolidated financial statements 2005, '000 € 42 have been taken allowed in fees for the audit of the parent company and subsidiaries as well as the OnVista Group.

Fees for other audit and valuation services in 2005 totalled € 1,650.

### 30. Statement on the corporate governance code in accordance with § 161 AktG (German Stock Corporation Act)

OnVista AG has submitted the declaration required for 2005 under § 161 AktG (German Stock Corporation Act) and has made the details available to all shareholders.

Cologne, 1 March 2006  
The Executive Board

# Consolidated Financial Statements 2005 under IFRS

## Auditor's Opinion

We have audited the consolidated financial statements prepared by OnVista AG, Cologne – made up of the balance sheet, the statement of income, the statement of changes in shareholders' equity, the cash flow statement and the notes to the financial statements – as well as the group management report for the financial year from 1 January to 31 December 2005. The preparation of the consolidated financial statements and the group management report under IFRS, as applicable in the EU, and the regulations under commercial law which must be applied in addition under § 315a para. 1 HGB (German Commercial Code), are the responsibility of the Company's Executive Board. It is our responsibility to provide an assessment on the consolidated financial statements and the group management report on the basis of our audit.

We conducted our audit of the consolidated financial statements under § 317 HGB (German Commercial Code) and in observance of the principles of generally accepted audit procedures in Germany laid down by IDW (institute of German auditors). According to these principles, the audit must be planned and carried out so that any misstatements and infringements which have a material impact on the presentation of the net assets, financial and earnings position depicted by the consolidated financial statements in observance of the accounting rules to be applied and by the group management report, can be identified with reasonable certainty. On determining the audit procedures, the information on the business activities, the group's economic and legal environment, as well as the expectation of possible errors are taken into account. Within the scope of the audit, the effectiveness of the accounting related internal control system as well as substantiation of the statements made in the consolidated financial statements and the group management report are mainly assessed on the basis of random sampling. The audit includes the assessment of the annual accounts of companies included in the consolidated financial statements, the definition of the scope of consolidation, the accounting and consolidation principles applied and the material estimates of the Executive Board as well as the evaluation of the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a well-grounded basis for our assessment.

No objections have been raised on account of our audit.

It is our view that based on the findings from our audit, the consolidated financial statements comply with IFRS, as applicable in the EU, and with the regulations under commercial law which must be applied in addition under § 315a para. 1 HGB (German Commercial Code) and, in observance of these regulations, provide an accurate view of the group's net assets, financial and earnings position. The group management report is consistent with the consolidated financial statements, and overall conveys an accurate picture of the group's position, while also accurately presenting the opportunities and risks relating to future developments.

Cologne, 16 March 2006

PricewaterhouseCoopers  
Aktiengesellschaft  
Wirtschaftsprüfungsgesellschaft



(Kosak)  
Certified Public Accountant



(Pollmann)  
Certified Public Accountant

## Corporate Governance recommendations largely observed

In 2005, the subject of 'corporate governance' was again discussed extensively in public. Discussions were mainly restricted to one of the 82 recommendations of the 'German Corporate Governance Code' (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. In some of the points the wording of the Code was changed on 2 June 2005. For example, in contrast to the version of 2003, the independence of the Supervisory Board was reinforced. In addition, components of the AnSVG (the law regarding the improvement of investor protection) was embodied in the Code, e.g. 'Ad hoc publicity' and 'Directors' Dealings'.

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 2005. The full statement can be viewed on our web site [www.onvista-group.de](http://www.onvista-group.de), under the heading 'Investor Relations'.

OnVista adheres to all recommendations set down in the Code (version of 2 June 2005), with the exception of the following points:

- The company renewed its D&O insurance in 2004. The new insurance policy, which was taken out with a different provider, contains substantially less expensive terms than the previous policy. However, no excess was 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. For the financial year 2005, total compensation is therefore declared, broken down into fixed and variable components. (4.2.4.)
  - 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 € 35,000. 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. Consequently, total compensation paid has been declared for the financial year 2005. (5.4.7.)

As at 31 December 2005, the value of stock options granted to members of the Executive Board at OnVista AG amounted to € 41,127.

### 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 variable component accounts for almost 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.).

## Executive bodies

### Executive Board

**Fritz Oidtmann**  
Spokesman for the Board

**Michael W. Schwetje**  
Member of the Executive Board (Media and Finance)

### Supervisory Board

**Dr. Paul-Bernhard Kallen (Chairman)**  
Managing Director at various companies within the Burda Group

**Dr. Johannes Meier**  
Member of the Executive Committee at Bertelsmann-Stiftung (Bertelsmann Foundation)

**Prof. Dr. Bernhard Schwetzler**  
University Professor at Handelshochschule Leipzig (Commercial College Leipzig)

## Financial calendar 2006

Annual accounts press conference and analyst briefing	5 April 2006
Three months report 2006	15 May 2006
Annual general meeting 2006	27 June 2006
Six months report 2006	14 August 2006
Nine months report 2006	14 November 2006

## Core stock market data

SIN / ISIN	546 160/DE0005461602
Symbol	ONV
Reuters instrument code	ONVG.DE
Type of security	No-par ordinary bearer shares
Prime branche	Software
Industry group	Internet
Listing segment	Prime Standard / 'Geregelter Markt'
Designated sponsor	HSBC Trinkaus & Burkhardt KGaA
Index memberships	CDAX, GEX, Prime All Share, Technology All Share

## Order service financial publications

On request, we would be pleased to send you a copy of the individual annual accounts 2005 for OnVista AG under HGB – German Commercial Code (available in German language only).

## Corporate information

**Web:**

[www.onvista-group.de](http://www.onvista-group.de)

**Contact:**

Anja Seipp, Head of Corporate Communications

Tel.: +49 (0) 22 03/91 46-306

Fax: +49 (0) 22 03/180 640

eMail: [ir@onvista-group.de](mailto:ir@onvista-group.de)

## Imprint

**Published by:**

**OnVista AG**

Sophienstr. 3

51149 Cologne, Germany

Tel.: +49 (0) 22 03/91 46-0

Fax: +49 (0) 22 03/180 640

eMail: [ir@onvista-group.de](mailto:ir@onvista-group.de)

Web: [www.onvista-group.de](http://www.onvista-group.de)

**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

This edition of our annual report is prepared for the convenience of our English-speaking shareholders. It is a translation of the German original. In case of any discrepancies the German edition is binding.

Press date: 16 March 2006

OnVista is a trademark of OnVista Media GmbH.

**OnVista AG**

Sophienstr. 3  
51149 Cologne, Germany

Tel.: +49 (0) 22 03/91 46-0

Fax: +49 (0) 22 03/180 640

eMail: [ir@onvista-group.de](mailto:ir@onvista-group.de)

Web: [www.onvista-group.de](http://www.onvista-group.de)